U N I T E D   S T A T E S

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2000

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ____________ to ____________

Commission File Number 1-6887

PACIFIC CENTURY FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	99-0148992
(State of incorporation)	(IRS Employer Identification No.)

130 Merchant Street, Honolulu, Hawaii	96813
(Address of principal executive offices)	(Zip Code)

(888) 643-3888
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, $.01 Par Value; outstanding at April 28, 2000 - 79,388,238 sharesPACIFIC CENTURY FINANCIAL CORPORATION and subsidiaries
March 31, 2000

PART I. - Financial Information

Item 1. Financial Statements

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

(in thousands of dollars)	March 31 2000	December 31 1999	March 31 1999
Assets			
Interest-Bearing Deposits	$225,314	$278,473	$494,202
Investment Securities - Held to Maturity			
(Market Value of $721,620, $787,720 and $902,830, respectively)	732,344	796,322	894,502
Investment Securities - Available for Sale	2,537,617	2,542,232	2,733,466
Securities Purchased Under Agreements to Resell	902	--	4,083
Funds Sold	42,208	52,740	111,894
Loans	9,779,633	9,717,556	9,637,661
Unearned Income	(237,764)	(242,503)	(220,206)
Reserve for Loan Losses	(195,409)	(194,205)	(209,329)
Net Loans	9,346,460	9,280,848	9,208,126
Total Earning Assets	12,884,845	12,950,615	13,446,273

Cash and Non-Interest Bearing Deposits	491,218	639,895	617,362
Premises and Equipment	267,497	271,728	292,583
Customers' Acceptance Liability	8,262	7,236	13,965
Accrued Interest Receivable	74,597	78,974	88,887
Other Real Estate	4,633	4,576	6,225
Intangibles, including Goodwill	202,832	205,904	217,470
Other Assets	316,502	281,387	245,521
Total Assets	$14,250,386	$14,440,315	$14,928,286
Liabilities			
Domestic Deposits			
Demand - Non-Interest Bearing	$1,708,635	$1,676,425	$1,676,816
- Interest Bearing	2,110,998	2,076,358	2,156,649
Savings	693,077	700,720	735,442
Time	2,759,319	2,761,650	2,539,649
Foreign Deposits			
Demand - Non-Interest Bearing	380,179	401,613	409,994
Time Due to Banks	398,176	597,675	776,257
Other Savings and Time	1,092,679	1,179,777	1,139,620
Total Deposits	9,143,063	9,394,218	9,434,427
Securities Sold Under Agreements to Repurchase	1,806,197	1,490,655	2,090,663
Funds Purchased	511,440	839,962	775,577
Short-Term Borrowings	424,720	458,962	377,387
Bank's Acceptances Outstanding	8,262	7,236	13,965
Accrued Retirement Expense	40,851	40,360	40,519
Accrued Interest Payable	66,456	64,588	76,287
Accrued Taxes Payable	103,826	85,022	126,243
Minority Interest	4,269	4,435	4,849
Other Liabilities	109,669	114,890	105,176
Long-Term Debt	805,726	727,657	675,634
Total Liabilities	13,024,479	13,227,985	13,720,727
Shareholders' Equity			
Common Stock ($.01 par value), authorized 500,000,000 shares; issued / outstanding; March 2000 - 80,551,253 / 79,661,479; December 1999 - 80,550,728 / 80,036,417; March 1999 - 80,537,756 / 80,398,067	806	806	805
Capital Surplus	345,863	345,851	344,955
Accumulated Other Comprehensive Income	(72,307)	(66,106)	(23,536)
Retained Earnings	967,308	942,177	888,367
Treasury Stock, at Cost - (March 2000 - 889,774; December 1999 - 514,311 and March 1999 - 139,689 shares)	(15,763)	(10,398)	(3,032)
Total Shareholders' Equity	1,225,907	1,212,330	1,207,559
Total Liabilities and Shareholders' Equity	$14,250,386	$14,440,315	$14,928,286

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

(in thousands of dollars except per share amounts)	3 Months Ended Mar 31 2000	3 Months Ended Mar 31 1999
Interest Income		
Interest on Loans	$180,402	$176,000
Loan Fees	8,246	9,581
Income on Lease Financing	11,109	8,268
Interest and Dividends on Investment Securities		
Taxable	14,236	13,679
Non-taxable	279	276
Income on Investment Securities Available for Sale	41,033	41,782
Interest on Deposits	3,764	8,226
Interest on Security Resale Agreements	10	101
Interest on Funds Sold	473	2,553
Total Interest Income	259,552	260,466
Interest Expense		
Interest on Deposits	68,214	66,327
Interest on Security Repurchase Agreements	22,953	24,416
Interest on Funds Purchased	8,527	12,768
Interest on Short-Term Borrowings	7,662	3,249
Interest on Long-Term Debt	12,688	9,862
Total Interest Expense	120,044	116,622
Net Interest Income	139,508	143,844
Provision for Loan Losses	13,522	12,590
Net Interest Income After Provision for Loan Losses	125,986	131,254
Non-Interest Income		
Trust Income	16,887	15,575
Service Charges on Deposit Accounts	9,557	9,395
Fees, Exchange, and Other Service Charges	21,626	21,998
Other Operating Income	15,575	12,355
Investment Securities Gains	282	1,847
Total Non-Interest Income	63,927	61,170
Non-Interest Expense		
Salaries	47,547	50,842
Pensions and Other Employee Benefits	14,630	15,043
Net Occupancy Expense	11,816	12,268
Net Equipment Expense	12,067	12,127
Other Operating Expense	39,953	44,353
Minority Interest	69	207
Total Non-Interest Expense	126,082	134,840
Income Before Income Taxes	63,831	57,584

Provision for Income Taxes	24,066	22,167
Net Income	$39,765	$35,417
Basic Earnings Per Share	$0.50	$0.44
Diluted Earnings Per Share	$0.50	$0.44
Dividends Declared Per Share	$0.17	$0.17
Basic Weighted Average Shares	79,821,365	80,421,563
Diluted Weighted Average Shares	80,017,761	81,405,868

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

(in thousands of dollars)	Total	Common Stock	Capital Surplus	Accumulated Other Comprehens Income	Retained Earnings	Treasury Stock	Comprehensive Income
Balance at December 31, 1999	$1,212,330	$806	$345,851	($66,106)	$942,177	($10,398)	
Comprehensive Income							
Net Income	39,765	-	-	-	39,765	-	$39,765
Other Comprehensive Income, Net of Tax							
Investment Securities, Net of Reclassification Adjustment	(7,630)	-	-	(7,630)	-	-	(7,630)
Foreign Currency Translation Adjustment	1,429	-	-	1,429	-	-	1,429
Pension Liability Adjustments	-	-	-	-	-	-	-
Total Comprehensive Income							$33,564
Common Stock Issued							
22,377 Profit Sharing Plan	361	-	-	-	(128)	489	
33,932 Stock Option Plan	398	-	3	-	(362)	757	
78,723 Dividend Reinvestment Plan	1,123	-	-	-	(603)	1,726	
525 Directors' Restricted Shares and Deferred Compensation Plan	9	-	9	-	-	-	
Treasury Stock Purchased	(8,337)	-	-	-	-	(8,337)	
Cash Dividends Paid	(13,541)	-	-	-	(13,541)	-	
Balance at March 31, 2000	$1,225,907	$806	$345,863	($72,307)	$967,308	($15,763)	
Balance at December 31, 1998	$1,185,594	$805	$342,932	($22,476)	$867,852	($3,519)	
Comprehensive Income							
Net Income	35,417	-	-	-	35,417	-	$35,417
Other Comprehensive Income, Net of Tax							
Investment Securities, Net of Reclassification Adjustment	1,131	-	-	1,131	-	-	1,131
Foreign Currency Translation Adjustment	(2,191)	-	-	(2,191)	-	-	(2,191)
Pension Liability Adjustments	-	-	-	-	-	-	-
Total Comprehensive Income							$34,357
Common Stock Issued							
81 Profit Sharing Plan	2	-	2	-	-	-	
183,628 Stock Option Plan	3,746	-	1,860	-	(1,195)	3,081	
65,874 Dividend Reinvestment Plan	1,447	-	137	-	(16)	1,326	
1,241 Directors' Restricted Shares and Deferred Compensation Plan	24	-	24	-	-	-	
Treasury Stock Purchased	(3,920)	-	-	-	-	(3,920)	
Cash Dividends Paid	(13,691)	-	-	-	(13,691)	-	
Balance at March 31, 1999	$1,207,559	$805	$344,955	($23,536)	$888,367	($3,032)	

