



Pacific Century Financial Corporation 2001 Financial Results

January 28, 2002

HONOLULU, Jan 28, 2002 (BUSINESS WIRE) -- Pacific Century Financial Corporation (NYSE:BOH)

- 2001 Net Income \$117.8 Million, Up 4% From 2000
- Company Completes Divestiture Phase of Strategic Plan
- Regulators Remove Memorandum of Understanding
- \$300 Million Additional Share Repurchase Program Announced
- Board of Directors Declares Dividend of \$0.18 Per Share

Pacific Century Financial Corporation (NYSE:BOH) today reported diluted earnings per share for 2001 of \$1.46, compared to \$1.42 in 2000. Net income for the year was \$117.8 million, up \$4.1 million from \$113.7 million reported in the previous year. The return on average assets in 2001 was 0.93 percent, up 14.8 percent compared to 0.81 percent in 2000. The return on average equity was 8.76 percent, down from 9.21 percent in 2000.

Pacific Century Financial Corporation also announced today that the Company has satisfied its obligations under the Memorandum of Understanding imposed by its regulators during the third quarter of 2000 and it has been removed. Additionally, the Company announced its authorization from its Board of Directors to repurchase an additional \$300 million of its common stock.

"I am pleased that we were able to successfully complete the sale of our non-strategic assets," said Michael E. O'Neill, Chairman and CEO. "The divestiture and risk reduction program was the cornerstone of our strategic plan initiatives for the past year. Successfully accomplishing those objectives allows us to now focus exclusively on our key markets of Hawaii, the West Pacific and American Samoa. Also gratifying and significant was the lifting of the Memorandum of Understanding by our regulators."

Net income for the fourth quarter of 2001 was \$26.3 million or \$0.34 per diluted share, down from net income of \$32.6 million, or \$0.41 per diluted share for the same period last year. The Company's restructuring program had considerable impact on the quarterly operating results in 2001 and reduced the relevance of comparisons with prior periods.

Included in earnings for the fourth quarter of 2001 were several items relating to implementation of the Company's previously announced strategic plan that increased net income by \$6.4 million, or \$0.08 per diluted share. Significant items during the quarter included net gains of \$32.2 million from the sale of the Company's Papua New Guinea, Fiji and Vanuatu branch franchise to Australia-based ANZ and the sale of its French Polynesia and New Caledonia operations to France-based Caisse Nationale des Caisses d'Epargne. These gains were offset by losses in venture investments of \$3.4 million. Adjustments and other expenses related to restructuring and non-core activities of \$18.5 million partially offset the gains and were primarily due to severance and professional services costs and asset write-downs. Adjusted for these items and their related tax impact, core diluted earnings per share for the fourth quarter were \$0.26 and core net income was \$19.9 million.

Financial Highlights

The net interest income for the fourth quarter of 2001 on a fully taxable equivalent basis was \$106.2 million, down \$25.9 million from \$132.1 million in the same quarter last year. The decrease was primarily due to reduced business activity as a result of the divestitures, the wind down of the Asia business and the ongoing managed reduction of loans to improve the Company's credit profile.

The Company's net interest margin of 3.93 percent for the fourth quarter was down from 4.08 percent in the comparable quarter last year. The decrease was primarily due to loan reductions and asset sales, including the credit card portfolio, and lower returns earned on the increased liquidity of the Company.

The provision for loan and lease losses was \$14.5 million for the fourth quarter 2001, down from \$25.8 million in the same quarter last year. The provision equaled net charge-offs. Included in loan losses was approximately \$10 million recognized in connection with loan sales.

Non-interest income was \$80.2 million for the fourth quarter, including \$28.7 million in non-core items. Adjusted for these items, core non-interest income decreased \$19.1 million from the fourth quarter of 2000. This decrease was largely due to the intentional downsizing of certain businesses, sales of the Company's credit card portfolio, Pacific Century Bank branch franchise and South Pacific entities, and mortgage banking losses of \$8.5 million recorded during fourth quarter 2001. The mortgage banking losses resulted from unhedged exposure to increases in interest rates.

Non-interest expense for the fourth quarter of 2001 was \$141.5 million. Excluding a total of \$18.5 million of restructuring and other related costs, core non-interest expense was essentially flat with non-interest expense of \$122.9 million in the fourth quarter last year. In the fourth quarter of 2001, all categories of expense include adjustments and accruals to fully reflect expenses incurred as of year-end.

The 2001 core efficiency ratio of 69.9 percent excluding intangible amortization, was negatively impacted by the divesting businesses, where revenue declined more quickly than the related expenses and the fourth quarter loss in mortgage banking. The Company anticipates that the efficiency ratio will be approximately 62 percent in 2002.

The unusually low effective tax rate for the fourth quarter of 2001 reflects the impact of foreign tax and other credits recognized in the fourth quarter as well as adjustments in the effective tax rate for the year.

Net income from the continuing businesses was \$20 million, or \$0.26 per diluted share, down \$9 million from the previous quarter. The decrease in revenue was due to the mortgage loss which more than offset increases in the other revenue categories. The provision for loan losses increased by approximately \$10 million primarily due to net charge-offs taken in connection with the sale of loans. Non-interest expenses increased due to accruals for relocation and other costs of new employees, software licenses and maintenance, legal and professional fees, advertising and performance incentives in certain businesses. Excluding the effects of restructuring, net income for the divested businesses was negligible during the fourth quarter.

Asset Quality

Asset quality improved during the fourth quarter 2001. Non-performing assets, exclusive of loans past due 90+ days, decreased for the fifth consecutive quarter to \$79.7 million. Compared to the previous quarter, non-performing assets declined \$26.7 million or 25.1 percent and were down \$103.3 million or 56.4 percent from last year. At December 31, 2001, the ratio of non-performing assets to total loans plus foreclosed assets was 1.41 percent compared to 1.56 percent at September 30, 2001 and 1.98 percent at December 31, 2000.

