UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2003

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**

For the transition period from to

Commission file number 0-7949

BANCWEST CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State of incorporation)	**99-0156159** (I.R.S. Employer Identification No.)
999 Bishop Street, Honolulu, Hawaii (Address of principal executive offices)	**96813** (Zip Code)

Registrant's telephone number, including area code: (808) 525-7000

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

None

(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or l5(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes o Noo

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

As of August 1, 2003 the number of outstanding shares of each of the issuer's classes of common stock (all of which were beneficially owned by BNP Paribas) was:

Class	Outstanding
Class A Common Stock, $0.01 Par Value	85,759,123 Shares

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BANCWEST CORPORATION

FORM 10-Q
June 30, 2003

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The information furnished in these interim statements reflects all adjustments that are, in the opinion of management, necessary for a fair statement of the results for such periods. Such adjustments are of a normal recurring nature, unless otherwise disclosed in this Form 10-Q. The results of operations in the interim statements are not necessarily indicative of the results that may be expected for the full year. The interim financial information should be read in conjunction with BancWest Corporation’s 2002 Annual Report on Form 10-K.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BancWest Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(in thousands)			
Interest income				
Interest and fees on loans	$339,864	$370,008	$678,123	$626,237
Lease financing income	33,314	36,240	69,342	72,966
Interest on investment securities:				
Taxable interest income	44,071	39,699	85,868	73,961
Exempt from Federal income taxes	183	190	337	234
Other interest income	1,932	1,553	3,170	3,576
Total interest income	419,364	447,690	836,840	776,974
Interest expense				
Deposits	47,724	78,778	100,871	142,407
Short-term borrowings	3,538	10,263	7,234	16,056
Long-term debt	46,777	36,755	92,171	72,137
Total interest expense	98,039	125,796	200,276	230,600
Net interest income	321,325	321,894	636,564	546,374
Provision for credit losses	18,860	22,902	41,550	42,909
Net interest income after provision for credit losses	302,465	298,992	595,014	503,465
Noninterest income				
Service charges on deposit accounts	38,561	36,561	75,590	62,535
Trust and investment services income	9,858	10,252	19,365	18,392
Other service charges and fees	39,230	31,912	74,845	55,410
Securities gains, net	1,466	456	3,358	684
Other	11,459	9,248	22,250	14,032
Total noninterest income	100,574	88,429	195,408	151,053
Noninterest expense				
Salaries and wages	81,977	86,463	166,639	146,557
Employee benefits	39,390	35,675	77,036	59,157
Occupancy expense	22,594	23,495	44,914	39,109
Outside services	18,274	19,770	35,841	33,152
Intangible amortization	5,764	5,763	11,527	8,520
Equipment expense	12,437	14,480	23,593	22,209
Restructuring and integration costs	—	2,738	—	8,753
Other	49,353	40,436	90,899	70,461
Total noninterest expense	229,789	228,820	450,449	387,918
Income before income taxes	173,250	158,601	339,973	266,600
Provision for income taxes	65,588	62,023	130,230	104,605
Net income	$107,662	$ 96,578	$209,743	$161,995

The accompanying notes are an integral part of these consolidated financial statements.

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BancWest Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS (Unaudited)

	June 30, 2003	December 31, 2002	June 30, 2002
		(in thousands)	
Assets			
Cash and due from banks	$ 1,501,846	$ 1,761,261	$ 1,457,969
Interest-bearing deposits in other banks	54,109	2,098	169,263
Federal funds sold and securities purchased under agreements to resell	286,600	430,056	322,175
Trading assets	64,173	43,430	36,247
Available-for-sale investment securities	5,143,855	3,940,769	3,433,738
Loans held for sale	60,063	85,274	42,405
Loans and leases:			
Loans and leases	25,008,420	24,146,087	24,120,405
Less allowance for credit losses	391,518	384,081	387,272
Net loans and leases	24,616,902	23,762,006	23,733,133
Premises and equipment, net	390,218	380,272	400,294
Customers' acceptance liability	32,567	25,945	15,632
Core deposit intangible, net	198,884	210,411	221,938
Goodwill	3,226,851	3,229,200	3,384,904
Other real estate owned and repossessed personal property	18,049	19,613	22,566
Other assets	853,569	858,932	742,445
Total assets	$36,447,686	$34,749,267	$33,982,709
Liabilities and Stockholder's Equity			
Deposits:			
Domestic:			
Interest-bearing	$16,934,857	$16,720,767	$17,068,061
Noninterest-bearing	7,363,849	7,144,929	6,300,200
Foreign	736,997	691,783	740,738
Total deposits	25,035,703	24,557,479	24,108,999
Federal funds purchased and securities sold under agreements to repurchase	1,386,713	791,476	940,415
Short-term borrowings	1,062,819	733,274	1,690,115
Acceptances outstanding	32,567	25,945	15,632
Long-term debt	3,519,174	3,376,947	2,087,635
Guaranteed preferred beneficial interests in Company's junior subordinated debentures	262,951	259,191	260,583
Other liabilities	1,060,109	1,137,473	1,079,851
Total liabilities	$32,360,036	$30,881,785	$30,183,230

The accompanying notes are an integral part of these consolidated financial statements.

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BancWest Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS, Continued (Unaudited)

	June 30, 2003	December 31, 2002	June 30, 2002
	(in thousands, except per share data)		
Commitments and contingent liabilities			
Stockholder's equity:			
Class A common stock, par value $.01 per share at June 30, 2003, December 31, 2002 and June 30, 2002 Authorized - 150,000,000 shares at June 30, 2003, December 31, 2002 and June 30, 2002 Issued - 85,759,123 shares at June 30, 2003, December 31, 2002 and June 30, 2002	$ 858	$ 858	$ 858
Surplus	3,419,927	3,419,927	3,587,403
Retained earnings	579,377	369,634	170,297
Accumulated other comprehensive income, net	87,488	77,063	40,921
Total stockholder's equity	4,087,650	3,867,482	3,799,479
Total liabilities and stockholder's equity	$36,447,686	$34,749,267	$33,982,709

The accompanying notes are an integral part of these consolidated financial statements.

BancWest Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF
CHANGES IN STOCKHOLDER'S EQUITY AND COMPREHENSIVE INCOME (Unaudited)

	Class A Common Stock Shares	Amount	Surplus	Retained Earnings	Accumulated Other Comprehensive Income, net	Total
			(in thousands, except share data)			
Balance, December 31, 2002	85,759,123	$858	$3,419,927	$369,634	$77,063	$3,867,482
Comprehensive income:						
Net income	—	—	—	209,743	—	209,743
Net unrealized gain on investment securities available for sale, net of tax and reclassification adjustment	—	—	—	—	5,865	5,865
Net unrealized gain on cash-flow derivative hedges, net of tax and reclassification adjustment	—	—	—	—	4,560	4,560
Comprehensive income	—	—	—	209,743	10,425	220,168
Balance, June 30, 2003	85,759,123	$858	$3,419,927	$579,377	$87,488	$4,087,650
Balance, December 31, 2001	56,074,874	$561	$1,985,275	$ 8,302	$ 7,782	$2,001,920
Comprehensive income:						
Net income	—	—	—	161,995	—	161,995
Net unrealized gain on investment securities available for sale, net of tax and reclassification adjustment	—	—	—	—	21,946	21,946
Net unrealized gain on cash-flow derivative hedges, net of tax and reclassification adjustment	—	—	—	—	11,193	11,193
Comprehensive income	—	—	—	161,995	33,139	195,134
Issuance of Class A common stock	29,684,249	297	1,599,703	—	—	1,600,000
Discounted Share Purchase Plan	—	—	2,425	—	—	2,425
Balance, June 30, 2002	85,759,123	$858	$3,587,403	$170,297	$40,921	$3,799,479

The accompanying notes are an integral part of these consolidated financial statements.

BancWest Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended June 30,	
	2003	2002
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 209,743	$ 161,995
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	41,550	42,909
Depreciation and amortization	36,387	31,017
(Decrease) increase in deferred income taxes	(1,114)	100,293
Increase in interest receivable	(11,026)	(65,274)
Increase in interest payable	1,730	18,044
Decrease (increase) in prepaid expenses	8,184	(28,385)
Increase in accrued restructuring and integration costs	—	8,753
Increase in trading assets	(20,743)	(36,247)
Decrease (increase) in loans held for sale	25,211	(14,004)
Securities gains, net	(3,358)	(684)
Other	(77,262)	38,506
Net cash provided by operating activities	209,302	256,923
Cash flows from investing activities:		
Net increase in interest-bearing deposits in other banks	(52,011)	(59,328)
Net decrease (increase) in Federal funds sold and securities purchased under agreements to resell	143,456	(53,175)
Proceeds from maturity of available-for-sale investment securities	1,019,795	320,978
Proceeds from the sale of available-for-sale securities	339,376	126,059
Purchase of available-for-sale investment securities	(2,549,001)	(856,639)
Net increase in loans and leases from originations and collections	(562,937)	(411,322)
Purchase of loans and leases	(786,458)	(10,245)
Proceeds from the sale of loans	455,284	170,098
Net cash paid for acquisitions	—	(1,793,000)
Purchase of premises and equipment	(22,513)	(10,545)
Other	2,510	(326)
Net cash used in investing activities	(2,012,499)	(2,577,445)
Cash flows from financing activities:		
Net increase in deposits	478,224	401,822
Net increase (decrease) in Federal funds purchased and securities sold under agreements to repurchase	595,237	(41,906)
Net increase in other short-term borrowings	329,545	1,296,179
Proceeds from long-term debt	315,000	140,000
Repayment of long-term and subordinated debt	(174,224)	(354,866)
Proceeds from issuance of Class A common stock	—	1,600,000
Net cash provided by financing activities	1,543,782	3,041,229
Net (decrease) increase in cash and due from banks	(259,415)	720,707
Cash and due from banks at beginning of period	1,761,261	737,262
Cash and due from banks at end of period	$ 1,501,846	$ 1,457,969
Supplemental disclosures:		
Interest paid	$ 198,546	$ 212,556
Income taxes paid	$ 129,311	$ 4,312
Supplemental schedule of noncash investing and financing activities:		
Loans converted into other real estate owned and repossessed personal property	$ 4,249	$ 7,790
Loans made to facilitate the sale of other real estate owned	$ 1,218	$ 110
In connection with acquisitions, the following liabilities were assumed:		
Fair value of assets acquired	$ —	$10,959,000
Cash paid	—	(1,793,000)

Liabilities assumed	$ —	$ 9,166,000

The accompanying notes are an integral part of these consolidated financial statements.

BancWest Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Summary of Significant Accounting Policies

Descriptions of the significant accounting policies of BancWest Corporation and Subsidiaries (BancWest, the Company or we/our) are included in Note 1 (Summary of Significant Accounting Policies) to the audited consolidated financial statements included in the Company's 2002 Annual Report on Form 10-K. There have been no significant changes to these policies.

Reclassifications

The 2002 Consolidated Financial Statements were reclassified in certain respects to conform to the 2003 presentation. Such reclassifications did not have a material effect on the Consolidated Financial Statements.

2. Mergers and Acquisitions

United California Bank Acquisition

On March 15, 2002, BancWest completed its acquisition of all outstanding common stock of United California Bank (UCB) from UFJ Bank Ltd. of Japan (UFJ). UCB was subsequently merged with and into Bank of the West in April 2002 and its branches were integrated into the Company's branch network system in the third quarter of 2002. On the date of acquisition by BancWest, UCB had 115 branches (located exclusively in California), total assets of $10.1 billion, net loans of $8.5 billion and total deposits of $8.2 billion. The preceding amounts do not include purchase price adjustments. UCB's strong presence in Southern California complements BancWest's existing network in Northern California, Nevada, New Mexico and the Pacific Northwest. Results of operations of UCB are included in our Consolidated Financial Statements beginning on March 15, 2002. The purchase price of approximately $2.4 billion was paid in cash and accounted for as a purchase. BNP Paribas funded BancWest's acquisition of UCB by providing $1.6 billion of additional capital and lending the Company $800 million. We expect to achieve cost savings for the combined company of approximately $75 million per year beginning in 2003. These anticipated cost savings primarily involve compensation and occupancy-related expenses.

The following table provides an allocation of the purchase price:

	(in thousands)
Total purchase price of UCB, including transaction costs	$2,406,268
Equity of UCB prior to acquisition by BancWest	1,083,000
Excess of pushed down equity over the carrying value of net assets acquired	1,323,268
Purchase accounting adjustments related to assets and liabilities acquired:	
Sublease loss reserve	25,645
Premises and equipment	7,645
Severance and employee relocation	44,513
Contract cancellations	12,862
New core deposit intangible	(120,219)
Other assets	3,354
Deposits	8,047
Deferred cost on pension and retirement benefits	49,349
Other liabilities and taxes	(28,062)
Goodwill resulting from acquisition of and merger with UCB	$1,326,402

BancWest Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

BancWest incurred expenses associated with exiting certain branches, operational centers and technology platforms of the pre-merged Bank of the West, as well as certain other conversion and restructuring expenses, totaling approximately $18 million. Exit costs associated with UCB were considered as part of the purchase accounting for the acquisition. BancWest established a severance reserve of approximately $40.5 million. Approximately 750 employees throughout the combined organization have been or will be displaced in conjunction with the acquisition. As of June 30, 2003, this initiative was substantially complete. In addition to the severance reserve, we recorded the following accruals: $34.5 million for losses on subleases, $8.0 million for contract cancellations, $1.3 million for relocation and other. From the date of acquisition to June 30, 2003, we made the following adjustments to the reserves: $6.9 million increase for severance, $7.5 million decrease for losses on subleases, $4.9 million increase for contract cancellations and $0.2 million decrease for relocation. In addition, the reserves were decreased as follows: $36.6 million for severance payments, $7.9 million for sublease loss amortization, $7.9 million for contract cancellation payments and $0.9 million for relocation and other payments.

The following unaudited pro forma financial information for the three and six months ended June 30, 2002, assumes that the UCB acquisition occurred as of January 1, 2002, after giving effect to certain adjustments. The pro forma results have been prepared for comparative purposes only and are not necessarily indicative of the results of operations which may occur in the future or which would have occurred had the UCB acquisition been consummated as of January 1, 2002:

	Pro Forma Financial Information Period Ended June 30, 2002	
	Three Months	Six Months
	(in thousands)	
Net Interest Income	$ 320,577	$ 633,591
Provision for Credit Losses	22,902	59,328
Noninterest Income	88,429	170,979
Noninterest Expense	226,113	456,022
Income Tax Expense	62,586	111,842
Net Income	$ 97,405	$ 177,378

In conjunction with the purchase of UCB from UFJ Bank Ltd. of Japan, there were certain items that were in dispute. The disputed items were related to UCB's loan charge-offs and its deferred tax liability. In March 2003, an arbitrator decided in favor of BancWest on both matters. Interest on the disputed amounts totaled $0.8 million, which was recognized in other income during the first quarter of 2003. The resolution of the loan charge-off issue was a receivable due from UFJ of $8.9 million, an increase to our allowance for credit losses of $13.6 million, representing recoveries of loans charged off by BancWest, and a related decrease to our deferred tax liability of $4.7 million. Upon resolution of the deferred tax issue during the first quarter of 2003, we reassessed the adequacy of UCB's deferred tax liability and reduced the related goodwill by $14.9 million. All cash due from UFJ as a result of the arbitrator's decision was received in April 2003.

