UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended December 31, 1999

OR

[ ] 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	99-0156159
(State of incorporation)	(I.R.S. Employer Identification No.)
999 BISHOP STREET, HONOLULU, HAWAII	96813
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (808) 525-7000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common Stock, $1.00 Par Value	New York Stock Exchange

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 15(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 [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of February 29, 2000 was $636,605,000.

The number of shares outstanding of each of the registrant's classes of common stock as of February 29, 2000 was:

Title of Class	Number of Shares Outstanding
Common Stock, $1.00 Par Value	70,091,454 Shares
Class A Common Stock, $1.00 Par Value	54,539,936 Shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated by reference in this Form 10-K:

DOCUMENTS	FORM 10-K REFERENCE
BancWest Corporation Annual Report 1999	Parts I and II
BancWest Corporation Proxy Statement for the 2000 Annual Meeting of Stockholders	Part III

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PART I

ITEM 1. BUSINESS

BANCWEST CORPORATION (FORMERLY KNOWN AS FIRST HAWAIIAN, INC.) -

BancWest Corporation, a Delaware corporation (the "Corporation"), is a registered bank holding company under the Bank Holding Company Act of 1956, as amended (the "BHCA"). As a bank holding company, the Corporation is allowed to acquire or invest in the securities of companies that are engaged in banking or in activities closely related to banking as authorized by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). The Corporation, 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 with authority to operate interstate branches in Oregon, Washington, Nevada and Idaho; First Hawaiian Bank ("First Hawaiian"), a State of Hawaii-chartered bank; FHL Lease Holding Company, Inc. ("FHL"), a financial services loan company; and First Hawaiian Capital I (the "Trust"), a Delaware business trust. Bank of the West, First Hawaiian, FHL and the Trust are wholly owned subsidiaries of the Corporation. At December 31, 1999, the Corporation had consolidated total assets of $16.7 billion, total deposits of $12.9 billion and total stockholders' equity of $1.8 billion. Based on assets as of December 31, 1999, the Corporation was the 45th largest bank holding company in the United States as reported in the American Banker.

On November 1, 1998, the former BancWest Corporation ("Old BancWest"), parent company of Bank of the West, merged (the "BancWest Merger") with and into First Hawaiian, Inc. ("FHI"). Upon consummation of the BancWest Merger, FHI, the surviving corporation, changed its name to "BancWest Corporation." Prior to the consummation of the BancWest Merger, Old BancWest was wholly owned by Banque Nationale de Paris ("BNP"). BNP received approximately 25.8 million shares (equivalent to 51.6 million shares after adjusting for the two-for-one stock split in December 1999) of the Corporation's newly authorized Class A Common Stock representing approximately 45% of the then outstanding total voting stock of the Corporation in the BancWest Merger (a purchase price of approximately $905.7 million). As a result of the BancWest Merger, Bank of the West is now a wholly owned subsidiary of the Corporation. Additional information regarding the BancWest Merger is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (pages 22 through 42), "Note 2. Mergers and Acquisitions" (pages 53 and 54), "Note 3. Restructuring, Merger-Related and Other Nonrecurring Costs" (pages 54 and 55) and "Note 12. Common Stock and Earnings Per Share" (pages 60 and 61) in the Financial Review Section of the Corporation's Annual Report 1999, and is incorporated herein by reference thereto.

On July 1, 1999, the Corporation acquired SierraWest Bancorp ("SierraWest"). SierraWest and its subsidiary, SierraWest Bank, were merged with and into Bank of the West (the "SierraWest Merger") resulting in the issuance of approximately 4.4 million shares of the Corporation's common stock to the shareholders of SierraWest. The acquisition was accounted for using the pooling-of-interests method of accounting. Additional information regarding the SierraWest Merger is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (pages 22 through 42), "Note 2. Mergers and Acquisitions" (pages 53 and 54), "Note 3. Restructuring, Merger-Related and Other Nonrecurring Costs" (pages 54 and 55) and "Note 12. Common Stock and Earnings Per Share" (pages 60 and 61) in the Financial Review Section of the Corporation's Annual Report 1999, and is incorporated herein by reference thereto.

In January 2000, the Corporation agreed to acquire 68 branches in Utah and Idaho. These branches have approximately $2.1 billion in deposits and $660.0 million in loans. The branch acquisition is contingent upon completion of a merger between Zions Bancorporation and First Security Corporation. Based on information set forth in recent proxy statement supplements filed by those corporations, there are significant questions as to whether the merger will occur.

BANK OF THE WEST -

Bank of the West is a State of California-chartered bank that is not a member of the Federal Reserve System. The deposits of Bank of the West are insured by the Bank Insurance Fund ("BIF") and the Savings Association Insurance Fund ("SAIF") of the Federal Deposit Insurance Corporation ("FDIC") to the extent and subject to the limitations set forth in the Federal Deposit Insurance Act ("FDIA"). The predecessor of Bank of the West, "The Farmers National Gold Bank," was chartered as a national banking association in 1874 in San Jose, California.

On July 1, 1999, SierraWest Bancorp and SierraWest Bank were merged with and into Bank of the West. As a result of the SierraWest Merger, 20 SierraWest branches in California and Nevada became branches of Bank of the West.

Bank of the West is the fourth largest bank in California, with total assets of approximately $9.6 billion and total deposits of approximately $7.4 billion at December 31, 1999. Bank of the West conducts a general commercial banking business, providing retail and corporate banking and trust services to individuals, institutions, businesses and governments through 162 branches and other commercial banking offices located primarily in the San Francisco Bay area and elsewhere in the Northern and Central Valley regions of California and in Oregon, Washington, Idaho and Nevada. Bank of the West also generates indirect automobile loans and leases, recreational vehicle loans, recreational marine vessel loans, equipment leases and deeds of trust on single-family residences through a network of manufacturers, dealers, representatives and brokers in all 50 states. Bank of the West's principal subsidiary is Essex Credit Corporation ("Essex"), a Connecticut corporation. Essex is engaged primarily in the business of originating and selling consumer loans on a nationwide basis, such loans being made for the purpose of acquiring or refinancing pleasure boats or recreational vehicles. Essex generally sells the loans that it makes to various banks and other financial institutions, on a servicing release basis. Essex has a network of 10 regional direct lending offices located in the following states: California, Connecticut, Florida, Maryland, Massachusetts, New Jersey, New York, Texas and Washington.

COMMUNITY BANKING -

The focus of Bank of the West's community banking strategy is primarily in Northern California, Nevada and the Pacific Northwest region. The Northern California market region is comprised of the San Francisco Bay area and the Central Valley area of California. The San Francisco Bay area is one of California's wealthiest regions, and the Central Valley of California is an area which has been experiencing rapid transition from a largely agricultural base to a mix of agricultural and commercial enterprises. The Pacific Northwest region includes Oregon, Washington and Idaho. The SierraWest Merger expanded the region that Bank of the West services into Nevada.

Bank of the West utilizes its 162-branch network as its principal funding source. A key element of Bank of the West's community banking strategy is to seek to distinguish itself as the provider of the "best value" in community banking services. To this end, Bank of the West seeks to position itself within its markets as an alternative to both the higher-priced, smaller "boutique" commercial banks and the larger commercial banks, which may be perceived as offering lower service and lower prices on a "mass market" basis.

In pursuing the Northern California and Pacific Northwest community banking markets, Bank of the West seeks to serve a broad customer base by furnishing a range of retail and commercial banking products. Through its branch network, Bank of the West generates a variety of consumer loans, including direct vehicle loans, consumer lines of credit and second mortgages. In addition, Bank of the West generates and holds a small portfolio of first mortgage loans on one- to four-family residences. Through its commercial banking operations conducted from its branch network, Bank of the West offers a wide range of basic commercial banking products intended to serve the needs of smaller community-based businesses. These loan products include in-branch originations of standardized 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. Bank of the West also provides a number of fee-based products and services such as annuities, insurance and securities brokerage.

PROFESSIONAL BANKING, TRUST SERVICES -

The Professional Banking and Trust & Investment Services areas within the Community Banking division provide a wide range of products to targeted markets. Professional Banking, located in San Francisco, serves the banking needs of attorneys, doctors and other working professionals. The Trust & Investment Services area, headquartered in San Jose, and with offices in San Francisco, provides a full range of individual and corporate trust services.

COMMERCIAL BANKING -

Bank of the West's Business Banking division supports commercial lending activities for middle market business customers through ten regional lending centers located in Northern California, Central California, Oregon, Northern Nevada, Idaho and Washington. Each regional office provides a wide range of loan and deposit services to mid-sized companies with borrowing needs of $500,000 to $25 million. Lending services include receivable and inventory financing, equipment term loans, letters of credit, agricultural loans and trade finance. Other banking services include cash management, insurance products, trust, investment, foreign exchange and various international banking services.

The Specialty Lending division seeks to provide focused banking services and products to specifically targeted markets where Bank of the West's resources, experience and technical expertise give it a competitive advantage. Through operations conducted in this division, Bank of the West has established itself as the national leader among those commercial banks which are lenders to religious organizations. In addition, leasing operations within Specialty Lending have made Bank of the West a significant provider of equipment leasing financing, including both standard and tax-oriented products, to a wide array of clients. To support the cash management needs of both Bank of the West's corporate banking customers and large private and public deposit relationships maintained with Bank of the West, the Specialty Lending division operates a Cash Management group which provides a full range of innovative and relationship-focused cash management services.

The Real Estate Industries division, whose primary markets are Northern and Central California, Nevada and Oregon, originates and services construction, short-term and permanent loans to residential developers, commercial builders and investors. The division is particularly active in financing the construction of detached residential subdivisions. Other construction lending activities include low-income housing, industrial development, apartment, retail and office projects. The division also originates and services single-family home loans sourced through the Bank's Community Bank branch network.

CONSUMER FINANCE -

The Consumer Finance division targets the production 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. The Consumer Finance division originates recreational vehicle and marine credits on a nationwide basis through sales representatives located throughout the country servicing a network of over 1,900 recreational vehicle and marine dealers and brokers. Essex primarily focuses on the origination and sale of loans in the broker marine market and also originates and sells loans to finance the acquisition of recreational vehicles.