Non-accrual loans of \$60.8 million at the end of the fourth quarter were down from \$61.8 million in the third quarter and down \$117.7 million or 65.9 percent from the same quarter last year. Non-accrual loans as a percentage of total loans were 1.08 percent, up from 0.91 percent in the previous quarter due to lower loan levels and down significantly from 1.93 percent in the same period last year.

Foreclosed assets were \$17.2 million at the end of the fourth quarter, down \$20.0 million or 53.8 percent from the prior quarter and up from \$4.5 million in the fourth quarter last year. The significant improvement from the third quarter resulted from the sale of two commercial properties in Hawaii.

Net charge-offs for the fourth quarter of 2001 were \$14.5 million or 0.87 percent of total average loans (annualized). Charge-offs of \$25.9 million were offset by recoveries of \$11.4 million. The allowance for loan and lease losses at December 31, 2001 was \$159.0 million, down \$23.5 million from the prior quarter and down significantly from \$246.2 million at December 31, 2000. The decrease from the prior quarter is due to the release of \$23.7 million reserves resulting from the sale of the South Pacific entities, of which \$17.2 million is reflected in the gain on sale.

The allowance for loan and lease losses to non-accrual loans was 262 percent, down slightly from the previous quarter and up from 138 percent last year. The allowance for loan and lease losses to total loans was 2.81 percent at the end of the fourth quarter 2001, up from 2.70 percent at the end of the third quarter 2001 and 2.67 percent at the end of the same quarter last year.

The Company's total exposure to the air transportation industry at December 31, 2001 was \$158 million, consisting of \$136 million in equity interests in leveraged leases and \$22 million in lending exposure of which \$5 million was undrawn. The leases are comprised of \$90 million in 14 aircraft leased to major United States and international passenger carriers, \$31 million on 13 aircraft leased to regional carriers and \$15 million on one aircraft leased to a major air cargo carrier.

At December 31, 2001 outstanding loans to national hotel and management companies totaled \$65 million with undrawn commitments of \$59 million. Exposure to hotel companies in Hawaii at December 31, 2001 included loans outstanding of \$112 million and undrawn commitments of \$19 million. In the West Pacific, loans outstanding to hotel owners totaled \$59 million at December 31, 2001.

All of the Company's air transportation and hotel leases and loans remain current.

As a result of the Company's closure of its Asia businesses, it has no loans outstanding in Asia. Loans outstanding to Asian borrowers operating in Hawaii, Guam and the West Pacific were \$103 million at the end of the year. The remaining Asia exposure represents placements of \$167 million at December 31, 2001 in AA rated banks.

Syndicated loans outstanding decreased \$103 million to \$482 million during the fourth quarter. Syndicated exposure consisting of loans and undrawn commitments declined \$124 million to \$1.6 billion at December 31, 2001.

Other Financial Highlights

On November 27, 2001, the Company closed the sale of its operations in Papua New Guinea and Vanuatu to ANZ. The Company completed the sale of its approximately 95 percent share interest in its French Polynesia and New Caledonia operations to Caisse Nationale des Caisses d'Epargne on December 28, 2001. The sale of its Fiji operation to ANZ was completed on December 31, 2001.

Total assets were \$10.6 billion at the end of December 31, 2001, down from \$11.9 billion at September 30, 2001 and down from \$14.0 billion at the end of December 31, 2000. The most significant reduction was in commercial loans, including foreign loans and commercial real estate loans resulting from the divestitures.

Deposits at the end of the year were \$6.7 billion. Compared with the previous year, deposits declined primarily due to sales of the Pacific Century Bank branch franchise and South Pacific operations, as well as a managed decline in foreign deposits resulting from the Company's decision to exit certain foreign locations. During the fourth quarter, domestic deposits in the continuing businesses continued to reflect positive trends as demand and savings deposit balances increased replacing higher cost funds.

As part of its efforts to effectively manage capital, the Company announced a program during the third quarter of 2001 to repurchase \$70 million common shares, which was completed in October 2001. An additional program to repurchase \$200 million of common stock was announced on October 22, 2001. At December 31, 2001 the Company had repurchased for \$195.7 million a total of 8.3 million shares under both programs at an average cost of \$23.57. The Company is currently initiating an additional \$300 million repurchase program. Remaining buyback authority is now \$374.3 million in common stock under the existing repurchase programs.

The Company's capital and liquidity remains exceptionally strong. At December 31, 2001 Tier 1 leverage was 11.2 percent compared to 9.1 percent at December 31, 2000.

The Company's Board of Directors declared a quarterly cash dividend of \$0.18 per share on the Company's outstanding shares. The dividend will be

payable on March 14, 2002 to shareholders of record at the close of business on February 26, 2002.

Economic Outlook

The Hawaii economy continues to show improvement from the initial decline in tourism following the September 11 attacks. The economic recovery is currently on track for a gradual return to normal visitor levels by mid-2002. Hawaii's overall economic growth rate is anticipated to return to a normal 3 percent after inflation as tourism recovers. Hawaii's unemployment rate increased from 4.5 percent to 5.5 percent subsequent to September, where it has stabilized and is forecast to shift downward. Inflation is expected to remain substantially below national norms during 2002.

Earnings Outlook

The Company reaffirmed its earnings guidance for the full year 2002 at \$120 million in net income for its continuing businesses. The Company also reaffirmed its previous guidance of \$130 million in net income for the full year 2003. Earnings per share and return on equity projections are dependent upon the terms and timing of share repurchases.

