



## **Pacific Century Financial Corporation Reports Fourth Quarter 1999 Earnings**

January 20, 2000

HONOLULU--(BUSINESS WIRE)--Jan. 19, 2000--Pacific Century Financial Corporation (NYSE: BOH) reported fourth quarter 1999 earnings of \$37.6 million, up 7.4 percent over \$35.0 million reported for the fourth quarter of 1998. Diluted earnings per share were \$0.47, up 9.3 percent from \$0.43 for the same period last year. Tangible or "cash" diluted earnings per share were \$0.52 compared to \$0.48 reported in 1998's fourth quarter. Return on average assets for the quarter was 1.04 percent and return on average equity was 12.29 percent.

For the full-year 1999, Pacific Century's earnings were \$133.0 million, up 24.3 percent from \$107.0 million reported in 1998. Both years reflect restructuring charges related to the company's New Era program and 1998 additionally reflects increased loan loss provisioning for the Asian crisis. Diluted earnings per share were \$1.64 compared to \$1.32 reported for 1998.

"We are pleased to report earnings that reflect positive results from initiatives and actions set in place over the last two years to improve our long-term performance," said Pacific Century Chairman & CEO Lawrence M. Johnson.

"The fourth quarter's performance revealed an improvement in fee income and a reduction in expenses -- a portion of which was directly attributable to the implementation of our New Era redesign program," noted Johnson.

Pacific Century began implementing initiatives resulting from its New Era Redesign in the fourth quarter of 1999. The program was announced in September 1999 to improve the delivery of financial services in Hawaii and the Pacific. When fully implemented by the fourth quarter of 2000, total annualized benefits from New Era Redesign are estimated at \$43 million in cost savings and \$21 million in revenue enhancements.

At year-end 1999, total assets were \$14.4 billion compared to \$15.0 billion at year-end 1998. Net loans ended 1999 at \$9.3 billion versus \$9.4 billion at December 31, 1998. Total deposits were \$9.4 billion compared to \$9.6 billion at year-end 1998. The decline in assets and loans reflects discretionary reductions in the investment portfolio due to changes in interest rates and a reduction in Asian exposures.

Pacific Century entered the fourth quarter with \$33.7 million in exposure to a Korean conglomerate and its related companies of which \$30.2 million was outstanding. During the quarter the borrower suspended debt service payments and began negotiations with its domestic and foreign bank creditors. At quarter-end those negotiations had not produced a definitive resolution of the matter with foreign lenders. In keeping with Pacific Century's credit policy, the company charged off \$19.5 million of the assets and has \$10.7 million on non-performing status. Partially as a result of this, net charge-offs for the quarter of \$36.8 million exceeded the quarterly provision for loan losses of \$20.9 million. The difference of approximately \$16.0 million was drawn from the company's reserve for loan losses which had been previously strengthened in recognition of the financial volatility in Asia.

Non-performing assets exclusive of loans past due 90+ days ended the quarter at \$149.9 million compared to \$154.8 million at the end of the third quarter and \$137.5 million at December 31, 1998.

Pacific Century successfully transitioned into the Year 2000 without significant incident. The company's actions to ensure Y2K readiness also included initiatives which were already planned to advance efficiency initiatives such as merging systems in the South Pacific, the U.S. Mainland, the Hawaii and West Pacific markets and outsourcing credit card processing. Total cumulative expenses related to Y2K readiness totaled approximately \$36 million, versus the original estimate of \$41 million.

Johnson also noted that Hawaii's economy continues to improve with more sectors, such as retail sales, home sales and construction participating in the recovery.

Hawaii's economy grew at an estimated 2.5 percent in 1999 according to state economists and real gross state product growth forecasts for 2000 are between 2.0 and 2.5 percent. Tourism measures through November 1999 reflect growth in both visitor arrivals (2.2 percent) and visitor days (2.8 percent). Other economic indicators such as personal income and unemployment continue to show improvement, with better prospects for improvement in construction.

"Overall, 1999 saw the culmination of significant events and initiatives that serve as the foundation for improved performance going forward," said Johnson. "Everyone in the company has demonstrated their commitment to bringing about the changes that will benefit all stakeholders."

Further highlights on Pacific Century's performance are included in the attached "Comments on Fourth Quarter 1999 Results."

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.

#### Forward-Looking Statements

This press release and the attached comments contain 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, expected cost savings from New Era Redesign cannot be fully realized or realized within the expected timeframe; income or revenues from New Era Redesign are lower than expected or operating or implementation costs are higher; 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 structures and strategies; general economic conditions in the geographic areas where the Company operates are weaker than expected or other unanticipated occurrences which could delay or adversely impact the implementation of all or a part of New Era Redesign. The Company does not undertake and specifically disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

#### Comments on Fourth Quarter 1999 Results

Pacific Century Financial Corporation reported fourth quarter earnings of \$37.6 million, up 7.4% from the fourth quarter of 1998 and up 75.1% from 1999's third quarter. For comparative purposes 1999's third quarter included the impact of a \$22.5 million pre-tax restructuring charge related to the company's "New Era" program. Diluted earnings per share for the quarter were \$0.47, up 9.3% from \$0.43 reported for the same period in 1998 and up 74.1% from 1999's third quarter. Tangible earnings for the quarter were \$42.3 million relative to \$38.8 million for the same period last year.

