



**BANCWEST**

A BNP PARIBAS company

**Annual Report 2005**



- Arizona
- California
- Colorado
- Idaho
- Iowa
- Kansas
- Minnesota
- Missouri
- Nebraska
- Nevada
- New Mexico
- North Dakota
- Oklahoma
- Oregon
- South Dakota
- Utah
- Washington
- Wisconsin
- Wyoming



**First Hawaiian Bank**

- Hawai'i
- Guam
- Saipan

# RECORD EARNINGS, RECORD GEOGRAPHIC EXPANSION

BancWest Corporation has expanded across the Rockies and into the Great Plains states by making three significant acquisitions in a little over a year. We now have branches in 20 states from the Pacific Coast and Hawai'i to states along the Mississippi River. Organic growth and the impact of these acquisitions propelled BancWest to record net income of \$590.4 million for 2005, up 24.7% from a year earlier.

BancWest is now one of the three largest commercial banking companies based in the Western United States. During 2005, our total assets increased to \$66.3 billion, up 32.5% (and a 60.2% increase since September 2004). Deposits grew 26.2% to \$42.4 billion. Total loans were up 33.7% to \$43.7 billion.

Highlights from a successful year:

- ◆ We finished integrating two significant acquisitions that closed in late 2004. In the process we added to our Bank of the West subsidiary more than 180 former branches of Community First National Bank and Union Safe Deposit Bank in 12 states.
- ◆ In December 2005, we acquired Omaha-based Commercial Federal Corporation, a thrift with total assets of \$10.0 billion, and immediately integrated 204 Commercial Federal Bank locations into the Bank of the West network. Based on total assets, our Bank of the West subsidiary is now the second largest commercial bank headquartered in California.
- ◆ BancWest now operates 742 banking locations in 20 Western and Great Plains states, Guam and Saipan.

## Commercial Federal Acquisition

It's always exciting when we can introduce our brand and our hallmark personalized service to new markets. Acquisition of Commercial Federal gave BancWest 204 new locations in seven states; we substantially increased market share in Colorado, Iowa, Nebraska and Arizona and Bank of the West now serves deposit customers in Kansas, Missouri and Oklahoma for the first time.



Don J. McGrath

The new branches are a great fit with Bank of the West's presence in the Rocky Mountain and Great Plains markets that we entered with the Community First transaction in late 2004. This latest acquisition allows us to offer more customer convenience and provides us with increased brand awareness and new markets for our specialty businesses of agricultural, SBA and church lending.

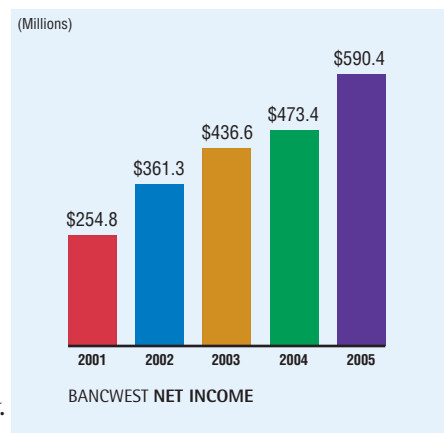
The Commercial Federal acquisition added dramatically to our market share in Denver. We now have nearly 100 Colorado branches and have moved into the Top Five in that state's deposit market share in just a year. We have also become one of the leading banks in Kansas City, Omaha and Des Moines.

Completing the acquisition of Commercial Federal kept sign-makers,

computer programmers and hundreds of employees of both companies extremely busy during the last half of 2005. We produced 4,500 signs, reprogrammed 850,000 Commercial Federal customer accounts and brought together the talents of bankers from both institutions. All of this was accomplished successfully in less than six months from announcement of the transaction until the branches reopened under the "Bear" brand of Bank of the West.