"We successfully completed the strategic goals we established for 2001 and continue to be optimistic in our outlook about Hawaii," said Michael E. O'Neill. "Completion of these initiatives positions us well to take advantage of opportunities that arise as the economy recovers. We remain confident in our ability to meet our previously stated financial forecasts."

The Company will review its 2001 earnings today at 1:00 p.m. ET. The presentation will be accessible via teleconference and via the investor relations link of Pacific Century Financial Corporation's web site, www.boh.com. The conference call number is (800) 553-0349 in the U.S. or (612) 332-0718 for international callers. A replay will be available for one week beginning at 6:00 p.m. ET on Monday, January 28, 2002 by calling (800) 475-6701 (U.S.) or (320) 365-3844 (International) and entering the number 623444 when prompted. A replay of the presentation will be also available on the Company's web site.

This news release contains forward-looking statements concerning anticipated revenues and expenses in 2002 and 2003. We believe the assumptions underlying our forward-looking statements are reasonable. However, any of the assumptions could prove to be inaccurate and actual results may differ materially from those projected for a variety of reasons including, but not limited to: the Hawaii economy may not recover at the pace we anticipate; our refocused emphasis on our Hawaii market may not achieve the customer and revenue gains we anticipate; our credit markets may deteriorate and our credit quality may fall short of our goals; we may not achieve the expense reductions we expect; we may not be able to maintain our net interest margin; we may not be able to implement our proposed equity repurchases in the amount or at the times planned; customer acceptance of our business as restructured may be less than expected; there may be economic volatility in the markets we serve; and there may be changes in business and economic conditions, competition, fiscal and monetary policies or legislation. Except where specified, we do not undertake any obligation to update any forward-looking statements to reflect later events or circumstances.

Pacific Century Financial Corporation is a regional financial services company serving businesses, consumers and governments in Hawaii, American Samoa and the West Pacific. Pacific Century's principal subsidiary, Bank of Hawaii, was founded in 1897 and is the dominant commercial bank in the state of Hawaii.

Pacific Century Financial Corporation and subsidiaries

Highlights (Unaudited)

Table 1

(dollars in thousands except per share amounts)

	Three Months Ended		Year Ended	
	Dec. 31, 2001	Dec. 31, 2000	Dec. 31, 2001	Dec. 31, 2000
Earnings Highlights and Performance Ratios				
Net Income	\$ 26,320	\$ 32,586	\$117,795	\$113,661
Basic Earnings				
Per Share	0.35	0.41	1.49	1.43
Diluted Earnings				
Per Share	0.34	0.41	1.46	1.42
Cash Dividends	13,152	14,324	56,567	56,471
Return on Average				
Assets	0.90%	0.94%	0.93%	0.81%
Return on Average				
Equity	8.14%	10.24%	8.76%	9.21%
Net Interest Margin	3.93%	4.08%	3.91%	4.08%
Core Efficiency				
Ratio(a)	78.13%	60.68%	69.92%	61.28%

Cash Basis

Financial Data

Net Income	\$ 28,767	\$ 36,270	\$131,137	\$128,926
Basic Earnings per Share	0.38	0.46	1.66	1.62
Diluted Earnings per Share	0.37	0.45	1.63	1.62
Return on Average Assets	0.99%	1.06%	1.05%	0.93%
Return on Average Equity	9.50%	13.44%	11.00%	12.45%
Core Efficiency Ratio(a)(b)	76.58%	58.86%	68.02%	59.38%

(a) Excludes the effect of restructuring activities and non-core transactions.

(b) Excludes the effect of intangibles which include goodwill, core deposit and trust intangibles.

Statement of Condition Highlights and Performance Ratios	December 31, 2001	December 31, 2000
Total Assets	\$ 10,628,109	\$ 14,013,816
Net Loans	5,493,539	8,988,311
Total Deposits	6,673,908	9,080,581
Total Shareholders' Equity	1,247,012	1,301,356
Book Value Per Common Share	\$ 17.03	\$ 16.35
Allowance / Loans Outstanding	2.81%	2.67%
Average Equity / Average Assets	10.60%	8.78%
Employees (FTE)	3,175	4,166
Branches and offices	97	175
Market Price Per Share of Common Stock Quarter Ended		
Closing	\$ 25.89	\$ 17.69
High	\$ 26.40	\$ 18.75
Low	\$ 19.32	\$ 11.06

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

Table 2

(dollars in thousands except per share amounts)

	Three Months Ended December 31		Year Ended December 31	
	2001	2000	2001	2000
Interest Income				
Interest and Fees on Loan and Leases	\$ 123,716	\$ 202,481	\$ 619,447	\$ 795,028
Income on Investment Securities - Held to Maturity	6,422	11,110	33,521	48,013
Income on Investment Securities - Available for Sale	29,317	41,462	137,320	166,266

Deposits	7,858	4,018	27,596	15,685
Funds Sold and Security Resale Agreements	803	1,366	5,034	2,689
Other	1,396	1,221	5,344	4,742

Total Interest Income	169,512	261,658	828,262	1,032,423
Interest Expense				
Deposits	35,158	73,607	217,305	286,046
Security Repurchase Agreements	14,716	28,621	77,764	104,536
Funds Purchased	365	7,315	10,099	32,636
Short-Term Borrowings	1,549	3,174	9,562	19,002
Long-Term Debt	11,624	16,925	53,854	59,053

Total Interest Expense	63,412	129,642	368,584	501,273

Net Interest Income	106,100	132,016	459,678	531,150
Provision for Loan and Lease Losses	14,541	25,777	74,339	142,853