Results for the quarter reflect the impact of three major factors: provisioning to the loan loss reserve; non-interest income associated with the disposition of venture capital related assets; and positive contributions from the implementation phase of New Era which began in October 1999.

Pacific Century entered the fourth quarter with \$33.7 million in exposure to a Korean conglomerate and its related companies of which \$30.2 million was outstanding. During the quarter the borrower suspended debt service payments and began negotiations with its domestic and foreign bank creditors. At quarter-end those negotiations had not produced a definitive resolution of the matter with foreign lenders. In keeping with Pacific Century's credit policy, the company charged off \$19.5 million of the assets and has \$10.7 million on non-performing status. Partially as a result of this, net charge-offs for the quarter of \$36.8 million exceeded the quarterly provision for loan losses of \$20.9 million. The difference of approximately \$16.0 million was drawn from the company's reserve for loan losses which had been previously strengthened in recognition of the financial volatility in Asia.

Additional Asia charge-offs were represented by \$3.0 million to another Korean company and \$1.6 million to Indonesian Banks. The latter charge-off was driven by interagency regulatory pronouncements, even though debt service on these loans was and continues to be current.

The ratio of loan loss reserve to loans ended the quarter at 2.05%, relative to 2.19% at December 31, 1998 and 2.22% at September 30, 1999.

Non-performing assets (NPAs), exclusive of loans past due 90+ days ended the quarter at \$149.9 million or 1.54% of total loans. The same ratio compared with 1998's fourth quarter and 1999's third quarter was 1.40% and 1.59%, respectively. On a linked quarter basis NPAs, inclusive of loans past due 90+ days, ended the quarter at \$168.4 million, \$10.1 million higher than at yearend 1998 and \$8.0 million lower than reported for 1999's third quarter.

Pacific Century's net interest income on a fully taxable equivalent basis totaled \$143.2 million, down 0.3% from the comparable period in 1998 and down 0.4% from 1999's third quarter. Net interest margin for the quarter was 4.31%, up from 4.15% in 1998's fourth quarter and 4.28% in 1999's third quarter.

Non-interest income, exclusive of securities gains, totaled \$64.1 million, up 18.2% from 1998's fourth quarter and down 10.2% from \$71.3 million in 1999's third quarter which included a \$14 million gain on the sale of a special purpose leasing company. During the quarter two venture capital related assets went public and contributed \$4.3 million to other operating income and \$5.6 million in securities gains.

New Era contributions to non-interest income are primarily reflected in Fees, Exchange & Other Service Charges which at \$22.3 million was \$2.2 million higher than reported in 1998's fourth quarter and \$0.3 million higher than 1999's third quarter.

Non-interest expense totaled \$131.2 million, relatively unchanged from 1998's fourth quarter and \$1.9 million less than reported in 1999's third quarter, exclusive of the restructuring charge. Large non-recurring items that impacted non-interest expense include a \$2.3 million reduction in accruals for deferred compensation and post retirement medical benefits, and approximately \$2.3 million in increased one-time costs for various other operating expense items.

New Era cost savings are primarily reflected in compensation expense which adjusting for one-time items, would have ended the quarter at \$60.9 million, down from \$62.4 million in 1998's fourth quarter and down from \$64.2 million in 1999's third quarter.

During the quarter, Pacific Century repurchased approximately 519,000 shares of common stock which included about 248,000 shares to offset shares issued under the company's dividend reinvestment and other benefit plans. The remainder of approximately 271,000 shares was repurchased under the company's October 1999 additional authorization to repurchase up to 300,000 shares each quarter. -0-

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Pacific Century Financial Corporation and subsidiaries

Highlights (Unaudited)

(in thousands of dollars

except per share amounts)

Earnings Highlights and Performance Ratios	1999	Percentage	
		1998	Change
Three Months Ended December 31			
Net Income	\$37,599	\$35,013	7.4%
Basic Earnings Per Share	0.47	0.44	6.8%
Diluted Earnings Per Share	0.47	0.43	9.3%
Cash Dividends	13,649	13,649	
Return on Average Assets	1.04%	0.93%	
Return on Average Equity	12.29%	11.72%	
Average Spread on Earning Assets	4.31%	4.15%	
Efficiency Ratio	63.32%	66.30%	