3. Derivative Financial Instruments

Any portion of the changes in the fair value of a derivative designated as a hedge that is deemed ineffective is recorded in current period earnings; this amount was not material in the three and six months ended June 30, 2003.

Fair Value Hedges

The Company has various derivative instruments that hedge the fair values of recognized assets or liabilities or of unrecognized firm commitments (fair value hedges). At June 30, 2003, the Company carried an interest rate swap of $2.8 million with a fair market value loss of $0.9 million that was categorized as a fair value hedge for a commercial loan. The Company receives 1-month LIBOR and pays a fixed rate of 8.32%.

At June 30, 2003, we carried a $150 million interest rate swap with BNP Paribas to hedge obligations under the 9.5% BancWest Capital I Quarterly Income Preferred Securities. We pay 3-month LIBOR plus 3.69% and receive fixed payments at 9.5%. The fair market value gain of the swap at June 30, 2003 was $5.3 million.

BancWest Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

Cash Flow Hedges

At June 30, 2003, the Company carried interest rate swaps of $600 million with a fair market value gain of $64.6 million which were categorized as cash flow hedges, to hedge our LIBOR-based commercial loans. The interest rate swaps were entered into during 2001 by UCB and mature in 2006. We pay 3-month LIBOR and receive fixed rates ranging from 5.64% to 5.87%. The net settlement on the $600 million swaps has increased commercial loan interest income by $11.7 million from January 1, 2003 through June 30, 2003. The Company estimates net settlement gains, recorded as commercial loan interest income, of $25.4 million over the next twelve months resulting from these hedges.

During June 2003, the Company entered into interest rate swaps totaling $50 million in order to reduce exposure to interest rate increases associated with short-term fixed rate liabilities. The swaps hedge forecasted transactions associated with short-term fixed rate liabilities. The swaps mature as follows: $20 million in 2013, $20 million in 2018 and $10 million in 2023. We pay fixed rates ranging from 3.64% to 4.47% and receive 3 month LIBOR. There has been no effect on net income from these swaps year-to-date 2003. The Company estimates a net increase to interest expense of $1.4 million over the next twelve months resulting from these hedges.

Free-standing Derivative Instruments

Free-standing derivative instruments include derivative transactions entered into for risk management purposes that do not otherwise qualify for hedge accounting. Interest rate lock commitments issued on residential mortgage loans intended to be held for resale are considered free-standing derivative instruments. The interest rate exposure on these commitments is economically hedged primarily with best efforts forward sale contracts. The commitments and free-standing derivative instruments are marked to market and recorded as a component of noninterest income in the consolidated statement of income. Once a loan commitment is funded, the same forward sale contract is designated as a fair value hedge of the loan held for sale, as described above. Trading activities primarily involve providing various free-standing interest rate and foreign exchange derivative products to customers. Interest rate derivative instruments utilized by the Company in its trading operations include interest rate swaps, caps, floors and collars.

The following table summarizes derivatives held by the Company as of June 30, 2003 and 2002:

Contractual Amounts Which Represent Credit Risk:	2003			2002		
	Notional Amount	Credit Risk Amount	Net Fair Value	Notional Amount	Credit Risk Amount	Net Fair Value
	(in thousands)					
Held for hedge purposes:						
Interest rate swaps	$ 802,764	$69,875	$69,019	$ 603,731	$31,632	$30,974
Held for trading or free-standing:						
Interest rate swaps	1,423,301	34,504	(7,629)	1,190,938	18,740	(5,129)
Purchased interest rate options	65,329	827	827	70,117	1,022	534
Written interest rate options	80,732	—	(388)	75,835	—	(164)
Forward interest rate options	54,000	—	(11)	—	—	—
Rate locks	78,000	250	250	—	—	—
Commitments to purchase and sell foreign currencies	444,942	7,396	123	530,493	10,052	463
Purchased foreign exchange options	45,194	667	667	—	—	—
Written foreign exchange options	45,194	—	(667)	—	—	—

4. Operating Segments

Our reportable segments are the ones we use in our internal reporting at Bank of the West and First Hawaiian Bank (First Hawaiian). Bank of the West's segments operate primarily in California, Oregon, Washington, Idaho, New Mexico and Nevada. As discussed below, certain Bank of the West segments conduct business nationwide. Although First Hawaiian's segments operate primarily in Hawaii, First Hawaiian also has significant operations outside the state, such as leveraged leases, international banking and branches in Guam and Saipan.

The results of each segment are determined by our management accounting process, which assigns balance sheet and income statement items to each reporting segment. The net interest income of each segment includes the results of the Bank's transfer pricing process, which assesses an internal funds charge on all segment assets and a funds credit on all segment liabilities. The internal charges and credits assigned to each asset and liability are intended to match the maturity, repayment and interest rate characteristics of that asset or liability. With the exception of goodwill, assets are allocated to each business segment on the basis of assumed benefit to their business operations. Goodwill is assigned on the basis of projected future earnings of the segments. The process of management accounting is dynamic and subjective. There is no comprehensive or authoritative guidance which can be followed.

Bank of the West

Bank of the West manages its operations through three business segments: Regional Banking, Commercial Banking and Consumer Finance.

Regional Banking:

Regional Banking seeks to serve a broad customer base by furnishing a wide range of retail and commercial banking products. Deposit products offered by this segment include checking accounts, savings deposits, market rate accounts, Individual Retirement Accounts and time deposits. Regional Banking utilizes its branch network as its principal funding source. Bank of the West's telephone banking service, a network of automated teller machines and the online eTimeBanker service provide retail customers with other means of accessing and managing their accounts.

Through its branch network, this business segment originates a variety of consumer loans, including direct vehicle loans, lines of credit and second mortgages. In addition, Regional Banking originates and holds a portfolio of first mortgage loans on one- to four-family residences. Through its commercial banking operations conducted from its branch network, Regional Banking offers a wide range of commercial banking products intended to serve the needs of smaller community-based businesses. These include in-branch originations of standardized loan and deposit products for businesses with relatively simple banking and financing needs. More complex and customized commercial banking services are offered through Bank of the West's regional banking centers, which serve clusters of branches and provide lending, deposit and cash management services to companies operating in the relevant market areas. Regional Banking also provides a number of fee-based products and services such as annuities, insurance and securities brokerage.

The Regional Banking Segment includes a Business Banking Division which supports commercial lending activities for middle market business customers through Business Banking centers located throughout California, as well as Portland, Oregon, Reno and Las Vegas, Nevada and Albuquerque, New Mexico. The Regional Banking Segment also includes a Pacific Rim Division which offers multilingual services through a branch network in predominately Asian American communities in California, with specialized domestic and international products and services for both individuals and companies.

Commercial Banking:

The Commercial Banking Segment supports business clients with revenues between $25 million and $350 million. This segment's clients include those engaged in agribusiness, real estate industries, as well as, churches, Small Business Administration (SBA) and equipment leasing clients. Equipment leasing is available through the Bank's commercial offices, branches, brokers across the nation and its subsidiary, Trinity Capital. Trinity specializes in nationwide vendor leasing and servicing programs for manufacturers in specific markets.

Services offered include cash management, trade finance, correspondent banking services and syndication of commercial credits exceeding $30 million.

Consumer Finance:

The Consumer Finance Segment targets the origination of auto loans and leases in the western United States, and recreational vehicle and marine loans nationwide, with emphasis on originating credits at the high end of the credit spectrum. These loans and leases are originated through a network of auto dealers and recreational vehicle and marine dealers serviced by sales representatives located throughout the country. This segment also includes Bank of the West's wholly-owned subsidiary, Essex Credit Corporation, which focuses on the origination of marine and recreational vehicle loans directly with customers. Essex has office locations throughout the United States and sells substantially all of its loans to investors servicing released for a fee.

First Hawaiian Bank

First Hawaiian manages its operations through the following business segments: Retail Banking, Consumer Banking, Commercial Banking and Financial Management.

Retail Banking:

First Hawaiian's Retail Banking Segment operates its main banking office in Honolulu, Hawaii, and 55 other banking offices located throughout Hawaii. First Hawaiian also operates three branches in Guam and two branches in Saipan.

The focus of First Hawaiian's retail/community banking strategy is primarily in Hawaii, where it has a 40% market share of the domestic bank deposits of individuals, corporations and partnerships in the state as of June 30, 2003. Thanks to its significant market share in Hawaii, First Hawaiian already has product or service relationships with a majority of the households in the state. Therefore, a key goal of its retail community banking strategy is to build those relationships by cross-selling additional products and services to existing individual and business customers.

In pursuing the community banking markets in Hawaii, Guam and Saipan, First Hawaiian seeks to serve a broad customer base by furnishing a range of retail and commercial banking products. Through its branch network, First Hawaiian generates first-mortgage loans on residences and a variety of consumer loans, consumer lines of credit and second mortgages. Through commercial banking operations conducted from its branch network, First Hawaiian offers a wide range of banking products intended to serve the needs of smaller, community-based businesses. First Hawaiian also provides a number of fee-based products and services such as annuities and mutual funds, insurance and securities brokerage.

To complement its branch network and serve these customers, First Hawaiian operates a system of automated teller machines, a 24-hour phone center in Honolulu and a full-service Internet banking system.

Consumer Banking:

Consumer Lending: First Hawaiian offers many types of loans and credits to consumers, including lines of credit (uncollateralized or collateralized) and various types of personal and automobile loans. First Hawaiian also provides indirect consumer automobile financing on new and used autos by purchasing finance contracts from dealers. First Hawaiian's Dealer Center is one of the largest commercial bank automobile lenders in the State of Hawaii. First Hawaiian is the largest issuer of MasterCard® credit cards and VISA® credit cards in Hawaii.

Real Estate Lending-Residential: First Hawaiian makes residential real estate loans, including home-equity loans, to enable borrowers to purchase, refinance, improve or construct residential real property. The loans are collateralized by mortgage liens on the related property, substantially all located in Hawaii. First Hawaiian also originates residential real estate loans for sale on the secondary market.

Commercial Banking:

Commercial Lending: First Hawaiian is a major lender to small and medium-sized businesses in Hawaii and Guam. Lending services include receivable and inventory financing, equipment term loans, letters of credit, dealer vehicle flooring financing and trade financing. To support the cash management needs of both commercial banking customers and large private and public deposit relationships maintained with the bank, First Hawaiian operates a Cash Management Department which provides a full range of innovative and relationship-focused cash management services.

Real Estate Lending-Commercial: First Hawaiian provides permanent financing for a variety of commercial developments, such as retail facilities, warehouses and office buildings.

International Banking Services: First Hawaiian maintains an International Banking Division which provides international banking products and services through First Hawaiian's branch system, its international banking headquarters in Honolulu, a Grand Cayman branch, three Guam branches, two branches in Saipan and a representative office in Tokyo, Japan. First Hawaiian maintains a network of correspondent banking relationships throughout the world.

First Hawaiian's international banking activities are primarily trade-related and are concentrated in the Asia-Pacific area.

Financial Management:

Trust and Investment Services: First Hawaiian's Financial Management Segment offers a full range of trust and investment management services, and also seeks to reinforce customer relationships developed by or in conjunction with the Retail Banking

BancWest Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

Segment. The Financial Management Segment provides asset management, advisory and administrative services for estates, trusts and individuals. It also acts as trustee and custodian of retirement and other employee benefit plans. At June 30, 2003, the Trust and Investments Division had approximately 4,000 accounts with a market value of $8.2 billion. Of this total, $6.0 billion represented assets in nonmanaged accounts and $2.2 billion were managed assets.

Securities and Insurance Services: First Hawaiian, through a wholly-owned subsidiary, First Hawaiian Insurance, Inc., provides insurance brokerage services for personal, business or estate insurance to its customers. First Hawaiian Insurance offers insurance needs analysis for individuals, families and businesses, as well as life, disability and long-term care insurance products. In association with an independent registered broker-dealer, First Hawaiian offers mutual funds, annuities and other securities in its branches.

Private Banking Services: The Private Banking Department within First Hawaiian's Financial Management Segment provides a wide range of products to high-net-worth individuals.

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BancWest Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

The tables below present information about the Company's operating segments as of or for the periods indicated:

	Bank of the West				First Hawaiian Bank				
(in millions)	Regional Banking	Commercial Banking	Consumer Finance	Other(1)	Retail Banking	Consumer	Commercial Banking	Financial Management	Other(2)
Three Months Ended June 30, 2003:									
Net interest income	$ 120.7	$ 78.2	$ 50.7	$ 19.8	$ 66.3	$ 21.3	$ 7.7	$ 0.1	$ (9.1)
Noninterest income	41.6	14.0	3.5	5.1	16.1	8.5	1.6	7.9	2.4
Noninterest expense	109.4	30.0	15.6	6.2	45.3	11.5	2.3	6.9	(3.4)
Provision for credit losses	4.3	(4.1)	16.8	—	1.8	2.4	—	—	(0.3)
Tax Provision (benefit)	19.2	26.2	8.6	5.9	13.5	6.0	2.1	—	(0.6)
Net income (loss)	$ 29.4	$ 40.1	$ 13.2	$ 12.8	$ 21.8	$ 9.9	$ 4.9	$ 1.1	$ (2.4)
Segment Assets at June 30	$ 7,608	$8,367	$7,550	$4,288	$3,311	$1,458	$1,036	$ 15	$3,549
Segment goodwill at June 30	1,214	706	308	—	650	216	118	10	—
Average assets	$ 7,334	$8,208	$7,413	$3,623	$3,289	$1,440	$1,028	$ 14	$3,425
Average loans	5,342	6,931	7,096	—	2,452	1,242	883	1	433
Average deposits	13,785	2,744	14	1,188	6,464	8	17	49	151
Three Months Ended June 30, 2002:									
Net interest income	$ 133.2	$ 75.5	$ 43.3	$ 18.3	$ 65.2	$ 17.6	$ 7.6	$ —	$ (8.3)
Noninterest income	39.4	9.7	2.9	7.7	16.0	5.6	1.7	6.7	1.0
Noninterest expense	111.8	28.1	14.1	14.8	43.5	10.3	2.0	5.9	(3.1)
Provision for credit losses	2.6	2.1	13.7	—	1.9	2.4	0.3	—	(0.1)
Tax Provision (benefit)	23.5	22.2	7.4	3.7	13.7	4.0	2.3	0.3	(1.7)
Net income (loss)	$ 34.7	$ 32.8	$ 11.0	$ 7.5	$ 22.1	$ 6.5	$ 4.7	$ 0.5	$ (2.4)
Segment Assets at June 30	$ 7,858	$8,022	$6,569	$3,033	$3,208	$1,403	$1,107	$ 14	$3,137
Segment goodwill at June 30	1,208	704	306	—	650	216	118	10	—
Average assets	$ 7,912	$8,193	$6,292	$2,637	$3,288	$1,397	$1,091	$ 13	$2,894
Average loans	5,987	7,050	5,970	—	2,428	1,179	980	—	560
Average deposits	13,636	2,331	13	1,661	5,986	10	17	42	188