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

Three Months ended March 31 (in thousands of dollars)	2000	1999
Operating Activities		
Net Income	$39,765	$35,417
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses, depreciation, and amortization of income and expense	13,826	11,314
Deferred income taxes	(13,079)	8,281
Realized and unrealized investment security gains	(58)	(1,952)
Other assets and liabilities, net	1,477	(5,863)
Net cash provided by operating activities	41,931	47,197
Investing Activities		
Proceeds from redemptions of investment securities held to maturity	66,605	104,528
Purchases of investment securities held to maturity	(2,627)	(346,227)
Proceeds from sales of investment securities available for sale	33,854	974,607
Purchases of investment securities available for sale	(41,898)	(685,809)
Net decrease (increase) in interest-bearing deposits	53,159	(34,175)
Net decrease (increase) in funds sold	9,630	(70,294)
Net decrease (increase) in loans and lease financing	(65,080)	230,343
Premises and equipment, net	(5,385)	(7,112)
Purchase of Triad Insurance Agency, Inc. net of cash and non-interest bearing deposits acquired	--	(2,183)
Purchase of additional interest in Bank of Hawaii Nouvelle Caledonie, net of cash and non-interest bearing deposits acquired	--	(642)
Purchase of additional interest in Banque de Tahiti, net of cash and non-interest bearing deposits acquired	--	(633)

Net cash provided by investing activities	48,258	162,403
Financing Activities		
Net decrease in demand, savings, and time deposits	(251,155)	(167,695)
Proceeds from lines of credit and long-term debt	100,024	276,766
Principal payments on lines of credit and long-term debt	(21,955)	(186,878)
Net decrease in short-term borrowings	(47,222)	(64,091)
Net Common Stock issued (repurchased)	(6,446)	1,299
Cash dividends	(13,541)	(13,691)
Net cash used by financing activities	(240,295)	(154,290)
Effect of exchange rate changes on cash	1,429	(2,191)
Increase (Decrease) in cash and non-interest bearing deposits	(148,677)	53,119
Cash and non-interest bearing deposits at beginning of year	639,895	564,243
Cash and non-interest bearing deposits at end of period	$491,218	$617,362

Pacific Century Financial Corporation
Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Pacific Century Financial Corporation (Pacific Century) have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, the consolidated financial statements reflect all adjustments of a normal and recurring nature, including adjustments related to completed acquisitions, which are necessary for a fair presentation of the results for the interim periods, and should be read in conjunction with the audited consolidated financial statements and related notes included in Pacific Century's 1999 Annual Report on Form 10-K. Operating results for the three months ended March 31, 2000 are not necessarily indicative of the results that may be expected for the year ending December 31, 2000.

International operations include certain activities located domestically in Hawaii, as well as branches and subsidiaries domiciled outside the United States. The operations of Bank of Hawaii and First Savings and Loan Association of America located in the West and South Pacific that are denominated in U.S. dollars are classified as domestic. Pacific Century's international operations are primarily concentrated in Hong Kong, Japan, Singapore, South Korea, Taiwan, French Polynesia, Fiji, New Caledonia, Papua New Guinea and Vanuatu.

Certain amounts in prior period financial statements have been reclassified to conform to the 2000 presentation.

Note 2. Recent Accounting Pronouncements

In July 1999, the Financial Accounting Standards Board issued SFAS No. 137 "Deferral of the Effective Date of SFAS No. 133," that delays the effective date of SFAS No. 133 until fiscal years beginning after June 15, 2000. SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" standardizes the accounting for derivative instruments by requiring the recognition of those instruments as assets or liabilities measured at fair value in the statement of financial condition. Gains or losses resulting from changes in the fair values of derivatives would be accounted for depending on the use of the derivatives and whether they qualify for hedge accounting. In order to qualify for hedge accounting, the hedging relationship must be highly effective in achieving offsetting changes in fair value or cash flows. SFAS No. 133 requires matching the timing of gain or loss recognition on derivative instruments with the recognition of the changes in the fair value of the hedged asset or liability that is attributed to the hedged risk or the effect on earnings of the hedged forecasted transaction. The adoption of SFAS No. 133 is not expected to have a material impact on Pacific Century's financial position or results of operations.

Note 3. Earnings Per Share

For the three months ended March 31, 2000 and 1999, there were no adjustments to net income (the numerator) for purposes of computing basic and diluted earnings per share (EPS). The weighted average shares (the denominator) for computing basic and diluted EPS for the three months ended March 31, 2000 and 1999 are presented in the Consolidated Statements of Income. Included in the weighted average shares for computing EPS is the dilutive effect of stock options of 196,396 and 984,305 shares for the three months ended March 31, 2000 and 1999, respectively.

Note 4. Income Taxes

The provision for income taxes is computed by applying statutory federal and state income tax rates to income before income taxes as reported in the Consolidated Statements of Income after adjusting for non-taxable items, principally from certain state tax adjustments, tax exempt interest income, bank owned life insurance income and tax credits for low income housing, foreign taxes and investment tax credits.

Note 5. Business Segments

Pacific Century is a financial services organization that maintains a broad presence throughout the Pacific region. Pacific Century assesses the financial performance of its operating components in accordance with geographic and functional areas of operations. Geographically, Pacific Century has aligned its operations into four principal segments: Hawaii, the Pacific, Asia, and the U.S. Mainland. In addition, the Treasury and Other Corporate segment includes corporate asset and liability management activities and the unallocated portion of various administrative and support units. Descriptions of these business segments are included in Pacific Century's 1999 Annual Report on Form 10-K.

Business segment results are determined based on Pacific Century's internal financial management reporting process and organization structure. The financial management reporting process uses various techniques to assign and transfer balance sheet and income statement amounts between business segments including allocations for overhead, economic provision and capital. In its business segment financial reporting process, Pacific Century utilizes certain accounting practices that could differ from accounting principles generally accepted in the United States. Accordingly, certain balances reflected in the business segment report may not agree with corresponding amounts in the Consolidated Financial Statements. Accounting practices and other key elements of Pacific Century's business segment financial management reporting is discussed in Pacific Century's 1999 Annual Report on Form 10-K.

From time to time, Pacific Century's business segment management reporting process may change based on refinements in segment reporting policies or changes in accounting systems, information systems, organizational structure, or product lines. These changes could result in a realignment of business segments or modifications to allocation and transfer methodologies. Should material changes be made to the financial management reporting process, prior period reports would be restated.

Presented below are the financial results for each of Pacific Century's principal market segments for the three months ended March 31, 2000 and 1999.

Line of Business Selected Financial Information

	U. S.	Treasury and Other	Consolidated

(in thousands of dollars)	Hawaii	Pacific	Asia	Mainland	Corporate	Total
Three Months Ended March 31, 2000						
Net Interest Income	$68,769	$29,909	$5,710	$28,145	$6,975	$139,508
Economic Provision (1)	(6,806)	(3,499)	(4,861)	(2,780)	4,424	(13,522)
Risk-Adjusted Net Interest Income	61,963	26,410	849	25,365	11,399	125,986
Non-Interest Income	36,566	8,735	5,197	3,360	10,069	63,927
Total Risk-Adjusted Revenue	98,529	35,145	6,046	28,725	21,468	189,913
Non-Interest Expense	67,819	26,368	6,860	17,712	7,323	126,082
Net Income (Loss) Before Income Taxe	30,710	8,777	(814)	11,013	14,145	63,831
Income Taxes (2)	(12,931)	(3,718)	324	(2,124)	(5,617)	(24,066)
Net Income (Loss)	$ 17,779	$ 5,059	$ (490)	$ 8,889	$ 8,528	$ 39,765
Total Assets	$5,013,427	$2,328,622	$1,399,860	$2,895,581	$2,612,896	$14,250,386
Three Months Ended March 31, 1999						
Net Interest Income	$72,818	$30,900	$8,751	$26,185	$5,190	$143,844
Economic Provision (1) (3)	(8,915)	(3,383)	(4,875)	(2,951)	7,534	(12,590)
Risk-Adjusted Net Interest Income	63,903	27,517	3,876	23,234	12,724	131,254
Non-Interest Income	30,821	11,338	4,221	2,829	11,961	61,170
Total Risk-Adjusted Revenue	94,724	38,855	8,097	26,063	24,685	192,424
Non-Interest Expense	72,519	27,902	6,760	17,472	10,187	134,840
Net Income Before Income Taxes	22,205	10,953	1,337	8,591	14,498	57,584
Income Taxes (2)	(9,605)	(4,541)	(584)	(1,720)	(5,717)	(22,167)
Net Income	$ 12,600	$ 6,412	$ 753	$ 6,871	$ 8,781	$ 35,417
Total Assets	$5,209,603	$2,420,963	$1,458,843	$2,819,027	$3,019,850	$14,928,286

(1) The economic provision for loan losses reflects the expected normalized loss factor determined by a statistically applied approach that considers risk factors, including historical loss experience, within a given portfolio. The economic provision differs from the provision determined under generally accepted accounting principles. The difference between the sum of the economic provision for business segments and the provision in the consolidated financial statements is included in Treasury and Other Corporate.
(2) Tax benefits are allocated to the business segment to which they relate. In the quarters ended March 31, 2000 and 1999, income taxes for the U. S. Mainland segment included $3.3 million and $2.8 million, respectively, in tax benefits from low income housing tax credits and investment tax credits.
(3) For the first quarter of 1999, the economic provision for Asia was adjusted upwards from the amount reported previously to reflect the normalized loss factors resulting from the company's assessment of reform measures initiated to deal with the financial turmoil in the region. Previously, economic provisions for uncertainty in the region were reflected in the provision for Treasury.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

PERFORMANCE HIGHLIGHTS

Pacific Century Financial Corporation (Pacific Century) reported earnings for the three months ended March 31, 2000 of $39.8 million, up 12.3% from $35.4 million in the same year ago period. Both basic and diluted earnings per share in the first quarter of 2000 were $0.50, compared to $0.44 in the same 1999 quarter, reflecting an increase of 13.6%.