Twelve Months Ended December 31			
Net Income	\$132,957	\$106,964	24.3%
Basic Earnings Per Share	1.66	1.33	24.8%
Diluted Earnings Per Share	1.64	1.32	24.2%
Cash Dividends	54,640	52,776	
Return on Average Assets	0.91%	0.72%	
Return on Average Equity	10.99%	9.21%	
Average Spread on Earning Assets	4.28%	4.22%	
Efficiency Ratio	67.01%	68.95%	

Summary of Results Excluding the Effect of Intangibles (a)

Three Months Ended December 31			
Net Income	\$42,317	\$38,795	9.1%
Basic Earnings per Share	\$0.53	\$0.48	10.4%
Diluted Earnings per Share	\$0.52	\$0.48	8.3%
Return on Average Assets	1.19%	1.05%	
Return on Average Equity	16.69%	15.89%	
Efficiency Ratio	60.59%	64.15%	

Twelve Months Ended December 31			
Net Income	\$149,747	\$121,704	23.0%
Basic Earnings per Share	\$1.86	\$1.52	22.4%
Diluted Earnings per Share	\$1.85	\$1.50	23.3%
Return on Average Assets	1.04%	0.83%	
Return on Average Equity	15.02%	12.84%	
Efficiency Ratio	64.66%	66.83%	

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

Statement of Condition	Dec. 31	Dec. 31	Percentage
Highlights and Performance Ratios	1999	1998	Change
Total Assets	\$14,440,315	\$15,016,563	-3.8%
Net Loans	9,280,848	9,416,809	-1.4%
Total Deposits	9,394,218	9,576,342	-1.9%
Total Shareholders' Equity	1,212,330	1,185,594	2.3%
Book Value Per Common Share	\$15.15	\$14.76	
Loss Reserve / Loans Outstanding	2.05%	2.19%	
Average Equity / Average Assets	8.30%	7.81%	
Common Stock Price Range	High	Low	
1998 .....	\$25.88	\$14.75	
1999 First Quarter.....	\$24.94	\$19.94	
Second Quarter.....	\$23.25	\$19.81	
Third Quarter.....	\$22.31	\$17.63	
Fourth Quarter.....	\$23.50	\$17.38	

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

	3 Months Ended Dec 31 1999	3 Months Ended Dec 31 1998	12 Months Ended Dec 31 1999	12 Months Ended Dec 31 1998
(in thousands of dollars except per share amounts)				
Interest Income				
Interest on Loans	\$178,889	\$180,355	\$699,939	\$737,276
Loan Fees	9,809	10,280	39,899	45,340
Income on Lease Financing	7,640	7,270	29,391	25,699
Interest and Dividends on Investment Securities				
Taxable	14,561	13,268	57,809	67,717
Non-taxable	274	273	1,094	1,096
Income on Investment Securities Available for Sale				
	41,841	43,857	168,349	170,963
Interest on Deposits	4,569	10,896	24,960	36,676
Interest on Security Resale Agreements	6	41	244	82
Interest on Funds Sold	460	755	4,834	3,718
 Total Interest Income	 258,049	 266,995	 1,026,519	 1,088,567
Interest Expense				
Interest on Deposits	67,481	74,310	261,184	306,700
Interest on Security Repurchase Agreements	21,554	27,097	92,175	121,445
Interest on Funds Purchased	10,191	8,032	41,677	26,720
Interest on Short-Term Borrowings	3,631	4,035	12,414	14,376
Interest on Long-Term Debt	12,146	9,988	44,326	42,725
 Total Interest Expense	 115,003	 123,462	 451,776	 511,966
 Net Interest Income	 143,046	 143,533	 574,743	 576,601
 Provision for Loan Losses	 20,877	 12,992	 60,915	 84,014
 Net Interest Income After Provision for Loan Losses	 122,169	 130,541	 513,828	 492,587
Non-Interest Income				
Trust Income	16,047	14,318	60,700	55,879
Service Charges on Deposit Accounts	8,559	9,512	34,267	35,459
Fees, Exchange, and Other Service Charges	22,266	20,093	88,838	77,881
Other Operating Income	17,210	10,307	67,720	38,446
Investment Securities Gains	5,314	1,243	14,056	4,086
 Total Non-Interest Income	 69,396	 55,473	 265,581	 211,751
Non-Interest Expense				
Salaries	46,650	48,614	198,743	194,522
Pensions and Other Employee Benefits	11,956	13,827	55,343	56,003
Net Occupancy Expense	12,255	11,805	47,893	46,799

Net Equipment Expense	12,482	13,180	48,674	49,009
Other Operating Expense	47,718	43,930	180,107	174,546
Restructuring Charge	--	--	22,478	19,400
Minority Interest	101	(241)	485	446
Total Non-Interest Expense	131,162	131,115	553,723	540,725
Income Before Income Taxes	60,403	54,899	225,686	163,613
Provision for Income Taxes	22,804	19,886	92,729	56,649
Net Income	\$37,599	\$35,013	\$132,957	\$106,964
Basic Earnings Per Share	\$0.47	\$0.44	\$1.66	\$1.33
Diluted Earnings Per Share	\$0.47	\$0.43	\$1.64	\$1.32
Dividends Declared Per Share	\$0.17	\$0.17	\$0.68	\$0.6575
Basic Weighted				
Average Shares	80,199,539	80,307,913	80,298,725	80,228,424
Diluted Weighted				
Average Shares	80,826,976	81,154,793	81,044,558	81,142,144