The time pressure was perhaps a little more intense than usual, but the process is a familiar one; BancWest's subsidiaries have completed 20 acquisitions and conversions across

20 states since 1990. We have a proven track record of managing these integrations seamlessly, adding assets and customers while improving our operating efficiency.



## Our Strategy for the Future

The financial strength of our parent, the worldwide BNP Paribas Group, has been crucial to our growth in the past, and its support will continue to be essential to executing our future strategy.

Our recent acquisitions have given BancWest a broad reach, but we still have a light footprint in many of our new markets. In the Rockies and Great Plains, we will grow organically by building brand awareness and opening start-up branches in high-growth communities to make it more convenient for customers to bank with us. We'll complement this by seeking additional fill-in acquisitions in the West, the region which has the nation's best prospects for population and income growth.

## Committed to Community Banking

This year's acquisition of Commercial Federal made sense geographically, while also reinforcing our roots and our mission as a community banking company. Like Bank of the West and First Hawaiian Bank, Commercial Federal has had a strong community-level focus and an emphasis on superior customer service.

All three institutions have long, proud histories. Commercial Federal was born in 1887 as the South Omaha Loan and Building Association; Bank of the West's original ancestor was Farmers National Gold Bank, founded in San Jose in 1874; First Hawaiian Bank dates to 1858 when Hawai'i was still an independent kingdom. These banks succeeded and grew by keeping a commitment to community banking, and that will not change in the 21st Century.

Competition is fierce in our industry. Our recent acquisitions and organic growth have made BancWest larger and more competitive; size brings more productivity, greater opportunity for employees, improved efficiency, and, ultimately, better products and services for our customers. Yet we retain our focus on community banking, with decentralized decisions and personal service.

BancWest's banks focus on creating and maintaining strong relationships with consumers and businesses alike. We call it "getting bigger by acting smaller."

**Don J. McGrath**

President and Chief Executive Officer

## Our Companies At A Glance

**BancWest Corporation** subsidiaries Bank of the West and First Hawaiian Bank offer:

- ◆ Consumer banking
- ◆ Consumer finance, including loans and leases for automobiles, RVs and pleasure boats
- ◆ Mortgage banking
- ◆ Commercial banking, including specialized expertise in agribusiness, church lending and vehicle inventory financing
- ◆ Small business lending, including SBA-guaranteed loans
- ◆ Wealth management – trust services, investment management
- ◆ Insurance

### Bank of the West

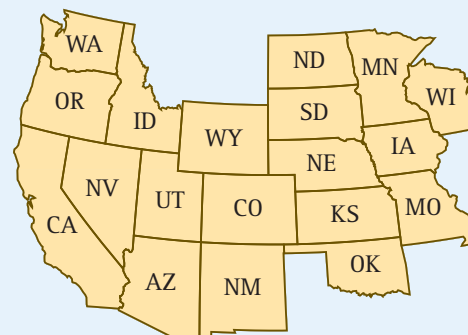
- ◆ 3rd largest commercial bank headquartered west of the Mississippi River.
- ◆ Top 10 bank deposit market share in California, Colorado, Iowa, Minnesota, Nebraska, New Mexico, North Dakota, and Wyoming.
- ◆ No. 4 lender to production agriculture in the U.S.
- ◆ Makes 1 of every 8 recreational vehicle loans in the U.S.
- ◆ Largest specialty lender to religious institutions in the U.S.

### First Hawaiian Bank

- ◆ Largest Hawai'i bank by total assets and deposits.
- ◆ Largest Hawai'i bank in commercial, small-business and consumer lending
- ◆ Largest in Hawai'i in card transaction processing, issuing Visa and MasterCard
- ◆ Two out of three Hawai'i businesses and households have one or more First Hawaiian products.