Performance ratios for the three months ended March 31, 2000 improved over 1999. In the first quarter of 2000, return on average assets (ROAA) and return on average equity (ROAE) were 1.13% and 13.19%, respectively, compared to 0.96% and 12.00% in the same 1999 quarter. For the full year of 1999, ROAA was 0.91% and ROAE was 10.99%.

Financial results under a tangible performance basis excludes from reported earnings the after tax impact of amortization of all intangibles, including goodwill. On a tangible basis, Pacific Century's earnings in the first quarter of 2000 were $43.9 million, reflecting an 11.8% increase from $39.3 million in the same year ago quarter. On a per share basis, tangible diluted earnings per share were $0.55 in the first quarter of 2000, up from $0.48 per share in 1999's first quarter. Tangible ROA and ROE for the quarter were 1.26% and

17.54%, respectively, compared to 1.08% and 16.21% in the same quarter last year.

On a taxable equivalent basis, net interest income for the three months ended March 31, 2000 was $139.8 million, down from the $144.0 million in the same year ago period. This decline primarily resulted from lower average earning assets in the current quarter, which was partially offset by a rise in net interest margin.

Total assets at March 31, 2000 stood at $14.3 billion relative to $14.4 billion at December 31, 1999 and $14.9 billion at March 31, 1999. Year-over-year, $142.0 million in loan growth was more than offset by a $699.8 million decline in investment securities and other short-term interest earning assets. The reduction in securities and short-term earning assets primarily is a result of managing down less productive assets.

Non-performing assets (NPAs), exclusive of accruing loans past due 90 days or more, ended 2000's first quarter at $136.4 million, or 1.39% of total loans. Comparatively, NPAs were $149.9 million, or 1.54% of total loans at year-end 1999 and $163.3 million, or 1.69% of total loans at March 31, 1999.

The reserve for loan losses totaled $195.4 million at the end of March 2000, representing 2.05% of loans outstanding, compared to $209.3 million and 2.22%, respectively, on the same date in 1999. Net charge-offs for the first quarter of 2000 were $11.3 million, or 0.48% of average loans, compared to $10.8 million and 0.46% in the first quarter of 1999 and $36.8 million and 1.55% in 1999's final quarter.

In September 1999, Pacific Century announced its redesign program to improve the delivery of financial services in Hawaii and the West Pacific, generate revenue growth from new and existing sources, and reduce expenses by simplifying and streamlining processes. The implementation phase of the redesign began in fourth quarter of 1999 and is expected to be substantially completed in twelve months. When fully implemented at the beginning of the fourth quarter of 2000, the redesign is expected to contribute an annualized pretax increase in revenue of $21 million and annualized reduction in operating expenses of $43 million. To date, results associated with implementing redesign initiatives have been in line with expectations.

Forward-Looking Statements

This report contains forward-looking statements regarding Pacific Century's beliefs, estimates, projections and assumptions, which are provided to assist in the understanding of certain aspects of Pacific Century's anticipated future financial performance. Pacific Century cautions readers not to place undue reliance on any forward-looking statement. Forward-looking statements are subject to significant risks and uncertainties, many of which are beyond Pacific Century's control. Although Pacific Century believes that the assumptions underlying its forward-looking statements are reasonable, any assumption 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 that might cause differences to occur include, but are not limited to, economic conditions in the markets Pacific Century serves including those in Hawaii, the U.S. Mainland, Asia and the South Pacific; shifts in interest rates; fluctuations in currencies of Asian Rim and South Pacific countries relative to the U.S. dollar; changes in credit quality; changes in applicable federal, state, and foreign income tax laws and regulatory and monetary policies; and increases in competitive pressures in the banking and financial services industry, particularly in connection with product delivery and pricing. In addition, factors that could significantly differ from estimates relative to Pacific Century's redesign program include the following: expected cost savings from the redesign program cannot be fully realized or realized within the expected timeframe; income or revenues from the redesign are lower or operating or implementation costs are higher than expected;

business disruption related to implementation of the redesign programs or methodologies; inability to achieve expected customer acceptance of revised pricing structures and strategies; and other unanticipated occurrences which could delay or adversely impact the implementation of all or part of the redesign. Pacific Century 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.

Highlights — Pacific Century Financial Corporation and subsidiaries
Table 1

(in thousands of dollars except per share amounts)

Earnings Highlights and Performance Ratios	2000	1999	Percentage Change
Three Months Ended March 31			
Net Income	$39,765	$35,417	12.3%
Basic Earnings Per Share	0.50	0.44	13.6%
Diluted Earnings Per Share	0.50	0.44	13.6%
Cash Dividends	13,541	13,691	
Return on Average Assets	1.13%	0.96%	
Return on Average Equity	13.19%	12.00%	
Average Spread on Earning Assets	4.31%	4.24%	
Efficiency Ratio	62.06%	66.37%	

Summary of Results Excluding the Effect of Intangibles (a)			
Three Months Ended March 31			
Net Income	$43,889	$39,252	11.8%
Basic Earnings per Share	$0.55	$0.49	12.2%
Diluted Earnings per Share	$0.55	$0.48	14.6%
Return on Average Assets	1.26%	1.08%	
Return on Average Equity	17.54%	16.21%	
Efficiency Ratio	59.73%	64.25%	

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

Statement of Condition Highlights and Performance Ratios	March 31 2000	March 31 1999	Percentage Change
Total Assets	$14,250,386	$14,928,286	-4.5%
Net Loans	9,346,460	9,208,126	1.5%
Total Deposits	9,143,063	9,434,427	-3.1%
Total Shareholders' Equity	1,225,907	1,207,559	1.5%
Book Value Per Common Share	$15.39	$15.01	
Loss Reserve / Loans Outstanding	2.05%	2.22%	
Average Equity / Average Assets	8.54%	7.98%	
Common Stock Price Range	High	Low	
1999	$24.94	$17.38	
2000 First Quarter.................	$20.38	$14.35	

LINE OF BUSINESS FINANCIAL REVIEW

Pacific Century is a financial services organization that maintains a broad presence throughout the Pacific region and operates through a unique trans-Pacific network of locations. Its activities are conducted primarily through more than 180 branches and representative and extension offices (including branches of affiliate banks). Pacific Century provides diverse financial products and services to individuals, businesses, governmental agencies and financial institutions.

Pacific Century assesses the financial performance of its operating components primarily in accordance with geographic and functional areas of operations. Geographically, Pacific Century has aligned its operations into four principal geographic segments: Hawaii, the Pacific, Asia, and the U.S. Mainland. In addition, there is also a segment for Treasury and Other Corporate. A further discussion of these segments and the reporting process is included in the 1999 Annual Report on Form 10-K.

Note 5 to the Consolidated Financial Statements presents Pacific Century's business segment financial reports for the three months ended March 31, 2000 and 1999. Because business segment financial reports are prepared in accordance with accounting practices that could differ from accounting principles generally accepted in the United States, the amounts reflected therein may not agree with the corresponding amounts reported in the Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations.

In addition to the performance measurements in the business segment financial report, Pacific Century also utilizes risk-adjusted return on capital (RAROC) to assess segment performance. RAROC is the ratio of risk-adjusted net income to equity. Equity is allocated to business units based on various risk factors inherent in the operations of each unit. A second performance measurement is net income after capital charge (NIACC). NIACC is net income available to common shareholders less a charge for allocated capital. The cost of capital is based on the estimated minimum rate of return expected by the financial markets. The minimum rate of return consists of the following components: the long-term government bond rate plus an additional level of return for the average risk premium of an equity investment adjusted for Pacific Century's market risk.

Hawaii Market

Pacific Century's oldest and largest market is Hawaii, where operations are conducted primarily through its principal subsidiary, Bank of Hawaii. Bank of Hawaii was established in 1897, and is the largest bank headquartered in the State of Hawaii offering a wide array of financial products and services. Bank of Hawaii operates through 74 branches in Hawaii, including both traditional full-service branches and in-store locations.