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

(in thousands of dollars)	December 31 1999	December 31 1998
<b>Assets</b>		
Interest-Bearing Deposits	\$ 278,473	\$ 453,527
Investment Securities - Held to Maturity (Market Value of \$787,720 and \$668,068, respectively)	796,322	652,802
Investment Securities - Available for Sale	2,542,232	3,018,403
Securities Purchased Under Agreements to Resell	--	--
Funds Sold	52,740	45,683
Loans	9,717,556	9,854,000
Unearned Income	(242,503)	(225,915)
Reserve for Loan Losses	(194,205)	(211,276)
Net Loans	9,280,848	9,416,809
Total Earning Assets	12,950,615	13,587,224
Cash and Non-Interest Bearing Deposits	639,895	564,243
Premises and Equipment	271,728	293,591
Customers' Acceptance Liability	7,236	8,227
Accrued Interest Receivable	78,974	85,485
Other Real Estate	4,576	5,648
Intangibles, including Goodwill	205,904	216,106
Other Assets	281,387	256,039
Total Assets	\$ 14,440,315	\$ 15,016,563
<b>Liabilities</b>		
Domestic Deposits		
Demand - Non-Interest Bearing	\$1,676,425	\$1,745,747
- Interest Bearing	2,076,358	2,385,285
Savings	700,720	740,378
Time	2,761,650	2,637,746
Foreign Deposits		
Demand - Non-Interest Bearing	401,613	489,672
Time Due to Banks	597,675	685,137

Other Savings and Time	1,179,777	892,377
Total Deposits	9,394,218	9,576,342
Securities Sold Under		
Agreements to Repurchase	1,490,655	2,008,399
Funds Purchased	839,962	942,062
Short-Term Borrowings	458,962	356,822
Bank's Acceptances Outstanding	7,236	8,227
Accrued Retirement Expense	40,360	39,811
Accrued Interest Payable	64,588	55,694
Accrued Taxes Payable	85,022	114,443
Minority Interest	4,435	7,394
Other Liabilities	114,890	136,159
Long-Term Debt	727,657	585,616
Total Liabilities	13,227,985	13,830,969
Shareholders' Equity		
Common Stock (\$.01 par value), authorized 500,000,000 shares; issued / outstanding;		
December 1999 - 80,550,728 / 80,036,417;		
December 1998 - 80,512,372 / 80,325,998	806	805
Capital Surplus	345,851	342,932
Accumulated Other Comprehensive Income	(66,106)	(22,476)
Retained Earnings	942,177	867,852
Treasury Stock, at Cost - (December 1999 - 514,311 and December 1998 - 186,374 Shares)	(10,398)	(3,519)
Total Shareholders' Equity	1,212,330	1,185,594
Total Liabilities and Shareholders' Equity	\$14,440,315	\$15,016,563

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

(in thousands of dollars)	Total	Accumulated		
		Common Stock	Capital Surplus	Other Comprehensive Income
Balance at December 31, 1998	\$1,185,594	\$805	\$342,932	(\$22,476)
Comprehensive Income				
Net Income	132,957	-	-	-
Other Comprehensive Income, Net of Tax				
Investment Securities, Net of Reclassification Adjustment	(44,803)	-	-	(44,803)
Foreign Currency Translation Adjustment	1,154	-	-	1,154
Pension Liability Adjustments	19	-	-	19

Total Comprehensive Income

Common Stock Issued				
57,249 Profit Sharing Plan	1,096	-	4	-
501,929 Stock Option Plan	8,616	-	2,620	-

198,851 Dividend Reinvestment Plan 4,032	-	142	-
7,199 Directors' Restricted Shares and Deferred Compensation Plan	154	1	153
Treasury Stock Purchased	(21,849)	-	-
Cash Dividends Paid	(54,640)	-	-

Balance at December 31, 1999    \$1,212,330    \$    806    \$345,851    (\$66,106)

Balance at December 31, 1997    \$1,117,207    \$159,369    \$168,920    (\$24,766)

Comprehensive Income				
Net Income	106,964	-	-	-
Other Comprehensive Income, Net of Tax				
Investment Securities, Net of Reclassification Adjustment	(2,732)	-	-	(2,732)
Foreign Currency Translation Adjustment	5,671	-	-	5,671
Pension Liability Adjustments	(649)	-	-	(649)