[Additional columns below]

[Continued from above table, first column(s) repeated]

(in millions)	Other BancWest(3)	Reconciling Items(4)	Consolidated Totals
Three Months Ended June 30, 2003:			
Net interest income	$ (34.5)	$ 0.1	$ 321.3
Noninterest income	—	(0.1)	100.6
Noninterest expense	6.2	(0.2)	229.8
Provision for credit losses	(2.0)	—	18.9
Tax Provision (benefit)	(15.6)	0.3	65.6
Net income (loss)	$ (23.1)	$ (0.1)	$ 107.6
Segment Assets at June 30	$7,107	$(7,841)	$36,448
Segment goodwill at June 30	5	—	3,227
Average assets	$7,076	$(7,740)	$35,110
Average loans	60	(20)	24,420
Average deposits	—	(81)	24,339
Three Months Ended June 30, 2002:			
Net interest income	$ (30.7)	$ 0.2	$ 321.9
Noninterest income	(2.3)	—	88.4
Noninterest expense	1.4	—	228.8
Provision for credit losses	—	—	22.9
Tax Provision (benefit)	(13.4)	—	62.0
Net income (loss)	$ (21.0)	$ 0.2	$ 96.6
Segment Assets at June 30	$7,335	$(7,703)	$33,983

Segment goodwill at June 30	173	—	3,385
Average assets	$7,303	$(7,618)	$33,402
Average loans	60	(3)	24,211
Average deposits	—	—	23,884

	Bank of the West				First Hawaiian Bank				
(in millions)	Regional Banking	Commercial Banking	Consumer Finance	Other(1)	Retail Banking	Consumer	Commercial Banking	Financial Management	Other(2)
Six Months Ended June 30, 2003:									
Net interest income	$ 242.6	$155.9	$100.4	$ 35.4	$131.2	$ 41.3	$ 15.4	$ 0.2	$ (17.2)
Noninterest income	80.3	25.4	6.2	10.6	33.8	17.4	3.2	14.8	3.8
Noninterest expense	216.0	59.9	31.0	12.7	88.8	22.8	4.4	13.2	(5.7)
Provision for credit losses	7.9	(3.8)	29.6	—	3.5	4.6	—	—	0.2
Tax Provision (benefit)	39.2	49.6	18.2	11.7	27.5	11.8	4.2	0.3	(1.8)
Net income (loss)	$ 59.8	$ 75.6	$ 27.8	$ 21.6	$ 45.2	$ 19.5	$ 10.0	$ 1.5	$ (6.1)
Segment Assets at June 30	$ 7,608	$8,367	$7,550	$4,288	$3,311	$1,458	$1,036	$ 15	$3,549
Segment goodwill at June 30	1,214	706	308	—	650	216	118	10	—
Average assets	$ 7,329	$8,199	$7,257	$3,405	$3,277	$1,434	$1,041	$ 14	$3,411
Average loans	5,320	6,923	6,929	—	2,436	1,235	898	1	457
Average deposits	13,660	2,667	14	1,293	6,428	9	19	50	153
Six Months Ended June 30, 2002:									
Net interest income	$ 220.6	$109.0	$ 85.1	$ 25.8	$132.4	$ 35.1	$ 13.5	$ 0.1	$ (16.1)
Noninterest income	64.8	11.6	5.4	8.9	32.2	11.5	3.2	14.0	0.6
Noninterest expense	182.4	38.6	28.4	21.0	86.9	20.5	3.6	11.9	(7.7)
Provision for credit losses	4.5	3.4	24.8	—	4.1	4.5	0.3	—	1.3
Tax Provision (benefit)	39.7	31.7	15.0	4.7	28.3	8.3	4.1	0.9	(3.3)
Net income (loss)	$ 58.8	$ 46.9	$ 22.3	$ 9.0	$ 45.3	$ 13.3	$ 8.7	$ 1.3	$ (5.8)
Segment Assets at June 30	$ 7,858	$8,022	$6,569	$3,033	$3,208	$1,403	$1,107	$ 14	$3,137
Segment goodwill at June 30	1,208	704	306	—	650	216	118	10	—
Average assets	$ 5,849	$5,996	$6,418	$2,075	$3,410	$1,368	$ 968	$ 13	$2,875
Average loans	4,220	5,131	6,046	—	2,547	1,146	862	—	583
Average deposits	11,476	1,344	15	1,431	5,918	10	22	51	194

[Additional columns below]

[Continued from above table, first column(s) repeated]

(in millions)	Other BancWest(3)	Reconciling Items(4)	Consolidated Totals
Six Months Ended June 30, 2003:			
Net interest income	$ (68.8)	$ 0.1	$ 636.5
Noninterest income	—	(0.1)	195.4
Noninterest expense	7.5	(0.2)	450.4
Provision for credit losses	—	(0.4)	41.6
Tax Provision (benefit)	(30.9)	0.4	130.2
Net income (loss)	$ (45.4)	$ 0.2	$ 209.7
Segment Assets at June 30	$7,107	$(7,841)	$36,448
Segment goodwill at June 30	5	—	3,227
Average assets	$7,006	$(7,621)	$34,752
Average loans	60	(25)	24,234
Average deposits	—	(63)	24,230
Six Months Ended June 30, 2002:			
Net interest income	$ (59.3)	$ 0.2	$ 546.4
Noninterest income	(1.3)	0.1	151.0
Noninterest expense	2.1	0.2	387.9
Provision for credit losses	—	—	42.9
Tax Provision (benefit)	(24.8)	—	104.6
Net income (loss)	$ (37.9)	$ 0.1	$ 162.0
Segment Assets at June 30	$7,335	$(7,703)	$33,983
Segment goodwill at June 30	173	—	3,385
Average assets	$6,294	$(6,642)	$28,624
Average loans	60	(39)	20,556

Average deposits	—	(33)	20,428

BancWest Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (Continued)

(1) The material net interest income and noninterest income items in the Other column relate to Treasury activities of $21.3 million and $38.1 million and unallocated other income of $3.6 million and $7.9 million for the three and six months ended June 30, 2003, respectively. The material net interest income and noninterest income items in the Other column for the three and six months ended June 30, 2002 resulted substantially from Treasury activities of $12.9 million and $18.1 million and unallocated other income of $12.9 million and $16.6 million, respectively.

The material noninterest expense items in the Other column for the three and six months ended June 30, 2003, are substantially derived from Treasury activities and unallocated administrative items. The noninterest expense items in the Other column for the three months ended June 30, 2002 are mostly the result of unallocated merger-related costs of $2.7 million, Treasury activities of $4.4 million and unallocated administrative items of $3.0 million. The material noninterest expense items in the Other column for the six months ended June 30, 2002 resulted primarily from Treasury activities of $7.1 million, unallocated merger-related costs of $8.8 million and unallocated administrative items of $3.9 million.

The material average asset items in the Other column relate to unallocated Treasury securities for the periods presented.

The material average deposit items in the Other column relate to unallocated Treasury balances for the three and six months ended June 30, 2003 and 2002.

(2) Other is composed of Administrative and Syndicated and Media Lending. Administrative represents administrative support areas including Information Management and Operations and Finance and Investment.

The material items in Other were related to the following for the periods presented:

The material items in noninterest income were primarily from unallocated Treasury activities.

The material items in noninterest expense consist primarily of unallocated costs.

The material items in the Other column relate to average assets that are unallocated Treasury securities for the periods presented. The material items in the Other column relate to average deposits that are unallocated balances for the three and six months ended June 30, 2003 and 2002.

(3) The Other BancWest category in the table above consists primarily of BancWest Corporation (Parent Company), FHL Lease Holding Company, Inc., BancWest Capital I and First Hawaiian Capital I.

(4) The reconciling items in the above table are principally intercompany eliminations.

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5. Intangible Assets

The Company adopted SFAS 142 on January 1, 2002. The most significant changes made by SFAS 142 are that goodwill and other indefinite-lived intangible assets are no longer amortized and will be tested for impairment at least annually. As of June 30, 2003, the Company had goodwill of $3.2 billion. The table below provides the breakdown of goodwill by reportable segment and the change during the year.

	Bank of the West			First Hawaiian Bank					
(in millions)	Regional Banking	Commercial Banking	Consumer Finance	Retail Banking Group	Consumer	Commercial Banking	Financial Management Group	BancWest	Consolidated Totals
Balance as of January 1, 2003:	$1,215	$707	$308	$650	$216	$118	$ 10	$ 5	$3,229
Purchase accounting adjustment:									
UCB	(1)	—	—	—	—	—	—	—	(1)
Trinity Capital	—	(1)	—	—	—	—	—	—	(1)
Balance as of June 30, 2003:	**$1,214**	**$706**	**$308**	**$650**	**$216**	**$118**	**$ 10**	**$ 5**	**$3,227**

The estimated annual amortization expense for finite-lived intangible assets, primarily core deposit intangibles arising from the BNP Paribas merger and the acquisition of UCB, is approximately $23 million (pre-tax) for each of the years from 2003 to 2007. The details of our intangible assets are depicted below:

	Gross Carrying Amount	Accumulated Amortization	Net Book Value
		(in thousands)	
Balance as of June 30, 2003:			
Core Deposits	$230,538	$31,654	$198,884
Total	$230,538	$31,654	$198,884
Balance as of December 31, 2002:			
Core Deposits	$230,538	$20,127	$210,411
Total	$230,538	$20,127	$210,411

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

OVERVIEW

Headquartered in Honolulu, Hawaii, with offices in San Francisco, BancWest is a financial holding company with assets in excess of $36 billion at June 30, 2003. BancWest, through its subsidiaries, operates a general commercial banking business and other businesses related to banking. Its principal assets are its investments in Bank of the West, a State of California-chartered bank; and First Hawaiian, a State of Hawaii-chartered bank. We provide a wide range of general commercial banking services, providing retail and corporate banking, trust and insurance services to individuals, institutions, businesses and governments.

Net income for the second quarter of 2003 was $107.7 million, compared with $96.6 million for the second quarter of 2002. Net income for the first six months of 2003 was $209.7 million compared with $162.0 million for the same period in 2002. Net interest income was $321.3 million for the second quarter of 2003 and $636.6 million for the first six months of 2003 compared with $321.9 million and $546.4 million for the same periods of 2002. Noninterest income was $100.6 million and $195.4 million for the second quarter and first half of 2003, respectively, compared with $88.4 million and $151.1 million for the same periods in 2002. Noninterest expense totaled $229.8 million and $450.4 million for the second quarter and first half of 2003, respectively, compared with $228.8 million and $387.9 million for the same periods of 2002.

BancWest had total assets of $36.4 billion at June 30, 2003, up 7.3% from a year earlier. Investment Securities totaled $5.1 billion, an increase of 49.8% as compared to the same period in 2002. Loans and leases totaled $25.0 billion, an increase of 3.7% compared to the same period in 2002. Deposits were $25.0 billion, up 3.8%.

BancWest's nonperforming assets were reduced significantly to 0.75% of loans and foreclosed properties at June 30, 2003, an improvement from 1.04% at June 30, 2002. The provision for credit losses was $18.9 million for the second quarter of 2003 compared to $22.9 million for the same period in 2002. BancWest's allowance for credit losses was 1.57% of total loans and leases at June 30, 2003, compared to 1.59% at December 31, 2002 and 1.61% at June 30, 2002.

NEW PRONOUNCEMENTS

In January 2003, the Financial Accounting Standards Board (FASB) issued Financial Interpretation 46, Consolidation of Variable Interest Entities (FIN 46). Previously, a company generally included another entity in its consolidated financial statements only if it controlled the entity through voting interests. FIN 46 changes that by requiring a variable interest entity (VIE) to be consolidated by a company if that company is subject to a majority of the risk of loss from the VIE's activities or entitled to receive a majority of the VIE's residual returns or both. The company that consolidates the VIE is its primary beneficiary. The consolidation requirements of FIN 46 apply immediately to VIEs created after January 31, 2003 and to all VIEs for interim periods beginning after June 15, 2003. We have not been party to the creation of any VIEs since January 31, 2003. However, we are party to three VIEs that were created prior to January 2003.

REFIRST, Inc. is a VIE that was created by a nonrelated third party to construct, finance and hold title to our administrative headquarters building in Honolulu, First Hawaiian Center (FHC). We entered into a noncancelable operating lease for FHC with REFIRST, Inc. that terminates on December 1, 2003. Our intention is to purchase FHC at the end of the lease term. Prior to July 1, 2003, we were not required to consolidate REFIRST, Inc. into our Consolidated Financial Statements. However, upon our implementation of FIN 46, REFIRST, Inc. was consolidated into BancWest effective July 1, 2003 and will be included in our future Consolidated Financial Statements. In addition, the depreciation expense of FHC and interest expense on the financing will be included on our Consolidated Statements of Income and Consolidated Statements of Cash Flows on a prospective basis. The provisions of FIN 46 require us to record a cumulative effect of an accounting change upon its implementation. The amount of such cumulative effect, (essentially, a retrospective depreciation charge for an 18- month period covering the time in which the building was last revalued for purchase-accounting purposes) as it relates to the consolidation of REFIRST, Inc., recognized in July 2003 was an after-tax charge to earnings of approximately $2.4 million. Additionally, we increased the total assets by approximately $160 million (principally due to the addition of the FHC building), increased debt by approximately $193.9 million, reduced the deferred tax liability by approximately $1.7 million and decreased the reserve for the guaranteed residual value upon lease termination of $30 million.

As of June 30, 2003, BancWest Capital I (BWE Trust) and First Hawaiian Capital I (FH Trust) (the Trusts) were fully consolidated subsidiaries of BancWest Corporation. The Trusts issued preferred and common capital securities. The preferred capital securities

were sold to the public; BWE owns the common securities. The purpose of these entities is to allow for the issuance of preferred capital securities that qualify for inclusion in Tier 1 regulatory capital. At the Trusts' inception, we issued junior subordinated deferrable interest debentures to the Trusts in return for either capital securities, in the case of BWE Trust, or the proceeds from capital securities that were issued from FH Trust. In the attached Consolidated Financial Statements, we report the preferred securities sold to the public on our Consolidated Balance Sheets as "Guaranteed preferred beneficial interests in Company's junior subordinated debentures," and we include the interest payments related to these securities on our Consolidated Statements of Income and Consolidated Statements of Cash Flows as interest expense on long-term debt. As we are not the primary beneficiary of the Trusts, effective July 1, 2003 these Trusts will be deconsolidated and will not be included in future Consolidated Financial Statements. The $263 million of "Guaranteed preferred beneficial interests in Company's junior subordinated debentures" will no longer be presented on the Company's balance sheet. Instead, the junior subordinated debentures issued by BWE to the Trusts will be included as part of long-term debt on the balance sheet. The deconsolidation will not have a material impact on our consolidated financial position, cash flows or, subject to further guidance from the Federal Reserve Board, Tier 1 capital. There will be no cumulative effect on income as a result of the deconsolidation.