The Hawaii segment includes retail and commercial operating units. Retail operating units service and sell a broad line of consumer financial products. These units include consumer deposits, consumer lending, residential real estate lending, auto financing, credit cards, and private and institutional services (trust, mutual funds, and stock brokerage).

In the business banking area, Bank of Hawaii is a major commercial lender and maintains a significant presence throughout the State. Commercial operating units in the Hawaii market include small business, Hawaii commercial banking, commercial products and commercial real estate.

For the quarter ended March 31, 2000, the Hawaii segment contributed $17.8 million in net income an increase of 41.1% from the $12.6 million reported for the first quarter of 1999. The higher 2000 earnings were primarily driven by a $5.7 million increase in non-interest income and a $4.7 million reduction in non-interest expense. The increase in non-interest income for March 2000 included approximately $2.0 million in non-recurring other operating income. The positive effects from the implementation of redesign initiatives and the Year 2000 remediations costs expended last year primarily explains the decline in non-interest expense. RAROC for this segment rose to 21% for the first quarter of 2000 from 13% in the same quarter of 1999. Total assets in the Hawaii segment declined to $5.0 billion at March 31, 2000 from $5.3 billion at year-end 1999 and $5.2 billion at March 31, 1999.

Pacific Market

Pacific Century's Intra-Pacific region spans island nations across the West and South Pacific. Pacific Century is the only United States financial institution to have such a broad presence in this region.

Pacific Century serves the West Pacific through branches of both Bank of Hawaii and First Savings and Loan Association of America (First Savings).

Pacific Century's presence in the South Pacific includes various subsidiary and affiliate banks and branches of Bank of Hawaii. Subsidiaries in the South Pacific are located in French Polynesia, New Caledonia, Papua New Guinea and Vanuatu, and affiliates are located in Samoa, Solomon Islands, and Tonga. Bank of Hawaii locations in this region consist of three branches in Fiji and two branches in American Samoa.

Net income in the Pacific segment was $5.1 million for the quarter ended March 31, 2000, down from $6.4 million in the first quarter of 1999. The lower 2000 results is partially due to unfavorable fluctuations in currency exchange rates in the South Pacific. RAROC, including the amortization of intangibles for this segment, declined to 9% in the first quarter of 2000 from 12% for the same quarter in 1999. Total assets in the Pacific segment were $2.3 billion at the end of March 2000, down from $2.5 billion and $2.4 billion from year-end 1999 and the same year ago date, respectively.

Asia Market

Pacific Century operates in Asia through Bank of Hawaii branches in Hong Kong, Japan, Singapore, South Korea and Taiwan and a representative office with extensions in the Philippines.

Pacific Century's business focus in Asia is correspondent banking and trade financing. The lending emphasis is on credits relating to and resulting from trade activities, trade finance and working capital loans for companies that have business interests in the Asia-Pacific markets. Pacific Century's network of locations in the Pacific and its presence on the U.S. Mainland help customers facilitate the flow of business and investment transactions across Asia-Pacific.

For the quarter ended March 31, 2000, the Asia segment reflected a net loss of $0.5 million, compared to net income of $0.8 million for the same quarter in 1999. The lower 2000 results is primarily due to a decline in net interest income, which was driven by a reduction in the net interest margin rate. Partially offsetting this decline, was a rise in non-interest income. RAROC for this segment was (2)% in the first quarter of 2000, compared to 3% for the same quarter in 1999. As of March 31, 2000, December 31, 1999 and March 31, 1999, total assets in the Asia segment were $1.4 billion, $1.4 billion and $1.5 billion, respectively.

For additional information on Asia, see the "Foreign Operations" section in this report.

U.S. Mainland Market

Pacific Century's U.S. Mainland segment includes Pacific Century Bank, N.A. and Bank of Hawaii operating units for large corporate lending and leasing.

In the first quarter of 2000, the U.S. Mainland segment contributed net income of $8.9 million, up from $6.9 million in the same year ago quarter. Net income for the three months ended March 31, 2000 and 1999, included tax benefits of $3.3 million and $2.8 million, respectively, from low income housing tax credits and investment tax credits. RAROC, including the amortization of intangibles for this segment was 13% in the first quarter of 2000, improving from 10% for the same quarter in 1999. As of March 31, 2000, December 31, 1999 and March 31, 1999, total assets in the U.S. Mainland segment were $2.9 billion, $2.7 billion and $2.8 billion, respectively.

Treasury and Other Corporate

The primary operations in this segment is Treasury, which consists of corporate asset and liability management activities including investment securities, federal funds purchased and sold, government deposits, short and long-term borrowings, and derivative activities for managing interest rate and foreign currency risks. Additionally, the net residual effect of transfer pricing assets and liabilities is included in Treasury, as is any corporate-wide interest rate risk.

The Treasury and Other Corporate segment reflected a first quarter 2000 net income of $8.5 million, compared to $8.8 million in the same quarter in 1999. At March 31, 2000, year-end 1999 and March 31, 1999 this segment held assets of $2.6 billion, $2.6 billion, and $3.0 billion, respectively. The year-over-year reduction in assets is primarily due to a decline in investment securities and other short-term interest earning assets.

STATEMENT OF INCOME ANALYSIS

Net Interest Income

In the first quarter of 2000, net interest income on a taxable equivalent basis was $139.8 million, down 2.9% from the $144.0 million reported in the same year-earlier quarter. The change between periods reflected a drop in average earning assets that was partially offset by a rise in the net interest margin.

In the first quarter of 2000, the average net interest margin on earning assets rose to 4.31% from 4.24% for the same quarter in 1999. The average yield on earning assets increased from 7.67% in 1999's first quarter to 8.01% in the current quarter and reflects the general rise in market interest rates. In addition, declines in the average balance of lower yielding foreign loans, interest-bearing deposits and investment securities contributed to the higher overall yield in the first quarter of 2000. The average rate on interest-bearing liabilities increased to 4.56% in the current quarter from 4.17% in the same quarter last year. Presented in Table 2 are average balances, yields, and rates paid for the three months ended March 31, 2000, March 31, 1999 and December 31, 1999. Additionally, the results for the full year 1999 are also presented.

Pacific Century Financial Corporation and subsidiaries
Consolidated Average Balances and Interest Rates Taxable Equivalent (Unaudited)
Table 2

(in millions of dollars)	Three Months Ended March 31, 2000 Average Balance	Income/ Expense	Yield/ Rate	Three Months Ended March 31, 1999 Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$206.5	$3.8	7.33%	$466.6	$8.2	7.15%
Investment Securities Held to Maturity						
-Taxable	775.5	14.2	7.38	790.0	13.7	7.02
-Tax-Exempt	10.0	0.4	17.32	11.7	0.4	14.73
Investment Securities Available for Sale	2,527.0	41.0	6.53	2,815.3	41.8	6.02
Funds Sold	35.0	0.5	5.56	208.2	2.7	5.17
Net Loans						
-Domestic	7,897.9	166.7	8.49	7,778.2	158.3	8.25
-Foreign	1,586.1	24.9	6.30	1,713.7	25.9	6.15
Loan Fees		8.3			9.6	
Total Earning Assets	13,038.0	259.8	8.01	13,783.7	260.6	7.67
Cash and Due From Banks	506.5			517.6		
Other Assets	657.0			694.3		
Total Assets	$14,201.5			$14,995.6		
Interest Bearing Liabilities						
Domestic Dep- Demand	$2,115.6	12.3	2.33	$2,163.9	12.0	2.25
- Savings	700.1	3.5	2.03	735.0	3.7	2.02
- Time	2,764.9	35.1	5.10	2,610.9	30.7	4.77
Total Domestic	5,580.6	50.9	3.67	5,509.8	46.4	3.41
Foreign Deposits						
- Time Due to Banks	487.8	7.0	5.79	652.9	8.6	5.36
- Other Time and Savings	1,121.6	10.3	3.70	1,160.1	11.3	3.95
Total Foreign	1,609.4	17.3	4.33	1,813.0	19.9	4.46
Total Interest Bearing Deposits	7,190.0	68.2	3.82	7,322.8	66.3	3.67
Short-Term Borrowings	2,626.6	39.1	5.99	3,372.5	40.4	4.86
Long-Term Debt	773.0	12.7	6.60	651.8	9.9	6.14
Total Interest Bearing Liabilities	10,589.6	120.0	4.56	11,347.1	116.6	4.17
Net Interest Income		139.8			144.0	
Interest Rate Spread			3.45%			3.50%
Net Interest Margin			4.31%			4.24%
Demand Deposit- Domestic	1,663.6			1,644.4		