Total Comprehensive Income

Common Stock Issued				
125,889 Profit Sharing Plan	3,559	225	2,627	-
543,256 Stock Option Plan	10,084	530	8,408	-
153,574 Dividend Reinvestment Plan	5,441	199	3,335	-
5,100 Directors' Restricted Shares and Deferred Compensation Plan	139	1	123	-
Treasury Stock Purchased	(7,314)	-	-	-
Change in par value of common stock from \$2.00 per share to \$.01 per share	-	(159,519)	159,519	-
Cash Dividends Paid	(52,776)	-	-	-

Balance at December 31, 1998    \$1,185,594    \$    805    \$342,932    (\$22,476)

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

(in thousands of dollars)	Retained Earnings	Treasury Stock	Comprehensive Income
Balance at December 31, 1998	\$867,852	(\$3,519)	
Comprehensive Income			
Net Income	132,957	-	\$132,957
Other Comprehensive Income, Net of Tax			
Investment Securities, Net of Reclassification Adjustment	-	-	(44,803)
Foreign Currency Translation Adjustment	-	-	1,154
Pension Liability Adjustments	-	-	19

Total Comprehensive Income    \$ 89,327

Common Stock Issued			
57,249 Profit Sharing Plan	(71)	1,163	
501,929 Stock Option Plan	(3,651)	9,647	
198,851 Dividend Reinvestment Plan	(270)	4,160	
7,199 Directors' Restricted Shares and Deferred Compensation Plan	-	-	
Treasury Stock Purchased	-	(21,849)	
Cash Dividends Paid	(54,640)	-	
Balance at December 31, 1999	\$942,177	(\$10,398)	
Balance at December 31, 1997	\$813,684	\$-	
Comprehensive Income			
Net Income	106,964	-	\$106,964
Other Comprehensive Income, Net of Tax			
Investment Securities, Net of Reclassification Adjustment	-	-	(2,732)
Foreign Currency Translation Adjustment	-	-	5,671
Pension Liability Adjustments	-	-	(649)
Total Comprehensive Income			\$109,254

Common Stock Issued			
125,889 Profit Sharing Plan	-	707	
543,256 Stock Option Plan	(20)	1,166	
153,574 Dividend Reinvestment Plan	-	1,907	
5,100 Directors' Restricted Shares and Deferred Compensation Plan	-	15	
Treasury Stock Purchased	-	(7,314)	
Change in par value of common stock from			
\$2.00 per share to \$.01 per share	-	-	
Cash Dividends Paid	(52,776)	-	
Balance at December 31, 1998	\$867,852	(\$3,519)	

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

	Three Months Ended December 31, 1999			Three Months Ended December 31, 1998		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing						
Deposits	\$268.4	\$4.6	6.75%	\$510.0	\$10.9	8.48%
Investment						
Securities Held to Maturity						
-Taxable	794.4	14.6	7.27	670.0	13.3	7.86
-Tax-Exempt	11.6	0.4	14.34	11.7	0.4	14.21
Investment Securities Available for Sale						
	2,590.0	41.8	6.40	2,983.0	43.9	5.83



Funds Sold	33.2	0.5	6.53	67.9	0.8	4.65
Net Loans						
-Domestic	7,803.0	161.4	8.20	7,727.2	156.4	8.03
-Foreign	1,688.6	25.1	5.91	1,762.9	31.2	7.03
Loan Fees		9.8			10.3	
Total Earning						
Assets	13,189.2	258.2	7.77	13,732.7	267.2	7.72
Cash and Due						
From Banks	519.3			585.0		
Other Assets	650.8			611.8		
Total						
Assets	\$14,359.3			\$14,929.5		
Interest Bearing						
Liabilities						
Domestic Deposits						
- Demand	\$2,110.5	12.1	2.28	\$2,074.1	13.3	2.54
- Savings	711.9	3.7	2.03	755.1	3.9	2.07
- Time	2,634.8	32.4	4.88	2,798.1	34.5	4.89
Total Domestic	5,457.2	48.2	3.50	5,627.3	51.7	3.65
Foreign Deposits						
- Time Due						
to Banks	625.6	8.7	5.50	630.2	10.2	6.41
- Other Time						
and Savings	1,171.7	10.6	3.60	1,188.5	12.4	4.14
Total Foreign	1,797.3	19.3	4.26	1,818.7	22.6	4.92
Total Interest						
Bearing						
Deposits	7,254.5	67.5	3.69	7,446.0	74.3	3.96
Short-Term						
Borrowings	2,707.6	35.4	5.18	3,031.9	39.2	5.12
Long-Term Debt	747.4	12.1	6.45	639.3	10.0	6.20
Total Interest						
Bearing						
Liabilities	10,709.5	115.0	4.26	11,117.2	123.5	4.41
Net Interest						
Income		143.2			143.7	
Interest Rate						
Spread			3.51%			3.31%
Net Interest						
Margin			4.31%			4.15%
Demand Deposits						
- Domestic	1,662.8			1,648.3		
- Foreign	457.5			511.8		
Total Demand						
Deposits	2,120.3			2,160.1		
Other						
Liabilities	315.3			466.7		
Shareholders'						
Equity	1,214.2			1,185.5		
Total						
Liabilities and						
Shareholders'						
Equity	\$14,359.3			\$14,929.5		
Provision for						
Loan Losses		20.9			13.0	
Net Overhead		61.7			75.6	
Income Before						
Income Taxes		60.6			55.1	
Provision for						