## BancWest Corporation Map

### Bank of the West: 681 Branch Banking Locations



NO. OF BRANCH BANKING LOCATIONS	
ARIZONA:	22
CALIFORNIA:	242
COLORADO:	97
IDAHO:	3
IOWA:	47
KANSAS:	28
MINNESOTA:	26
MISSOURI:	12
NEBRASKA:	52
NEVADA:	10
NEW MEXICO:	28
NORTH DAKOTA:	9
OKLAHOMA:	20
OREGON:	30
SOUTH DAKOTA:	10
UTAH:	6
WASHINGTON:	9
WISCONSIN:	4
WYOMING:	26

### First Hawaiian Bank: 61 Branches



NO. OF BRANCHES	
HAWAII:	56
GUAM:	3
SAIPAN:	2

# DIRECTORS AND EXECUTIVE OFFICERS

## Directors

### Frank Bonetto\*

Executive Vice President,  
BancWest Corporation  
Vice Chairman, Regional Banking Group,  
Bank of the West

### François Dambrine

Head of Retail Banking in the U.S.A.,  
BNP Paribas

### Gérard Denot\*

Vice Chairman, BancWest Corporation  
Vice Chairman, Commercial Banking  
Group, Bank of the West

### W. Allen Doane

President & Chief Executive Officer,  
Alexander & Baldwin, Inc.

### Walter A. Dods, Jr.

Chairman of the Board,  
BancWest Corporation and  
First Hawaiian Bank  
Trustee, Estate of S. M. Damon

### Robert A. Fuhrman

Vice Chairman, President &  
Chief Operating Officer (Retired),  
Lockheed Corporation

### Paul Mullin Ganley

Trustee, Estate of S. M. Damon  
Partner, Carlsmith Ball LLP

### John A. Hoag

Chairman, Hawaii Reserves, Inc.  
President (Retired),  
First Hawaiian Bank

### Donald G. Horner\*

Executive Vice President,  
BancWest Corporation  
President & Chief Executive Officer,  
First Hawaiian Bank

### Bert T. Kobayashi, Jr.

Senior Partner,  
Kobayashi, Sugita & Goda

### A. Ewan Macdonald

Chairman & CEO (Retired),  
Del Monte Foods

### Pierre Mariani\*

Member of the Executive Committee and  
Head of International Retail Banking and  
Financial Services, BNP Paribas

### Don J. McGrath\*

President, Chief Executive Officer &  
Chairman of Executive Committee,  
BancWest Corporation  
Chairman & Chief Executive Officer,  
Bank of the West

### Rodney R. Peck

Senior Partner,  
Pillsbury Winthrop LLP

### Edouard A. Sautter

Honorary Senior Executive Vice President,  
Banque Nationale de Paris

### Eric K. Shinseki

General, U.S. Army (Retired)

### John K. Tsui

Chairman, Towne Development of Hawaii, Inc.  
Vice Chairman & Chief Credit Officer  
(Retired), BancWest Corporation  
President & Chief Operating Officer  
(Retired), First Hawaiian Bank

### Jacques Henri Wahl

Senior Advisor (Retired) to the  
Chief Executive Officer of BNP Paribas  
and of Banque Nationale de Paris  
Former Director & President,  
Banque Nationale de Paris