- Foreign	419.5			448.2		
Total Demand Deposits	2,083.1			2,092.6		
Other Liabilities	316.7			359.1		
Shareholders' Equity	1,212.1			1,196.8		
Total Liabilities and Shareholders' Equity	$14,201.5			$14,995.6		
Provision for Loan Losses		13.5			12.6	
Net Overhead		62.2			73.7	
Income Before Income Taxes		64.1			57.7	
Provision for Income Taxes		24.1			22.2	
Tax-Equivalent Adjustment		0.2			0.1	
Net Income		$39.8			$35.4	

Pacific Century Financial Corporation and subsidiaries
Consolidated Average Balances and Interest Rates Taxable Equivalent (Unaudited)
Table 2

	Three Months Ended December 31, 1999			Twelve Months Ended December 31, 1999		
(in millions of dollars)	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
Earning Assets						
Interest Bearing Deposits	$268.4	$4.6	6.75%	$385.0	$24.9	6.48%
Investment Securities Held to Maturity						
-Taxable	794.4	14.6	7.27	805.2	57.8	7.18
-Tax-Exempt	11.6	0.4	14.34	11.7	1.7	14.41
Investment Securities Available for Sale	2,590.0	41.8	6.40	2,698.8	168.0	6.23
Funds Sold	33.2	0.5	6.53	102.0	5.4	5.31
Net Loans						
-Domestic	7,803.0	161.4	8.20	7,742.3	623.0	8.05
-Foreign	1,688.6	25.1	5.91	1,702.2	106.4	6.25
Loan Fees		9.8			39.9	
Total Earning Assets	13,189.2	258.2	7.77	13,447.2	1,027.1	7.64
Cash and Due From Banks	519.3			486.6		
Other Assets	650.8			649.1		
Total Assets	$14,359.3			$14,582.9		
Interest Bearing Liabilities						
Domestic Dep- Demand	$2,110.5	12.1	2.28	$2,137.1	48.5	2.27
- Savings	711.9	3.7	2.03	723.9	14.7	2.03
- Time	2,634.8	32.4	4.88	2,559.4	123.3	4.82
Total Domestic	5,457.2	48.2	3.50	5,420.4	186.5	3.44
Foreign Deposits						
- Time Due to Banks	625.6	8.7	5.50	641.4	33.7	5.25
- Other Time and Savings	1,171.7	10.6	3.60	1,165.7	41.0	3.52
Total Foreign	1,797.3	19.3	4.26	1,807.1	74.7	4.13
Total Interest Bearing Deposits	7,254.5	67.5	3.69	7,227.5	261.2	3.61
Short-Term Borrowings	2,707.6	35.4	5.18	3,014.8	146.2	4.85
Long-Term Debt	747.4	12.1	6.45	685.9	44.3	6.46
Total Interest Bearing Liabilities	10,709.5	115.0	4.26	10,928.2	451.7	4.13
Net Interest Income		143.2			575.4	
Interest Rate Spread			3.51%			3.51%
Net Interest Margin			4.31%			4.28%
Demand Deposit- Domestic	1,662.8			1,652.6		
- Foreign	457.5			435.2		
Total Demand Deposits	2,120.3			2,087.8		
Other Liabilities	315.3			356.9		
Shareholders' Equity	1,214.2			1,210.0		
Total Liabilities and Shareholders' Equity	$14,359.3			$14,582.9		
Provision for Loan Losses		20.9			60.9	
Net Overhead		61.7			288.2	

Income Before Income Taxes	60.6	226.3
Provision for Income Taxes	22.8	92.7
Tax-Equivalent Adjustment	0.2	0.6
Net Income	$37.6	$133.0

Provision for Loan Losses

The provision for loan losses was $13.5 million in 2000's first quarter, up from $12.6 million for the same quarter last year. For the full year 1999, the provision for loan losses was $60.9 million. For further information on credit quality, refer to the section on "Corporate Risk Profile - Credit Risk - Reserve for Loan Losses."

Non-Interest Income

Total non-interest income in the first quarter of 2000, was $63.9 million, compared to $61.2 million in the same quarter in 1999. Exclusive of investment securities gains, non-interest income rose $4.3 million or 7.3% in the March 2000 quarter over the same year ago period.

Non-Interest Income
Table 3

(in millions)	3 Months Ended Mar. 31, 2000	3 Months Ended Mar. 31, 1999
Trust Income	$16.9	$15.6
Service Charges on Deposit Accounts	9.5	9.4
Fees, Exchange and Other Service Charges	21.6	22.0
Other Operating Income	15.6	12.4
Investment Securities Gains	0.3	1.8
Total Non-Interest Income	$63.9	$61.2

Trust income for the first quarter of 2000 increased to $16.9 million, up 8.4% from the same quarter last year. The year-over-year rise in trust income is primarily attributed to increases in mutual fund management fees and annuity fees. The Pacific Capital family of mutual funds and Hawaiian Tax Free Trust, which are managed by Pacific Century Trust, have continued to experience growth. At March 31, 2000, the aggregate balance of these funds stood at $4.1 billion, up from $3.2 billion at the same date last year.

Service charges on deposit accounts for the March 2000 quarter totaled $9.5 million, reflecting an increase of 1.7% over the same quarter last year. The implementation of redesign initiatives modestly contributed to the increase in deposit fees since these initiatives were implemented in March.

Fees, exchange and other service charges were $21.6 million in the first quarter of 2000, compared to $22.0 million in the same 1999 quarter. During the current quarter, fees generated from mortgage servicing and Pacific Century's ATM network reflected an increase over the same period last year, which was more than offset by reductions in fees related to South Pacific subsidiaries.

Other operating income in 2000's first quarter was $15.6 million, reflecting an increase of $3.2 million over the same quarter of 1999. Current quarter results included approximately $2.0 million in non-recurring income relative to securities received in the demutualization of a large insurance company. Additionally, the increase in other operating income reflected positive contributions from implementing redesign initiatives.

Sales of investment securities during the three months ended

March 31, 2000 resulted in net investment security gains of $0.3 million, compared to $1.8 million in the comparable year earlier period.

Non-Interest Expense

Total non-interest expense for the March 2000 quarter was $126.1 million, down 6.5% from $134.8 million in the like quarter of 1999. This improvement is largely driven by reduced Year 2000 remediation costs and reduced compensation and other operating expenses related to New Era implementation.

Non-Interest Expense
Table 4

(in millions)	3 Months Ended Mar. 31, 2000	3 Months Ended Mar. 31, 1999
Salaries and Pension and Other Employee Benefits	$62.1	$65.8
Net Occupancy and Net Equipment Expense	23.9	24.4
Other Operating Expense	40.0	44.4
Minority Interest	0.1	0.2
Total Non-Interest Expense	$126.1	$134.8

Salaries and pension and other employee benefits expense totaled $62.1 million in the first quarter of 2000, down 5.6% from $65.8 million in the same quarter last year. This reduction largely resulted from staff reductions relative to the redesign.

Net occupancy and equipment expense in the March 2000 quarter was $23.9 million, a decrease of 2.1% from $24.4 million for the same period in 1999.

Other operating expense decreased to $40.0 million in the first quarter of 2000, down 9.9% from $44.4 million for the same quarter in 1999. This reduction is largely related to cost savings achieved from implementing redesign initiatives and Year 2000 readiness costs that were incurred in 1999's first quarter.

Pacific Century utilizes the efficiency ratio as a tool to manage non-interest income and expense. The efficiency ratio is derived by dividing non-interest expense by net operating revenue (net interest income plus non-interest income before securities transactions). For the first quarter of 1999, the efficiency ratio was 62.1%. Comparatively, this ratio was 66.4% in the same quarter last year and 63.3% in the final quarter of 1999. On a tangible basis, the efficiency ratio was 59.7% for the March 2000 quarter, improving from 64.3% in the same year ago period.

BALANCE SHEET ANALYSIS

Loans

Loans comprise the largest category of earning assets for Pacific Century and produce the highest level of earnings. At March 31, 2000, loans outstanding were $9.8 billion, up from $9.7 billion at year-end 1999 and $9.6 billion at March 31, 1999. While the overall loan portfolio reflected a year-over-year increase of 1.5%, foreign loans declined by 9.5%, which reflected currency translation adjustments and an intended scaling back of loans in the Asia market.

Pacific Century's objective is to maintain a diverse loan portfolio in order to spread credit risk and reduce exposure to economic downturns that may impact different markets and industries. The composition of the loan portfolio is regularly monitored to ensure diversity as to loan type, geographic distribution, and industry and borrower concentration.

Table 5 presents the composition of the loan portfolio by major loan categories as of March 31, 2000, December 31, 1999 and March 31, 1999.