Net Interest Income After Provision for Loan and Lease Losses	91,559	106,239	385,339	388,297
Non-Interest Income				
Trust and Asset Management	14,883	16,999	59,924	66,077
Mortgage Banking	(58)	2,885	20,133	10,996
Service Charges on Deposit Accounts	9,045	10,251	38,467	40,062
Fees, Exchange, and Other Service Charges	17,223	24,636	78,787	99,519
Gain on Sale of Banking Operations and Venture Investments Loss	28,746	--	173,426	--
Gain on Settlement of Pension Obligation	--	--	--	11,900
Investment Securities Gains (Losses)	68	(581)	32,982	(1,101)
Other Operating Income	10,255	16,292	48,900	57,459

Total Non-Interest Income	80,162	70,482	452,619	284,912
Non-Interest Expense				
Salaries	46,601	45,106	191,473	184,413
Pensions and Other Employee Benefits	13,247	10,238	52,235	48,042
Net Occupancy Expense	10,897	11,917	46,344	48,798
Net Equipment Expense	14,445	13,129	53,395	50,620
Goodwill and Other Intangibles				
Amortization	2,447	3,684	13,342	15,265
Restructuring and Other Related Costs	18,464	--	104,794	--
Minority Interest	144	101	383	387
Other Operating Expense	35,294	38,701	136,033	145,279

Total Non-Interest Expense	141,539	122,876	597,999	492,804

Income Before Income Taxes	30,182	53,845	239,959	180,405
Provision for				

Income Taxes	3,862	21,259	122,164	66,744

Net Income	\$ 26,320	\$ 32,586	\$117,795	\$113,661
=====				
Basic Earnings				
Per Share	\$ 0.35	\$ 0.41	\$ 1.49	\$ 1.43
Diluted Earnings				
Per Share	\$ 0.34	\$ 0.41	\$ 1.46	\$ 1.42
Dividends Declared				
Per Share	\$ 0.18	\$ 0.18	\$ 0.72	\$ 0.71
Basic Weighted				
Average Shares	75,165,102	79,534,105	78,977,011	79,551,296
Diluted Weighted				
Average Shares	76,835,941	79,747,220	80,577,763	79,813,443
=====				

Pacific Century Financial Corporation and subsidiaries
Consolidated Statements of Condition (Unaudited) Table 3

(dollars in thousands)		
	December 31 2001	December 31 2000

Assets		
Interest-Bearing Deposits	\$ 1,101,974	\$ 189,301
Investment Securities		
- Held to Maturity		
(Market Value of \$407,838 and \$589,079, respectively)	396,216	583,587
Investment Securities		
- Available for Sale	2,001,420	2,509,359
Securities Purchased		
Under Agreements to Resell	--	3,969
Funds Sold	115,000	134,644
Loans Held for Sale	456,709	179,229
Loans	5,652,518	9,234,558
Allowance for Loan and Lease Losses	(158,979)	(246,247)

Net Loans	5,493,539	8,988,311

Total Earning Assets	9,564,858	12,588,400
Cash and Non-Interest		
Bearing Deposits	405,981	523,968
Premises and Equipment	196,171	254,621
Customers' Acceptance Liability	593	14,690
Accrued Interest Receivable	42,687	68,585
Foreclosed Assets	17,174	4,526
Mortgage Service Rights	27,291	16,195
Goodwill and Other Intangibles	36,216	176,070
Other Assets	337,138	366,761

Total Assets	\$10,628,109	\$14,013,816
=====		
Liabilities		
Domestic Deposits		
Demand - Non-Interest Bearing	\$ 1,548,322	\$ 1,707,724
- Interest Bearing	1,926,018	2,008,730
Savings	968,137	665,239
Time	1,927,778	2,836,083
Foreign Deposits		

Demand - Non-Interest Bearing	2	385,366
Time Due to Banks	230,247	535,126
Other Savings and Time	73,404	942,313

Total Deposits	6,673,908	9,080,581
Securities Sold Under		
Agreements to Repurchase	1,643,444	1,655,173
Funds Purchased	55,800	413,241
Short-Term Borrowings	134,222	211,481
Banker's Acceptances Outstanding	593	14,690
Retirement Expense Payable	36,175	37,931
Accrued Interest Payable	29,762	72,460
Taxes Payable	138,366	130,760
Minority Interest	--	4,536
Other Liabilities	98,422	94,450
Long-Term Debt	570,405	997,157

Total Liabilities	9,381,097	12,712,460
Shareholders' Equity		
Common Stock (\$.01 par value), authorized 500,000,000 shares; issued / outstanding:		
Dec. 2001 - 81,377,241 / 73,218,326;		
Dec. 2000 - 80,558,811 / 79,612,178	806	806
Capital Surplus	367,672	346,045
Accumulated Other		
Comprehensive Income	22,761	(25,079)
Retained Earnings	1,055,424	996,791
Deferred Stock Grants	(7,637)	--
Treasury Stock, at Cost (Shares: December 2001 - 8,136,134; December 2000 - 946,633)	(192,014)	(17,207)

Total Shareholders' Equity	1,247,012	1,301,356

Total Liabilities and Shareholders' Equity	\$10,628,109	\$14,013,816
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Pacific Century Financial Corporation and subsidiaries
Consolidated Statements of Shareholders' Equity (Unaudited) Table 4

(dollars in thousands)

	Total	Common Stock	Capital Surplus	Accumulated Other Compre- hensive Income

Balance at December 31, 2000	\$ 1,301,356	\$ 806	\$346,045	\$ (25,079)
Comprehensive Income				
Net Income	117,795	--	--	--
Other Comprehensive Income, Net of Tax				
Investment Securities	20,733	--	--	20,733
Foreign Currency Translation				