The division's auto lending activity is primarily focused in the Western United States. Bank of the West originates loans and leases to finance the purchase of new and used autos, light trucks and vans through a network of more than 2,000 dealers and brokers in California, Nevada, Oregon and Arizona.

SMALL BUSINESS ADMINISTRATION LENDING -

Bank of the West operates in California, Nevada, Oregon, Alabama and Tennessee under the Preferred Lender Program of the Small Business Administration ("SBA"), which is headquartered in Washington, D.C. This designation is the highest lender status granted by the SBA. Bank of the West has over 17 years of experience and expertise in the generation and sale of SBA guaranteed loans. Bank of the West anticipates continuing its SBA lending activities.

FIRST HAWAIIAN BANK -

First Hawaiian, the oldest financial institution in Hawaii, was established as Bishop & Co. in 1858 in Honolulu. First Hawaiian is a State of Hawaii-chartered bank that is not a member of the Federal Reserve System. The deposits of First Hawaiian are insured by the BIF and the SAIF of the FDIC to the extent and subject to the limitations set forth in the FDIA.

First Hawaiian is a full-service bank conducting a general commercial and consumer banking business and offering trust and insurance services. Its banking activities include receiving demand, savings and time deposits for personal and commercial accounts; making commercial, agricultural, real estate and consumer loans; acting as a United States tax depository facility; providing money transfer and cash management services; selling insurance products, mutual funds and annuities, traveler's checks and personal money orders; issuing letters of credit; handling domestic and foreign collections; providing safe deposit and night depository facilities; offering lease financing; and investing in U.S. Treasury securities and securities of other U.S. government agencies and corporations and state and municipal securities.

At December 31, 1999, First Hawaiian had total assets of $7.1 billion and total deposits of $5.5 billion, making it the second largest bank in Hawaii.

DOMESTIC SERVICES -

The domestic operations of First Hawaiian are carried out through its main banking office located in Honolulu, Hawaii, with 55 other banking offices located throughout Hawaii. All but one of the banking offices are equipped with automatic teller machines that provide 24-hour service to customers wishing to make withdrawals from and deposits to their personal checking and savings accounts, to make balance inquiries, to obtain interim bank statements and to make utility and loan payments. There are 98 automated teller machines at nonbranch locations that provide balance inquiry, withdrawal transaction and account transfer services. At selected nonbranch locations, interim bank statements are also available. First Hawaiian is a member of the CIRRUS(R)/MasterCard(R), Plus(R)/VISA(R) and Star System(R), AFFN(R), American Express(R), Discover(R) and JCB(R) automatic teller machine networks, which provide First Hawaiian's customers with access to their funds nationwide and in selected foreign countries.

LENDING ACTIVITIES -

First Hawaiian engages in a broad range of lending activities, including making real estate, commercial and consumer loans. The majority of First Hawaiian's loans were for construction, commercial, and residential real estate. Commercial loans also comprised a major portion of the loan portfolio, with consumer and foreign loans and leases accounting for the balance of the portfolio.

REAL ESTATE LENDING--CONSTRUCTION. First Hawaiian provides construction financing for a variety of commercial and residential single-family subdivision and multi-family developments.

REAL ESTATE LENDING--COMMERCIAL. First Hawaiian provides permanent financing for a variety of commercial developments, such as various retail facilities, warehouses and office buildings.

REAL ESTATE LENDING--RESIDENTIAL. First Hawaiian makes residential real estate loans, including home equity loans, to enable borrowers to purchase, refinance or improve residential real property. The loans are collateralized by mortgage liens on the related property, substantially all located in Hawaii.

COMMERCIAL LENDING. First Hawaiian is a major lender to primarily small- and medium-sized businesses in Hawaii. First Hawaiian also participates in syndication lending to highly rated large corporate entities and to the media and telecommunications industry located on the mainland U.S.

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 the largest commercial bank automobile lender in the State of Hawaii. First Hawaiian is the largest issuer of MasterCard(R) credit cards and the second largest issuer of VISA(R) credit cards in Hawaii.

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, two Guam branches, a branch 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.

TRUST SERVICES -

First Hawaiian's Trust and Investments division offers a full range of trust and investment management services. The Trust and Investments division 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 December 31, 1999, the Trust and Investments division had 6,287 accounts with a market value of $10.9 billion. Of this total, $7.0 billion represented assets in nonmanaged accounts and $2.7 billion were managed assets.

The Trust and Investments division maintains custodial accounts pursuant to which it acts as agent for customers in rendering a variety of services, including dividend and interest collection, collection under installment obligations and rent collection.

SECURITIES AND INSURANCE SERVICES -

First Hawaiian, through a wholly owned subsidiary, offers insurance needs analysis for individuals, families and businesses as well as insurance products such as life, disability and long-term care. In association with an independent registered broker-dealer, First Hawaiian offers mutual funds, annuities and other securities in its branches.

FHL LEASE HOLDING COMPANY, INC. -

FHL, a financial services loan company, primarily finances and leases personal property including equipment and vehicles, and acts as an agent, broker or advisor in the leasing or financing of such property for affiliates as well as third parties. On January 1, 1997, FHL sold certain leases to First Hawaiian Leasing, Inc., a subsidiary of First Hawaiian. FHL is in a run-off mode and all new leveraged and direct financing leases are recorded by First Hawaiian Leasing, Inc.

At December 31, 1999, FHL's net investment in leases amounted to $64.2 million and total assets were $107.0 million.

FIRST HAWAIIAN CAPITAL I -

The Trust is a Delaware business trust which was formed in 1997. The Trust issued $100 million of its Capital Securities (the "Capital Securities") and used the proceeds therefrom to purchase junior subordinated deferrable interest debentures of the Corporation. The Capital Securities qualify as Tier 1 Capital of the Corporation and are fully and unconditionally guaranteed by the Corporation. All of the common securities of the Trust are owned by the Corporation.

At December 31, 1999, the Trust's total assets were $107.4 million.

HAWAII COMMUNITY REINVESTMENT CORPORATION -

In an effort to support affordable housing and as part of First Hawaiian's community reinvestment program, First Hawaiian is a member of the Hawaii Community Reinvestment Corporation (the "HCRC"). The HCRC is a consortium of local financial institutions that provides $50 million in permanent long-term financing for affordable housing rental projects throughout Hawaii for low- and moderate-income residents.

The $50 million loan pool is funded by the member financial institutions which participate pro rata (based on deposit size) in each HCRC loan. First Hawaiian's participations in these HCRC loans are included in its loan portfolio.

HAWAII INVESTORS FOR AFFORDABLE HOUSING, INC. -

To further enhance First Hawaiian's community reinvestment program and provide support for the development of additional affordable housing rental units in Hawaii, First Hawaiian, and other HCRC member institutions, have subscribed to a $19.7 million tax credit equity fund ("Hawaii Affordable Housing Fund I") and a $20.0 million tax credit equity fund ("Hawaii Affordable Housing Fund II").

Hawaii Affordable Housing Fund I and Hawaii Affordable Housing Fund II (the "Funds") have been established to invest in qualified low-income housing tax credit rental projects and to ensure that these projects are maintained as low-income housing throughout the required compliance period. First Hawaiian's investments in the Funds are included in its investment portfolio.

EMPLOYEES -

At December 31, 1999, the Corporation had 4,918 full-time equivalent employees. Bank of the West and First Hawaiian employed 2,687 and 2,231 persons, respectively. None of our employees are represented by any collective bargaining agreements and our relations with employees are considered excellent.

MONETARY POLICY AND ECONOMIC CONDITIONS -

The earnings and business of the Corporation 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, the Corporation's 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, investments and deposits as well as on the rates earned on loans or paid on deposits. It is not possible to predict the effect of future changes in monetary policies upon the operating results of the Corporation.

COMPETITION -

Competition in the financial services industry is intense. The Corporation competes with a large number of commercial banks (including domestic, foreign and foreign-affiliated banks), savings institutions, finance companies, leasing companies, credit unions and other entities that provide financial services such as mutual funds, insurance companies and brokerage firms. Many of these competitors are significantly larger and have greater financial resources than the Corporation. In addition, the increasing use of the Internet and other electronic distribution channels has resulted in increased competition with respect to many of the products and services that the Corporation offers. As a result, the Corporation competes with financial service providers located not only in its home markets but also those located elsewhere in the United States that are able to offer their products and services through electronic and other non-conventional distribution channels.

Recent changes in federal law have also made it easier for out-of-state banks to enter and compete in the states in which the Corporation's bank subsidiaries operate. The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Riegle-Neal Act"), among other things, eliminated substantially all state law barriers to the acquisition of banks by out-of-state bank holding companies, effective September 29, 1995. A bank holding company may now acquire banks in states other than its home state, without regard to the permissibility of such acquisitions under state law, but subject to any state requirement that the acquired bank has been organized and operating for a minimum period of time (not to exceed five years), and the requirement that the acquiring bank holding company, prior to or following the proposed acquisition, controls no more than 10 percent of the total amount of deposits of insured depository institutions in the United States and no more than 30 percent of such deposits in that state (or such lesser or greater amount as may be established by state law).

The Riegle-Neal Act also permits interstate branching by banks in all states other than those which have "opted out." Effective June 1, 1997, the Riegle-Neal Act permits banks to acquire branches located in another state by purchasing or merging with a bank chartered in that state or a national banking association having its headquarters located in that state. However, banks are not permitted to establish de novo branches or purchase individual branches located in other states unless expressly permitted by the laws of those other states. None of the states in which the Corporation's banking subsidiaries operate have elected to "opt out" of the provisions of the Riegle-Neal Act permitting interstate branching through acquisition or mergers, although most do not permit de novo branching. The Corporation anticipates that the effect of the Riegle-Neal Act will be to increase competition within the markets in which the Corporation now operates, but the Corporation cannot predict when and to what extent competition will increase in these markets.