Loan Portfolio Balances
Table 5

(in millions of dollars)	March 31 2000	December 31 1999	March 31 1999
Domestic Loans			
Commercial and Industrial	$2,558.6	$2,493.0	$2,468.4
Real Estate			
Constructio-- Commercial	317.5	315.1	312.3
-- Residential	16.8	13.8	21.0
Mortgage --Commercial	1,256.6	1,244.8	1,231.5
-- Residential	2,677.7	2,645.4	2,568.0
Installment	745.0	756.1	733.5
Lease Financing	626.3	627.6	556.0
Total Domestic	8,198.5	8,095.8	7,890.7
Foreign Loans	1,581.1	1,621.8	1,747.0
Total Loans	$9,779.6	$9,717.6	$9,637.7

Investment Securities

Pacific Century's investment portfolio is managed to provide collateral for cash management needs, to meet strategic asset/liability positioning, and to provide both interest income and balance sheet liquidity. At $2.5 billion, available-for-sale securities at March 31, 2000 were almost level with year-end 1999, but were down from $2.7 billion at the same date last year. Securities held to maturity were $732 million at March 31, 2000, declining from $796 million at year-end 1999 and $895 million a year ago. Other short-term interest earning assets totaled $268 million at the end of the first quarter, down from $331 million and $610 million at December 31, 1999 and March 31, 1999, respectively. The decline in investment securities and other short-term interest earning assets relative to year-end 1999 and March 31, 1999, is primarily the result of managed reductions of lower yielding assets to improve balance sheet efficiency.

Deposits

As of March 31, 2000, deposits totaled $9.1 billion, down from $9.4 billion at both year-end 1999 and March 31, 1999. Year-over-year, domestic deposits reflected an increase of $163 million, while foreign deposits declined by $455 million. Most of the drop in foreign deposits is accounted for in the time due to bank category, which experienced a $378 million year-over-year decrease. The decline in foreign deposits is also partially attributed to foreign currency exchange rate fluctuations in the South Pacific.

Table 6 presents average deposits by type for the first quarters of 2000 and 1999 and the full year 1999.

Average Deposits
Table 6

	Quarter Ended March 31, 2000		Year Ended December 31, 1999		Quarter Ended March 31, 1999	
(in millions of dollars)	Amount	Mix	Amount	Mix	Amount	Mix
Domestic						
Non-Interest Bearing Demand	$1,663.6	17.9%	$1,652.6	17.7%	$1,644.4	17.4%

Interest-Bearing Demand	2,115.6	22.8	2,137.1	22.9	2,163.9	23.0
Regular Savings	700.1	7.6	723.9	7.8	735.0	7.8
Time Certificates of Deposit ($100,000 or More)	1,177.3	12.7	1,043.2	11.2	1,032.4	11.0
All Other Time and Savings Certificates	1,587.6	17.1	1,516.2	16.3	1,578.5	16.8
Total Domestic	7,244.2	78.1	7,073.0	75.9	7,154.2	76.0
Foreign						
Non-Interest Bearing Demand	419.5	4.5	435.2	4.7	448.2	4.8
Time Due to Banks	487.8	5.3	641.4	6.9	652.9	6.9
Other Time and Savings	1,121.6	12.1	1,165.7	12.5	1,160.1	12.3
Total Foreign	2,028.9	21.9	2,242.3	24.1	2,261.2	24.0
Total	$9,273.1	100.0%	$9,315.3	100.0%	$9,415.4	100.0%

Borrowings

Short-term borrowings, including funds purchased and securities sold under agreements to repurchase, totaled $2.7 billion at March 31, 2000, $2.8 billion at year-end 1999 and $3.2 billion at March 31, 1999.

Long-term debt on March 31, 2000 increased to $806 million from $728 million at year-end 1999 and $676 million at March 31, 1999. This increase is primarily attributed to new Federal Home Loan Bank advances in the first quarter, net of maturities.

FOREIGN OPERATIONS

Pacific Century maintains an extensive international presence in the Asia-Pacific region that provides opportunities to take part in lending, correspondent banking and deposit-taking activities in these markets. Pacific Century divides its international business into two areas: the Asia Market and the Pacific Market, which is comprised of economies located in the South and West Pacific.

Through its Asia Market, Pacific Century offers banking services to its corporate and financial institution customers in most of the major Asian financial centers with support from its New York and Honolulu operations. The International Banking Group of Bank of Hawaii continues to focus on correspondent banking and trade-related financing activities and lending to customers with which it has a direct relationship.

The South Pacific Division consists of investments in subsidiary banks in French Polynesia, New Caledonia, Papua New Guinea, Vanuatu, and Bank of Hawaii branch operations in Fiji and American Samoa. Since American Samoa is U.S. dollar based, its operation is included as domestic. Additionally, Bank of Hawaii has interests in affiliate banks located in Samoa, Solomon Islands and Tonga.

The West Pacific Division includes Bank of Hawaii branches in Guam and in other locations in the region. Since the U.S. dollar is used in these locations, Pacific Century's operations in the West Pacific are not considered foreign for financial reporting purposes.

A detailed description of controls over risk exposure in international lending is provided in Pacific Century's 1999 Annual Report on Form 10-K. There has been no significant change to that process during 2000. Pacific Century continues to monitor its exposure in international lending with particular attention provided to Asia and the South Pacific.

The countries in Asia to which Pacific Century maintains its largest credit exposure on a cross border basis include Japan, South Korea and France. Table 7 presents as of March 31, 2000, December 31, 1999, and March 31, 1999 a geographic distribution of Pacific Century's cross-border assets for each country in which such assets exceeded 0.75% of total assets.

Geographic Distribution of Cross-Border International Assets (1)
Table 7

(in millions) Country	March 31, 2000	December 31, 1999	March 31, 1999
Japan	$316.2	$320.4	$346.8
South Korea	305.6	294.3	275.7
France	147.8	195.1	135.0
Taiwan	98.2	78.7	134.2
All Others (2)	451.2	484.7	591.0
	$1,319.0	$1,373.2	$1,482.7

(1) This table details by country cross-border outstandings that individually amounted to 0.75% or more of consolidated total assets as of March 31, 2000, December 31, 1999 and March 31, 1999. Cross-border outstandings are defined as foreign monetary assets that are payable to Pacific Century in U.S. dollars or other non-local currencies, plus amounts payable in local currency but funded with U.S. dollars or other non-local currencies. Cross-border outstandings include loans, acceptances, and interest-bearing deposits with other banks.
(2) At March 31, 2000, the all others category included cross-border outstandings of $61.3 million in French Polynesia and $46.1 million in New Caledonia. The currency of both of these countries is the Pacific franc.

In the fourth quarter of 1999, $10.7 million in credits to a South Korean conglomerate were placed on non-performing status in conjunction with a partial charge-off. Negotiation with the conglomerate and its creditors are still in process. Pacific Century believes that it has adequately provided for the exposures relative to these credits.

CORPORATE RISK PROFILE

Credit Risk

Non-Performing Assets and Past Due Loans

Non-performing assets (NPAs) consist of non-accrual loans, restructured loans and foreclosed real estate. These assets decreased to $136.4 million at March 31, 2000 from $149.9 million at year-end 1999 and $163.3 million at March 31, 1999.

At March 31, 2000, the ratio of NPAs to outstanding loans was 1.39%. Comparatively this ratio was 1.54% at year-end 1999 and 1.69% at March 31, 1999. Table 8 presents Pacific Century's NPAs and ratio of NPAs to total loans.

In order to minimize credit losses, Pacific Century strives to maintain high underwriting standards, identify potential problem loans and work with borrowers to cure delinquencies. Moreover, charge-offs, if required, are taken promptly and reserve levels are maintained at adequate levels. Pacific Century's policy is to place loans on non-accrual status when a loan is over 90 days delinquent, unless collection is likely based on specific factors such as the type of borrowing agreement and/or collateral. At the time a loan is placed on non-accrual, all accrued but unpaid interest is reversed against current earnings.

Total non-accrual loans declined to $131.8 million at March 31, 2000, down from $145.3 million and $157.1 million at year-end 1999 and March 31, 1999, respectively. Reductions in non-accrual balances in the residential real estate and commercial and industrial loan portfolios primarily accounted for the decrease relative to year-end 1999 and March 31, 1999.

Non-performing residential mortgages (excluding construction loans) totaled $23.2 million at March 31, 2000, compared to $29.7 million at year-end 1999. Contributing to this reduction was the sale of approximately $5.0 million in non-performing residential real estate loans during the March 2000 quarter. Because residential mortgages are secured by real estate, the credit risk on these loans is lower than for unsecured lending. Most of Pacific Century's residential loans are owner-occupied first mortgages and were generally underwritten to provide a loan-to-value ratio of no more than 80% at origination.

Foreign loans on non-accrual at the end of the current quarter totaled $65.2 million, down from $67.4 million at year-end 1999 and up from $53.6 million at March 31, 1999. The year-over-year rise is attributed to an increase in non-performing Asian loans.

There were no restructured loans as of March 31, 2000, December 31, 1999 and March 31, 1999.

Foreclosed real estate totaled $4.6 million at March 31, 2000, unchanged from year-end 1999 and down from $6.2 million a year ago. At end of the current quarter, the foreclosed real estate portfolio consisted of properties located mostly in Hawaii.