Adjustment	27,266	--	--	27,266
Pension Liability Adjustments	(159)	--	--	(159)
Total Comprehensive Income				
Common Stock Issued				
59,586 Profit Sharing Plan	1,402	--	261	--
916,817 Stock Option Plan	21,314	--	1,054	--
120,397 Dividend Reinvestment Plan	2,819	--	495	--
5,487 Directors' Restricted Shares and Deferred Compensation Plan	336	--	121	--
727,800 Employees' Restricted Shares	5,105	--	18,397	--
65,146 Hawaii Insurance Network	1,299	--	1,299	--
Treasury Stock Purchased (8,300,900 shares)	(195,687)			
Cash Dividends Paid	(56,567)	--	--	--

Balance at December 31, 2001	\$ 1,247,012	\$ 806	\$367,672	\$ 22,761
=====				

	Retained Earnings	Deferred Stock Grants	Treasury Stock	Comprehensive Income
Balance at December 31, 2000	\$ 996,791	\$ --	\$(17,207)	
Comprehensive Income				
Net Income	117,795		--	\$117,795
Other Comprehensive Income, Net of Tax				
Investment Securities	--	--	--	20,733
Foreign Currency Translation				
Adjustment	--	--	--	27,266
Pension Liability Adjustments	--	--	--	(159)
Total Comprehensive Income				\$165,635
				=====

Common Stock Issued				
59,586 Profit Sharing Plan	--	--	1,141	
916,817 Stock Option Plan	(2,591)	5,655	17,196	
120,397 Dividend Reinvestment Plan	(4)	--	2,328	
5,487 Directors' Restricted Shares and Deferred Compensation Plan	--	--	215	
727,800 Employees' Restricted Shares	--	(13,292)	--	
65,146 Hawaii				

Insurance Network	--	--	--
Treasury Stock Purchased (8,300,900 shares)			(195,687)
Cash Dividends Paid	(56,567)	--	--

Balance at			
December 31, 2001	\$1,055,424	\$(7,637)	\$(192,014)
=====			

	Total	Common Stock	Capital Surplus	Accumulated Other Compre- hensive Income

Balance at				
December 31, 1999	\$ 1,212,330	\$ 806	\$345,851	\$ (66,106)
Comprehensive Income				
Net Income	113,661	--	--	--
Other Comprehensive Income, Net of Tax				
Investment Securities, Net of Reclassification Adjustment	45,300	--	--	45,300
Foreign Currency Translation Adjustment	(4,273)	--	--	(4,273)
Total Comprehensive Income				

Common Stock Issued				
86,670 Profit Sharing Plan	1,470	--	18	--
228,438 Stock Option Plan	2,948	--	3	--
193,689 Dividend Reinvestment Plan	3,261	--	51	--
6,901 Directors' Restricted Shares and Deferred Compensation Plan	122	--	122	--
Treasury Stock Purchased (934,800 shares)	(16,992)	--	--	--
Cash Dividends Paid	(56,471)	--	--	--

Balance at				
December 31, 2000	\$ 1,301,356	\$ 806	\$346,045	\$ (25,079)
=====				

	Retained Earnings	Deferred Stock Grants	Treasury Stock	Compre- hensive Income

Balance at				
December 31, 1999	\$ 942,177	\$ --	\$(10,398)	
Comprehensive Income				
Net Income	113,661		--	\$113,661
Other Comprehensive Income, Net of Tax				
Investment Securities, Net of				

Reclassification Adjustment	--	--	45,300
Foreign Currency Translation Adjustment	--	--	(4,273)
Total Comprehensive Income			\$154,688

Common Stock Issued			
86,670 Profit Sharing Plan	(230)	1,682	
228,438 Stock Option Plan	(1,763)	4,708	
193,689 Dividend Reinvestment Plan	(583)	3,793	
6,901 Directors' Restricted Shares and Deferred Compensation Plan	--	--	
Treasury Stock Purchased (934,800 shares)	--	(16,992)	
Cash Dividends Paid	(56,471)	--	
Balance at December 31, 2000	\$ 996,791	\$ --	\$(17,207)

Pacific Century Financial Corporation and subsidiaries
Consolidated Average Balances and
Interest Rates Taxable Equivalent (Unaudited) Table 5

(dollars in millions)

	Three Months Ended December 31, 2001			Three Months Ended December 31, 2000(A)		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing						
Deposits	\$ 1,236.2	\$ 7.9	2.52%	\$ 215.7	\$ 4.0	7.41%
Funds Sold	150.5	0.8	2.09	66.8	1.4	8.14
Investment Portfolio						
- Held-To-Maturity	431.5	6.5	5.99	616.0	11.2	7.25
- Available for Sale	2,037.5	29.3	5.75	2,478.4	41.5	6.66
Loans Held For Sale						
Net Loans	304.9	5.1	6.63	153.1	3.0	7.80
- Domestic	5,752.6	104.0	7.20	7,955.3	177.0	8.85
- Foreign	777.0	14.6	7.48	1,319.9	22.5	6.78
Total Loans	6,529.6	118.6	7.23	9,275.2	199.5	8.56
Other	86.3	1.4	6.42	74.8	1.2	6.50
Total Earning Assets	10,776.5	169.6	6.27	12,880.0	261.8	8.09
Cash and Due						

From Banks	354.9			404.5		
Other Assets	480.7			503.3		
	-----			-----		
Total Assets	\$11,612.1			\$13,787.8		
	=====			=====		

Interest Bearing

Liabilities

Domestic

Deposits

- Demand	\$ 1,774.7	5.1	1.15	\$ 1,991.6	12.1	2.41
- Savings	958.3	4.6	1.89	667.5	3.4	2.03
- Time	2,048.2	19.7	3.81	2,815.6	42.3	5.98