On November 12, 1999, the Gramm-Leach-Bliley Act (the "GLBA") was signed into law. The GLBA permits a financial holding company to engage in a wide variety of financial activities, including insurance underwriting and sales, investment banking, commercial banking, merchant banking and real estate investment. Each activity is to be conducted in a separate subsidiary that is regulated by a functional regulator: a state insurance regulator in the case of an insurance subsidiary, the Securities and Exchange Commission in the case of a broker-dealer or investment advisory subsidiary, or the appropriate federal banking regulator in the case of a bank or thrift institution. The Federal Reserve Board is the "umbrella" supervisor of financial holding companies. Section 23A of the Federal Reserve Act, which severely restricts lending by an insured bank subsidiary to nonbank affiliates, remains in place. The Corporation cannot predict at this time the potential effect that the GLBA will have on its business and operations, although the Corporation expects that a likely effect of the GLBA will be to increase competition in the financial services industry generally and lead to the formation of large financial services groups with significant market share and power.

SUPERVISION AND REGULATION -

As a registered bank holding company, the Corporation is subject to regulation and supervision by the Federal Reserve Board under the BHCA. The various subsidiaries of the Corporation are subject to regulation and supervision by the banking authorities of Hawaii, California, Nevada, Washington, Oregon, Idaho, Guam and the Commonwealth of the Northern Mariana Islands, as well as by the FDIC (which is the primary federal regulator of the Corporation's two bank subsidiaries) and various other regulatory agencies.

The consumer lending and finance activities of the Corporation's subsidiaries are also subject to extensive regulation under various Federal laws including the Truth-in-Lending, Equal Credit Opportunity, Fair Credit Reporting, Fair Debt Collection Practice and Electronic Funds Transfer Acts, as well as various state laws. These statutes impose requirements on the making, enforcement and collection of consumer loans and on the types of disclosures that need to be made in connection with such loans.

Holding Company Structure. The BHCA currently limits the business of the Corporation to owning or controlling banks and engaging in such other activities as the Federal Reserve Board may determine to be so closely related to banking as to be a proper incident thereto. The GLBA will permit bank holding companies that qualify for, and elect to be regulated as, financial holding companies, to engage in a wide range of financial activities, including certain activities, such as insurance, merchant banking and real estate investment, that are not permissible for other bank holding companies. Financial holding companies are permitted to acquire nonbank companies without prior approval of the Federal Reserve Board, but approval of the Federal Reserve Board continues to be required before acquiring more than 5% of the voting shares of another bank or bank holding company, before merging or consolidating with another bank holding company, and before acquiring substantially all the assets of any additional bank. In addition, all acquisitions are reviewed by the Department of Justice for antitrust considerations. The Corporation expects to qualify for regulation as a financial holding company, but has not determined whether to elect that status.

Dividend Restrictions. As a holding company, the principal source of the Corporation's cash revenue has been dividends and interest received from the Corporation's bank subsidiaries. Each of the bank subsidiaries is subject to various federal regulatory restrictions relating to the payment of dividends. For example, if, in the opinion of the FDIC, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice (which, depending on the financial condition of the bank, could include the payment of dividends), the FDIC may require, after notice and hearing, that such bank cease and desist from such practice. In addition, the Federal Reserve Board has issued a policy statement which provides that, as a general matter, insured banks and bank holding companies should only pay dividends out of current operating earnings. The regulatory capital requirements of the Federal Reserve Board and the FDIC also may limit the ability of the Corporation and its insured depository subsidiaries to pay dividends. See "Prompt Corrective Action" and "Capital Requirements" below.

State regulations also place restrictions on the ability of the Corporation's bank subsidiaries to pay dividends. Under Hawaii law, First Hawaiian is prohibited from declaring or paying any dividends in excess of its retained earnings. California law generally prohibits Bank of the West from paying cash dividends to the extent such payments exceed the lesser of retained earnings and net income for the three most recent fiscal years (less any distributions to stockholders during such three-year period). At December 31, 1999, the aggregate amount of dividends that such subsidiaries could pay to the Corporation under the foregoing limitations without prior regulatory approval was $365.5 million.

There are also statutory limits on the transfer of funds to the Corporation and its nonbanking subsidiaries by its banking subsidiaries, whether in the form of loans or other extensions of credit, investments or asset purchases. Such transfers to any single affiliate are limited in amount to 10% of the bank's capital and surplus, or 20% in the aggregate to all affiliates. Furthermore, such loans and extensions of credit are required to be collateralized in specified amounts.

Under Federal Reserve Board policy, a bank holding company is expected to act as a source of financial strength to each subsidiary bank and to make capital infusions into a troubled subsidiary bank, and the Federal Reserve Board may charge the bank holding company with engaging in unsafe and unsound practices for failure to commit resources to a subsidiary bank. This capital infusion may be required at times when the Corporation may not have the resources to provide it. Any capital loans by the Corporation to one of its subsidiary banks would be subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank.

In addition, depository institutions insured by the FDIC can be held liable for any losses incurred, or reasonably expected to be incurred, by the FDIC in connection with (i) the default of a commonly controlled FDIC-insured depository institution or (ii) any assistance provided by the FDIC to a commonly controlled FDIC-insured depository institution in danger of default. "Default" is defined generally as the appointment of a conservator or receiver and "in danger of default" is defined generally as the existence of certain conditions indicating that a "default" is likely to occur in the absence of regulatory assistance. Accordingly, in the event that any insured subsidiary of the Corporation causes a loss to the FDIC, other insured subsidiaries of the Corporation could be required to compensate the FDIC by reimbursing it for the amount of such loss. Any such obligation by the Corporation's insured subsidiaries to reimburse the FDIC would rank senior to their obligations, if any, to the Corporation.

Prompt Corrective Action. Pursuant to the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), the federal banking agencies are required to take "prompt corrective action" with respect to insured depository institutions that do not meet minimum capital requirements. FDICIA established a five-tier framework for measuring the capital adequacy of insured depository institutions (including Bank of the West and First Hawaiian), with each depository institution being classified into one of the following categories: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized."

Under the regulations adopted by the federal banking agencies to implement these provisions of FDICIA (commonly referred to as the "prompt corrective action" rules), a depository institution is "well capitalized" if it has (i) a total risk-based capital ratio of 10% or greater, (ii) a Tier 1 risk-based capital ratio of 6% or greater, (iii) a leverage ratio of 5% or greater and (iv) is not subject to any written agreement, order or directive to meet and maintain a specific capital level for any capital measure. An "adequately capitalized" depository institution is defined as one that has (i) a total risk-based capital ratio of 8% or greater, (ii) a Tier 1 risk-based capital ratio of 4% or greater and (iii) a leverage ratio of 4% or greater (or 3% or greater in the case of a bank rated a composite 1 under the Uniform Financial Institution Rating System, "CAMELS rating," established by the Federal Financial Institution Examinations Council). A depository institution is considered (i) "undercapitalized" if it has (A) a total risk-based capital ratio of less than 8%, (B) a Tier 1 risk-based capital ratio of less than 4% or (C) a leverage ratio of less than 4% (or 3% in the case of an institution with a CAMELS rating of 1), (ii) "significantly undercapitalized" if it has (A) a total risk-based capital ratio of less than 6%, (B) a Tier 1 risk-based capital ratio of less than 3% or (C) a leverage ratio of less than 3% and (iii) "critically undercapitalized" if it has a ratio of tangible equity to total assets equal to or less than 2%. An institution may be deemed by the regulators to be in a capitalization category that is lower than is indicated by its actual capital position if, among other things, it receives an unsatisfactory examination rating. At December 31, 1999, all the Corporation's subsidiary depository institutions were "well capitalized."

FDICIA generally prohibits a depository institution from making any capital distribution (including payment of a cash dividend) or paying any management fees to its holding company if the depository institution is, or would thereafter be, undercapitalized. Undercapitalized depository institutions are subject to growth limitations and are required to submit a capital restoration plan. The federal banking agencies may not accept a capital plan without determining, among other things, that the plan is based on realistic assumptions and is likely to succeed in restoring the depository institution's capital. In addition, for a capital restoration plan to be acceptable, the depository institution's parent holding company must guarantee that the institution will comply with such capital restoration plan. The aggregate liability of the parent holding company under such guarantee is limited to the lesser of (i) an amount equal to 5% of the depository institution's total assets at the time it became undercapitalized, or (ii) the amount which is necessary (or would have been necessary) to bring the institution into compliance with all capital standards applicable to such institution as of the time it fails to comply with the plan. If a depository institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized.

Significantly undercapitalized depository institutions may be subject to a number of other requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets and cessation of receipt of deposits from correspondent banks. Critically undercapitalized institutions may not make any payments of interest or principal on their subordinated debt and are subject to the appointment of a conservator or receiver, generally within 90 days of the date such institution becomes critically undercapitalized. In addition, the FDIC has adopted regulations under FDICIA prohibiting an insured depository institution from accepting brokered deposits (as defined by the regulations) unless the institution is "well capitalized" or is "adequately capitalized" and receives a waiver from the FDIC.

FDIC Insurance Assessments. The FDIC has implemented a risk-based deposit insurance assessment system under which the assessment rate for an insured institution may vary according to the regulatory capital levels of the institution and other factors (including supervisory evaluations). Depository institutions insured by the BIF which are ranked in the top risk classification category currently have no annual assessment for deposit insurance while all other banks are required to pay premiums ranging from .03% to .27% of domestic deposits. As a result of the enactment on September 30, 1996 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (the "Deposit Funds Act"), the deposit insurance premium assessment rates for depository institutions insured by the SAIF were reduced, effective January 1, 1997, to the same rates as apply to depository institutions insured by the BIF. The Deposit Funds Act also provided for a one-time assessment of 65.7 basis points on all SAIF-insured deposits in order to fully recapitalize the SAIF (which assessment was paid by the Corporation in 1996), and imposes annual assessments on all depository institutions to pay interest on bonds issued by the Financing Corporation (the "FICO") in connection with the resolution of savings association insolvencies occurring prior to 1991. The FICO assessment rate for the first quarter of 2000 was 2.1 basis points. These rate schedules are adjusted quarterly by the FDIC. In addition, the FDIC has authority to impose special assessments from time to time, subject to certain limitations specified in the Deposit Funds Act.

Capital Requirements. The Corporation and certain of its subsidiaries are subject to regulatory capital guidelines issued by the federal banking agencies. Information with respect to the applicable capital requirements is included in "Note 13. Regulatory Capital Requirements" on page 62 in the Financial Review section of the Corporation's Annual Report 1999, and is incorporated herein by reference thereto.