Accruing loans past due 90 days or more were $23.1 million at March 31, 2000, up from $18.5 million at year-end 1999 and $21.7 million at the same date last year. The ratio of NPAs and accruing loans past due 90 days or more to total loans was 1.63% at end of the March 2000 quarter, compared to 1.73% and 1.92% at December 31, 1999 and March 31, 1999, respectively.

Non-Performing Assets and Accruing Loans Past Due 90 Days or More
Table 8

(in millions of dollars)	March 31 2000	December 31 1999	March 31 1999
Non-Accrual Loans			
Commercial and Industrial	$20.1	$23.7	$39.1
Real Estate			
Construction	0.9	1.1	3.1
Commercial	18.2	19.0	18.7
Residential	23.2	29.7	37.6
Installment	0.5	0.5	0.5
Leases	3.7	3.9	4.5
Total Domestic	66.6	77.9	103.5
Foreign	65.2	67.4	53.6
Subtotal	131.8	145.3	157.1
Foreclosed Real Estate			
Domestic	4.3	4.3	6.1
Foreign	0.3	0.3	0.1
Subtotal	4.6	4.6	6.2
Total Non-Performing Assets	136.4	149.9	163.3
Accruing Loans Past Due 90 Days or More			
Commercial and Industrial	6.7	5.9	4.3
Real Estate			
Construction	0.0	0.0	0.2
Commercial	2.1	1.9	0.4
Residential	5.0	4.0	3.5
Installment	4.7	4.5	6.9
Leases	1.4	1.2	0.1
Total Domestic	19.9	17.5	15.4
Foreign	3.2	1.0	6.3
Subtotal	23.1	18.5	21.7

Total	$159.5	$168.4	$185.0
Ratio of Non-Performing Assets to Total Loans	1.39%	1.54%	1.69%
Ratio of Non-Performing Assets and Accruing Loans Past Due 90 Days or More to Total Loans	1.63%	1.73%	1.92%

Reserve for Loan Losses

Pacific Century maintains reserve for loan losses at a level that it believes is adequate to absorb estimated inherent losses on all loans. The reserve level is determined based on a continuing assessment of problem credits, recent loss experience, changes in collateral values, and current and anticipated economic conditions. Pacific Century's credit administration procedures emphasizes the early recognition and monitoring of problem loans in order to control delinquencies and minimize losses. This process and the quarterly analysis to determine the adequacy of its reserve for loan losses is described in Pacific Century's 1999 Annual Report on Form 10-K.

Reserve for loan losses ended the first quarter of 2000 at $195.4 million, marginally above year-end 1999 and $13.9 million below the same date last year. Net charge-offs for the first quarter of 2000 were $11.3 million or 0.48% of average loans, compared to $10.8 million, or 0.46% of average loans for the same quarter last year and $36.8 million, or 1.55% for the fourth quarter of 1999. The ratio of reserves to loans outstanding at March 31, 2000 was 2.05%, down from 2.22% at this date last year and unchanged from year-end 1999. A summary of the activity in the reserve for loan losses is presented in Table 9.

At March 31, 2000, the reserve for loan losses provided coverage of 143% of non-performing assets, compared to 130% coverage at year-end 1999 and 128% at March 31, 1999. Additionally, the annualized ratio of reserves to gross charge-offs was 3.0 times for the first quarter of 2000, improving from 2.5 times for the same period last year and 1.9 times for all of 1999.

For the three months ended March 31, 2000, recoveries totaled $4.8 million. Comparatively, recoveries were $5.8 million in the final quarter of 1999 and $10.0 million in the first quarter of 1999, which included a $7.0 million recovery of a U.S. mainland loan in the commercial and industrial portfolio.

Pacific Century Financial Corporation and subsidiaries
Reserve for Loan Losses
Table 9

(in millions of dollars)	First Quarter 2000	Year Ended 12/31/99	First Quarter 1999
Average Amount of Loans Outstanding	$9,484.1	$9,444.5	$9,491.9
Balance of Reserve for Loan Losses at Beginning of Period	$194.2	$211.3	$211.3
Loans Charged-Off			
Commercial and Industrial	1.4	18.5	7.8
Real Estate			
Construction	--	1.4	--
Commercial	3.9	4.5	2.0
Residential	2.4	7.8	2.0
Installment	4.7	25.1	6.0
Leases	--	0.2	--

Total Domestic	12.4	57.5	17.8
Foreign	3.7	45.8	3.0
Total Charged-Off	16.1	103.3	20.8
Recoveries on Loans Previously Charged-Off			
Commercial and Industrial	1.7	14.0	8.0
Real Estate			
Construction	--	0.1	--
Commercial	0.1	1.6	0.1
Residential	0.5	0.6	0.0
Installment	1.7	7.6	1.6
Total Domestic	4.0	23.9	9.7
Foreign	0.8	5.6	0.3
Total Recoveries	4.8	29.5	10.0
Net Charge-Offs	(11.3)	(73.8)	(10.8)
Provision Charged to Operating Expenses	13.5	60.9	12.6
Other Net Additions (Reductions)*	(1.0)	(4.2)	(3.8)
Balance at End of Period	$195.4	$194.2	$209.3
Ratio of Net Charge-Offs to Average Loans Outstanding (annualized)	0.48%	0.78%	0.46%
Ratio of Reserve to Loans Outstanding	2.05%	2.05%	2.22%

* Includes balance transfers, reserves acquired, and foreign currency translation adjustments.

Market Risk

At Pacific Century, assets and liabilities are managed to maximize long term risk adjusted returns to shareholders. Pacific Century's asset and liability management process involves measuring, monitoring, controlling and managing financial risks that can significantly impact Pacific Century's financial position and operating results. Financial risks in the form of interest rate sensitivity, foreign currency exchange fluctuations, liquidity, and capital adequacy are balanced with expected returns to maximize earnings performance and shareholder value, while limiting the volatility of each. A detailed discussion of these risks and Pacific Century's approach to managing the risks are described in its 1999 Annual Report on Form 10-K.

The activities associated with these financial risks are categorized into "other than trading" or "trading."

Other Than Trading Activities

A key element in Pacific Century's ongoing process to measure and monitor interest rate risk is the utilization of a net interest income (NII) simulation model. This model is used to estimate the amount that NII will change over a one-year time horizon under various interest rate scenarios using numerous assumptions, which management believes are reasonable. The NII simulation model provides a sophisticated estimate rather than a precise prediction of NII's exposure to higher or lower interest rates.

Table 10 presents as of March 31, 2000, December 31, 1999 and March 31, 1999, the results from this model. The NII simulation model provides an estimate of the change in NII from a gradual 200 basis point increase or decrease in interest rates, moving in parallel fashion over the entire yield curve, over the next 12-month period relative to what the NII would have been if interest rates did not change. The resulting estimate in NII exposure is well within the approved Asset Liability Management Committee guidelines and presents a balance sheet exposure that is slightly liability sensitive. A liability sensitive exposure would imply an unfavorable short-term impact on NII in periods of rising interest rates.

Market Risk Exposure to Interest Rate Changes

Table 10

	March 31, 2000		December 31, 1999		March 31, 1999	
	Interest Rate Change (in basis points)		Interest Rate Change (in basis points)		Interest Rate Change (in basis points)	
	-200	+200	-200	+200	-200	+200
Estimated Exposure as a Percent of Net Interest Income	0.6%	(2.2)%	1.4%	(1.7)%	1.4%	(0.5)%

To enhance and complement the results from the NII simulation model, Pacific Century also reviews other measures of interest rate risk. These measures include the sensitivity of market value of equity and the exposure to basis risk and non-parallel yield curve shifts. There are some inherent limitations to these measures, but used along with the NII simulation model, Pacific Century gets a better overall insight for managing its exposure to changes in interest rates.

In managing interest rate risks, Pacific Century uses several approaches, both on- and off-balance sheet, to modify its risk position. Approaches that are used to shift balance sheet mix or alter the interest rate characteristics of assets and liabilities include changing product pricing strategies, modifying investment portfolio strategies, or using financial derivatives. The use of financial derivatives has been limited over the past several years. During this period, Pacific Century has relied more on the use of on-balance sheet alternatives to manage its interest rate risk position.

Pacific Century's broad area of operations throughout the South Pacific and Asia has the potential to expose it to foreign currency risk. In general, however, most foreign currency denominated assets are funded by like currency liabilities, with imbalances corrected through the use of various hedge instruments. By policy, the net exposure in those balance sheet activities described above is insignificant.