Total

Domestic

Deposits	4,781.2	29.4	2.44	5,474.6	57.8	4.20
----------	---------	------	------	---------	------	------

Foreign

Deposits

- Time Due to Banks	365.5	2.1	2.26	557.9	8.7	6.23
- Other Time and Savings	445.9	3.7	3.31	768.9	7.1	3.65

Total Foreign

Deposits	811.4	5.8	2.84	1,326.8	15.8	4.73
----------	-------	-----	------	---------	------	------

Total

Interest

Bearing

Deposits	5,592.6	35.2	2.49	6,801.5	73.6	4.31
----------	---------	------	------	---------	------	------

Short-Term

Borrowings	1,942.4	16.6	3.40	2,437.1	39.2	6.38
------------	---------	------	------	---------	------	------

Long-Term Debt

	678.9	11.6	6.79	1,001.6	16.9	6.72
--	-------	------	------	---------	------	------

Total

Interest

Bearing

Liabilities	8,214.0	63.4	3.06	10,240.2	129.6	5.04
-------------	---------	------	------	----------	-------	------

Net Interest

Income	106.2			132.1		
--------	-------	--	--	-------	--	--

Interest Rate

Spread			3.20%			3.05%
--------	--	--	-------	--	--	-------

Net Interest

Margin			3.93%			4.08%
--------	--	--	-------	--	--	-------

Demand Deposits

- Domestic	1,397.8			1,610.8		
- Foreign	328.0			354.7		

Total Demand

Deposits	1,725.7			1,965.5		
----------	---------	--	--	---------	--	--

Other

Liabilities	390.3			315.6		
-------------	-------	--	--	-------	--	--

Shareholders'

Equity	1,282.1			1,266.5		
--------	---------	--	--	---------	--	--

Total

Liabilities

and

Shareholders'

Equity	\$11,612.1			\$13,787.8		
--------	------------	--	--	------------	--	--

Provision for

Loan Losses	14.5	25.8
Net Overhead	61.4	52.3
	-----	-----
Income Before Income Taxes	30.3	54.0
Provision for Income Taxes	3.9	21.3
Tax-Equivalent Adjustment	0.1	0.1
	-----	-----
Net Income	\$ 26.3	\$ 32.6
	=====	=====

	Year Ended December 31, 2001			Year Ended December 31, 2000 (A)		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing						
Deposits	\$ 733.4	\$ 27.6	3.76%	\$ 216.2	\$ 15.7	7.25%
Funds Sold	136.7	5.1	3.63	43.2	2.7	6.22
Investment Portfolio						
- Held-To-Maturity	525.6	33.7	6.42	658.9	48.8	7.41
- Available for Sale	2,242.3	137.3	6.12	2,502.5	166.3	6.64
Loans Held For Sale						
	312.7	21.4	6.85	128.4	9.8	7.63
Net Loans						
- Domestic	6,693.2	525.5	7.85	7,948.0	687.5	8.65
- Foreign	1,026.4	72.5	7.07	1,467.9	97.7	6.65
	-----	-----	-----	-----	-----	-----
Total Loans	7,719.6	598.0	7.75	9,415.9	785.2	8.34
Other	79.6	5.4	6.72	73.0	4.7	6.50
	-----	-----	-----	-----	-----	-----
Total Earning Assets	11,749.9	828.5	7.05	13,038.1	1,033.2	7.92
Cash and Due From Banks						
	376.6			443.1		
Other Assets						
	554.5			574.1		
	-----			-----		
Total Assets	\$12,681.0			\$14,055.3		
	=====			=====		

Interest Bearing Liabilities						
Domestic Deposits						
- Demand	\$ 1,894.5	34.4	1.82	\$ 2,061.9	48.7	2.36
- Savings	780.3	16.2	2.08	684.8	13.9	2.03
- Time	2,506.7	129.6	5.17	2,781.1	154.1	5.54
	-----	-----	-----	-----	-----	-----
Total Domestic Deposits						
	5,181.5	180.2	3.48	5,527.8	216.7	3.92
Foreign Deposits						
- Time Due to Banks	351.2	14.5	4.13	505.4	30.5	6.03
- Other Time						

and Savings	648.2	22.6	3.49	960.5	38.9	4.05

Total Foreign Deposits	999.4	37.1	3.71	1,465.9	69.4	4.73
Total Interest Bearing Deposits	6,180.9	217.3	3.52	6,993.7	286.1	4.09
Short-Term Borrowings	2,105.6	97.4	4.63	2,597.4	156.1	6.01
Long-Term Debt	800.5	53.9	6.73	886.8	59.0	6.66

Total Interest Bearing Liabilities	9,087.0	368.6	4.06	10,477.9	501.2	4.78
Net Interest Income		459.9			532.0	
Interest Rate Spread			2.99%			3.14%
Net Interest Margin			3.91%			4.08%
Demand Deposits						
- Domestic	1,527.1			1,640.0		
- Foreign	346.0			371.4		

Total Demand Deposits	1,873.1			2,011.4		
Other Liabilities	376.8			331.4		
Shareholders' Equity	1,344.1			1,234.6		

Total Liabilities and Shareholders' Equity	\$12,681.0			\$14,055.3		
=====						
Provision for Loan Losses		74.3			142.9	
Net Overhead		145.5			207.9	

Income Before Income Taxes		240.2			181.2	
Provision for Income Taxes		122.2			66.7	
Tax-Equivalent Adjustment		0.2			0.8	

Net Income		\$ 117.8			\$ 113.7	
=====						

(A) Adjusted to reflect the reclassification of interchange fees, mortgage banking income, and other interest income.