FDICIA required each federal banking agency to revise its risk-based capital standards to ensure that those standards take adequate account of interest rate risk, concentration of credit risk and the risk of nontraditional activities, as well as reflect the actual performance and expected risk of loss on multi-family mortgages. The federal banking agencies have adopted amendments to their respective risk-based capital requirements that explicitly identify concentrations of credit risk and certain risks arising from nontraditional activities, and the management of such risks, as important factors to consider in assessing an institution's overall capital adequacy. The amendments do not, however, mandate any specific adjustments to the risk-based capital calculations as a result of such factors.

In August 1996, the federal banking regulators adopted amendments to their risk-based capital rules to incorporate a measure for market risk in foreign exchange and commodity activities and in the trading of debt and equity instruments. Under these amendments, which became effective in 1997, banking institutions with relatively large trading activities are required to calculate their capital charges for market risk using their own internal value-at-risk models (subject to parameters set by the regulators) or, alternatively, risk management techniques developed by the regulators. As a result, these institutions are required to hold capital based on the measure of their market risk exposure in addition to existing capital requirements for credit risk. These institutions are able to satisfy this additional requirement, in part, by issuing short-term subordinated debt that qualifies as Tier 3 capital. The adoption of these amendments did not have a material effect on the Corporation's business or operations.

On November 5, 1997, the federal banking regulators proposed for comment regulations establishing new risk-based capital requirements for recourse arrangements and direct credit substitutes. "Recourse" for this purpose means any retained risk of loss associated with any transferred asset that exceeds a pro rata share of the bank's or bank holding company's remaining claim on the asset, if any. Under existing regulations, banks and bank holding companies have to maintain capital against the full amount of any assets for which risk of loss is retained, unless the resulting capital amount would exceed the maximum contractual liability or exposure retained, in which case the capital required would equal, dollar-for-dollar, such maximum contractual liability or exposure. The proposal would extend this treatment to direct credit substitutes. "Direct credit substitute" means any assumed risk of loss associated with any asset or other claim that exceeds the bank's or bank holding company's pro rata share of the asset or claim, if any. The proposal also included a multi-level approach to assessing capital charges based upon the relative credit risk of the bank's or bank holding company's position in a securitization (i.e., recourse arrangements, direct credit substitute or asset-backed security) and the rating assigned to such position by a nationally recognized statistical rating agency. The Corporation does not believe the adoption of this proposal will have a material adverse effect on its operations or financial position.

On June 3, 1999, the Basel Committee on Banking Supervision proposed a new capital adequacy framework to replace the framework adopted in 1988. Under the new framework, risk weights for certain types of claims would be based on ratings assigned by rating agencies. Certain low quality exposures would be assigned a risk weight greater than 100%. Short-term commitments to lend, which currently do not require capital, would be subject to a 20% conversion factor. The Committee also proposes to develop capital charges for interest rate risk, for banks that incur interest rate risk that is significantly above average, and for operational risk. The comment period on the proposal ends on March 31, 2000 and the Committee plans to set forth a more definitive proposal later in the year. If adopted by the Committee, the new accord would then be the subject of rulemaking by the U.S. bank regulatory agencies. Because the timing and content of the proposal are not yet clear, the Corporation cannot predict at this time the potential effect that the adoption of such a proposal will have on its regulatory capital requirements.

Real Estate Activities. The FDIC adopted regulations, effective January 1, 1999, that make it significantly easier for state non-member banks to engage in a variety of real estate investment activities. These regulations generally allow a majority-owned corporate subsidiary of a state non-member bank to make equity investments in real estate if the bank complies with certain investment and transaction limits and satisfies certain capital requirements (after giving effect to its investment in the majority-owned subsidiary). In addition, the regulations permit a subsidiary of an insured state non-member bank to act as a lessor under a real property lease that is the equivalent of a financing transaction, meets certain criteria applicable to the lease and the underlying real estate and does not represent a significant risk to the deposit insurance funds.

FUTURE LEGISLATION -

Legislation relating to banking and other financial services has been introduced from time to time in Congress and is likely to be introduced in the future. If enacted, such legislation could significantly change the competitive environment in which the Corporation and its subsidiaries operate. Management cannot predict whether these or any other proposals will be enacted or the ultimate impact of any such legislation on the Corporation's competitive situation, financial condition or results of operations.

FOREIGN OPERATIONS -

Information regarding the Corporation's foreign operations is included in Table III-C (3) on page 14 of this Report on Form 10-K. Additional information concerning foreign operations is also included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in "Note 20. International Operations," on pages 37 and 69, respectively, of the Financial Review section of the Corporation's Annual Report 1999, and is incorporated herein by reference thereto.

OPERATING SEGMENTS -

Information regarding the Corporation's operating segments is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in "Note 19. Operating Segments," on pages 25 and 68, respectively, of the Financial Review section of the Corporation's Annual Report 1999, and is incorporated herein by reference thereto.

STATISTICAL DISCLOSURES -

Guide 3 of the "Guides for the Preparation and Filing of Reports and Registration Statements" under the Securities Act of 1933 sets forth certain statistical disclosures to be included in the "Description of Business" section of bank holding company filings with the Securities and Exchange Commission (the "SEC"). The statistical information required is presented in the tables shown below in the Corporation's Annual Report 1999, which tables are incorporated herein by reference thereto and Table III-C (3) on page 14 of this Report on Form 10-K. The tables and information contained therein have been prepared by the Corporation and have not been audited or reported upon by the Corporation's independent accountants.

Information in response to the following applicable sections of Guide 3 is included in the Financial Review section of the Corporation's Annual Report 1999, and is incorporated herein by reference thereto:

	DISCLOSURE REQUIREMENTS	PAGE NUMBERS IN BANCWEST CORPORATION ANNUAL REPORT 1999 (EXHIBIT 13)
I.	Distribution of Assets, Liabilities and Stockholders' Equity; Interest Rates and Interest Differential -	
	A. Average balance sheets	26 - 27
	B. Analysis of net interest earnings	26 - 27
	C. Dollar amount of change in interest income and interest expense	28
II.	Investment Portfolio -	
	A. Book value of investment securities	55 - 57
	B. Investment securities by maturities and weighted average yields	38 - 39
	C. Investment securities in excess of 10% of stockholders' equity	57
III.	Loan Portfolio -	
	A. Types of loans	34
	B. Maturities and sensitivities of loans to changes in interest rates	35, 40 - 41
	C. Risk elements	
	1. Nonaccrual, past due and restructured loans	36 - 37, 48 - 49
	2. Potential problem loans	37 - 38
	4. Loan concentrations	35
IV.	Summary of Credit Loss Experience -	
	A. Analysis of loss experience	30 - 32, 49 - 50, 58
	B. Breakdown of the allowance for credit losses	31
V.	Deposits -	
	A. Average amount and average rate paid on deposits	38
	D. Maturity distribution of domestic time certificates of deposits of $100,000 or more	59
	E. Time certificates of deposit in denominations of $100,000 or more issued by foreign offices	59
VI.	Return on Equity and Assets	21
VII.	Short-Term Borrowings	59 - 60

III. LOAN PORTFOLIO

Table III-C (3) presents a summary of the Corporation's foreign outstandings to each country which exceeded 1% of total assets for the years indicated. Foreign outstandings are defined as the balances outstanding of cross-border loans, acceptances, interest-bearing deposits with other banks, other interest-bearing investments and any other monetary assets. At December 31, 1999 and 1998, the Corporation had no foreign outstandings to any country which exceeded 1% of total assets. At December 31, 1997, Japan was the only country to which the Corporation had outstandings in excess of 1% of total assets.

BANCWEST CORPORATION AND SUBSIDIARIES
TABLE III-C (3)
FOREIGN OUTSTANDINGS TO EACH COUNTRY WHICH EXCEEDS 1% OF TOTAL ASSETS
(in millions)

	GOVERNMENTS AND OFFICIAL INSTITUTIONS	COMMERCIAL AND INDUSTRIAL	BANKS AND OTHER FINANCIAL INSTITUTIONS	OTHER	TOTAL
At December 31, 1997					
Japan	$ -	$ 17	$ -	$ 74	$ 91

At December 31, 1999, 1998 and 1997, there were no foreign outstandings to any country between .75% and 1.0% of total assets.

ITEM 2. PROPERTIES

Bank of the West leases two adjacent sites in Walnut Creek, California, which are its primary administrative headquarters. The administrative headquarters office is a 132,000-square-foot, three-story building. Bank of the West also leases 48,382 square feet of executive office space in downtown San Francisco in the same building that houses its San Francisco Main Branch at 180 Montgomery Street (see "Note 21. Lease Commitments" (pages 69 and 70) in the Financial Review section of the Corporation's Annual Report 1999, which is incorporated herein by reference). Approximately 30,396 square feet of leased space at 180 Montgomery Street is subleased to BNP.

Fifty-three of Bank of the West's active branches are located on land owned by Bank of the West. The remaining 109 active branches are located on leasehold properties. Bank of the West also has 12 surplus branch properties, 11 of which are currently leased to others. In addition, Bank of the West leases 26 properties that are utilized for administrative (including warehouses), lease support, management information systems and regional management services (see "Note 21. Lease Commitments" (pages 69 and 70) in the Financial Review section of the Corporation's Annual Report 1999, which is incorporated herein by reference).

First Hawaiian indirectly (through two subsidiaries) owns all of a city block in downtown Honolulu. The administrative headquarters of the Corporation and First Hawaiian as well as the main branch of First Hawaiian are located in a modern banking center on this city block. The headquarters building includes 418,000 square feet of gross office space. Information about the lease financing of the headquarters building is included in "Note 21. Lease Commitments" (pages 69 and 70) in the Financial Review section of the Corporation's Annual Report 1999, which is incorporated herein by reference.

Eighteen of First Hawaiian's offices in Hawaii are located on land owned in fee simple by First Hawaiian. The other branches of First Hawaiian in Hawaii and one branch each in Guam and Saipan are situated on leasehold premises or in buildings constructed by the respective companies on leased land (see "Note 21. Lease Commitments" (pages 69 and 70) in the Financial Review section of the Corporation's Annual Report 1999, which is incorporated herein by reference). In addition, First Hawaiian owns an operations center which is located on 125,919-square-feet of land owned in fee simple by First Hawaiian in an industrial area near downtown Honolulu. First Hawaiian occupies all of this four-story building.