## Executive Officers

### Don J. McGrath\*

President &  
Chief Executive Officer

### Gérard Denot\*

Vice Chairman

### Frank Bonetto\*

Executive Vice President

### Stephen C. Glenn

Executive Vice President –  
Administration

### Douglas C. Grigsby

Executive Vice President,  
Chief Financial Officer & Treasurer

### Donald G. Horner\*

Executive Vice President

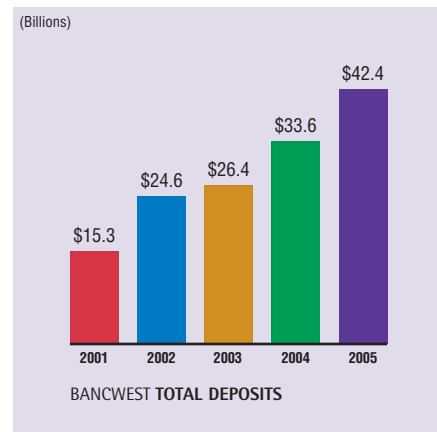
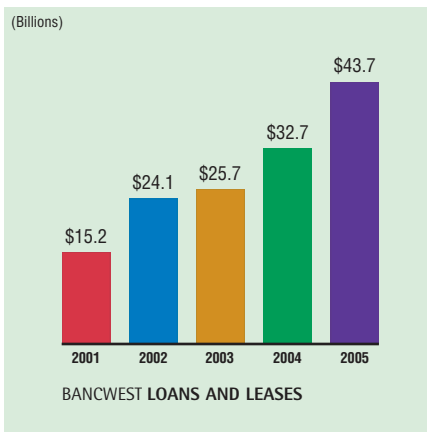
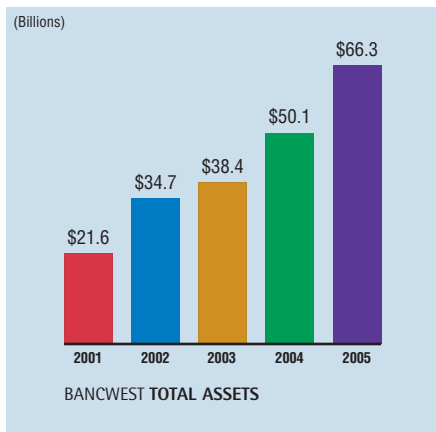
### J. Michael Shepherd

Executive Vice President,  
General Counsel & Secretary

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\* Mr. Bonetto, Mr. Denot, Mr. Horner, Mr. Mariani and Mr. McGrath (Chairman) are members of the BancWest Board Executive Committee.

# BANCWEST CORPORATION HIGHLIGHTS

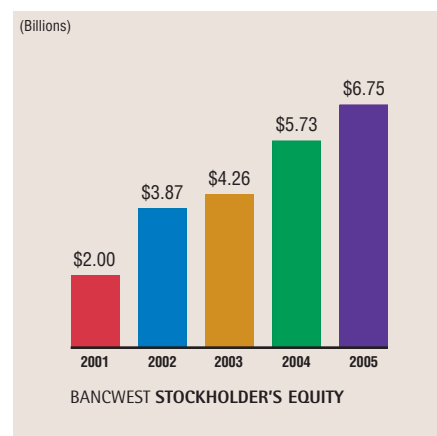
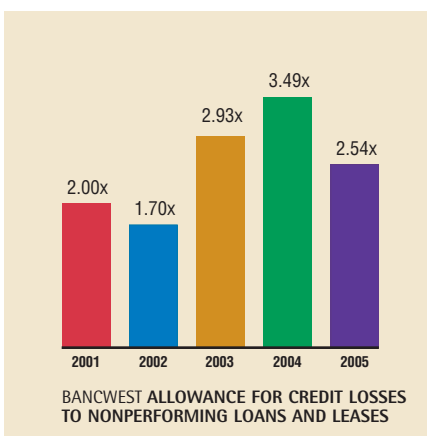
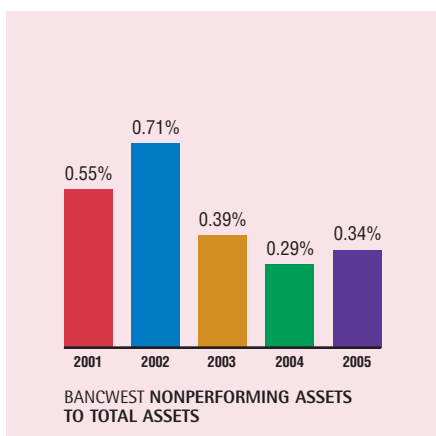


(dollars in thousands)

