



Pacific Century Financial Corporation To Sell Arizona Branch Franchise to Zions Bancorporation

December 27, 2000

HONOLULU--(BUSINESS WIRE)--Dec. 27, 2000--Pacific Century Financial Corporation (PCFC) announced today that its subsidiary, Pacific Century Bank, N.A. (PCB), has signed a definitive agreement with Zions Bancorporation (Nasdaq:ZION), whereby Zions will acquire PCB's Arizona branch network. The nine branches will merge into Zions' subsidiary, National Bank of Arizona, the fourth largest bank in Arizona.

The branches are located in Phoenix, Scottsdale, Tucson, Green Valley, Mesa, Prescott and Yuma. As of September 30, 2000, PCB in Arizona, which employs 75 people, had approximately \$225 million in loans and \$400 million in deposits.

As a result of this transaction PCFC expects to record a pre-tax gain of between \$20 million and \$23 million net of expenses associated with the transaction.

Subject to regulatory approval, the transaction is expected to close in the second quarter of 2001. Prior to close, customers will be given information introducing them to National Bank of Arizona. In the interim, PCB banking services will continue to be provided by each branch.

Richard Dahl, president and chief operating officer for Pacific Century Financial Corporation, said, "We believe Zions and the National Bank of Arizona are ideally suited for this acquisition. They have a solid presence in the state and specialize in serving small and mid-sized businesses. We're confident that our customers will be well served in the future and will benefit from National Bank of Arizona's strong network throughout the state, and its diverse products and services."

"I am thrilled to have the opportunity to strengthen and expand our franchise in Arizona," said John Gisi, president and chief executive officer of National Bank of Arizona. "Pacific Century's focus, in terms of customers, is very similar to ours. We are excited about our similarities in emphasizing strong relationships with businesses and professionals."

"We are a locally managed, large community bank that was founded on a commitment to provide the highest level of service," added Gisi. "In today's competitive banking environment, it is more important than ever that we remain true to that commitment."

The sale of the Arizona branches supports PCB's strategy to focus on developing its franchise in the small and middle market business in Southern California.

Pacific Century Bank entered the Arizona market in 1987 with the acquisition of five First National Bank of Arizona branches. In 1997, four branches of Home Savings of America were added to the network.

Pacific Century Financial Corporation is a \$13.9 billion regional financial services company with locations throughout the Pacific region. Headquartered in Honolulu, Hawaii, Pacific Century and its subsidiaries provide varied financial services to businesses, governments and consumers in four principal markets: Hawaii and West Pacific, 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. Pacific Century Financial Corporation (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, the inability to obtain or delay in obtaining any required regulatory approval for the transaction described in the press release, the inability to fully satisfy or a delay in satisfying the conditions to the closing of that transaction contained in the definitive agreement, any unanticipated significant change in the level or quality of assets and/or liabilities of the branches included in the transaction between now and the closing date, the failure of a party to perform or obtain a condition precedent to closing of the transaction, or the initiation by third parties of litigation or other legal action affecting the transaction. 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.

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