In April 2003, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 149, *Amendment of Statement 133 on Derivative Instruments and Hedging Activities*. This Statement clarifies under what circumstances a contract with an initial net investment meets the characteristic of a derivative as discussed in SFAS 133. In addition, it clarifies when a derivative contains a financing component that warrants special reporting. SFAS 149 amends certain other existing pronouncements. Those changes will result in more consistent reporting of contracts that are derivatives in their entirety or that contain embedded derivatives that warrant separate accounting. This statement will be applied prospectively and is effective for contracts entered into or modified after June 30, 2003. The adoption of SFAS 149 is not expected to have a material impact on our consolidated financial position, results of operations or cash flows.

In May 2003, the FASB issued SFAS 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" (SFAS 150). SFAS 150 establishes standards for the classification and measurement of financial instruments with characteristics of both liabilities and equity. This standard is effective beginning in the third quarter of 2003. We do not expect the adoption of this standard to have a material impact on our consolidated financial position, results of operations or cash flows.

FORWARD-LOOKING STATEMENTS

Certain matters contained in this filing are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Our forward-looking statements (such as those concerning our plans, expectations, estimates, strategies, projections and goals) involve risks and uncertainties that could cause actual results to differ materially from those discussed in the statements. Readers should carefully consider those risks and uncertainties in reading this report. Factors that could cause or contribute to such differences include, but are not limited to: (1) global, national and local economic and market conditions, specifically with respect to changes in the United States economy and geopolitical uncertainties; (2) the level and volatility of interest rates and currency values; (3) government fiscal and monetary policies; (4) credit risks inherent in the lending process; (5) loan and deposit demand in the geographic regions where we conduct business; (6) the impact of intense competition in the rapidly evolving banking and financial services business; (7) extensive federal and state regulation of our business, including the effect of current and pending legislation and regulations; (8) whether expected revenue enhancements and cost savings are realized within expected time frames; (9) matters relating to the integration of our business with that of past and future merger partners, including the impact of combining these businesses on revenues, expenses, deposit attrition, customer retention and financial performance; (10) our reliance on third parties to provide certain critical services, including data processing; (11) the proposal or adoption of changes in accounting standards by the FASB, the Securities and Exchange Commission (SEC) or other standard setting bodies; (12) technological changes; (13) other risks and uncertainties discussed in this document or detailed from time to time in other SEC filings that we make; and (14) management's ability to manage risks that result from these and other factors. Our forward-looking statements are based on management's current views about future events. Those statements speak only as of the date on which they are made. We do not intend to update forward- looking statements, and, except as required by law, we disclaim any obligation or undertaking to update or revise any such statements to reflect any change in our expectations or any change in events, conditions, circumstances or assumptions on which forward-looking statements are based.

MONETARY POLICY AND ECONOMIC CONDITIONS

Our earnings and businesses are affected not only by general economic conditions (both domestic and international), but also by the monetary policies of various governmental regulatory authorities of (i) the United States and foreign governments and (ii)

international agencies. In particular, our earnings and growth may be affected by actions of the Federal Reserve Board in connection with its implementation of national monetary policy through its open market operations in United States Government securities, control of the discount rate and establishment of reserve requirements against both member and non-member financial institutions' deposits. These actions have a significant effect on the overall growth and distribution of loans and leases, investments and deposits, as well as on the rates earned on loans and leases or paid on deposits. It is difficult to predict future changes in monetary policies.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make a number of judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses in our Consolidated Financial Statements and accompanying notes. We believe that the judgments, estimates and assumptions used in the preparation of our Consolidated Financial Statements are appropriate given the factual circumstances as of June 30, 2003. We have established policies and procedures that are intended to ensure valuation methods are well controlled and applied consistently from period to period. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. However, given the sensitivity of our Consolidated Financial Statements to these critical accounting policies, the use of other judgments, estimates and assumptions could result in material differences in our results of operations or financial condition.

Our accounting policies are discussed in detail in the notes to the Consolidated Financial Statements, Note 1 of our 2002 Annual Report on Form 10-K. Various elements of our accounting policies, by their nature, are inherently subject to estimation techniques, valuation assumptions and other subjective assessments. In particular, we have identified two policies that, due to the judgments, estimates and assumptions inherent in those policies, are critical to an understanding of our Consolidated Financial Statements.

- Allowance for Credit Losses (the Allowance): The allowance for credit losses represents our best estimate of losses inherent in the existing loan portfolio. The determination of the adequacy of the Allowance is ultimately one of management judgment, which includes consideration of many factors such as: (1) the amount of problem and potential problem loans and leases; (2) net charge-off experience; (3) changes in the composition of the loan and lease portfolio by type and location of loans and leases; (4) changes in overall loan and lease risk profile and quality; (5) general economic factors; (6) specific regional economic factors; and (7) the fair value of collateral. Using this methodology, we allocate the Allowance to individual loans and leases and to the categories of loans and leases, representing probable losses based on available information. At least quarterly, we conduct internal credit analyses to determine which loans and leases are impaired. As a result, we allocate specific amounts of the Allowance to individual loan and lease relationships. Note 1 to the Consolidated Financial Statements of our 2002 Annual Report on Form 10-K describes how we evaluate loans for impairment. Some categories of loans and leases are not subjected to a loan-by-loan credit analysis. Management makes an allocation to these categories based on our statistical analysis of historic trends of impairment and charge-offs of such loans and leases. Additionally, we allocate a portion of the Allowance based on risk classifications of certain loan types. Some of the Allowance is not allocated to specific impaired loans because of the subjective nature of the process of estimating an adequate allowance for credit losses, economic uncertainties and other factors.

- Fair Value of Assets: Certain assets and liabilities are reflected at their estimated fair value in the Consolidated Financial Statements. Such amounts are based on either quoted market prices or estimated values derived by utilizing dealer quotes, market comparisons or internally generated modeling techniques. Our internal models generally involve present value of cash flow techniques.

  One of the most significant assets for which we estimate fair value is goodwill. As of June 30, 2003, we had $3.2 billion in goodwill on our Consolidated Balance Sheet. SFAS No. 142 requires that we perform a two-step impairment test for goodwill at least annually. However, if an event occurs or circumstances change during the year indicating potential impairment, goodwill must be tested. The testing process involves estimating cash flows for future periods. The first step compares the fair value of the reporting unit, which is an individual business segment of the Company, to the carrying amount. If the carrying amount exceeds the fair value, then a second step is conducted whereby the implied fair value of the goodwill is compared with the carrying amount of the goodwill. If the implied fair value of the goodwill is less than the carrying amount, an impairment loss is recognized.

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

CONSOLIDATED FINANCIAL HIGHLIGHTS (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(dollars in thousands)			
Earnings:				
Net interest income	$ 321,325	$ 321,894	$ 636,564	$ 546,374
Provision for credit losses	18,860	22,902	41,550	42,909
Noninterest income	100,574	88,429	195,408	151,053
Noninterest expense	229,789	228,820	450,449	387,918
Tax provision	65,588	62,023	130,230	104,605
Net income	$ 107,662	$ 96,578	$ 209,743	$ 161,995
Selected Financial Ratios:				
Return on average total assets (ROA)	1.23%	1.16%	1.22%	1.14%
Return on average stockholder's equity (ROE)	10.71	10.41	10.63	10.83
Net interest margin (taxable-equivalent basis)	4.39	4.65	4.44	4.62
Allowance for credit losses to total loans and leases (at June 30)	1.57	1.61	1.57	1.61
Nonperforming assets to total assets (at June 30)	0.52	0.74	0.52	0.74
Allowance for credit losses to nonperforming loans and leases (at June 30)	2.30x	1.69x	2.30x	1.69x
Regulatory Capital Ratios:				
Leverage Ratio[1]:				
Bank of the West	9.51%	8.75%	9.51%	8.75%
First Hawaiian Bank	9.69	8.81	9.69	8.81
Tier 1 capital (risk-based):				
Bank of the West	10.28	9.63	10.28	9.63
First Hawaiian Bank	12.19	10.31	12.19	10.31
Total capital (risk-based):				
Bank of the West	12.54	11.97	12.54	11.97
First Hawaiian Bank	14.59	12.66	14.59	12.66
Balance Sheet Data Averages:				
Average assets	35,110,290	33,401,650	34,752,021	28,623,787
Average loans[2]	24,419,645	24,210,725	24,233,673	20,556,271
Average deposits	24,339,402	23,884,263	24,229,748	20,427,760
Average stockholder's equity	4,032,518	3,721,606	3,979,376	3,017,563
Balance Sheet Data At Period End:				
Assets	36,447,686	33,982,709	36,447,686	33,982,709
Loans[2]	25,068,483	24,162,810	25,068,483	24,162,810
Deposits	25,035,703	24,108,999	25,035,703	24,108,999
Stockholder's equity	4,087,650	3,799,479	4,087,650	3,799,479

[1]The capital leverage ratios are based on quarterly averages.

[2]These balances include loans held-for-sale and are not adjusted for credit losses.

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

NET INTEREST INCOME

Net interest income decreased 0.2% in the three months ended June 30, 2003 to $321.3 million from $321.9 million in the corresponding period last year. Net interest income increased to $636.6 million, a growth of 16.5% in the six months ending June 30, 2003 from $546.4 million in the same six-month period last year. The margins in the three and six-month periods ending June 30, 2003 decreased in a record low interest rate environment in which the yields on our earning assets declined faster than the rates on our funding sources, resulting in a negative impact to net interest income that is presented in our three-month comparison. The increase in the six-month period was primarily due to changes in our earning assets portfolio and shifts in our deposits.

Average earning assets increased by $1.6 billion and $5.1 billion or 5.8% and 21.4%, respectively, in the three and six months ended June 30, 2003 from the corresponding periods last year. These increases were primarily driven by purchases of investment securities, residential real estate loans and originations of consumer loans. In addition, our March 2002 acquisition of United California Bank (UCB) increased both our investment securities and loans and leases. We significantly increased our purchasing of investment securities in the three months ended June 30, 2003 from the comparable period last year. Average investment securities increased $1.4 billion and $1.4 billion or 42.6% and 47.5%, respectively, in the three and six-month periods ended June 30, 2003 compared to the corresponding periods last year. Average loans and leases outstanding grew slightly during the three-month period ended June 30, 2003 and 17.9% or $3.7 billion during the six-month period ended June 30, 2003 compared to the same periods last year.

For the three and six months ended June 30, 2003 interest-bearing demand deposits decreased 29.3% and 25.3% or $112.6 million and $91.1 million. Savings deposits increased $753.8 million and $2.3 billion or 8.1% and 31.1%, respectively for the three and six months ended June 30, 2003 compared to last year. Short-term borrowing decreased 20.9% and 7.5% or $505.7 million and $140.7 million, respectively, offset by a significant increase in long-term borrowing of 55.8% and 53.1% or $1.3 billion and $1.2 billion in the three and six-month periods, respectively, ending June 30, 2003 from the same periods in 2002. The shift from short-term to long-term debt was primarily a result of finalizing the long-term financing for the portion of the UCB acquisition ($800 million) that had been financed during the interim with short-term debt.

In addition to a falling interest rate environment, our cost of funds was lowered by an increase in average noninterest-bearing deposits in the three and six months ended June 30, 2003 as compared to the same periods in 2002. The percentage of average noninterest-bearing deposits to total average deposits for the three and six months ended June 30, 2003 increased to 28.4% and 28.1%, respectively, from 24.5% and 23.7% for the same periods in 2002.

The following table sets forth consolidated average balance sheets, as well as an analysis of interest income/expense and yield/rate for each major category of interest-earning assets and interest-bearing liabilities for the periods indicated on a taxable equivalent basis. The tax equivalent adjustment is made for items exempt from federal income taxes (assuming a 35% tax rate for 2003 and 2002) to make them comparable with taxable items before any income taxes are applied.

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

	Three Months Ended June 30,					
	2003			2002		
	Average Balance	Interest Income/ Expense	Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Yield/ Rate (1)
	(dollars in thousands)					
ASSETS						
Earning assets:						
Interest-bearing deposits in other banks	$ 144,361	$ 469	1.30%	$ 102,552	$ 493	1.93%
Federal funds sold and securities purchased under agreements to resell	230,673	718	1.25	237,677	1,060	1.79
Investment securities (2),(3)	4,589,931	45,615	3.99	3,218,464	40,178	5.01
Loans and leases (4),(5)	24,419,645	373,178	6.13	24,210,725	406,248	6.73
Total earning assets	29,384,610	$419,980	5.73	27,769,418	$447,979	6.47
Non-earning assets	5,725,680			5,632,232		
Total assets	$35,110,290			$33,401,650		
LIABILITIES AND STOCKHOLDER'S EQUITY						
Interest-bearing deposits and liabilities:						
Deposits:						
Domestic:						
Interest-bearing						
Demand	$ 271,246	$ 93	0.14%	$ 383,840	$ 262	0.27%
Savings	10,043,954	17,737	0.71	9,290,184	28,005	1.21
Time	6,524,100	28,447	1.75	7,654,289	47,795	2.50
Foreign	582,817	1,447	1.00	707,916	2,716	1.54
Total interest-bearing deposits	17,422,117	47,724	1.10	18,036,229	78,778	1.75
Short-term borrowings	1,916,730	3,538	0.74	2,422,460	10,263	1.70
Long-term debt and capital securities	3,608,297	46,777	5.20	2,315,803	36,755	6.37
Total interest-bearing deposits and liabilities	22,947,144	98,039	1.71	22,774,492	125,796	2.22
Interest rate spread			4.02%			4.25%
Noninterest-bearing deposits	6,917,285			5,848,034		
Other liabilities	1,213,343			1,057,518		
Total liabilities	31,077,772			29,680,044		
Stockholder's equity	4,032,518			3,721,606		
Total liabilities and stockholder's equity	$35,110,290			$33,401,650		
Impact of noninterest-bearing sources			0.37%			0.40%
Net interest income and margin on total earning assets		321,941	4.39%		322,183	4.65%
Tax equivalent adjustment		616			289	
Net interest income		$321,325			$321,894	

(1) Annualized.

(2) Average investment securities were computed based on historical amortized cost, excluding the effects of SFAS No. 115 adjustments.

(3) Average investment securities include trading assets.

(4) Nonaccruing loans and leases, and loans held for sale have been included in the computations of average loan and lease balances.

(5) Interest income for loans and leases included loan fees of $15.7 million and $14.6 million for the three months ended June 30, 2003 and 2002, respectively.