(dollars in millions)

	December 31 2001	September 30 2001	December 31 2000
Domestic Loans			
Commercial and Industrial	\$ 1,177.5	\$ 1,436.7	\$ 2,433.6
Real Estate			
Construction			
- Commercial	141.9	144.4	282.4
- Residential	27.7	31.3	25.0
Mortgage			
- Commercial	640.7	667.9	1,125.5
- Residential	2,427.2	2,442.0	2,558.8
Installment	729.7	735.3	1,001.9
Lease Financing	493.4	503.0	539.8
Total Domestic	5,638.1	5,960.6	7,967.0
Foreign Loans	14.4	806.1	1,267.6
Total Loan and Leases	\$ 5,652.5	\$ 6,766.7	\$ 9,234.6

Pacific Century Financial Corporation and subsidiaries
Consolidated Non-Performing Assets and
Accruing Loans Past Due 90 Days or More (Unaudited) Table 7

(dollars in millions)

	Dec. 31 2001	Sept. 30 2001	June 30 2001	March 31 2001	Dec. 31 2000
Non-Accrual Loans					
Commercial & Industrial	\$ 18.9	\$ 10.5	\$ 11.8	\$ 23.8	\$ 55.4
Real Estate					
Construction	9.3	0.7	5.8	6.3	6.4
Commercial	16.3	12.8	14.4	29.7	60.1
Residential	15.4	19.5	16.2	18.5	22.7
Installment	0.1	0.1	0.2	0.1	--
Leases	0.8	1.0	0.4	0.2	0.4
Total					
Domestic	60.8	44.6	48.8	78.6	145.0
Foreign	--	17.2	18.5	16.9	33.5
Subtotal	60.8	61.8	67.3	95.5	178.5
Loans Held For Sale	1.7	7.4	11.5	12.8	--
Foreclosed Assets					
Domestic	17.2	36.9	39.8	10.9	4.2
Foreign	--	0.3	0.3	0.3	0.3
Subtotal	17.2	37.2	40.1	11.2	4.5
Total Non- Performing Assets	\$ 79.7	\$ 106.4	\$ 118.9	\$ 119.5	\$ 183.0

=====					
Accruing Loans					
Past Due 90					
Days or More					
Commercial &					
Industrial	\$ 0.1	\$ 0.1	\$ 0.2	\$ 3.9	\$ 5.0
Real Estate					
- Construction					
& Commercial	--	--	--	0.9	1.3
- Residential	3.8	3.4	3.7	3.3	3.3
Installment	0.9	1.0	1.8	2.7	5.6
Leases	0.1	--	0.1	0.1	0.4

Total					
Domestic	4.9	4.5	5.8	10.9	15.6
Foreign	--	0.8	0.4	0.2	3.2

Total					
Accruing &					
Past Due	\$ 4.9	\$ 5.3	\$ 6.2	\$ 11.1	\$ 18.8
=====					
Total Loans	\$5,652.5	\$6,766.6	\$7,618.4	\$8,425.0	\$9,234.6

Ratio of					
Non-Accrual					
Loans to					
Total Loans	1.08%	0.91%	0.88%	1.13%	1.93%

Ratio of Non-					
Performing					
Assets to					
Total Loans,					
Foreclosed Real					
Estate and Non-					
Performing Loans					
Held for Sale	1.41%	1.56%	1.55%	1.41%	1.98%

Ratio of Non-					
Performing					
Assets and					
Accruing Loans					
Past Due 90 Days					
or More to					
Total Loans	1.50%	1.65%	1.64%	1.55%	2.19%

Quarter to Quarter					
Changes in Non-					
Performing					
Assets					
Beginning					
Balance	\$ 106.4	\$ 118.9	\$ 119.5	\$ 183.0	\$ 219.6
Additions	43.8	23.2	23.8	43.1	50.7
Reductions					
Payments	(40.9)	(25.8)	(14.4)	(63.7)	(68.4)
Return to					
Accrual	(3.6)	(0.9)	(2.5)	(3.0)	(4.4)
Sales of					
Foreclosed					
Assets	(21.9)	(2.2)	(1.6)	(3.0)	(2.7)
Charge-offs	(4.1)	(6.8)	(5.9)	(36.9)	(11.8)

Total					
Reductions	(70.5)	(35.7)	(24.4)	(106.6)	(87.3)
Ending					
Balance	\$ 79.7	\$ 106.4	\$ 118.9	\$ 119.5	\$ 183.0
	=====	=====	=====	=====	=====

Pacific Century Financial Corporation and subsidiaries

Consolidated Allowance

for Loan and Lease Losses (Unaudited)

Table 8

(dollars in millions)

	Three Months Ended		Year Ended	
	December 31		December 31	
	2001	2000	2001	2000
Balance of Allowance				
for Loan and Lease Losses				
at Beginning of Period	\$ 182.5	\$ 245.0	\$ 246.2	\$ 194.2
Loans Charged-Off				
Commercial and				
Industrial	9.7	4.4	97.5	22.1
Real Estate				
Construction	0.1	0.1	0.1	0.6
Commercial	3.1	0.9	19.2	15.2
Residential	3.4	1.3	8.9	6.5
Installment	5.5	5.6	20.5	20.1
Leases	0.1	0.1	0.8	0.5
Total Domestic	21.9	12.4	147.0	65.0
Foreign	4.0	19.2	22.0	45.8
Total Charged-Off	25.9	31.6	169.0	110.8
Recoveries on Loans				
Previously Charged-Off				
Commercial and				
Industrial	3.0	0.4	11.1	5.5
Real Estate				
Construction	--	--	--	--
Commercial	0.8	0.3	3.2	0.6
Residential	0.3	0.1	1.0	1.1
Installment	2.3	1.6	8.0	6.9
Leases	--	--	0.2	--
Total Domestic	6.4	2.4	23.5	14.1
Foreign	5.0	3.6	24.1	7.3
Total Recoveries	11.4	6.0	47.6	21.4
Net Charge-Offs	(14.5)	(25.6)	(121.4)	(89.4)
Provision for Loan				
and Lease Losses	14.5	25.8	74.3	142.9
Allowance Related				
to Dispositions	(23.7)	--	(40.2)	--
Foreign Currency				
Translation	0.2	1.0	0.1	(1.5)
Balance at End of Period	\$ 159.0	\$ 246.2	\$ 159.0	\$ 246.2
Average Loans				
Outstanding	\$ 6,529.6	\$ 9,275.2	\$ 7,719.6	\$ 9,415.9