Income Taxes	22.8	19.9
Tax-Equivalent Adjustment	0.2	0.2
Net Income	\$37.6	\$35.0

	Twelve Months Ended December 31, 1999			Twelve Months Ended December 31, 1998		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing						
Deposits	\$385.0	\$24.9	6.48%	\$508.8	\$36.7	7.21%
Investment						
Securities Held to Maturity						
-Taxable	805.2	57.8	7.18	890.6	67.7	7.60
-Tax-Exempt	11.7	1.7	14.41	11.8	1.7	14.34
Investment Securities Available for Sale						
	2,698.8	168.0	6.23	2,769.3	171.0	6.17
Funds Sold	102.0	5.4	5.31	69.7	3.8	5.45
Net Loans						
-Domestic	7,742.3	623.0	8.05	7,669.7	643.8	8.39
-Foreign	1,702.2	106.4	6.25	1,752.6	119.2	6.80
Loan Fees		39.9			45.3	
Total Earning Assets	13,447.2	1,027.1	7.64	13,672.5	1,089.2	7.97
Cash and Due						
From Banks	486.6			590.1		
Other Assets	649.1			608.1		
Total Assets	\$14,582.9			\$14,870.7		

Interest Bearing Liabilities						
Domestic Deposits						
-Demand	\$2,137.1	48.5	2.27	\$2,114.8	55.7	2.64
-Savings	723.9	14.7	2.03	783.9	18.5	2.35
-Time	2,559.4	123.3	4.82	2,780.7	145.4	5.23
Total Domestic	5,420.4	186.5	3.44	5,679.4	219.6	3.87

Foreign Deposits						
- Time Due to Banks	641.4	33.7	5.25	596.1	40.4	6.78
- Other Time and Savings	1,165.7	41.0	3.52	1,176.1	46.7	3.97
Total Foreign	1,807.1	74.7	4.13	1,772.2	87.1	4.91

Total Interest Bearing Deposits						
	7,227.5	261.2	3.61	7,451.6	306.7	4.12

Short-Term Borrowings						
	3,014.8	146.2	4.85	3,072.9	162.6	5.29
Long-Term Debt						
	685.9	44.3	6.46	676.5	42.7	6.32

Total Interest Bearing Liabilities						
	10,928.2	451.7	4.13	11,201.0	512.0	4.57

Net Interest

Income	575.4	577.2
Interest		
Rate Spread	3.51%	3.40%
Net Interest		
Margin	4.28%	4.22%
Demand Deposits		
-Domestic	1,652.6	1,650.4
-Foreign	435.2	447.7
Total Demand		
Deposits	2,087.8	2,098.1
Other		
Liabilities	356.9	410.8
Shareholders'		
Equity	1,210.0	1,160.8
Total Liabilities		
and Shareholders'		
Equity	\$14,582.9	\$14,870.7
Provision for		
Loan Losses	60.9	84.0
Net Overhead	288.2	329.0
Income Before		
Income Taxes	226.3	164.2
Provision for		
Income Taxes	92.7	56.6
Tax-Equivalent		
Adjustment	0.6	0.6
Net Income	\$133.0	\$107.0

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

(in millions of dollars)	Dec 31 1999	Sep 30 1999	Jun 30 1999	Mar 31 1999
Non-Accrual Loans				
Commercial and Industrial	\$23.7	\$31.7	\$37.5	\$39.1
Real Estate				
Construction	1.1	2.1	0.8	3.1
Commercial	19.0	20.8	17.2	18.7
Residential	29.7	33.1	35.2	37.6
Installment	0.5	0.7	0.8	0.5
Leases	3.9	4.8	4.4	4.5
Total Domestic	77.9	93.2	95.9	103.5
Foreign	67.4	55.7	47.5	53.6
Subtotal	145.3	148.9	143.4	157.1
Restructured Loans				
Real Estate				
Commercial	-	-	-	-
Subtotal	-	-	-	-
Foreclosed Real Estate				
Domestic	4.3	5.6	5.8	6.1
Foreign	0.3	0.3	0.2	0.1
Subtotal	4.6	5.9	6.0	6.2
Total Non-Performing Assets	149.9	154.8	149.4	163.3