BancWest Corporation and Subsidiaries
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

	Six Months Ended June 30,					
	2003			2002		
	Average Balance	Interest Income/ Expense	Yield/ Rate (1)	Average Balance	Interest Income/ Expense	Yield/ Rate (1)
	(dollars in thousands)					
ASSETS						
Earning assets:						
Interest-bearing deposits in other banks	$ 126,468	$ 884	1.41%	$ 127,179	$ 1,650	2.62%
Federal funds sold and securities purchased under agreements to resell	243,019	1,541	1.28	221,462	1,926	1.75
Investment securities (2),(3)	4,364,192	88,201	4.08	2,959,390	74,562	5.08
Loans and leases (4),(5)	24,233,673	747,465	6.22	20,556,271	699,203	6.86
Total earning assets	28,967,352	$838,091	5.83	23,864,302	$777,341	6.57
Non-earning assets	5,784,669			4,759,485		
Total assets	$34,752,021			$28,623,787		
LIABILITIES AND STOCKHOLDER’S EQUITY						
Interest-bearing deposits and liabilities:						
Deposits:						
Domestic:						
Interest-bearing						
Demand	$ 269,054	$ 212	0.16%	$ 360,155	$ 481	0.27%
Savings	9,867,863	35,976	0.74	7,526,291	44,235	1.19
Time	6,681,003	61,678	1.86	7,162,298	93,046	2.62
Foreign	595,496	3,005	1.02	539,953	4,645	1.73
Total interest-bearing deposits	17,413,416	100,871	1.17	15,588,697	142,407	1.84
Short-term borrowings	1,738,923	7,234	0.84	1,879,629	16,056	1.72
Long-term debt and capital securities	3,593,042	92,171	5.17	2,346,851	72,137	6.20
Total interest-bearing deposits and liabilities	22,745,381	200,276	1.78	19,815,177	230,600	2.35
Interest rate spread			4.05%			4.22%
Noninterest-bearing deposits	6,816,332			4,839,063		
Other liabilities	1,210,932			951,984		
Total liabilities	30,772,645			25,606,224		
Stockholder’s equity	3,979,376			3,017,563		
Total liabilities and stockholder’s equity	$34,752,021			$28,623,787		
Impact of noninterest-bearing sources			0.39%			0.40%
Net interest income and margin on total earning assets		637,815	4.44%		546,741	4.62%
Tax equivalent adjustment		1,251			367	
Net interest income		$636,564			$546,374	

(1) Annualized.

(2) Average investment securities were computed based on historical amortized cost, excluding the effects of SFAS No. 115 adjustments.

(3) Average investment securities include trading assets.

(4) Nonaccruing loans and leases, and loans held for sale have been included in the computations of average loan and lease balances.

(5) Interest income for loans and leases included loan fees of $29.3 million and $25.7 million for the six months ended June 30, 2003 and 2002, respectively.

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

NONINTEREST INCOME

The following table reflects the key components of the change in noninterest income for the three and six months ended June 30, 2003, as compared to the same periods in 2002:

	2003	2002	% Change
		(in thousands)	
Three Months Ended June 30,			
Service charges on deposit accounts	$ 38,561	$36,561	5.5%
Trust and investment services income	9,858	10,252	(3.8)
Other service charges and fees	39,230	31,912	22.9
Securities gains, net	1,466	456	221.5
Other	11,459	9,248	23.9
Total noninterest income	$100,574	$88,429	13.7%

	2003	2002	% Change
		(in thousands)	
Six Months Ended June 30,			
Service charges on deposit accounts	$ 75,590	$ 62,535	20.9%
Trust and investment services income	19,365	18,392	5.3
Other service charges and fees	74,845	55,410	35.1
Securities gains, net	3,358	684	390.9
Other	22,250	14,032	58.6
Total noninterest income	$195,408	$151,053	29.4%

As the table above shows in detail, noninterest income increased by 13.7% and 29.4% for the three and six months ended June 30, 2003, respectively, compared to the same periods in 2002. The increase in service charges on deposit accounts for the three months ended June 30, 2003 is primarily due to an increase in the average deposits and modest repricing within the California market. The increase in other service charges and fees compared to the same period last year is primarily due to higher income from prepayment and penalty fees on commercial loans, higher lease servicing income from the acquisition of Trinity Capital in November 2002 higher account analysis fees and increased debit card usage. The increase in other noninterest income is primarily due to increased income from the sale of a lease.

Much of the increase in noninterest income for the six months ended June 30, 2003 from June 30, 2002 is attributable to the acquisition of UCB, which did not take place until March 15, 2002. In large part due to this acquisition, year-to-date average deposit balances increased approximately 18.6% for the six months ended June 30, 2003 as compared to the same period in the prior year. This increase in average deposits is the primary cause for the increase in service charges on deposit accounts. The increase in other service charges and fees is also partially attributable to the UCB acquisition, but other factors explaining the increase include higher debit card income and higher income from prepayment and penalty fees on commercial loans. Other noninterest income increased for the six months ended June 30, 2003 compared to the six months ended June 30, 2002 due to the UCB acquisition and a gain on the sale of a lease.

Approximately $1.5 million and $3.4 million in gains on the sale of investment securities were recognized in the three and six months ended June 30, 2003, respectively.

NONINTEREST EXPENSE

The following table reflects the key components of the change in noninterest expense for the three and six months ended June 30, 2003 as compared to the same periods in 2002:

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

	2003	2002	% Change
		(in thousands)	
Three Months Ended June 30,			
Salaries and wages	$ 81,977	$ 86,463	(5.2)%
Employee benefits	39,390	35,675	10.4
Occupancy expense	22,594	23,495	(3.8)
Outside services	18,274	19,770	(7.6)
Intangible amortization	5,764	5,763	—
Equipment expense	12,437	14,480	(14.1)
Stationery and supplies	6,416	7,389	(13.2)
Advertising and promotion	8,454	8,034	5.2
Restructuring and integration costs	—	2,738	—
Other	34,483	25,013	37.9
Total noninterest expense	$229,789	$228,820	0.4%

	2003	2002	% Change
		(in thousands)	
Six Months Ended June 30,			
Salaries and wages	$166,639	$146,557	13.7%
Employee benefits	77,036	59,157	30.2
Occupancy expense	44,914	39,109	14.8
Outside services	35,841	33,152	8.1
Intangible amortization	11,527	8,520	35.3
Equipment expense	23,593	22,209	6.2
Stationery and supplies	13,434	13,074	2.8
Advertising and promotion	13,657	12,691	7.6
Restructuring and integration costs	—	8,753	—
Other	63,808	44,696	42.8
Total noninterest expense	$450,449	$387,918	16.1%

As the table above shows in detail, the change in noninterest expense from the previous year was not material in the second quarter. The increase in benefits is primarily attributable to higher workers' compensation insurance, higher group healthcare insurance and increased retirement plan expense. The increase in other expense is primarily attributable to higher depreciation expense on software, higher general liability and property insurance, increased charitable contributions and a $4.7 million charge in the second quarter of 2003 for restructuring a leveraged lease in FHL Lease Holding Company, Inc.

In the six months ended June 30, 2003 noninterest expense increased 16.1% compared to the same period in 2002. The increase in noninterest expense is predominately due to the UCB acquisition, which was finalized on March 15, 2002. The increase in workers' compensation insurance, group healthcare insurance and retirement plan expenses also contributed to the increase in employee benefits. Increases in other expenses include certain fees and software depreciation that we incurred this year that were not incurred in 2002 as well as the leveraged lease restructuring charge mentioned above.

OPERATING SEGMENT RESULTS

Bank of the West

Regional Banking segment's net income was $29.4 million in the second quarter, compared with $34.7 million for the same period in 2002, a decrease of 15.3%. Net interest income decreased 9.4% from $133.2 million in the three months ended June 30, 2002 to $120.7 million this year. Noninterest income increased 5.6% in the three months ended June 30, 2003 from the same period last year. Noninterest expense decreased 2.1%. The provision for credit allowances increased 65.4% from $2.6 million to $4.3 million.

Charges on deposit accounts increased 6% in the three months ended June 30, 2003 compared to the same quarter last year primarily due to a 3.8% increase in the number of personal and business demand deposit accounts as well as some modest repricing efforts in the

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

California markets. Other service charges increased $1.9 million or 34% in the three months ended June 30, 2003 from the same period last year due to interchange revenue and increased volume in debit card usage with the addition of the MasterCard® product and the former UCB customer base. Occupancy expenses decreased in the second quarter of 2003 compared to the corresponding period last year due to the consolidation of 15 branch sites. Marketing expenses increased $1.4 million or 34% in the three months ended June 30, 2003 compared to last year due to increased spending on name recognition, promotions and campaign efforts to penetrate Southern California geographical markets and retain the acquired UCB customer base. Increases in other expenses for this period were due to accounting process changes for acquired UCB branch activities, such as the recording of certain losses and legal expenses.

Average loans outstanding decreased 10.8% from the second quarter of 2002 while average assets and deposits remained relatively flat from the same quarter last year. The decline in average loans was due to a $292 million decline in installment loans and a $240 million decline in commercial loans.

Net income for the first half of 2003 was $59.8 million compared to $58.8 million for the six months ended June 30, 2002, an increase of 1.7%. Net interest income increased 10.0% from $220.6 million in the six months ended June 30, 2002 to $242.6 million year-to-date this year, primarily due to the acquisition of UCB branches on March 15, 2002. Noninterest income increased 23.9% compared to the corresponding period last year. Noninterest expense increased $33.6 million or 18.4% in the six months ended June 30, 2003 from the same period last year. The provision for credit losses increased $3.4 million primarily from the UCB merger and the significant increase in the size of our loan portfolio.

Noninterest income categories, including service charges on deposit accounts and trust and investment income, increased during the six months ended June 30, 2003 over the same period last year due, in part to the UCB acquisition. Other service charges increased $6.8 million or 62% in the six months ended June 30, 2003 from the corresponding period last year, $3.4 million was due to debit interchange income, reflecting the combined VISA® and acquired MasterCard® accounts. Noninterest expense increased in the six months ended June 30, 2003 over this period last year primarily due to the acquisition of UCB and in part to a 22% rise in group insurance costs.

Average deposit balances in the six months ended June 30, 2003 grew approximately 19.0% over last year. Deposit margins have decreased from 2.65% to 2.21% in the six months ended June 30, 2003 from the same period in the prior year due to the record low interest rate environment which has significantly reduced the value of core-deposit products. Although the record low interest rate environment has also significantly increased early loan prepayments as retail customers sought to refinance their borrowings with lower rate loans, loan margins have increased slightly from 2.48% to 2.66%.

Commercial Banking segment's net income increased 22.3% in the three months ended June 30, 2003 from $32.8 million in the three months ended June 30, 2002 to $40.1 million this year. Net interest income increased 3.6%. Noninterest income increased $4.3 million or 44.3% in this quarter compared to the second quarter of 2002. Noninterest expense increased 6.8% and the provision for credit losses decreased significantly.

Net interest income increased in the three months ended June 30, 2003 despite a declining interest rate environment that eroded margins on deposits. Net interest income increased in the second quarter due to a 41 basis point increase over the prior quarter in the margin on loans and leases, while yields on deposits dropped 141 basis points due to lower transfer pricing rates from the second quarter of 2002. The increase in loan and lease margins reflects a change in portfolio mix between loans and leases, with higher yielding leases obtained through the Trinity Capital acquisition replacing lower yielding loans. The increase in the three months ended June 30, 2003 from the same period in the previous year in noninterest income was primarily due to a $1.7 million increase to portfolio servicing revenue in Trinity Capital. Prepayment penalty fees and increased loan fees associated with portfolio growth in Small Business Administration (SBA), Church Lending, and Healthcare also contributed to the increase. Noninterest expense increased in the second quarter compared to the corresponding period last year due to the acquisition of Trinity Capital.

Net income for the six months ended June 30, 2003 increased $28.7 million or 61.2% from $46.9 million in the first half of 2002 to $75.6 million this year. Noninterest income also increased significantly from $11.6 million last year to $25.4 million in the six months ended June 30, 2003. Noninterest expense increased $21.3 million or 55.2% and the provision for credit losses decreased significantly.

The Commercial Banking Segment achieved growth in loans and growth in net income due to strong performance in SBA, Church Lending, Healthcare, and Business Services in the six months ended June 30, 2003. Other areas, primarily commercial, agribusiness and real estate lending, declined in the first half of 2003, compared to 2002. The decline was largely due to lower net interest margins

on deposits. Careful management of asset quality resulted in a decline in average loans and leases from the six months ended June 30, 2002 to the corresponding period in 2003. Noninterest income increased 119.0% in the six months ended June 30, 2003 from the same period a year ago due to loan fees (an increase of $3.0 million) and deposit services (an increase of $3.2 million) resulting from the UCB acquisition, portfolio servicing and other leasing fees due to the Trinity Capital acquisition (an increase of $3.0 million) and loan fees driven by loan growth in SBA, Church Lending and Healthcare (an increase of $1.8 million).

Acquisitions of UCB in April 2002 and Trinity Capital in November 2002 resulted in increases of 34.9% in average loans and 98.4% in average deposits in the six months ended June 30, 2003. The Commercial Banking Segment continues to pursue a strategy of leveraging efficiencies gained through the expanded resources resulting from the UCB acquisition, while focusing on niche markets where there is competitive advantage, such as equipment leasing, SBA loans and religious lending.

Consumer Finance segment's net income for the three months ended June 30, 2003 was $13.2 million compared to $11.0 million a year ago. Net interest income in the second quarter 2003 was $50.7 million, compared with $43.3 million for the same period in 2002, an increase of 17.1%. Noninterest income increased $0.6 million or 20.7%. Noninterest expense increased from $14.1 million in the three months ended June 30, 2003 to $15.6 million this year. Our provision for credit allowances also increased 22.6% in the second quarter of this year compared to the second quarter of 2002.

The Consumer Finance Segment remains very competitively priced in the indirect lending market. Noninterest income in the three months ended June 30, 2003 was $3.5 million, compared with $2.9 million for the same period in 2002. This increase was primarily due to gains on sales of loans through our Essex subsidiary and an increase in loan servicing related fees. Noninterest expense for the second quarter 2003 increased by 10.6% over the same period in 2002. This increase was primarily due to an increase in the cost of employee benefits and an increase in the use of outside services related to higher production volumes. Other expense categories experienced a decrease due to efficiency gains.

Net income for the six months ended June 30, 2003 was $27.8 million compared to $22.3 million in the same period a year ago. Net interest income for the six months ended June 30, 2003 was $100.4 million, compared to $85.1 million for the same period in 2002, an increase of 18.0%. Noninterest income increased 14.8% and noninterest expense increased 9.2% in the first half of 2003 compared to the corresponding period in 2002. The provision for credit losses increased $4.8 million from $24.8 million in the first half of 2002 to $29.6 million in 2003.

Noninterest income for the six months ended June 30, 2003 was $6.2 million, compared with $5.4 million for the same period in 2002. This increase was primarily due to gains on sales of loans through our Essex subsidiary which has experienced an 8% increase in production and a 35% increase in income from other loan servicing related fees. Noninterest expense for the six months ended June 30, 2003 increased by $2.6 million from the same period in 2002. This increase was primarily due to higher staff and occupancy requirements associated with growth and the UCB acquisition. Additionally, increases in the cost of employee benefits and increases in the use of outside services related to higher production volumes contributed to the higher expenses in 2003.

Average assets for the six months ended June 30, 2003 were $7.3 billion, compared to $6.4 billion, an increase of $0.9 billion, or 14.1% in the six months ended June 30, 2002. This increase is due to both the UCB acquisition that took place in 2002 and increased indirect loan production.