	2005	2004	2003
<b>FOR THE YEAR:</b>			
Net income	\$ 590,413	\$ 473,377	\$ 436,564
Return on average total assets	1.11 %	1.15 %	1.22 %
Return on average stockholder's equity	9.80	10.22	10.74
<b>AT YEAR END:</b>			
Total assets	\$ 66,345,204	\$ 50,054,026	\$ 38,352,215
Loans and leases	43,705,455	32,688,843	25,722,079
Deposits	42,411,477	33,613,779	26,403,117
Stockholder's equity	6,751,634	5,730,035	4,262,872
<b>YEAR-END FINANCIAL RATIOS (AT DECEMBER 31):</b>			
Allowance for credit losses to total loans and leases	1.12 %	1.33 %	1.52 %
Nonperforming assets to total assets (1)	0.34	0.29	0.39
Allowance for credit losses to nonperforming loans and leases (2)	2.54 x	3.49 x	2.93 x

(1) Nonperforming assets consist of nonperforming loans and leases and other real estate owned and repossessed personal property.

(2) Nonperforming loans and leases consist of nonaccrual loans and leases.



# CONDENSED FINANCIAL OVERVIEW (UNAUDITED)

## Basis of Presentation

Due to the high degree of summarization involved in their presentation, the condensed financial statements included in this report do not conform to financial statement standards under generally accepted accounting principles. Audited financial statements for BancWest Corporation, prepared in conformity with generally accepted accounting principles, appear in the BancWest Corporation 2005 Form 10-K, to be filed with the Securities & Exchange Commission.

## Corporate Organization

BancWest Corporation ([www.bancwestcorp.com](http://www.bancwestcorp.com)) is a financial holding company headquartered in Honolulu, Hawai'i, and incorporated under the laws of Delaware. Our principal subsidiaries, Bank of the West (a State of California-chartered bank) and First Hawaiian Bank (a State of Hawai'i-chartered bank), provide commercial and consumer banking services, engage in equipment and vehicle leasing and offer trust, investment and insurance products. At December 31, 2005, BancWest had 12,267 full-time equivalent employees. BancWest Corporation is a wholly owned subsidiary of BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com)).

**BANK OF THE WEST** has three major business segments:

- ◆ **The Commercial Banking Group** serves mid-market and larger companies, with specialized expertise in agribusiness; commercial real estate and construction; Small Business Administration credit; religious institutions; health care; financial institutions and municipalities; equipment leasing; cash management; loan syndication; trade finance; and capital markets.
- ◆ **The Regional Banking Group** serves individuals and small businesses through 681 branch banking locations and 767 ATMs in 19 states (California, Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin and Wyoming) as well as through Internet and telephone banking channels. A specialized "Pacific Rim Banking" division provides a full range of banking services to Asian-American businesses and individuals through bilingual branches in California. We offer Private Banking, as well as trust and investment services.

- ◆ **The Consumer Finance Group** provides auto loans and leases primarily in the West, and loans for pleasure craft and recreational vehicles nationwide, both directly to consumers and indirectly through 6,000 dealers.

**FIRST HAWAIIAN BANK's** major business segments are:

- ◆ **Retail Banking**, which is delivered through 61 branches in Hawai'i, Guam and Saipan as well as 232 ATMs, a telephone banking center and the Internet. Through this network, First Hawaiian offers residential mortgage loans, consumer loans, banking products for smaller businesses and fee-based products and services such as annuities and mutual funds, insurance and securities brokerage.
- ◆ **Consumer Finance**, which delivers residential mortgages, credit cards, personal and automobile loans. First Hawaiian is the largest issuer of MasterCard® and VISA® credit cards in Hawai'i.
- ◆ **Commercial Banking**, which includes lending to small and medium-sized businesses, cash management, construction lending and permanent financing for commercial developments.
- ◆ **Wealth Management**, which includes trust and investment management services for estates, trusts and individuals. We also offer Bishop Street Funds, a proprietary family of mutual funds. The Private Banking Department provides a wide range of products to high-net-worth individuals.