Ratio of Net Charge-Offs to Average Loans Outstanding (annualized)	0.87%	1.10%	1.57%	0.95%
Ratio of Allowance to Loans Outstanding	2.81%	2.67%	2.81%	2.67%

Pacific Century Financial Corporation and subsidiaries
Analysis of Earnings (Unaudited) Table 9

(dollars in millions, except per share amounts)

	Allocated			
	Restructuring and Non- Core Impact	Divesting Businesses	Continuing Businesses	Reported Amounts

Three Months Ended Dec. 31, 2001				
Net Revenue	\$ 29	\$ 20	\$ 137	\$ 186
Non-Interest Expense	19	21	102	142
	10	(1)	35	44
Provision for Loan Losses	--	(1)	15	14
	10	--	20	30
Income Before Income Taxes	4	--	--	4
Provision for Income Taxes	--	--	--	--
Net Income	\$ 6	\$ --	\$ 20	\$ 26
	=====			
Diluted Earnings Per Share	\$ 0.08	\$ --	\$ 0.26	\$ 0.34
	=====			
Year Ended Dec. 31, 2001				
Net Revenue	\$ 207	\$ 133	\$ 572	\$ 912
Non-Interest Expense	105	118	375	598
	102	15	197	314
Provision for Loan Losses	37	--	37	74
	65	15	160	240
Income Before Income Taxes	60	5	57	122
Provision for Income Taxes	--	--	--	--
Net Income	\$ 5	\$ 10	\$ 103	\$ 118
	=====			

Diluted				
Earnings				
Per Share	\$ 0.06	\$ 0.12	\$ 1.28	\$ 1.46
	=====			

Business Outlook
Year Ending 2002

(dollars in millions)

	Current Outlook	Previous Outlook
Net Interest Income	\$ 376	
Non-Interest Income	215	

Net Revenue	591	\$ 597
Non-Interest Expense	364	369
Provision For Loan and Lease Losses	39	36
	-----	-----
Income Before Income Taxes	188	192
Provision For Income Taxes	68	73
	-----	-----
Net Income	\$ 120	\$ 119
	=====	=====

This information is based on estimates of future performance within a range of 2%.

Readers are reminded to refer to the guidance regarding forward looking information.

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

Table 10

(dollars in millions except per share amounts)

	Dec. 31 2001	Sept. 30 2001	June 30 2001	March 31 2001	Dec. 31 2000
Balance Sheet					
Totals					
Total Assets	\$ 10,628.1	\$ 11,944.2	\$ 12,755.5	\$ 13,710.7	\$ 14,013.8
Net Loans	5,493.5	6,584.1	7,418.6	8,225.2	8,988.3
Deposits	6,673.9	7,399.7	8,108.5	8,815.5	9,080.6
Long-Term					
Debt	570.4	678.4	830.9	882.7	997.2
Shareholders'					
Equity	1,247.0	1,371.1	1,395.7	1,371.9	1,301.4
Quarterly					
Operating					
Results					
Net Interest					
Income	\$ 106.1	\$ 111.8	\$ 116.8	\$ 125.0	\$ 132.0
Provision					
for Loan					
and Lease					
Losses	14.5	0.9	6.4	52.5	25.8
Non-Interest					

Income	80.2	113.7	98.2	160.5	70.5
Non-Interest Expense	141.5	123.1	161.6	171.8	122.9
Net Income	26.3	31.1	26.7	33.7	32.6
Basic Earnings Per Share					
Per Share	\$ 0.35	\$ 0.39	\$ 0.33	\$ 0.42	\$ 0.41
Diluted Earnings Per Share					
Per Share	\$ 0.34	\$ 0.37	\$ 0.32	\$ 0.42	\$ 0.41
Return on Average Assets					
	0.90%	1.00%	0.83%	0.99%	0.94%
Return on Average Equity					
	8.14%	8.88%	7.69%	10.42%	10.24%
Core Efficiency Ratio					
	78.13%	69.07%	68.50%	65.33%	60.68%
Cash Basis Financial Data(1)(2)					
Net Income	\$ 28.8	\$ 34.4	\$ 30.4	\$ 37.6	\$ 36.3
Basic Earnings Per Share					
Per Share	\$ 0.38	\$ 0.43	\$ 0.38	\$ 0.47	\$ 0.46
Diluted Earnings Per Share					
Per Share	\$ 0.37	\$ 0.41	\$ 0.37	\$ 0.46	\$ 0.45
Return on Average Assets					
	0.99%	1.12%	0.95%	1.12%	1.06%
Return on Average Equity					
	9.50%	11.17%	9.96%	13.61%	13.44%
Core Efficiency Ratio					
	76.58%	67.15%	66.47%	63.32%	58.86%

(1) Excludes the effect of restructuring activities and non-core transactions.

(2) Excludes the effect of intangibles which include goodwill, core deposit and trust intangibles.

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