First Hawaiian Bank

Retail Banking segment's net income for the second quarter ending June 30, 2003 decreased $0.3 million, or 1.4%. Net interest income increased by $1.1 million, or 1.7% for the second quarter of 2003 compared to the same period in 2002. Noninterest income for the second quarter increased by $0.1 million, or 0.6%. Noninterest expense for the second quarter increased by $1.8 million, or 4.1% compared to the prior year. The provision for credit losses for the three months ended June 30, 2003 decreased by $0.1 million, or 5.3%, compared to the prior year.

Retail Banking segment's net income for the six months ended June 30, 2003 decreased $0.1 million, or 0.2% compared to the same period in 2002. Net interest income for the six months ended June 30, 2003 decreased $1.2 million, or 0.9% compared to the same period in the prior

year. The decrease was primarily due to the transfer of loans to the Commercial Banking Segment in April 2002. Noninterest income for the six months ended June 30, 2003 increased $1.6 million, or 5.0%, compared to the prior year. The increase was due to higher account analysis fees. Noninterest expense for the six months ended June 30, 2003 increased $1.9 million or 2.2% compared to the prior year. The increase was primarily due to higher retirement plan expenses. The provision for credit losses for the first half of 2003 decreased $0.6 million, or 14.6% compared to the prior year.

Consumer segment's net income for the three months ended June 30, 2003 increased $3.4 million, or 52.3% compared to the prior year. Net interest income for the second quarter increased by $3.7 million, or 21.0%, compared to the prior year. Noninterest income for the three months ended June 30, 2003 increased $2.9 million, or 51.8%, compared to the prior year. Noninterest expense for the second quarter ending June 30, 2003 increased $1.2 million, or 11.7%, compared to the same period in the prior year. There was no change in the provision for credit losses in the second quarter of 2003 compared to the prior year.

Consumer segment's net income for the six months ended June 30, 2003 increased $6.2 million, or 46.6%, compared to the prior year. Net interest income for the six months ended June 30, 2003 increased by $6.2 million or 17.7% compared to the prior year. The increase was primarily due to higher loan volume and a wider margin. Noninterest income for the first half of 2003 increased $5.9 million, or 51.3%, compared to the same period in the prior year. The increase was primarily due to higher merchant service income and higher gains on sales of loans. Noninterest expense for the six months ended June 30, 2003 increased $2.3 million, or 11.2%, compared to the corresponding period last year. The increase was primarily due to increases in incentive compensation, temporary help salaries and higher retirement plan expense. Provision for credit losses in the first six months of 2003 compared to the same period in the prior year increased $0.1 million, or 2.2%.

Commercial Banking segment's net income for the three months ended June 30, 2003 increased $0.2 million, or 4.3%, compared to the same period in the prior year. Net interest income for the second quarter increased $0.1 million, or 1.3% compared to the corresponding period last year. Noninterest income for the second quarter of 2003 compared to the prior year decreased $0.1 million, or 5.9%. Noninterest expense for the three months ended June 30, 2003 increased $0.3 million, or 15%, compared to the same period in the prior year.

Commercial Banking segment's net income for the six months ended June 30, 2003 increased $1.3 million, or 14.9%, compared to the same period in the prior year. Net interest income for the first half of 2003 increased $1.9 million, or 14.1%, compared to the same period last year. The increase was primarily due to the transfer of loans from the Retail Banking Segment, higher volume and a wider margin. Noninterest income for the six months ended June 30, 2003 compared to the prior year did not change. Noninterest expense for the six months ended June 30, 2003 increased $0.8 million, or 22.2%, compared to the same period in the prior year.

Financial Management segment's net income was $1.1 million for the second quarter of 2003, compared to $0.5 million for the same period in 2002, an increase of 120.0%. Net interest income for the three months of 2003 increased $0.1 million compared to the same period in the prior year. Noninterest income increased $1.2 million, or 17.9%, for the second quarter of 2003 compared to the same period in the prior year. Noninterest expense for the second quarter ending June 30, 2003 increased $1 million, or 16.9%, compared to the corresponding quarter last year.

Net income for the six months ended June 30, 2003 was $1.5 million, an increase of $0.2 million, or 15.4%, for the same period in 2002. Net interest income for the six months ended June 30, 2003 increased $0.1 million compared to the same period in the prior year. Noninterest income for the first six months of 2003 increased $0.8 million, or 5.7%, compared to the same period in 2002. Noninterest expense for the six months ended June 30, 2003 increased $1.3 million, or 10.9%, compared to the same period last year. The increase was primarily due to higher salaries and retirement plan expense.

INVESTMENT SECURITIES

Available-for-Sale

The fair value of available-for-sale securities at June 30, 2003 increased by approximately $1.7 billion, or 49.8%, compared to the value at June 30, 2002 and increased by approximately $1.2 billion, or 30.5%, compared to December 31, 2002. While we still continue to originate and purchase loans, we have increased our purchases of investment securities as the slow economy has not been conducive to significant loan originations.

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

The following table presents the amortized cost, unrealized gains and losses and fair values of available-for-sale investment securities as of the dates indicated:

	June 30, 2003	December 31, 2002	June 30, 2002
		(in thousands)	
Amortized cost	$5,053,764	$3,860,297	$3,384,052
Unrealized gains	92,682	82,838	51,979
Unrealized losses	(2,591)	(2,366)	(2,293)
Fair value	$5,143,855	$3,940,769	$3,433,738

Gains and losses realized on the sales of available-for-sale investment securities are determined using the specific identification method. Gross realized gains and losses on available-for-sale investment securities for the three and six months ended June 30, 2003 and 2002 were as follows:

	Three months Ended June 30,		Six months Ended June 30,	
	2003	2002	2003	2002
		(in thousands)		
Realized gains	$1,466	$481	$3,358	$722
Realized losses	—	(25)	—	(38)
Securities gains, net	$1,466	$456	$3,358	$684

LOANS AND LEASES

The following table sets forth the loan and lease portfolio by major categories and loan and lease mix at June 30, 2003, December 31, 2002 and June 30, 2002:

	June 30, 2003		December 31, 2002		June 30, 2002	
	Amount	%	Amount	%	Amount	%
			(dollars in thousands)			
Commercial, financial and agricultural	$ 4,644,481	18.6%	$ 4,802,581	19.9%	$ 4,904,660	20.3%
Real estate:						
Commercial	4,950,251	19.8	4,806,220	19.9	4,814,826	20.0
Construction	912,058	3.6	971,861	4.0	1,081,779	4.5
Residential:						
Insured, guaranteed or conventional	4,287,397	17.1	4,022,810	16.7	3,875,406	16.1
Home equity credit lines	722,171	2.9	726,535	3.0	655,721	2.7
Total real estate loans	10,871,877	43.4	10,527,426	43.6	10,427,732	43.3
Consumer	6,765,184	27.1	6,021,510	25.0	6,105,010	25.3
Lease financing	2,371,711	9.5	2,398,681	9.9	2,297,967	9.5
Foreign	355,167	1.4	395,889	1.6	385,036	1.6
Total loans and leases	25,008,420	100.0%	24,146,087	100.0%	24,120,405	100.0%
Less allowance for credit losses	391,518		384,081		387,272	
Total net loans and leases	$24,616,902		$23,762,006		$23,733,133	
Total loans and leases to:						
Total assets		68.6%		69.5%		71.0%
Total earning assets		81.7%		84.3%		85.8%
Total deposits		99.9%		98.3%		100.0%

The loan and lease portfolio is the largest component of earning assets and accounts for the greatest portion of total interest income. There was a 3.7% increase in total loans and leases from June 30, 2002 and a 3.6% increase compared to December 31, 2002.

When comparing the current period to December 31, 2002 there was a decrease of $158.1 million or 3.3%, in commercial lending, offset by increases of $344.5 million, or 3.3% in real estate loans and $743.7 million, or 12.4% in consumer loans. When comparing the current period to June 30, 2002 the decrease in construction real estate loans of $169.7 million, or 15.7% was substantially offset

by increases of $441.1 million, or 4.3%, in total real estate loans and $660.2 million, or 10.8% in consumer loans. Consumer loans consist primarily of direct and indirect automobile, recreational vehicle, marine, credit card and unsecured financing.

Our foreign loans are principally in Guam and Saipan. Foreign loans as of June 30, 2003 decreased $40.7 million, or 10.3%, from December 31, 2002 and decreased $29.9 million, or 7.8%, from June 30, 2002.

Loan concentrations are considered to exist when there are amounts loaned to multiple borrowers engaged in similar activities, which would cause them to be similarly impacted by economic or other conditions. At June 30, 2003, we did not have a concentration of loans greater than 10% of total loans which is not otherwise disclosed as a category of loans as shown in the table above.

Off-balance-sheet commitments were as follows at June 30, for the years indicated:

	Notional/Contract Amount	
	2003	2002
	(in thousands)	
Contractual amounts which represent credit risk:		
Commitments to extend credit	$7,514,519	$8,139,604
Standby letters of credit	802,476	809,683
Commercial letters of credit	81,613	82,437

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NONPERFORMING ASSETS

Nonperforming assets at June 30, 2003, December 31, 2002 and June 30, 2002 were as follows:

	June 30, 2003	December 31, 2002	June 30, 2002
		(dollars in thousands)	
Nonperforming Assets:			
Nonaccrual:			
Commercial, financial and agricultural	$ 92,502	$145,222	$152,280
Real estate:			
Commercial	44,204	47,377	43,061
Residential:			
Insured, guaranteed, or conventional	7,909	5,460	10,551
Total real estate loans	52,113	52,837	53,612
Consumer	3,455	4,769	2,856
Lease financing	12,933	11,532	9,193
Foreign	8,072	10,088	8,398
Total nonaccrual loans and leases	169,075	224,448	226,339
Restructured:			
Commercial, financial and agricultural	417	698	1,231
Real estate:			
Commercial	510	694	1,259
Total real estate loans	510	694	1,259
Total restructured loans and leases	927	1,392	2,490
Total nonperforming loans and leases	170,002	225,840	228,829
Other real estate owned and repossessed personal property	18,050	19,613	22,566
Total nonperforming assets	$188,052	$245,453	$251,395
Past due loans and leases (1):			
Commercial, financial and agricultural	$ 7,713	$ 9,005	$ 22,248
Real estate:			
Commercial	6,820	2,952	1,187
Construction	907	—	—
Residential:			
Insured, guaranteed, or conventional	3,029	5,082	1,375
Home equity credit lines	419	661	456
Total real estate loans	11,175	8,695	3,018
Consumer	1,769	1,984	2,522
Lease financing	4	232	98
Foreign	7	1,181	274
Total past due loans and leases	$ 20,668	$ 21,097	$ 28,160
Nonperforming assets to total loans and leases and other real estate owned and repossessed personal property (end of period):			
Excluding past due loans and leases	0.75%	1.02%	1.04%
Including past due loans and leases	0.83%	1.10%	1.16%
Nonperforming assets to total assets (end of period):			
Excluding past due loans and leases	0.52%	0.71%	0.74%
Including past due loans and leases	0.57%	0.77%	0.82%

(1) Represents loans and leases which are past due 90 days or more as to the principal and/or interest, are still accruing interest and are adequately collateralized and in the process of collection.

Nonperforming assets at June 30, 2003 were $188.1 million, or 0.75%, of total loans and leases and other real estate owned and repossessed personal property ("OREO"), compared to 1.02% at December 31, 2002 and 1.04% at June 30, 2002. Nonperforming assets at June 30, 2003 were 0.52% of total assets, compared to 0.71% at December 31, 2002 and 0.74% at June 30, 2002.

Nonperforming assets at June 30, 2003 decreased by $57.4 million, or 23.4%, from December 31, 2002 and decreased by $63.3 million, or 25.2%, from June 30, 2002. These decreases were primarily due to substantial decreases in nonaccrual loans for commercial lending resulting from resolution of problem relationships. The decrease from December 31, 2002 was slightly offset by an increase in nonaccrual residential real estate loans. Those nonaccrual loans increased $2.4 million, or 44.9% since December 31, 2002 but decreased $2.6 million, or 25.0% since June 30, 2002.

Foreign nonperforming assets decreased at June 30, 2003 by $2.0 million, or 20.0% from December 31, 2002 and by $0.3 million, or 3.9% from June 30, 2002 primarily due to loans in Guam. However, our overall foreign loan portfolio, composed primarily of loans in Guam and Saipan, represents a relatively small component (1.4%) of our total loan portfolio at June 30, 2003.

We generally place a loan or lease on nonaccrual status when we believe that collection of principal or interest has become doubtful or when loans and leases are 90 days past due as to principal or interest, unless they are well secured and in the process of collection. We may make an exception to the general 90-day-past-due rule when the fair value of the collateral exceeds our recorded investment in the loan or when other factors indicate that the borrower will shortly bring the loan current.

While the majority of consumer loans and leases are subject to our general policies regarding nonaccrual loans, certain past-due consumer loans and leases are not placed on nonaccrual status because they are charged off upon reaching a predetermined delinquency status varying from 120 to 180 days, depending on product type.

When we place a loan or lease on nonaccrual status, previously accrued and uncollected interest is reversed against interest income of the current period. When we receive a cash interest payment on a nonaccrual loan, we apply it as a reduction of the principal balance when we have doubts about the ultimate collection of the principal. Otherwise, we record such payments as income.

Nonaccrual loans and leases are generally returned to accrual status when they: (1) become current as to principal and interest and have demonstrated a sustained period of payment performance or (2) become both well secured and in the process of collection.

Other than the loans listed, we were not aware of any significant potential problem loans where possible credit problems of the borrower caused us to seriously question the borrower's ability to repay the loan under existing terms. Loans past due 90 days or more and still accruing interest totaled $20.7 million at June 30, 2003 a decrease of $0.4 million, or 2.0%, from December 31, 2002 and a decrease of $7.5 million, or 26.6%, from June 30, 2002. The decrease at June 30, 2003 compared to December 31, 2002 was primarily due to real estate-commercial and commercial, financial and agricultural loans. The decrease at June 30, 2003 compared to June 30, 2002 was primarily due to commercial, financial and agricultural loans, partially offset by real estate-commercial loans. All of the loans that are past due 90 days or more and still accruing interest are, in our judgment, adequately collateralized and in the process of collection.