First Hawaiian owns a five-story, 75,000-square-foot office building, including a branch, which is situated on property owned in fee simple in Maite, Guam, where it maintains a branch.

ITEM 3. LEGAL PROCEEDINGS

Various legal proceedings are pending against the Corporation or its subsidiaries. The ultimate liability of the Corporation, if any, cannot be determined at this time. Based upon consultation with counsel, management does not expect that the aggregate liability, if any, resulting from these proceedings would have a material effect on the Corporation's consolidated financial position, results of operations or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year ended December 31, 1999.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Required information is included in "Common Stock Information" (pages 19 and 20), "Management's Discussion and Analysis of Financial Condition and Results of Operations" (page 22) and "Notes to Consolidated Financial Statements" (pages 60 and 61) in the Financial Review section of the Corporation's Annual Report 1999, and is incorporated herein by reference.

On November 18, 1999, the Board approved a two-for-one stock split effected in the form of a 100% stock dividend on the total issued shares of the Company's common stock and Class A common stock. The additional shares issued as a result of the stock split were distributed on December 15, 1999, to stockholders of record at the close of business on December 1, 1999. A total of 63,522,968 shares of common stock and Class A common stock were issued in connection with the stock split. In addition, due to the stock split, treasury shares increased by 1,220,408 shares. As a result of the stock split, $63.523 million was reclassified from capital surplus to common stock and Class A common stock. The stock split did not cause any changes in the $1 par value per share of the common stock or Class A common stock or in total stockholders' equity.

ITEM 6. SELECTED FINANCIAL DATA

Required information is included in "Summary of Selected Consolidated Financial Data" (page 21) and "Management's Discussion and Analysis of Financial Condition and Results of Operations" (page 22) in the Financial Review section of the Corporation's Annual Report 1999, and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Required information is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (pages 22 through 42) in the Financial Review section of the Corporation's Annual Report 1999, and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Required information is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (page 39) and "Notes to Consolidated Financial Statements" (page 52) in the Financial Review section of the Corporation's Annual Report 1999, and is incorporated herein by reference.

INTEREST RATE RISK MEASUREMENT AND MANAGEMENT

The net interest income of the Corporation is subject to interest rate risk to the extent the Corporation's interest-bearing liabilities (primarily deposits and borrowings) mature or reprice on a different basis than its interest-earning assets (primarily loans 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 each of the Corporation's subsidiary companies are responsible for managing interest rate risk. The Asset/Liability Committees generally meet monthly. Recommendations for changes to a particular subsidiary's interest rate profile, should they be deemed necessary and exceed established policies, are made to its Board of Directors. Other than loans that are originated and held for sale and commitments to purchase and sell foreign currencies and mortgage-backed securities, the Corporation's interest rate derivatives and other financial instruments are not entered into for trading purposes.

The Corporation's exposure to interest rate risk is managed primarily by taking actions that impact certain balance sheet accounts (e.g., lengthening or shortening maturities in the investment portfolio, changing asset and/or liability mix -- including increasing or decreasing the amounts of fixed and/or variable instruments held by the Corporation -- to adjust sensitivity to interest rate changes) and/or utilizing off-balance-sheet instruments such as interest rate swaps, caps, floors, options, or forwards.

The Corporation models its net interest income in order to quantify its exposure to changes in interest rates. Generally, the size of the balance sheet is held constant and then subjected to interest rate shocks up and down of 100 and 200 basis points (1% equals 100 basis points) each. Each account-level item is repriced according to its respective contractual characteristics, including any imbedded options which might exist (e.g., periodic interest rate caps or floors or loans which permit the borrower to prepay the principal balance of the loan prior to maturity without penalty). Off-balance-sheet instruments such as interest rate swaps, 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 (a "flat rate scenario") to determine the level of interest rate risk at that time.

The projected impact of 100 and 200 basis-point increases and decreases in interest rates on the Corporation's consolidated net interest income over the next 12 months beginning January 1, 2000 and 1999 is shown below.

	2000				
	+2%	+1%	Flat	-1%	-2%
	(dollars in millions)				
Net Interest Income	$690.0	$710.3	$720.4	$718.4	$709.8
Difference from Flat	$(30.4)	$(10.1)		$ (2.0)	$(10.6)
% Variance	(4.2)%	(1.4)%		(.3)%	(1.5)%

	1999				
	+2%	+1%	Flat	-1%	-2%
	(dollars in millions)				
Net Interest Income	$639.2	$643.3	$635.6	$621.0	$609.0
Difference from Flat	$ 3.6	$ 7.7		$(14.6)	$(26.6)
% Variance	.6%	1.2%		(2.3)%	(4.2)%

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 various benchmark rates.

SIGNIFICANT ASSUMPTIONS UTILIZED AND INHERENT LIMITATIONS

The significant net interest income changes for each interest rate scenario presented above include assumptions based on accelerating or decelerating mortgage 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 are based upon analyses of customers' 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.

FORWARD-LOOKING STATEMENTS

Certain matters contained in this Item 7A. are forward-looking statements that involve certain risks and uncertainties that could cause the Corporation's actual results to differ materially from those discussed in the forward-looking statements. A discussion of some of these risks and uncertainties is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations" (page 22) in the Financial Review section of the Corporation's Annual Report 1999 and is incorporated herein by reference thereto.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following information is included in the Financial Review section of the Corporation's Annual Report 1999, which is incorporated herein by reference thereto as follows:

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Required information relating to directors is included in "Election of Directors" (pages 4 through 7) "Executive Officers" (page 11) and "Change-in-Control and Employment Arrangements" (page 18) of the Corporation's Proxy Statement and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Required information is included in "Executive Compensation" (pages 12 through 22) of the Corporation's Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Required information is included in "Security Ownership of Directors, Named Executive Officers and Others" (pages 8 through 11) of the Corporation's Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Required information is included in "Certain Transactions" (pages 23 through 24) of the Corporation's Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

	PAGE NUMBER IN BANCWEST CORPORATION ANNUAL REPORT 1999 (EXHIBIT 13)
(a) 1. Financial Statements	
The following financial statements are incorporated by reference in Part II (Item 8) of this Form 10-K:	
Report of Independent Accountants	43
BancWest Corporation and Subsidiaries:	
Consolidated Balance Sheets at December 31, 1999 and 1998	44
Consolidated Statements of Income for the years ended December 31, 1999, 1998 and 1997	45
Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 1999, 1998 and 1997	46
Consolidated Statements of Cash Flows for the years ended December 31, 1999, 1998 and 1997	47
BancWest Corporation (Parent Company):	
Balance Sheets at December 31, 1999 and 1998	71
Statements of Income for the years ended December 31, 1999, 1998 and 1997	72
Statements of Changes in Stockholders' Equity for the years ended December 31, 1999, 1998 and 1997	46
Statements of Cash Flows for the years ended December 31, 1999, 1998 and 1997	72
Notes to Consolidated Financial Statements	48 - 72
Summary of Quarterly Financial Data (Unaudited)	42

2. Financial Statement Schedules

Schedules to the consolidated financial statements required by this Item 14(a)2 are not required under the related instructions, or the information is included in the consolidated financial statements, or are inapplicable, and therefore have been omitted.

3. Exhibits

3.1 Certificate of Incorporation of BancWest Corporation is incorporated by reference to Exhibit 3.1 of the Corporation's Current Report on Form 8-K as filed with the SEC on November 5, 1998.

3.2 Amended and Restated Bylaws of BancWest Corporation is incorporated by reference to Exhibit 3.2 of the Corporation's Current Report on Form 8-K as filed with the SEC on November 5, 1998.

Exhibit	
4.	Instruments defining rights of security holders, including indentures.
4.1	Instruments with respect to long-term debt not filed herewith will be furnished to the Commission upon its request.
4.2	Indenture, dated as of August 9, 1993, between First Hawaiian, Inc. and The First National Bank of Chicago, Trustee, is incorporated by reference to Exhibit 4.2 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the SEC.
4.3	Indenture, dated as of June 30, 1997, between First Hawaiian, Inc. and The First National Bank of Chicago, Trustee, is incorporated by reference to the Corporation's Registration Statement on Form S-4 as filed with the SEC on October 17, 1997.
4.4	Standstill and Governance Agreement between First Hawaiian, Inc. and Banque Nationale de Paris, dated as of November 1, 1998, is incorporated by reference to Exhibit 4.1 to the Corporation's Current Report on Form 8-K as filed with the SEC on November 5, 1998.
4.5	Registration Rights Agreements between First Hawaiian, Inc. and Banque Nationale de Paris, dated as of November 1, 1998, is incorporated by reference to the Corporation's Current Report on Form 8-K as filed with the SEC on November 5, 1998.
10.	Material contracts
10.1	Lease Agreement, dated as of December 1, 1993, between REFIRST, Inc. and First Hawaiian Bank is incorporated by reference to Exhibit 10.3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the SEC.
10.2	Ground Lease, dated as of December 1, 1993, among First Hawaiian Center Limited Partnership, FH Center, Inc. and REFIRST, Inc. is incorporated by reference to Exhibit 10.5 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the SEC.
10.3	Stock Incentive Plan of First Hawaiian, Inc., dated as of November 22, 1991, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*
10.4	Long-Term Incentive Plan of First Hawaiian, Inc., effective as of January 1, 1992, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.5 First Hawaiian, Inc. Supplemental Executive Retirement Plan, as amended and restated as of January 1, 1998, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.6 Amendment No. 1 to First Hawaiian, Inc. Supplemental Executive Retirement Plan, effective November 1, 1998, is incorporated by reference to Exhibit 10(x) to the Corporation's Form 10-K for the fiscal year ended December 31, 1998.*

10.7 First Hawaiian, Inc. Deferred Compensation Plan, as amended and restated as of January 1, 1998, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.8 First Hawaiian, Inc. Incentive Plan for Key Executives, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.9 Amendment to First Hawaiian, Inc. Incentive Plan for Key Executives adopted October 15, 1998, filed herewith.*

10.10 IPKE Award Policy for Certain Executives adopted February 28, 2000, filed herein.*

10.11 Directors' Retirement Plan, effective as of January 1, 1992, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.12 First Hawaiian, Inc. 1998 Stock Incentive Plan, effective as of January 1, 1998, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.13 Sierra Tahoe Bancorp amended 1988 Stock Option Plan, incorporated by reference to Exhibit A of SierraWest Bancorp Proxy Statement for its August 16, 1995 annual meeting of shareholders (File No. 001-11611).*