On the other hand, Pacific Century is exposed to foreign currency exchange rate changes from the capital invested in its foreign subsidiaries and branches located throughout the South Pacific and Asian Rim. These investments are designed to diversify Pacific Century's total balance sheet exposure. A portion of the capital investment in French Polynesia and New Caledonia is offset by a borrowing denominated in euro and a foreign exchange currency hedge transaction. As of March 31, 2000, the remainder of these capital positions which aggregated $90.4 million, was not hedged. The comparative unhedged position at year-end 1999 was $87.6 million and $97.4 million at March 31, 1999.

Pacific Century uses a value-at-risk (VAR) calculation to measure the potential loss from foreign currency exposure. Pacific Century's VAR is calculated at a 95% confidence interval and assumes a normal distribution. Pacific Century utilizes the variance/covariance approach to estimate the probability of future changes in foreign exchange rates. Under this approach, equally weighted daily closing prices are used to determine the daily volatility for the last 10, 30, 50, and 100 days. Pacific Century uses the highest daily volatility of the four trading periods in its VAR calculation.

Table 11 presents as of March 31, 2000, December 31, 1999 and March 31, 1999 Pacific Century's foreign currency exposure from its net investment in subsidiaries and branch operations that are denominated in a foreign currency as measured by the VAR.

Market Risk Exposure From Changes in Foreign Exchange Rates
Table 11

	March 31, 2000	December 31, 1999	March 31, 1999

(in millions of dollars)	Book Value	Value-at-Risk	Book Value	Value-at-Risk	Book Value	Value-at-Risk
Net Investments in Foreign Subsidiaries and Branches						
Japanese Yen	$ 9.9	$ 2.2	$ 9.4	$ 1.8	$ 9.5	$ 2.1
Korean Won	32.2	3.9	34.3	4.2	39.4	6.3
Pacific Franc (1)	25.8	5.5	25.9	4.2	26.1	4.2
Other Currencies	22.5	18.0	18.0	17.0	22.4	7.9
Total	$90.4	$29.6	$87.6	$27.2	$97.4	$20.5

(1) Net of a $37 million, $40 million and $42 million borrowing at March 31, 2000, December 31, 1999 and March 31, 1999, respectively, denominated in euro and foreign exchange hedge transactions of $22 million, $23 million and $25 million at March 31, 2000, December 31, 1999 and March 31, 1999, respectively.

Trading Activities

Trading activities include foreign currency and foreign exchange contracts that expose Pacific Century to a minor degree of foreign currency risk. Pacific Century manages its trading account such that it does not maintain significant foreign currency open positions. Trading activities remain immaterial as of March 31, 2000.

Liquidity Management

Liquidity is managed to ensure that Pacific Century has continuous access to sufficient, reasonably priced funding to conduct its business in a normal manner. Pacific Century's liquidity management process is described in the 1999 Annual Report to Shareholders.

Pacific Century maintained a $25 million annually renewable line of credit for working capital purposes. Fees are paid on the unused balance of the line. During the first quarter of 2000, the line was not drawn upon.

Bank of Hawaii and First Savings are both members of the Federal Home Loan Bank of Seattle. The FHLB provides these institutions with an additional source for short and long-term funding. Borrowings from the FHLB ended the first quarter of 2000 at $487 million, compared to $397 million at the prior quarter-end. This increase is accounted for by net new borrowings in the first quarter for a term of eighteen months.

Additionally, Bank of Hawaii maintains a $1 billion senior and subordinated bank note program. Under this facility, Bank of Hawaii may issue additional notes provided that at any time the aggregate amount outstanding does not exceed $1 billion. At March 31, 2000, there was $125 million issued and outstanding under this program represented by the issuance of subordinated notes in 1999.

Capital Management

Pacific Century manages its capital level to optimize shareholder value, support asset growth, provide protection against unforeseen losses and comply with regulatory requirements. Capital levels are reviewed periodically relative to Pacific Century's risk profile and current and projected economic conditions. Pacific Century's objective is to hold sufficient capital on a regulatory basis to exceed the minimum guidelines of a well capitalized institution.

At March 31, 2000, Pacific Century's shareholders' equity grew to $1.23 billion, an increase of 1.5% over the same date in 1999. The source of growth in shareholders' equity during the first three months of 2000 included retention of earnings, and issuance of common stock under various stock-based plans. Offsetting these increases were cash dividends paid of $13.5 million, treasury stock purchases of $8.3 million and net unrealized valuation adjustments of $6.2 million. The negative unrealized valuation adjustment primarily is attributed to market value adjustments for available-for-sale investment securities that transpired from the general rise in market interest rates.

The Federal Deposit Insurance Corporation Improvements Act of 1991 (FDICIA) requires federal banking regulators to take "prompt corrective action" with respect to depository institutions that do not meet minimum capital requirements. For purposes of applying the prompt corrective action framework, federal bank regulators group institutions into five categories based on their capital ratios: "well capitalized," "adequately capitalized," "under capitalized," "significantly undercapitalized" and "critically undercapitalized." Institutions that fail to meet the applicable capital requirements are subject to increased regulatory monitoring and certain other enforcement actions that could include restricting dividend payments.

Pacific Century's regulatory capital ratios at March 31, 2000 were: Tier 1 Capital Ratio of 10.68%, Total Capital Ratio of 13.64%, and Leverage Ratio of 8.59%. Comparatively these ratios were 9.74%, 12.87% and 7.57%, respectively, at March 31, 1999. All three capital ratios exceeded the minimum threshold levels that were established by federal bank regulators to qualify an institution as well capitalized. The minimum regulatory standards to qualify as well capitalized are as follows: Tier 1 Capital 6%; Total Capital 10%; and the Leverage Ratio 5%. These standards are minimum regulatory guidelines and Pacific Century manages its capital base in accordance with the attributes noted at the beginning of this section. Table 12 presents the activities and balances in Pacific Century's capital accounts along with key capital ratios.

Equity Capital
Table 12

(in millions of dollars)	Quarter Ended March 31 2000	Year Ended December 31 1999	Quarter Ended March 31 1999
Source of Common Equity			
Net Income	$39.8	$133.0	$35.4
Dividends Paid	(13.5)	(54.6)	(13.7)
Dividend Reinvestment Program	1.1	4.0	1.5
Stock Repurchases	(8.3)	(21.8)	(3.9)
Other (1)	(5.5)	(33.9)	2.7
Increase in Equity	$13.6	$26.7	$22.0
Common Equity	$1,225.9	$1,212.3	$1,207.6
Add: 8.25% Capital Securities of Bancorp Hawaii Capital Trust I	100.0	100.0	100.0
Minority Interest	4.3	4.4	4.8
Less: Intangibles	173.3	175.8	186.4
Unrealized Valuation and Other Adjustments	(48.3)	(37.9)	5.2
Tier I Capital	1,205.2	1,178.8	1,120.8
Allowable Loan Loss Reserve	141.8	143.9	144.7
Subordinated Debt	195.9	195.8	218.7
Investment in Unconsolidated Subsidiary	(3.4)	(3.2)	(3.0)
Total Capital	$1,539.5	$1,515.3	$1,481.2
Risk Weighted Assets	$11,286.3	$11,461.0	$11,505.3
Key Ratios			
Tier I Capital Ratio	10.68%	10.28%	9.74%
Total Capital Ratio	13.64%	13.22%	
Leverage Ratio	8.59%	8.31%	7.57%

(1) Includes common stock issued under the profit sharing and stock option plans and unrealized valuation adjustments for investment securities, foreign currency translation and pension liability.

Part II. - Other Information

Items 1 to 5 omitted pursuant to instructions.

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibit Index

Exhibit Number

27	Financial Data Schedule
99	Statement of Ratios

(b) No Form 8-K was filed during the quarter.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date May 12, 2000

PACIFIC CENTURY FINANCIAL CORPORATION

/s/ RICHARD J. DAHL
(Signature)

Richard J. Dahl
President and Chief
Operating Officer

/s/ DAVID A. HOULE
(Signature)

David A. Houle
Executive Vice President,
Treasurer and Chief
Financial Officer

Bank of Hawaii
Exhibit 99 - Statement Regarding Computation of Ratios
Three Months Ended March 31, 2000 & 1999

(in millions of dollars)	2000	1999
Earnings:		
1. Income Before Income Taxes	$63.8	$57.6
2. Plus: Fixed Charges Including Interest on Deposits	120.4	117.8
3. Earnings Including Fixed Charges	184.2	175.4
4. Less: Interest on Deposits	68.2	68.7
5. Earnings Excluding Interest on Deposits	$116.0	$106.7
Fixed Charges:		
6. Fixed Charges Including Interest on Deposits	$120.4	$117.8
7. Less: Interest on Deposits	68.2	68.7
8. Fixed Charges Excluding Interest on Deposits	$52.2	$49.1
Ratio of Earnings to Fixed Charges:		
Including Interest on Deposits (Line 3 divided by Line 6)	1.5 x	1.5 x
Excluding Interest on Deposits (Line 5 divided by Line 8)	2.2 x	2.2 x

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
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OF INCOME AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH
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