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

PROVISION AND ALLOWANCE FOR CREDIT LOSSES

The following table sets forth the activity in the allowance for credit losses for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(dollars in thousands)			
Loans and leases outstanding (end of period)	$25,008,420	$24,120,405	$25,008,420	$24,120,405
Allowance for credit losses:				
Balance at beginning of period	$ 396,049	$ 383,003	$ 384,081	$ 194,654
Allowance purchased	—	—	—	210,000
Loans and leases charged off:				
Commercial, financial and agricultural	10,612	4,758	19,869	33,443
Real estate:				
Commercial	931	1,568	1,054	1,634
Residential	226	315	596	709
Consumer	13,809	6,096	29,112	18,971
Lease financing	7,014	11,244	13,097	17,277
Foreign	518	393	1,359	868
Total loans and leases charged off	33,110	24,374	65,087	72,902
Recoveries on loans and leases previously charged off:				
Commercial, financial and agricultural	4,429	776	20,861	3,500
Real estate:				
Commercial	111	116	202	246
Construction	30	34	64	254
Residential	312	214	608	416
Consumer	3,164	1,950	5,911	4,141
Lease financing	1,451	2,535	2,994	3,787
Foreign	222	116	334	267
Total recoveries on loans and leases previously charged off	9,719	5,741	30,974	12,611
Net charge-offs	(23,391)	(18,633)	(34,113)	(60,291)
Provision for credit losses	18,860	22,902	41,550	42,909
Balance at end of period	$ 391,518	$ 387,272	$ 391,518	$ 387,272
Net loans and leases charged off to average loans and leases	0.38%[1]	0.31%[1]	0.28%[1]	0.59%[1]
Net loans and leases charged off to allowance for credit losses	23.96%[1]	19.30%[1]	17.57%[1]	31.39%[1]
Allowance for credit losses to total loans and leases (end of period)	1.57%	1.61%	1.57%	1.61%
Allowance for credit losses to nonperforming loans and leases (end of period):				
Excluding 90 days past due accruing loans and leases	2.30x	1.69x	2.30x	1.69x
Including 90 days past due accruing loans and leases	2.05x	1.51x	2.05x	1.51x

[1] Annualized.

The allowance for credit losses for the first six months of 2003 was $391.5 million, an increase of $4.2 million, or 1.1%, compared to the same period in 2002. The provision for credit losses is based upon our judgment as to the adequacy of the allowance for credit losses to absorb probable losses inherent in the portfolio as of the balance sheet date. The Company uses a systematic methodology to determine the adequacy of the Allowance and related provision for credit losses to be reported for financial statement purposes. The determination of the adequacy of the Allowance is ultimately one of judgment, which includes consideration of many factors, including, among other things, the amount of problem and potential problem loans and leases, net charge-off experience, changes in the

composition of the loan and lease portfolio by type and location of loans and leases and in overall loan and lease risk profile and quality, general economic factors and the fair value of collateral.

Our approach to managing exposure to credit risk involves an integrated program of setting appropriate standards for credit underwriting and diversification, monitoring trends that may affect the risk profile of the credit portfolio and making appropriate adjustments to reflect changes in economic and financial conditions that could affect the quality of the portfolio and loss probability. The components of this integrated program include:

- *Setting Underwriting and Grading Standards.* Our loan grading system utilizes ten different principal risk categories where "1" is "no risk" and "10" is "loss." Risk parameters are established so that the cost of credit risk is an integral part of the pricing and evaluation of credit decisions and the setting of portfolio targets.

- *Diversification.* We actively manage our credit portfolio to avoid excessive concentration by obligor, risk grade, industry, product and geographic location. As part of this process, we also monitor changes in risk correlation among concentration categories. In addition, we seek to reduce our exposure to concentrations by actively participating portions of our commercial and commercial real estate loans to other banks.

- *Risk Mitigation.* Over the past few years, we have reduced our exposure to higher-risk areas such as real estate-construction (which accounted for only 3.6% of total loans and leases at June 30, 2003), as well as Hawaiian commercial real estate and agricultural loans.

- *Reduced Participation in Syndicated National Credits*. We are in the process of exiting from the syndicated national credit and media finance areas. At June 30, 2003, the ratio of nonperforming shared national credits and media finance loans to total shared national credits and media finance loans outstanding was 6.8%

- *Emphasis on High Quality Consumer Lending.* Consumer loans represent our single largest category of loans and leases. We focus our consumer lending activities on loan grades with what we believe are predictable loss rates. As a result, we are able to use formula-based approaches to calculate appropriate reserve levels that reflect historical experience. We generally do not participate in subprime lending activities. We also seek to reduce our exposures where feasible by obtaining third-party insurance or similar protections. For example, in our vehicle lease portfolio (which represents approximately 56.8% of our lease financing portfolio and 14.7% of our combined lease financing and consumer loans at June 30, 2003), we obtain third-party insurance for the estimated residual value of the leased vehicle.

Net charge-offs were $34.1 million for the six months ended June 30, 2003, a decrease of $26.2 million, or 43.4%, from the same period in 2002. Charge-offs were higher in the six months ended June 30, 2002 primarily due to charge-offs required in late March on the UCB portfolio. These charge-offs were contested with UFJ and settlement, resulting in $13.6 million of recoveries, was reached in the first quarter, as discussed in note 2.

For the six months ended June 30, 2003, recoveries increased by $18.4 million, or 145.6%, compared to the same period in 2002. The increase in recoveries was primarily in commercial, financial and agricultural loans, due to the settlement with UFJ discussed above.

Net charge-offs for the six months ended June 30, 2003 were 0.3% of average loans and leases (annualized) compared to 0.6% (annualized) for the same period in 2002.

The Allowance increased to 2.3 times nonperforming loans and leases (excluding 90 days or more past due accruing loans and leases) at June 30, 2003 from 1.69 times at June 30, 2002. The increase in the ratio is principally due to a decrease in nonperforming loans and leases and the higher allowance resulting from $13.6 million of recoveries recognized from the UFJ settlement.

In our judgment, the Allowance was adequate to absorb losses inherent in the loan and lease portfolio at June 30, 2003. However, changes in prevailing economic conditions in our markets could result in changes in the level of nonperforming assets and charge-offs in the future and, accordingly, changes in the Allowance. We will continue to closely monitor economic developments and make necessary adjustments to the Allowance accordingly.

BancWest Corporation and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Continued)

DEPOSITS

Deposits are the largest component of our total liabilities and account for a significant portion of total interest expense. At June 30, 2003, total deposits were $25.0 billion, an increase of 1.9% from December 31, 2002, and an increase of 3.8% over June 30, 2002. The increase was primarily due to the growth in our customer deposit base and various deposit product programs that we initiated.

During the 12-month period from July 1, 2002 to June 30, 2003, the benchmark federal funds rate was decreased by 50 basis points contributing to lower interest rates on deposits.

LIQUIDITY MANAGEMENT

Liquidity refers to our ability to provide sufficient short- and long-term cash flows to fund operations and to meet obligations and commitments, including depositor withdrawals and debt service, on a timely basis at reasonable costs. We achieve our liquidity objectives with both assets and liabilities. We obtain short-term asset-based liquidity through our investment securities portfolio and short-term investments that can be readily converted to cash. These liquid assets consist of cash and due from banks, interest-bearing deposits in other banks, federal funds sold, securities purchased under agreements to resell and investment securities. Such assets represented 19.3% of total assets at June 30, 2003, compared to 17.8% at December 31, 2002.

Intermediate and longer-term asset liquidity is primarily provided by regularly scheduled maturities and cash flows from our loans and investment securities. Additional liquidity is available from certain assets that can be sold or securitized, such as consumer and mortgage loans. We obtain short-term liability-based liquidity primarily from deposits. Average total deposits for the three months ended June 30, 2003 were $24.3 billion, compared to $22.3 billion for the year ended December 31, 2002. Average total deposits funded 69.7% of average total assets for the six months ended June 30, 2003 and 71.0% for the year ended December 31, 2002.

We also obtain short-term liquidity from ready access to regional and national wholesale funding sources, including issuing our own certificates of deposit, purchasing federal funds, selling securities under agreements to repurchase, arranging lines of credit from other banks and obtaining credit facilities from the Federal Home Loan Banks. Additional information on short-term borrowings is provided in Note 10 to the Consolidated Financial Statements on pages 55 and 56 of our 2002 Annual Report on Form 10-K. Offshore deposits in the international market provide another available source of funds.

Funds taken in the intermediate and longer-term markets are structured to avoid concentration of maturities and to reduce refinancing risk. We also attempt to diversify the types of instruments issued to avoid undue reliance on any one market.

Liquidity for the parent company is primarily provided by dividend and interest income from its subsidiaries. Short-term cash requirements are met through liquidation of short-term investments. Longer-term liquidity is provided by access to the capital markets and the ability to obtain resources from BNP Paribas.

CAPITAL

Stockholder's equity increased to $4,088 million at June 30, 2003 from $3,867 million at December 31, 2002, an increase of $221 million, or 5.7%. Stockholder's equity at June 30, 2003 increased as compared to June 30, 2002 by $288 million, or 7.6%. The increase between June 30, 2003 and December 31, 2002 was primarily due to net income earned by the Company during the six-month period. The increase between June 30, 2003 and June 30, 2002 was primarily due to net income earned during the twelve month period and unrealized gains on investment securities and cash flow hedge derivatives partially offset by a $167 million adjustment to properly reflect BNP Paribas' accounting basis in BancWest following its purchase on December 19, 2001 of the remaining 55% of outstanding voting stock it did not already own. This adjustment, recognized in the fourth quarter of 2002, was recorded as a decrease in the "surplus" category of the Company's stockholder's equity.

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Capital adequacy regulations require the Company's depository institution subsidiaries to maintain minimum ratios of Tier 1 Capital and Total Capital to risk-weighted assets and of Tier 1 Capital to average assets (leverage). These amounts and ratios as of June 30, 2003 are set forth below:

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
(dollars in thousands)	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Tier 1 Capital to Risk-Weighted Assets:						
Bank of the West	$2,303,280	10.28%	$ 895,987	4.00%	$1,343,980	6.00%
First Hawaiian	792,570	12.19	260,100	4.00	390,149	6.00
Total Capital to Risk-Weighted Assets:						
Bank of the West	$2,809,073	12.54%	$1,791,974	8.00%	$2,239,967	10.00%
First Hawaiian	948,868	14.59	520,199	8.00	650,249	10.00
Tier 1 Capital to Average Assets:						
Bank of the West	$2,303,280	9.51%	$ 968,665	4.00%	$1,210,831	5.00%
First Hawaiian	792,570	9.69	327,059	4.00	408,824	5.00

We elected to become a financial holding company concurrent with the BNP Paribas acquisition. Because of this election, only our depository institution subsidiaries are subject to various regulatory capital requirements administered by the Federal banking agencies. If these subsidiaries fail to meet minimum capital requirements, the Federal agencies can initiate certain mandatory actions. Such regulatory actions could have a material effect on the Company's financial statements.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, our depository institution subsidiaries must each meet specific capital guidelines that involve quantitative measures of our assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. These capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

INTEREST RATE RISK MEASUREMENT AND MANAGEMENT

The Company's net interest income is subject to interest rate risk to the extent our interest-bearing liabilities (primarily deposits and borrowings) mature or reprice on a different basis than our interest-earning assets (primarily loans and leases and investment securities). When interest-bearing liabilities mature or reprice more quickly than interest-earning assets during a given period, an increase in interest rates could reduce net interest income. Similarly, when interest-earning assets mature or reprice more quickly than interest-bearing liabilities, a decrease in interest rates could have a negative impact on net interest income. In addition, the impact of interest rate swings may be exacerbated by factors such as our customers' propensity to manage their demand deposit balances more or less aggressively or to refinance mortgage and other consumer loans depending on the interest rate environment.

The Asset/Liability Committees of the Company and our major subsidiaries are responsible for managing interest rate risk. The Asset/Liability Committees generally meet monthly or quarterly. The committees may recommend changes to a particular subsidiary's interest rate profile to their respective Board of Directors, should changes be necessary and depart significantly from established policies. Derivatives entered into for trading purposes include commitments to purchase and sell foreign currencies and mortgage backed securities as well as certain interest rate swaps and options.

We also enter into customer accommodation interest rate swaps and foreign exchange spot and forward contracts as well as contracts to offset either the customer's counter-position or our foreign currency denominated deposits. These contracts basically offset each other and they do not expose us to material losses resulting from interest rate or foreign currency fluctuations.

The Company models our net interest income in order to quantify our exposure to changes in interest rates. Generally, the size of the balance sheet is held relatively constant and then subjected to interest rate shocks up in 100 basis-point increments and down in a 50 basis-point increment. Each account-level item is repriced according to its respective contractual characteristics, including any embedded options which might exist (e.g., periodic interest rate caps or floors on loans and leases which permit the borrower to prepay the principal balance of the loan or lease prior to maturity without penalty). Derivative financial instruments such as interest rate swaps, swaptions, caps or floors are included as part of the modeling process. For each interest rate shock scenario, net interest income over a 12-month horizon is compared against the results of a scenario in which no interest rate change occurs (flat rate scenario) to determine the level of interest rate risk at that time.

The projected impact of incremental increases and a 50 basis-point decrease in interest rates on the Company's consolidated net interest income over the 12 months beginning July 1, 2003 and January 1, 2003 is shown below:

(dollars in millions)	+ 3%	+2%	+1%	Flat	-0.5%
July 1, 2003					
Net interest income	$1,277.9	$1,279.7	$1,277.1	$1,278.7	$1,264.3
Difference from flat	(0.8)	1.0	(1.6)	—	(14.4)
% variance	(0.1)%	0.1%	(0.1)%	—	(1.1)%
January 1, 2003					
Net interest income	$1,308.2	$1,303.3	$1,294.3	$1,280.6	N/A
Difference from flat	27.6	22.7	13.7	—	N/A
% variance	2.2%	1.8%	1.1%	—	N/A

The changes in the models are due to differences in interest rate environments which include the absolute level of interest rates, the shape of the yield curve and spreads between benchmark rates.

Significant Assumptions Utilized And Inherent Limitations

The net interest income changes for each interest rate scenario presented above include assumptions based on accelerating or decelerating mortgage and installment loan prepayments in declining or rising scenarios, respectively, and adjusting deposit levels and mix in the different interest rate scenarios. The magnitude of changes to both areas in turn is based upon analyses of customers' historic behavior in differing rate environments. However, these analyses may differ from actual future customer behavior. For example, actual prepayments may differ from current assumptions as prepayments are affected by many variables which cannot be predicted with certainty (e.g., prepayments of mortgages may differ on fixed and adjustable loans depending upon current interest

rates, expectations of future interest rates, availability of refinancing, economic benefit to borrower, financial viability of borrower, etc.).

As with any model for analyzing interest rate risk, certain limitations are inherent in the method of analysis presented above. For example, the actual impact on net interest income due to certain interest rate shocks may differ from those projections presented should market conditions vary from assumptions used in the analysis. Furthermore, the analysis does not consider the effects of a changed level of overall economic activity that could exist in certain interest rate environments. Moreover, the method of analysis used does not take into account the actions that management might take to respond to changes in interest rates because of inherent difficulties in determining the likelihood or impact of any such response.

BancWest Corporation and Subsidiaries
CONTROLS AND PROCEDURES

Item 4. Controls and Procedures

As of the end of the period covered by the filing date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's chairman and chief executive officer and its chief financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, its chairman and chief executive officer and its chief financial officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic SEC filings.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their most recent evaluation.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

The Exhibits listed below are filed or incorporated by reference as part of this Report.

(a) Exhibits

10.8	Amendment No. 2 to BancWest Corporation Supplemental Executive Retirement Plan, effective November 12, 2002.*
	*Management contract or compensatory plan or arrangement.
12	Statement regarding computation of ratios.
31	Certifications
(b) Reports on Form 8-K	On April 4, 2003, the registrant filed a Report on Form 8-K that provided information under Items 7 and 9 concerning the Company's revised financial results for the year and quarter ended December 31, 2002.
	On April 17, 2003, the registrant filed a Report on Form 8-K that provided information under Items 7 and 9 concerning the Company's financial results for the quarter ended March 31, 2003.