10.14 SierraWest Bancorp 1996 Stock Option Plan, as amended, incorporated by reference to Exhibit 99.1 of Registration Statement on Form S-8 (Registration No. 333-13031) filed by SierraWest Bancorp on September 30, 1996.*

10.15 Continental Pacific Bank 1990 Amended Stock Option Plan, incorporated by reference to Exhibit 4.1 of Registration Statement on Form S-8 (Registration No. 333-51733) filed by SierraWest Bancorp on May 4, 1998.*

10.16 California Community Bancshares Corporation 1993 Amended and Restated Stock Option Plan, incorporated by reference to Exhibit 4.2 of Registration Statement on Form S-8 (Registration No. 333-51733) filed by SierraWest Bancorp on May 4, 1998.*

10.17 Employment Agreement between Don J. McGrath and the Corporation, effective November 1, 1998.*

10.18 BancWest Corporation Umbrella Trust(TM) Trust Agreement by and between BancWest Corporation and Wachovia Bank, N.A., for BancWest Corporation Supplemental Executive Retirement Plan and BancWest Corporation Deferred Compensation Plan, executed November 23, 1999, filed herewith.*

10.19 BancWest Corporation Split-Dollar Plan For Executives, effective January 1, 1999, filed herewith.*

10.20 Sublease made as of November 1, 1993, between Bank of the West and Banque Nationale de Paris, is incorporated by reference to Exhibit 10.19 to the Corporation's Form 10-K for the fiscal year ended December 31, 1998.

*Management contract or compensatory plan or arrangement.

12. Statement re: computation of ratios.

13. Annual report to security holders - Corporation's Annual Report 1999.

21. Subsidiaries of the registrant.

23. Consent of independent accountants.

27. Financial data schedule.

(b) Reports on Form 8-K

None.

(c) The exhibits listed in Item 14(a)3 are incorporated by reference or attached hereto.

(d) Response to this item is the same as the response to Item 14(a)2.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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)

By /s/ HOWARD H. KARR

HOWARD H. KARR
EXECUTIVE VICE PRESIDENT AND CHIEF
FINANCIAL OFFICER

Date: March 16, 2000

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

/s/ WALTER A. DODS, JR. Walter A. Dods, Jr.	Chairman, Chief Executive Officer & Director	March 16, 2000 Date
/s/ JACQUES ARDANT Jacques Ardant	Director	March 16, 2000 Date
/s/ JOHN W. A. BUYERS John W. A. Buyers	Director	March 16, 2000 Date
/s/ JULIA ANN FROHLICH Julia Ann Frohlich	Director	March 16, 2000 Date
/s/ ROBERT A. FUHRMAN Robert A. Fuhrman	Director	March 16, 2000 Date
/s/ PAUL MULLIN GANLEY Paul Mullin Ganley	Director	March 16, 2000 Date
/s/ DAVID M. HAIG David M. Haig	Director	March 16, 2000 Date
/s/ JOHN A. HOAG John A. Hoag	Director	March 16, 2000 Date
/s/ BERT T. KOBAYASHI, JR. Bert T. Kobayashi, Jr.	Director	March 16, 2000 Date
/s/ MICHEL LARROUILH Michel Larrouilh	Director	March 16, 2000 Date
/s/ PIERRE MARIANI Pierre Mariani	Director	March 16, 2000 Date
/s/ YVES MARTRENCHAR Yves Martrenchar	Director	March 16, 2000 Date
/s/ FUJIO MATSUDA Fujio Matsuda	Director	March 16, 2000 Date
/s/ DON J. McGRATH Don J. McGrath	President, Chief Operating Officer & Director	March 16, 2000 Date
/s/ RODNEY R. PECK Rodney R. Peck	Director	March 16, 2000 Date
/s/ JOEL SIBRAC Joel Sibrac	Vice Chairman & Director	March 16, 2000 Date

/s/ JOHN K. TSUI John K. Tsui	Vice Chairman, Chief Credit Officer & Director	March 16, 2000 Date
/s/ JACQUES HENRI WAHL Jacques Henri Wahl	Director	March 16, 2000 Date
/s/ FRED C. WEYAND Fred C. Weyand	Director	March 16, 2000 Date
/s/ ROBERT C. WO Robert C. Wo	Director	March 16, 2000 Date
/s/ HOWARD H. KARR Howard H. Karr	Executive Vice President & Chief Financial Officer (Principal financial and accounting officer)	March 16, 2000 Date

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
3.1	Certificate of Incorporation of BancWest Corporation is incorporated by reference to Exhibit 3.1 of the Corporation's Current Report on Form 8-K as filed with the SEC on November 5, 1998.
3.2	Amended and Restated Bylaws of BancWest Corporation is incorporated by reference to Exhibit 3.2 of the Corporation's Current Report on Form 8-K as filed with the SEC on November 5, 1998.
4.	Instruments defining rights of security holders, including indentures.
4.1	Instruments with respect to long-term debt not filed herewith will be furnished to the commission upon its request.
4.2	Indenture, dated as of August 9, 1993, between First Hawaiian, Inc. and The First National Bank of Chicago, Trustee, is incorporated by reference to Exhibit 4.2 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the SEC.
4.3	Indenture, dated as of June 30, 1997, between First Hawaiian, Inc. and The First National Bank of Chicago, Trustee, is incorporated by reference to the Corporation's Registration Statement on Form S-4 as filed with the SEC on October 17, 1997.
4.4	Standstill and Governance Agreement between First Hawaiian, Inc. and Banque Nationale de Paris, dated as of November 1, 1998, is incorporated by reference to Exhibit 4.1 to the Corporation's Current Report on Form 8-K as filed with the SEC on November 5, 1998.
4.5	Registration Rights Agreements between First Hawaiian, Inc. and Banque Nationale de Paris, dated as of November 1, 1998, is incorporated by reference to the Corporation's Current Report on Form 8-K as filed with the SEC on November 5, 1998.
10.	Material contracts
10.1	Lease Agreement, dated as of December 1, 1993, between REFIRST, Inc. and First Hawaiian Bank is incorporated by reference to Exhibit 10.3 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the SEC.
10.2	Ground Lease, dated as of December 1, 1993, among First Hawaiian Center Limited Partnership, FH Center, Inc. and REFIRST, Inc. is incorporated by reference to Exhibit 10.5 to the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 as filed with the SEC.

10.3 Stock Incentive Plan of First Hawaiian, Inc., dated as of November 22, 1991, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.4 Long-Term Incentive Plan of First Hawaiian, Inc., effective as of January 1, 1992, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.5 First Hawaiian, Inc. Supplemental Executive Retirement Plan, as amended and restated as of January 1, 1998, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.6 Amendment No. 1 to First Hawaiian, Inc. Supplemental Executive Retirement Plan, effective November 1, 1998, is incorporated by reference to Exhibit 10(x) to the Corporation's Form 10-K for the fiscal year ended December 31, 1998.*

10.7 First Hawaiian, Inc. Deferred Compensation Plan, as amended and restated as of January 1, 1998, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.8 First Hawaiian, Inc. Incentive Plan for Key Executives, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.9 Amendment to First Hawaiian, Inc. Incentive Plan for Key Executives adopted October 15, 1998, filed herewith.*

10.10 IPKE Award Policy for Certain Executives adopted February 28, 2000, filed herein.*

10.11 Directors' Retirement Plan, effective as of January 1, 1992, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.12 First Hawaiian, Inc. 1998 Stock Incentive Plan, effective as of January 1, 1998, is incorporated by reference to Exhibit 10 to the Corporation's Form 10-Q for the quarterly period ended June 30, 1998 as filed with the SEC.*

10.13 Sierra Tahoe Bancorp amended 1988 Stock Option Plan, incorporated by reference to Exhibit A of SierraWest Bancorp Proxy Statement for its August 16, 1995 annual meeting of shareholders (File No. 001-11611).*

10.14 SierraWest Bancorp 1996 Stock Option Plan, as amended, incorporated by reference to Exhibit 99.1 of Registration Statement on Form S-8 (Registration No. 333-13031) filed by SierraWest Bancorp on September 30, 1996.*

10.15 Continental Pacific Bank 1990 Amended Stock Option Plan, incorporated by reference to Exhibit 4.1 of Registration Statement on Form S-8 (Registration No. 333-51733) filed by SierraWest Bancorp on May 4, 1998.*

10.16 California Community Bancshares Corporation 1993 Amended and Restated Stock Option Plan, incorporated by reference to Exhibit 4.2 of Registration Statement on Form S-8 (Registration No. 333-51733) filed by SierraWest Bancorp on May 4, 1998.*

10.17 Employment Agreement between Don J. McGrath and the Corporation, effective November 1, 1998.*

10.18 BancWest Corporation Umbrella Trust(TM) Trust Agreement by and between BancWest Corporation and Wachovia Bank, N.A., for BancWest Corporation Supplemental Executive Retirement Plan and BancWest Corporation Deferred Compensation Plan, executed November 23, 1999, filed herewith.*

10.19 BancWest Corporation Split-Dollar Plan For Executives, effective January 1, 1999, filed herewith.*

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27. Financial data schedule.

EXHIBIT 10.9

AMENDMENT TO
FIRST HAWAIIAN, INC.
INCENTIVE PLAN FOR KEY EXECUTIVES

In accordance with paragraph 10 of the First Hawaiian, Inc. Incentive Plan for Key Executives (hereinafter the "Plan"), Section 3.b of the Plan is hereby amended by adding a new sentence at the end thereof to read in its entirety as follows:

> In calculating the Consolidated Income Before Income Taxes and Securities Gains of the Group, the Committee, in consultation with the Chief Executive Officer and/or the Chief Financial Officer, may make such adjustments to the reported amount as the Committee may deem appropriate in the circumstances.

The amendments set forth herein shall be effective as of the date BancWest Corporation, a California corporation, is merged with and into First Hawaiian, Inc., a Delaware corporation.

TO RECORD the adoption of these amendments, First Hawaiian, Inc. has executed this document this 15th day of October, 1998.