Accruing Loans Past Due				
90 Days or More				
Commercial and Industrial	5.9	6.2	3.9	4.3
Real Estate				
Construction	-	0.5	0.2	0.2
Commercial	1.9	2.4	0.2	0.4
Residential	4.0	2.8	3.7	3.5
Installment	4.5	4.5	5.2	6.9
Leases	1.2	0.2	-	0.1
Total Domestic	17.5	16.6	13.2	15.4
Foreign	1.0	5.0	8.2	6.3
Subtotal	18.5	21.6	21.4	21.7
Total	\$168.4	\$176.4	\$170.8	\$185.0

Ratio of Non-Performing Assets to Total Loans	1.54%	1.59%	1.55%	1.69%
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Ratio of Non-Performing Assets and Accruing Loans Past Due 90 Days or More to Total Loans	1.73%	1.81%	1.78%	1.92%
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Pacific Century Financial Corporation and subsidiaries  
Consolidated Non-Performing Assets and  
Accruing Loans Past Due 90 Days or More (Unaudited)

(in millions of dollars)	Dec 31 1998	Sep 30 1998	Jun 30 1998	Mar 31 1998	Dec 31 1997
Non-Accrual Loans					
Commercial and Industrial	\$ 28.2	\$ 24.0	\$ 23.7	\$ 11.1	\$ 10.7
Real Estate					
Construction	2.9	4.4	2.2	6.4	1.0
Commercial	5.4	6.7	3.4	2.2	2.8
Residential	36.4	35.9	35.2	36.7	32.9
Installment	0.8	0.9	1.9	2.3	2.0
Leases	0.7	0.8	--	0.3	--
Total Domestic	74.4	72.7	66.4	59.0	49.4
Foreign	57.5	67.9	59.7	27.7	39.9
Subtotal	131.9	140.6	126.1	86.7	89.3
Restructured Loans					
Real Estate					
Commercial	--	--	1.6	1.6	1.6
Subtotal	--	--	1.6	1.6	1.6
Foreclosed Real Estate					
Domestic	5.5	10.8	11.6	6.1	6.2
Foreign	0.1	0.1	--	--	--
Subtotal	5.6	10.9	11.6	6.1	6.2
Total Non-Performing Assets	137.5	151.5	139.3	94.4	97.1

Accruing Loans Past Due

90 Days or More					
Commercial and Industrial	0.4	7.3	2.4	2.2	2.0
Real Estate					
Construction	0.4	0.6	4.2	--	--
Commercial	--	0.8	0.9	5.8	0.6
Residential	4.5	4.8	2.4	3.8	7.3
Installment	7.3	6.6	6.4	7.7	7.6
Leases	0.3	0.1	0.9	0.1	0.1
Total Domestic	12.9	20.2	17.2	19.6	17.6
Foreign	7.9	7.1	4.9	4.8	7.4
Subtotal	20.8	27.3	22.1	24.4	25.0
Total	\$ 158.3	\$ 178.8	\$ 161.4	\$ 118.8	\$ 122.1

Ratio of Non-Performing Assets to Total Loans	1.40%	1.59%	1.47%	1.00%	1.02%
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Ratio of Non-Performing Assets and Accruing Loans Past Due 90 Days or More to Total Loan	1.61%	1.87%	1.71%	1.26%	1.29%
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Pacific Century Financial Corporation and subsidiaries  
Summary of Loan Loss Experience

(in millions of dollars)	Fourth Quarter 1999	Third Quarter 1999	Second Quarter 1999
Average Amount of Loans Outstanding	\$9,491.6	\$9,421.7	\$9,373.0
Balance of Reserve for Loan Losses at Beginning of Period	\$211.3	\$209.6	\$209.3
Loans Charged-Off			
Commercial and Industrial	2.8	0.3	7.6
Real Estate			
Construction	1.2	-	0.2
Commercial	2.2	0.1	0.2
Residential	2.2	2.0	1.6
Installment	6.0	6.2	6.9
Leases	-	0.1	0.1
Total Domestic	14.4	8.7	16.6
Foreign	28.2	11.8	2.8
Total Charged-Off	42.6	20.5	19.4
Recoveries on Loans Previously Charged-Off			
Commercial and Industrial	1.1	3.4	1.5
Real Estate			
Construction	0.1	-	-
Commercial	0.6	0.8	0.1
Residential	0.4	-	0.2
Installment	2.0	2.0	2.0
Total Domestic	4.2	6.2	3.8
Foreign	1.6	0.8	2.9

Total Recoveries	5.8	7.0	6.7
Net Charge-Offs	(36.8)	(13.5)	(12.7)
Provision Charged to Operating Expenses	20.9	13.5	13.9
Other Net Additions (Reductions)(a)	(1.2)	1.7	(0.9)
Balance at End of Period	\$194.2	\$211.3	\$209.6
Ratio of Net Charge-Offs to Average Loans Outstanding (annualized)	1.55%	0.57%	0.54%
Ratio of Reserve to Loans Outstanding	2.05%	2.22%	2.23%

