



Bank of Hawaii Announces Intention to Sell Operations in Majuro and Federated States of Micronesia

February 8, 2002

HONOLULU, Feb 7, 2002 (BUSINESS WIRE) -- Bank of Hawaii, the principal subsidiary of Pacific Century Financial Corporation (PCFC), today announced its intention to divest its operations (consisting of four branches) in the Republic of the Marshall Islands (RMI) and the Federated States of Micronesia (FSM). Bank of Hawaii will seek to identify parties interested in acquiring its Majuro branch, in the RMI, and its three branches in Pohnpei, Yap and Kosrae by the end of the first quarter 2002. It plans to close the transaction by June 30, 2002. The bank will retain its other West Pacific operations in Guam, the Commonwealth of the Northern Mariana Islands (Saipan) and the Republic of Palau.

The decision to pursue divesting its RMI and FSM operations is part of the company's previously announced strategic plan designed to maximize shareholder value by strengthening its core operations and divesting non-strategic holdings. The profitability of the branches in these regions was under review as part of last year's strategic assessment. The desire was to try to improve performance to acceptable levels relative to net income after capital charges. Initiatives were implemented to enhance revenues and gain operational efficiencies. However, further evaluation indicated anticipated returns would not be sufficient when compared to the remaining West Pacific locations.

"It was a difficult decision because of Bank of Hawaii's long ties to the region," said Michael E. O'Neill, chairman and CEO of Pacific Century Financial Corporation. "However, our business strategy must remain focused on emphasizing those markets that create the most value for our shareholders and have the strongest growth potential."

RMI and FSM have combined deposits of approximately \$72.5 million and loans of approximately \$16 million as of December 31, 2001. The bank employs 49 staff members in these markets. It is anticipated that many of these employees could continue employment under new owners.

Pacific Century Trust, a division of Bank of Hawaii which offers trust and investment services, will continue to serve clients in these markets after the divestiture.

Bank of Hawaii is the principal subsidiary of Pacific Century Financial Corporation (NYSE:BOH), a regional financial services company headquartered in Honolulu, Hawaii, with total assets of approximately \$10.6 billion as of December 31, 2001. Bank of Hawaii has three branches in Guam. In addition, First Savings and Loan Association of America, an affiliate of Bank of Hawaii, has three branches and three in-store branches in Guam. Bank of Hawaii operates two branches in the Commonwealth of the Northern Mariana Islands (Saipan) and one branch in the Republic of Palau.

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