FIRST HAWAIIAN, INC.

By /s/ Herbert E. Wolff

Its Senior Vice President
and Secretary

EXHIBIT 10.10

RESOLUTION OF
EXECUTIVE COMPENSATION COMMITTEE
OF
BANCWEST CORPORATION

Re: IPKE Award Policy for Certain Executives

WHEREAS, Section 162(m) of the Internal Revenue Code ("Section 162(m)") precludes an income tax deduction for compensation in excess of $1,000,000 per year paid to a publicly held corporation's chief executive officer and its four other highest paid executive officers unless certain performance-based criteria are satisfied;

WHEREAS, this Committee desires to establish a policy regarding Section 162(m) applicable to annual incentive awards to certain executives under the BancWest Corporation Incentive Plan for Key Executives (the "IPKE");

NOW, THEREFORE, BE IT RESOLVED, that this Committee hereby establishes the following policy regarding Section 162(m) and the IPKE:

1. This policy shall apply to any key executive of BancWest Corporation (the "corporation") and its subsidiaries whose compensation, in the Committee's judgment, may be or become subject to the provisions of Section 162(m) and who is designated by the Committee, in its discretion, no later than the ninetieth day of a calendar year (a "plan year"), as an executive covered by this policy for such plan year. Such an executive is referred to herein as a "Covered Executive".

2. Subject to this Committee's discretion to reduce the amount of any award that is subject to this policy, each Covered Executive for a plan year shall be granted an award (an "Incentive Award") equal to the lesser of (i) .4% of the Corporation's "Net Income Before Taxes" for such year or (ii) 100% of the Covered Executive's annualized base salary in effect on the ninetieth day of the plan year. Such an Incentive Award may, in the Committee's discretion, be paid in any form permitted by Section 3.c of the IPKE, and unless otherwise determined by the Committee shall be paid within 90 days after the close of the plan year. Solely for purposes of this policy, "Net Income Before Taxes" means for any plan year the Corporation's net income before income taxes as reported in the Corporation's consolidated financial statements for that year, as adjusted to eliminate the effects of any of the following: (a) the cumulative effect of changes in generally accepted accounting principles; (b) losses resulting from discontinued operations; (c) securities gains and losses; (d) restructuring,

merger-related and other nonrecurring costs; (e) amortization of goodwill and intangible assets; (f) extraordinary gains or losses; and (g) any other unusual, nonrecurring gain or loss that is separately quantified in the Corporation's financial statements. Net Income Before Taxes shall be calculated on the assumption that all Incentive Awards under this policy for a plan year will be paid without reduction by the Committee.

3. Notwithstanding any other provisions of this policy or the IPKE:

a. This Committee shall not have discretion to increase the amount of an Incentive Award payable for a plan year to a Covered Executive above the amount determined in accordance with paragraph 2.

b. At any time prior to payment of an Incentive Award covered by this policy, this Committee in its sole discretion may reduce (including a reduction to zero) the amount payable under such Award.

c. Any such reduction in the amount payable to a Covered Executive under an Incentive Award shall not, for purposes of calculating the amount to be paid to other Covered Executives under this policy, result in recalculation of Net Income Before Taxes.

4. In accordance with the requirements of Section 162(m), prior to any payment of an Incentive Award under this policy, this Committee shall certify in writing the amount of the Corporation's Net Income Before Taxes for the applicable plan year.

5. If a Covered Executive terminates employment with the Corporation and its subsidiaries prior to the end of the plan year, this Committee may in its discretion determine the amount, if any, of the Incentive Award determined for such year pursuant to paragraph 2 that shall be paid to the Covered Executive. Any such payment shall be made no earlier than the date Incentive Awards for the plan year are to be paid to other Covered Executives.

6. For each plan year during which the IPKE remains in effect, the amount of Incentive Awards paid under this policy shall reduce the aggregate amount of awards that may be paid for such year to non-Covered Executives under the limitation imposed by Section 3.b of the IPKE.

7. This policy applies only to awards or payments to Covered Executives made under the IPKE (or a short-term incentive or bonus plan designated by the Committee pursuant to paragraph 8). Nothing in this policy shall preclude this Committee or the Corporation from making any other payment or award to a Covered Executive, regardless of whether such payment or award qualifies for tax deductibility under Section 162(m).

8. This Committee may amend or terminate this policy at any time. Unless this policy is expressly terminated by the Committee, it shall remain in effect notwithstanding any termination of the IPKE. This policy (other than paragraph 6 and the salary-based limitation set forth in the first sentence of paragraph 2) shall thereafter be applied to such short-term incentive or bonus plans, if any, as are designated in writing by the Committee. So long as the IPKE remains in effect, any provision of this policy that is inconsistent with those of the IPKE shall supersede the corresponding IPKE provisions with respect to Covered Executives for any plan year.

9. In accordance with the requirements of Section 162(m), this policy shall be submitted to the Corporation's stockholders for approval. If the Corporation's stockholders fail to approve this policy, this policy shall be void and no payments shall be made under this policy.

CERTIFICATE

I, HERBERT E. WOLFF, the duly elected and acting Secretary of BANCWEST CORPORATION, a Delaware corporation (the "Company"), do hereby certify that the foregoing resolution was duly and validly adopted at a meeting of the Executive Compensation Committee of the Company duly convened and held on February 28, 2000, and that such resolution is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of March 2000.

/s/ Herbert E. Wolff

Secretary

EXHIBIT 10.17

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into as of the date specified below as the effective date (the "Effective Date"), by and between DON J. MCGRATH (the "Employee") and FIRST HAWAIIAN, INC., a Delaware corporation (the "Company").

1. Term of Employment.

(a) Basic Rule. The Company agrees to employ the Employee, and the Employee agrees to remain in employment with the Company, and as set forth in Section 2 below, the Company's subsidiary (and any successor entity thereto), Bank of the West (the "Bank") from the Effective Date until the date when the Employee's employment terminates pursuant to Subsection (b), (c) or (d) below.

(b) Early Termination. Subject to Sections 6, 7 and 8, the Company may terminate the Employee's employment by giving the Employee 30 days' advance notice in writing. The Employee may terminate his employment by giving the Company 30 days' advance notice in writing. The Employee's employment shall terminate automatically in the event of his death. Any waiver of notice shall be valid only if it is made in writing and expressly refers to the applicable notice requirement of this Section 1.

(c) Cause. Subject to the provisions of this Subsection (c), upon written notice to the Employee, the Company may at any time terminate the Employee's employment for Cause. For all purposes under this Agreement, "Cause" shall mean:

(i) A material failure by the Employee to perform his duties, other than a failure resulting from the Employee's complete or partial incapacity due to physical or mental illness or impairment, hereunder;

(ii) Gross misconduct, fraud or dishonesty to the Company or its employees; or

(iii) Conviction of, or plea of "guilty" or "no contest" to, a felony; or

(iv) A material violation by the Employee in the course of his duties hereunder of any law or regulation to which the Company is subject provided that the Employee knew or should have known that the conduct in question was in violation of such law or regulation; provided, that a violation of such law or regulation shall be deemed to be "material" only if it results in material financial loss to the Company or if it materially impairs the Employee's ability to perform his duties hereunder or his value to the Company as its officer; and provided, further, that the Employee shall be fully protected by, and entitled to rely upon, advice of counsel to the Company for purposes of determining whether the Employee knew or should have known that the conduct in question was in violation of such law or regulation.

(d) Disability. Subject to Section 8, the Company may terminate the Employee's active employment due to Disability by giving the Employee 30 days' advance notice in writing. For all purposes under this Agreement, "Disability" shall mean a physical or mental incapacity that qualifies the Employee for payments under the Company's group long-term disability insurance policy or plan (the "LTD Plan"). In the event that the Employee resumes the performance of substantially all of his duties hereunder before the termination of his active employment under this Subsection (d) becomes effective, the notice of termination shall automatically be deemed to have been revoked.

(e) Rights Upon Termination. Except as expressly provided in Sections 6, 7 and 8, upon the termination of the Employee's employment pursuant to this Section 1, the Employee shall only be entitled to the compensation, benefits and reimbursements under the plans, programs or policies described in Sections 3, 4 and 5 and which accrued or vested during the period preceding the effective date of the termination or as a consequence of such termination (whether payable on such termination or thereafter). The payments under this Agreement shall fully discharge all responsibilities of the Company and the Bank to the Employee, other than the Employee's entitlement to such accrued or vested compensation, benefits and reimbursements as referred to in the preceding sentence.

(f) Termination of Agreement. This Agreement shall terminate when all obligations of the parties hereunder have been satisfied.

2. Duties and Scope of Employment.

(a) Position. The Company agrees to employ the Employee as its President and Chief Operating Officer for the term of his employment under this Agreement. In addition, the Company agrees to cause the Bank to employ the Employee as the Bank's President and Chief Executive Officer for the term of this Agreement. The Employee, as President and Chief Operating Officer of the Company, shall report to the Chief Executive Officer of the Company and in his capacity as President and Chief Executive Officer of the Bank, the Employee shall report to the Board of Directors of the Bank (the "Bank of the West Board"). As of the Effective Date, the Employee shall be appointed to serve as a member of the Board of Directors of the Company (the "Board") and, thereafter, the Company agrees to use its best efforts to have the Employee reelected to the Board. The Company shall also appoint the Employee to the Bank of the West Board and cause the reelection of the Employee to the Bank of the West Board. The Employee's principal offices for the performance of his duties hereunder shall be located in the San Francisco Bay Area. However, the Company shall also maintain suitable offices and secretarial support for the Employee at its headquarters in Honolulu, Hawaii for use while he is performing services at that location.

(b) Obligations. During the term of his employment under this Agreement, the Employee shall devote his full business efforts and time to the Company and its affiliates. He shall not render services to any other person without the express prior approval of the Board (including, without limitation, services as a member of the board of directors of another corporation). Membership on the board of directors of another corporation shall not be approved unless:

(i) Such other corporation is not engaged in activities that are competitive, or potentially competitive, with the Company;

(ii) Such other corporation is of a quality and stature commensurate, in the sole judgment of the Board, with the Employee's position under this Agreement and with the Company's objectives; and

(iii) The Employee's aggregate time commitments to board memberships are consistent with his responsibilities under this Agreement.

