PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC APPROVES THE ASSUMPTION OF THE INSURED DEPOSITS OF THE BANK OF HONOLULU, HONOLULU, HAWAII

FOR IMMEDIATE RELEASE

The Federal Deposit Insurance Corporation (FDIC) has approved the purchase and assumption of the insured deposits of the Bank of Honolulu, Honolulu, Hawaii, by the Bank of the Orient, San Francisco, California.

The Bank of Honolulu, with approximately $66.9 million in assets, was closed today by Hawaii's Commissioner of Financial Institutions, and the FDIC was named receiver.

The Bank of Honolulu's three branch offices located in Manoa, Kapiolani and Kaneohe will reopen on Saturday, October 14, as branches of the Bank of the Orient under normal operating hours. The Bank of Honolulu's main office located on Bishop Street in downtown Honolulu will reopen on Monday, October 16, also as a branch of the Bank of the Orient.

The failed institution had total deposits of $59.5 million in about 5,900 accounts, including approximately $2.2 million that exceeded the insurance limit. The Bank of the Orient will pay the FDIC a premium of $1 million for the right to assume the Bank of Honolulu's insured deposits. The Bank of the Orient will also pay the FDIC an additional $855,000 above the FDIC's estimated value to purchase approximately $52.2 million of the failing bank's assets. Additionally, the Bank of the Orient will have a 30-day exclusive purchase option on another $9.3 million of Bank of Honolulu's assets. The FDIC will retain the remaining assets for later disposition.

The FDIC Board of Directors also voted to make a prompt dividend payment of 65 cents on the dollar to uninsured depositors on their proven claims. The payment is based on anticipated recoveries from the sale of assets. Based on the information now available, the FDIC estimates that this failure will cost the Bank Insurance Fund (BIF) approximately $2.5 million. The Bank of Honolulu is the fifth BIF-insured institution failure this year and the sixth failure of an institution insured by the FDIC in 2000.

Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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