## Acquisition Activity

- ◆ **USDB Bancorp:** Bank of the West expanded its presence in California's Central Valley during 2005, adding 16 locations when it completed its integration of Stockton-based Union Safe Deposit Bank. The former Union Safe Deposit locations in San Joaquin and Stanislaus Counties became Bank of the West branches. USDB Bancorp, parent company of Stockton, California-based Union Safe Deposit Bank, was acquired by BancWest Corporation in a \$245 million transaction that concluded in November 2004.
- ◆ **Community First Bankshares:** We completed our first full year of operations in 10 new states (Arizona, Colorado, Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Utah, Wisconsin and Wyoming) following integration of Community First National Bank branches.



Community First Bankshares, Inc., parent of Community First National Bank, was acquired by BancWest in a \$1.2-billion transaction in November 2004. In December 2004, 166 former Community First locations were converted to the Bank of the West brand. As a result of the acquisition, Bank of the West also added an administrative center in Fargo, North Dakota, and a regional administrative center in Denver.

◆ **Commercial Federal Corporation:** On June 13, 2005, BancWest announced that its Bank of the West subsidiary had agreed to acquire Commercial Federal Corporation (NYSE: CFB) in a cash transaction valued at \$1.3 billion. Omaha-based Commercial Federal was the parent company of Commercial Federal Bank, the nation's 12th-largest thrift, which operated 204 banking locations in seven states in the Great Plains, Colorado and Arizona. As of March 31, 2005, Commercial Federal Corporation had total assets of \$10.4 billion, deposits of \$6.5 billion and loans of \$7.8 billion. The acquisition was completed on December 2, 2005, and the Commercial Federal locations were immediately integrated into Bank of the West, adding three new states (Missouri, Oklahoma and Kansas) to our branch footprint.

## Financial Overview of 2005

With the acquisition of Community First and Union Safe taking place at the end of 2004, balance sheet growth in 2005 was primarily due to strong organic growth in both Bank of the West and First Hawaiian Bank, and the acquisition of Commercial Federal. The year-over-year increase in earnings was driven by organic balance sheet growth as well as the two acquisitions in late 2004, partially offset by a lower net interest margin.

- ◆ **Net income** for the 12 months ended December 31, 2005 was \$590.4 million, up 24.7% from 2004.
- ◆ **Total assets** at December 31, 2005 were \$66.3 billion, up 32.5% from a year earlier.
- ◆ **Total deposits** at December 31, 2005 were \$42.4 billion, up 26.2% from a year earlier.
- ◆ **Loans and leases** at December 31, 2005 were \$43.7 billion, up 33.7% from a year earlier.
- ◆ **Stockholder's equity** increased to \$6.8 billion at December 31, 2005, up 17.8% from a year earlier.

## Credit Quality

Nonperforming assets increased from \$146.8 million at December 31, 2004 to \$223.2 million at December 31, 2005. The year-end ratio of nonperforming assets to total assets was 0.34%, an increase from 0.29% at December 31, 2004.

Consistent with the stability in credit quality, our allowance for credit losses was 1.12% of total loans and leases at December 31, 2005, compared to 1.33% a year earlier. The allowance represented 254% of nonperforming loans and leases at December 31, 2005, compared to 349% a year earlier.

BancWest recorded loan loss provision expense of \$37.0 million during 2005, a decrease of 24.8% from the previous year. The loan portfolio is continually stress-tested to identify potential problem industries and borrowers. Net charge-offs were 0.17% of average total loans and leases in 2005, compared to 0.23% in 2004.

## Results of Operations

**Net interest income** for 2005 was \$1.63 billion, a 20.2% increase from 2004 primarily due to: (1) growth in all loan and lease categories except vehicle leasing, offset by a lower net interest margin; (2) deposit growth in both subsidiary banks; (3) the full-year impact of the acquisitions of Community First Bankshares and USDB Bancorp in November 2004; and (4) the effect of the acquisition of Commercial Federal Corporation in December 2005.