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SIGNATURE

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.

BANCWEST CORPORATION
(Registrant)

Date: August 11, 2003

By /s/ Douglas C. Grigsby

Douglas C. Grigsby
Executive Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

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EXHIBIT INDEX

Exhibit No.	Exhibit
10.8	Amendment No. 2 to BancWest Corporation Supplemental Executive Retirement Plan, effective November 1, 2002.*
	*Management contract or compensatory plan or arrangement.
12	Statement regarding computation of ratios.
31	Certifications

Exhibit 10.8

**RESOLUTIONS OF THE EXECUTIVE COMMITTEE
OF
BANCWEST CORPORATION**

RESOLVED, that this Committee, for and on behalf of BancWest Corporation, hereby adopts the amendments to the BancWest Corporation Supplemental Executive Retirement Plan (the "Plan") set forth as Exhibit A;

FURTHER RESOLVED, that the effective date of such amendments shall be November 1, 2002;

FURTHER RESOLVED, that after the effective date of such amendments, Section 5.5 of the Plan shall be applicable only to those individuals who (1) who were active employees and Plan participants on December 20, 2001, and (2) who are also active employees and Plan participants on the effective date of the amendments; and all persons satisfying both of these requirements shall be set forth on Exhibit II to the Plan.

*** * * * * * * ***

I, WILLIAM E. ATWATER, in my capacity as the the duly elected and acting Secretary of BancWest Corporation, a Delaware corporation (the "Company"), hereby certify that the foregoing resolutions were validly adopted at a meeting of the BancWest Corporation Executive Committee duly convened and held on September 18, 2002.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of September 2002.

/s/ William E. Atwater

William E. Atwater
Senior Vice President and Secretary

EXHIBIT A

AMENDMENT NO. 2
TO
BANCWEST CORPORATION
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

1. The Plan is amended by revising Section 1.9 to read in its entirety as follows:

1.9 “Compensation” means base salary, plus annual bonuses under the Company’s Incentive Plan for Key Executives (or, for those who do not participate in the Incentive Plan for Key Executives, bonuses under other short-term incentive plans involving award cycles of one year or less), that are paid by a Participating Employer to a Participant or deferred by the Participant under the Company’s Deferred Compensation Plan. If more than one such annual bonus is paid or so deferred (or deemed paid or deferred by application of this sentence) in any 12-month period, only the annual bonus paid or deferred latest in the 12-month period will be treated as “Compensation” for that period, and such earlier annual bonus will be treated as “Compensation” for purposes of the immediately preceding 12-month period, so as to avoid distorting the level of the Participant’s Compensation. Such items of Compensation shall include any amount that is contributed by a Participating Employer pursuant to a salary reduction agreement and is not includible in the Participant’s gross income under Section 125 or 402(e)(3) of the Code, and any salary reduction or bonus deferral elected by a Participant under a nonqualified plan sponsored by a Participating Employer. “Compensation” shall not include any items not specifically defined as Compensation in this Section 1.9. For example, “Compensation” shall not include lump sum vacation cashouts, income received or recognized in connection with option or discounted stock purchase programs, payments under long-term incentive plans, amounts paid as automobile or other allowances, insurance premiums paid on a Participant’s behalf or amounts paid to offset tax liabilities.

2. The Plan is amended by adding a second sentence to Section 1.10, so that such section reads in its entirety as follows:

1.10 “Credited Service” means the Participant’s years of Credited Service under the Retirement Plan as of December 31, 1995 plus one additional year of Credited Service for each calendar year thereafter during which the Participant is credited with a year of Credited Service under Article II of this Plan. For purposes of calculating a Participant’s Supplemental Retirement Benefit (but without duplication of service otherwise credited in accordance with Section 2.1) “Credited Service” shall also include any prior service credit to be provided

pursuant to Section 7.5, whether such prior service relates to periods before or after December 31, 1995.

3. A new Section 1.23A shall be added to the Plan, to read as follows:

1.23A "Plan Administrator" means such person, committee, or entity as may be appointed from time to time by the Committee, and charged with such responsibilities of Plan administration as are determined by the Committee, pursuant to Section 8.1(5)."

4. The Plan is amended by deleting the word "and" at the end of Section 5.1(a) (viii), by adding ", and" at the end of Section 5.1(a)(ix), by adding new Section 5.1(a)(x), and by replacing the phrase "(i) through (ix)" with "(i) through (x)" in Sections 5.1(b) and 5.2. New Section 5.1(a)(x) shall read in its entirety as follows:

(x) The value of the amounts described in Section 7.5(b)(ii) attributable to past service.

5. The Plan is amended by revising Section 5.5 to read in its entirety as follows:

Section 5.5 Special Benefits.

(a) Effective as of November 1, 2002, each Participant listed on Exhibit II shall be deemed 100% vested in his Supplemental Retirement Benefit, shall be granted three extra years of Credited Service under the Plan, and upon termination of employment the greater of Compensation for the 12-month period immediately prior to such termination or Final Average Compensation shall be used in determining his Supplemental Retirement Benefit. The Supplemental Retirement Benefit of each such Participant shall commence to be paid at the later of his attainment of age 55 or his date of termination of employment. Such benefit shall be calculated pursuant to Section 5.3 and as if the Participant retired with the approval of the Committee.

(b) A Participant may elect to delay the receipt of benefits provided pursuant to Section 5.5(a) if the election is filed at least 30 days before his termination of employment. Benefits may not be delayed beyond age 65 (or, if later, the date of termination of employment).

6. The Plan is amended by deleting the words "Supplemental Retirement Benefit and" from the fourth line of Section 7.3, so that Section 7.3 reads in its entirety as follows:

Section 7.3 Pioneer Federal Savings Bank.

If a Participant's accrued benefit in the Retirement Plan includes amounts that accrued prior to January 1, 1994 under the Retirement Pension Plan of Pioneer Federal Savings Bank, his Grandfathered Supplemental Accrued Benefit shall be determined under Section 4.2, provided his Grandfathered Supplemental

Accrued Benefit shall be based only on Credited Service (as defined in the Retirement Plan) earned after December 31, 1993.

7. The Plan is amended by adding Section 7.5 to the Plan, reading in its entirety as follows:

Section 7.5 Certain Prior Service Credit

(a) This Section 7.5 applies only to a Section 7.5 Participant (as defined below).

(b) For purposes of calculating his or her Supplemental Retirement Benefit (i) the Credited Service of a Section 7.5 Participant (but not Vesting Service) shall include prior service credit with respect to that Participant's period of employment by an Acquired Employer, and (ii) to the extent appropriate to avoid duplication of benefits, the value of all past or future retirement benefits, contributions or other amounts paid or payable with respect to such prior service shall be converted to a monthly life annuity of Actuarial Equivalent value and shall then be deducted from the Section 7.5 Participant's Target Retirement Amount as contemplated by Section 5.1. The amount of any such Credited Service or related deductions shall be determined by the Committee or its designees in its or their discretion.

(c) "Section 7.5 Participant" means any present or future Participant who became an employee of a Participating Employer prior to December 20, 2001 as the result of the acquisition by the Company or its subsidiaries of stock or assets of an Acquired Employer. "Acquired Employer" means First Interstate Bank of Hawaii, Pioneer Federal Savings Bank, Bank of the West, Central Bank, SierraWest Bancorp, First Security Bank of New Mexico, N.A., Wells Fargo Bank New Mexico N.A., and First Security Bank of Nevada.

(d) This Section 7.5 shall not affect calculation of Vesting Service or the date Vesting Service commences. Pursuant to Sections 2.2 and 3.2, Vesting Service shall not accrue until an employee has been designated as a Participant by the Committee and has satisfied the requirements of Section 2.2.

(e) This Section 7.5 shall not affect calculation of any Grandfathered Supplemental Account or Grandfathered Supplemental Accrued Benefit.

8. Section 8.1 of the Plan is amended in its entirety to read as follows:

Section 8.1 Committee.

Except as otherwise provided in this Plan, and unless otherwise determined by the Board, the Committee shall have the power and duty to take all actions and make all decisions necessary or proper to administer this Plan, in its sole discretion. In that connection, the Committee shall have the power:

(1) To require as a condition of receiving any benefits under this Plan, any person to furnish such information that the Committee may reasonably request for the purpose of the proper administration of the Plan;

(2) To make and enforce such rules and regulations and prescribe the use of such forms as it shall deem necessary for the efficient administration of this Plan;

(3) To make factual determinations and to decide questions concerning the interpretation of this Plan, including with respect to the eligibility of any person for benefits under this Plan;

(4) To determine the amount of benefits that shall be payable to any person in accordance with the provisions of this Plan;

(5) To delegate such of its responsibilities under the Plan to such employees of the Company or a Participating Employer, including Participants, as the Committee shall deem appropriate; and

(6) To employ the services of such other persons as the Committee may deem necessary or desirable in connection with this Plan, including but not limited to an actuary, legal counsel, an independent accountant, agents, and such clerical, medical, and accounting services as it may require in carrying out the provisions of this Plan or in complying with the requirements of ERISA.

9. Section 8.3 of the Plan is amended in its entirety to read as follows:

Section 8.3 Claims Procedure.

(a) All claims for benefits under the Plan and all questions relating to such claims shall be submitted to the Plan Administrator.

(b) If a claim is wholly or partially denied, the Plan Administrator shall furnish the Participant within a reasonable period of time, but not later than ninety (90) days after receipt of the claim by the Plan Administrator, a written explanation of the denial. If the Plan Administrator determines that special circumstances exist which require an extension of time for processing the claim, the Plan Administrator shall have one hundred and eighty (180) days after the

receipt of the claim to furnish the Participant with a written explanation of the denial, provided the Plan Administrator gives the Participant written notice of the special circumstances (and the date by which the Plan Administrator expects to render a decision) within ninety (90) days of receipt of the claim.

(c) The written explanation of a claim denial shall set forth, in a manner calculated to be understood by the Participant, the following information:

(1) The specific reason or reasons for the denial of the claim;

(2) A specific reference to the pertinent Plan provisions, if any, on which the denial is based;

(3) A description of any additional material or information necessary for the Participant to perfect the claim and an explanation of why such material or information is necessary;

(4) A description of the Plan's review procedures and the time limits applicable to such procedures, including (i) a statement that the claim and the denial shall be reviewed upon submission of a written request to the Committee, and (ii) a statement that the failure to submit a written request for review within sixty (60) days after the receipt of the written explanation of the claim denial shall make the Plan Administrator's decision final;

(5) A statement that the Participant shall have, as part of the review procedure, a reasonable opportunity:

(i) To receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits, and

(ii) To submit written comments, documents, records and other information relating to the claim for benefits; and

(6) A statement that the Participant has the right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on appeal.

(d) The denial of a Participant's claim shall be reviewed by the Committee if a written request for review is filed within sixty (60) days after receipt of the written explanation of the claim denial by the Participant. Otherwise, the initial decision of the Plan Administrator shall be the final decision of the Plan.

(e) The Committee shall review the information and comments submitted by the Participant or the Participant's duly authorized representative. The Committee may hold a hearing of all parties involved, if the Committee deems

such hearing to be necessary. The Committee shall furnish the Participant with a written explanation of the decision on review within sixty (60) days after receipt of a written request for review. If the Committee determines that special circumstances exist which require an extension of time for reviewing the information, the Committee shall have one hundred and twenty (120) days after receipt of the written request for review to finish the Participant with a written decision or review denial, provided the Committee gives the Participant written notice of the special circumstances (and the date by which the Committee expects to render a decision) within sixty (60) days of receipt of the written request for review.

(f) The written explanation of the decision on review shall set forth, in a manner calculated to be understood by the Participant, the following information:

(1) The specific reason or reasons for the decision, including a response to the information and comments, if any, submitted by the Participant;

(2) Specific reference to pertinent Plan provisions and records, if any, on which the decision is based;

(3) A statement that the Participant is entitled to receive, upon request and free of charge, access to and copies of all documents, records and other information relevant to the benefit claim;

(4) A statement that the Participant has the right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on appeal; and

(5) A statement, if applicable, that, in addition to the Plan's claims procedure set forth above, the Participant may, but is not required to, submit a claim for benefits under a voluntary level of appeal.

(g) On appeal, the Committee's determination shall be the final decision of the Plan. The Participant may submit a claim for benefits under a voluntary level of appeal. However, such claim is not required in order to exhaust the Plan's claims procedure. Such claim must be submitted in accordance with the claims procedure applicable to such voluntary appeal within a reasonable time, but not later than sixty (60) days after the receipt of the Committee's adverse benefit determination by the Participant. A copy of the applicable claims procedure shall be provided by the Committee upon the Participant's written request. Such claims procedure shall contain a statement that a decision by the Participant as to whether or not to submit a claim for benefits under the voluntary level of appeal will have no effect on the Participant's rights to any other benefits under the Plan and information about the applicable rules, the Participant's right to representation, the process for selecting the decision maker, and the circumstances, if any, that may affect the impartiality of the decision maker, such as any financial or personal interests in the result or any past or present relationship with any party to the review process.

Exhibit 12. Statement re: Computation of Ratios

BancWest Corporation and Subsidiaries
Computation of Consolidated Ratios of Earnings to Fixed Charges

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
	(dollars in thousands)			
Income before income taxes	$173,250	$158,601	$339,973	$266,600
Fixed charges[1]:				
Interest expense	98,039	125,796	200,276	230,600
Rental expense	5,221	5,752	10,451	10,470
	103,260	131,548	210,727	241,070
Less interest on deposits	47,724	78,778	100,871	142,407
Net fixed charges	55,536	52,770	109,856	98,663
Earnings, excluding interest on deposits	$228,786	$211,371	$449,829	$365,263
Earnings, including interest on deposits	$276,510	$290,149	$550,700	$507,670
Ratio of earnings to fixed charges:				
Excluding interest on deposits	4.12x	4.01x	4.09x	3.70x
Including interest on deposits	2.68x	2.21x	2.61x	2.11x

(1) For purposes of computing the consolidated ratios of earnings to fixed charges, earnings represent income before income taxes plus fixed charges. Fixed charges, excluding interest on deposits, include interest (other than on deposits), whether expensed or capitalized, and that portion of rental expense (generally one third) deemed representative of the interest factor. Fixed charges, including interest on deposits, consists of the foregoing items plus interest on deposits.

Exhibit 31.1 Certifications

I, Walter A. Dods, Jr., certify that:

1. I have reviewed this report on Form 10-Q of BancWest Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Walter A. Dods, Jr.

Name: Walter A. Dods, Jr.
Title: Chairman and Chief Executive Officer

Date: August 11, 2003

Exhibit 31.2 Certifications

I, Douglas C. Grigsby, certify that:

1. I have reviewed this report on Form 10-Q of BancWest Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Douglas C. Grigsby

Name: Douglas C. Grigsby
Title: Executive Vice President, Chief Financial Officer and Treasurer

Date: August 11, 2003