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

Pacific Century Financial Corporation and subsidiaries

Summary of Loan Loss Experience

(in millions of dollars)	First Quarter 1999	12 Months Ended 1999	12 Months Ended 1998
Average Amount of Loans Outstanding	\$9,491.9	\$9,444.5	\$9,422.3
Balance of Reserve for Loan Losses at Beginning of Period	\$211.3	\$211.3	\$174.4
Loans Charged-Off			
Commercial and Industrial	7.8	18.5	15.3
Real Estate			
Construction	-	1.4	-
Commercial	2.0	4.5	2.5
Residential	2.0	7.8	2.9
Installment	6.0	25.1	25.8
Leases	-	0.2	0.7
Total Domestic	17.8	57.5	47.2
Foreign	3.0	45.8	34.8
Total Charged-Off	20.8	103.3	82.0
Recoveries on Loans Previously Charged-Off			
Commercial and Industrial	8.0	14.0	2.8
Real Estate			
Construction	-	0.1	0.1
Commercial	0.1	1.6	1.2
Residential	-	0.6	0.2
Installment	1.6	7.6	6.4
Total Domestic	9.7	23.9	10.7
Foreign	0.3	5.6	5.6
Total Recoveries	10.0	29.5	16.3
Net Charge-Offs	(10.8)	(73.8)	(65.7)
Provision Charged to Operating Expenses	12.6	60.9	84.0
Other Net Additions			

(Reductions)(a)	(3.8)	(4.2)	18.6
Balance at End of Period	\$209.3	\$194.2	\$211.3
Ratio of Net Charge-Offs to Average Loans Outstanding (annualized)	0.46%	0.78%	0.70%
Ratio of Reserve to Loans Outstanding	2.22%	2.05%	2.19%

(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)	Dec. 31 1999	Sep. 30 1999	Jun. 30 1999
<b>Balance Sheet Totals</b>			
Total Assets	\$ 14,440.3	\$ 14,505.4	\$ 14,551.5
Net Loans	9,280.8	9,321.5	9,181.7
Deposits	9,394.2	9,290.4	9,286.2
Long-Term Debt	727.7	794.8	654.8
Shareholders' Equity	1,212.3	1,208.5	1,214.2
<b>Quarterly Operating Results</b>			
Net Interest Income	\$ 143.0	\$ 143.5	\$ 144.4
Provision for Loan Losses	20.9	13.5	13.9
Non-Interest Income	69.4	71.4	63.6
Non-Interest Expense	131.2	155.6	132.1
Net Income	37.6	21.5	38.5
Basic Earnings Per Share	\$0.47	\$0.27	\$0.48
Diluted Earnings Per Share	\$0.47	\$0.27	\$0.47
Return on Average Assets	1.04%	0.59%	1.05%
Return on Average Equity	12.29%	7.01%	12.72%
Efficiency Ratio	63.32%	72.44%	65.67%
Normalized Efficiency Ratio (1)	-	61.98%	-

Excluding the Effects of  
Intangibles (2)

Net Income	\$42.3	\$25.9	\$42.3
Basic Earnings Per Share	\$0.53	\$0.32	\$0.53
Diluted Earnings Per Share	\$0.52	\$0.32	\$0.52
Return on Average Assets	1.19%	0.73%	1.18%
Return on Average Equity	16.69%	10.25%	17.01%
Efficiency Ratio	60.59%	70.04%	63.53%
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.

Pacific Century Financial Corporation and subsidiaries

Quarterly Summary of Selected Consolidated Financial Data

(in millions of dollars except per share amounts)	Mar. 31 1999	Dec. 31 1998
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Balance Sheet Totals		
Total Assets	\$ 14,928.3	\$ 15,016.6
Net Loans	9,208.1	9,416.8
Deposits	9,434.4	9,576.3
Long-Term Debt	675.6	585.6
Shareholders' Equity	1,207.6	1,185.6

Quarterly Operating Results

Net Interest Income	\$ 143.8	\$ 143.5
Provision for Loan Losses	12.6	13.0
Non-Interest Income	61.2	55.5
Non-Interest Expense	134.8	131.1
Net Income	35.4	35.0

Basic Earnings Per Share	\$0.44	\$0.44
Diluted Earnings Per Share	\$0.44	\$0.43

Return on Average Assets	0.96%	0.93%
Return on Average Equity	12.00%	11.72%
Efficiency Ratio	66.37%	66.30%
Normalized Efficiency Ratio (1)	-	-

Excluding the Effects of  
Intangibles (2)

Net Income	\$39.3	\$38.8
Basic Earnings Per Share	\$0.49	\$0.48
Diluted Earnings Per Share	\$0.48	\$0.48
Return on Average Assets	1.08%	1.05%
Return on Average Equity	16.21%	15.89%
Efficiency Ratio	64.25%	64.15%
Normalized Efficiency Ratio (1)	-	-

(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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