**Net interest margin** decreased to 3.64% from 3.88% in 2004, reflecting the impact of the current interest rate environment.

**Noninterest income** totaled \$533.7 million in 2005, a 23.7% increase over the previous year due largely to increases in service charges and fees and the impact of the acquisitions described above.

**Noninterest expense** totaled \$1,184.3 million, up 23.0% from 2004, due largely to the acquisitions.

**Net income as a percentage of average assets** was 1.11% for 2005, compared to 1.15% in 2004.

**Efficiency ratio** was 54.86% in 2005, as compared to 53.96% in 2004. The efficiency ratio is a measure of costs incurred to generate revenue.

# FACTS & FIGURES

# CONTACT US



**BancWest Corporation** ([www.bancwestcorp.com](http://www.bancwestcorp.com)) is a financial services holding company with total assets of \$66.3 billion and 742 branches in 20 states, Guam and Saipan. BancWest is headquartered in Honolulu, with an administrative headquarters in San Francisco, California. Our subsidiaries provide commercial and consumer banking services, engage in commercial equipment and vehicle leasing and offer trust and insurance products. Principal subsidiaries are Bank of the West and First Hawaiian Bank.



**Bank of the West** ([www.bankofthewest.com](http://www.bankofthewest.com)) has 681 branches in 19 states – California, Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wisconsin and Wyoming. Bank of the West had total assets of \$55.1 billion, loans and leases of \$37.7 billion and total deposits of \$33.9 billion at December 31, 2005. It is the second largest commercial bank headquartered in California and third largest headquartered in the West. Bank of the West serves retail and commercial customers including national specialty business lines such as equipment leasing, religious institution lending, agribusiness lending and SBA lending.



**First Hawaiian Bank** ([www.fhb.com](http://www.fhb.com)), Hawai'i's oldest and largest bank, has 61 branches in Hawai'i, Guam and Saipan. At December 31, 2005, First Hawaiian had total assets of \$11.6 billion, loans and leases of \$6.0 billion and total deposits of \$8.6 billion. It also has subsidiaries engaged in commercial equipment and vehicle leasing and money management services for institutional and individual clients.



BancWest Corporation is a wholly owned subsidiary of BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com)), a European leader in banking and financial services with a significant and growing presence in the United States and leading positions in Asia. BNP Paribas has a presence in 85 countries and enjoys key positions in Corporate and Investment Banking, Private Banking & Asset Management, Insurance, Securities Services and Retail Banking. BNP Paribas had total assets of \$1.49 trillion (€1.26 trillion) at December 31, 2005.

## Credit Ratings

### Standard & Poor's

BancWest Corporation subordinated debt: A  
Bank of the West uninsured CDs: long-term A+, short-term A-1  
First Hawaiian Bank uninsured CDs: long-term A+, short-term A-1

### Moody's

BancWest Corporation subordinated debt: A3  
Bank of the West deposits: long-term Aa3, short-term P-1  
First Hawaiian Bank deposits: long-term Aa3, short-term P-1

### Fitch

BancWest Corporation long-term senior debt: AA-  
Bank of the West deposits: long-term AA-, short-term F1+  
First Hawaiian Bank deposits: long-term AA-, short-term F1+

(Ratings as of December 31, 2005)

## BancWest Corporation Form 10-K

Those seeking a copy of Form 10-K or other financial information about BancWest Corporation should contact:

Doug Grigsby  
*Executive Vice President and  
Chief Financial Officer*  
BancWest Corporation  
[dgrigsby@bankofthewest.com](mailto:dgrigsby@bankofthewest.com)

## General Information

Contacts for news media representatives and others seeking general information:

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**First Hawaiian Bank:**  
Brandt Farias  
*Executive Vice President*  
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## Corporate Addresses

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