The foregoing shall not preclude the Employee from engaging in appropriate civic, charitable or religious activities or from devoting a reasonable amount of time to private investments that do not interfere or conflict with his responsibilities to the Company.

3. Salary.

(a) Amount of Salary. During the term of his employment under this Agreement, the Company agrees to pay the Employee as compensation for his services to the Company and the Bank a base salary at the annual rate of $650,000 or at such higher rate as the Company may determine from time to time. Such salary shall be payable in accordance with the Company's standard payroll procedures. Once the Company has increased such salary, it thereafter shall not be reduced for any reason. The Company covenants that such base salary is and shall be, during the term hereof, the second highest base salary of any employee of the Company or any of its subsidiaries.

(b) Base Compensation. For purposes of this Agreement, the term "Base Compensation" for a year means the difference between:

(i) The Employee's total compensation for such year, as shown on the Form W-2 prepared by the Company for such year; minus

(ii) All bonuses received by the Employee in such year.

4. Vacations and Employee Benefits.

During the term of his employment under this Agreement, the Employee shall be entitled to not less than four weeks of paid vacation time per annum. During such term, the Employee shall also be eligible to participate in all of the employee benefit plans and executive compensation programs (including, but not limited to, all bonus, incentive, stock, stock option, deferred compensation and retirement plans and executive loan programs) maintained by the Company or the Bank, subject, in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan. The determination as to the amounts of any awards available to the Employee under these programs shall be reviewed at least annually by the Company's Executive Compensation Committee to ensure that such amounts are competitive with awards granted to similarly situated executives of publicly held bank holding companies comparable to the Company.

5. Business Expenses.

During the term of his employment under this Agreement, the Employee shall be authorized to incur necessary and reasonable travel, entertainment and other business expenses in connection with his duties hereunder. The Company, or the Bank, shall reimburse the Employee for such expenses upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

6. Termination After Change in Control.

(a) Definition. For all purposes under this Agreement, "Change in Control" shall have the meaning ascribed to such term in the Standstill and Governance Agreement (the "Standstill Agreement") in the form attached as Exhibit C to the Agreement and Plan of Merger dated as of May 28, 1998 (the "Merger Agreement"), between Banc West Corporation and the Company. Notwithstanding the foregoing sentence, no "Change in Control" for purposes of this Agreement shall be deemed to occur if the "person" (as defined in the Standstill Agreement) who acquires control pursuant to such definition shall be Banque Nationale de Paris or any Affiliate thereof.

(b) Good Reason. For all purposes under this Agreement, "Good Reason" shall mean that the Employee, without his consent:

(i) Has incurred a material reduction in his title, authority or responsibility at the Company or the Bank;

(ii) Has incurred a reduction in his Base Compensation;

(iii) Has been notified that his principal place of work will be relocated by a distance of 50 miles or more; or

(iv) Is required to work more than 120 days per year outside of the Employee's principal offices.

(c) Special Severance Payment. The Employee shall be entitled to receive a severance payment from the Company (the "Special Severance Payment") if, during the term of this Agreement and within the first 12-month period after the occurrence of a Change in Control becomes effective, either:

(i) The Employee voluntarily resigns his employment with the Company for Good Reason; or

(ii) The Company terminates the Employee's employment with the Company for any reason other than Cause or Disability.

The Special Severance Payment shall be made in a lump sum not more than five business days following the date of the employment termination and shall be in an amount determined under Subsection (d) below. The Special Severance Payment shall be in lieu of any further payments to the Employee under Section 3 and any further accrual of benefits under Section 4 with respect to periods subsequent to the date of the employment termination. Notwithstanding the preceding sentence, however, the Employee shall be entitled to any payments or acceleration of the vesting of awards which occur under the terms of any plan described in Section 4 as a result of the Change in Control. With respect to any options granted to the Employee pursuant to a stock option plan, the Employee shall be 100% vested in any option outstanding upon a Change in Control. If the Employee's employment is terminated pursuant to this Section 6(c), and notwithstanding anything to the contrary in the Company's stock option plans and the Employee's stock option agreements, the Employee shall have a minimum of eighteen (18) months to exercise such options (irrespective of termination of employment).

(d) Amount. The amount of the Special Severance Payment shall be equal to 300% of the sum of the following:

(i) The Employee's annual rate of Base Compensation, as in effect on the date of the employment termination; plus

(ii) The arithmetic mean of the annual bonuses awarded to the Employee by the Company (or by the Bank in respect of the period prior to the Effective Date) for the three most recent consecutive fiscal years ending prior to the date of the employment termination (regardless of when paid). If the Company has determined that no bonus shall be awarded to the Employee for a fiscal year, such bonus shall be included in the calculation as zero.

(e) Insurance Coverage. During the 12-month period commencing upon a termination of employment described in Subsection (c) above, the Employee (and, where applicable, his dependents) shall be entitled to continue participation in the group insurance plans maintained by the Company, including life, disability and health insurance programs, as if he were still an employee of the Company. Where applicable, the Employee's salary for purposes of such plans shall be deemed to be equal to his Base Compensation. To the extent that the Company finds it impossible to cover the Employee under its group insurance policies during such 12-month period, the Company shall provide the Employee with individual policies which offer at least the same level of coverage and which impose not more than the same costs on him. The foregoing notwithstanding, in the event that the Employee becomes eligible for comparable group insurance coverage in connection with new employment, the coverage provided by the Company under this Subsection (e) shall terminate immediately. Any group health continuation coverage that the Company is required to offer under the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA") shall commence when coverage under this Subsection (e) terminates.

(f) No Mitigation. The Employee shall not be required to mitigate the amount of any payment contemplated by this Section 6 (whether by seeking new employment or in any other manner). Except as expressly provided in Subsection (e) above, no such payment shall be reduced by earnings that the Employee may receive from any other source.

7. Involuntary Termination Without Cause Or Voluntary Resignation for Good Reason.

(a) Regular Severance Payment. The Employee shall be entitled to receive a severance payment from the Company (the "Regular Severance Payment") if, (i) during the term of this Agreement the Company terminates the Employee's employment for any reason other than Cause or Disability, and Section 6 does not apply or (ii) the Employee voluntarily resigns his employment with the Company for Good Reason.

The Regular Severance Payment shall be made in a lump sum not more than five business days following the date of the employment termination and shall be in an amount determined under Subsection (b) below. The Regular Severance Payment shall be in lieu of any further payments to the Employee under Section 3 and any further accrual of benefits under Section 4 with respect to periods subsequent to the date of the employment termination.

(b) Amount. The amount of the Regular Severance Payment shall be equal to 300% of the sum of the following:

(i) The Employee's annual rate of Base Compensation, as in effect on the date of the employment termination; plus

(ii) The arithmetic mean of the annual bonuses awarded to the Employee by the Company (or by the Bank in respect of the period prior to the Effective Date) for the three most recent consecutive fiscal years ending prior to the date of the employment termination (regardless of when paid). If the Company has determined that no bonus shall be awarded to the Employee for a fiscal year, such bonus shall be included in the calculation as zero.

(c) Insurance Coverage. During the 12-month period commencing upon a termination of employment described in Subsection (a) above, the Employee (and, where applicable, his dependents) shall be entitled to continue participation in the group insurance plans maintained by the Company, including life, disability and health insurance programs, as if he were still an employee of the Company. Where applicable, the Employee's salary for purposes of such plans shall be deemed to be equal to his Base Compensation. To the extent that the Company finds it impossible to cover the Employee under its group insurance policies during such 12-month period, the Company shall provide the Employee with individual policies which offer at least the same level of coverage and which impose not more than the same costs on him. The foregoing notwithstanding, in the event that the Employee becomes eligible for comparable group insurance coverage in connection with new employment, the coverage provided by the Company under this Subsection (c) shall terminate immediately. Any group health continuation coverage that the Company is required to offer under COBRA shall commence when coverage under this Subsection (c) terminates.

(d) No Mitigation. The Employee shall not be required to mitigate the amount of any payment contemplated by this Section 7 (whether by seeking new employment or in any other manner). Except as expressly provided in Subsection (c) above, no such payment shall be reduced by earnings that the Employee may receive from any other source.

(e) Option Plans. Notwithstanding anything to the contrary in the Company's stock option plans and the Employee's stock option agreements, in the event of a termination of the Employee under this Section 7, the Employee shall be credited with an additional year of service for purposes of determining the vested portion of the Employee's stock options as of the date of such termination.

8. Termination for Disability.

(a) Disability Continuation Period. In the event that, during the term of this Agreement, the Company terminates the Employee's employment for Disability, the Employee shall be entitled to receive all of the payments and benefit coverage described in this Section 8. Such payments and benefit coverage shall continue for the period (the "Disability Continuation Period") commencing on the date when the employment termination is effective and ending on the earliest of:

(i) The date 36 months after such date;

(ii) The date when the Employee's benefits under the LTD Plan terminate; or

(iii) The date of the Employee's death.

(b) Compensation. During the Disability Continuation Period, the Company shall pay the Employee compensation at an annual rate equal to the difference between:

(i) The sum of the following:

(A) The Employee's annual rate of Base Compensation, as in effect on the date of the employment termination; plus

(B) The arithmetic mean of the annual bonuses awarded to the Employee by the Company (or by the Bank in respect of the period prior to the Effective Date) for the three most recent consecutive fiscal years ending prior to the date of the employment termination (regardless of when paid); minus

(ii) The benefits received by the Employee during the applicable period under the LTD Plan.

If the Company has determined that no bonus shall be awarded to the Employee for a fiscal year, such bonus shall be included in the calculation as zero. Compensation under this Subsection (b) shall be paid at periodic intervals in accordance with the Company's standard payroll procedures.

(c) Insurance Coverage. During the Disability Continuation Period, the Employee (and, where applicable, his dependents) shall be entitled to continue participation in the group insurance plans maintained by the Company, including life, disability and health insurance programs, as if he were still an employee of the Company. Where applicable, the Employee's salary for purposes of such plans shall be deemed to be equal to his Base Compensation. To the extent that the Company finds it impossible to cover the Employee under its group insurance policies during the Disability Continuation Period, the Company shall provide the Employee with individual policies which offer at least the same level of coverage and which impose not more than the same costs on him. Any group health continuation coverage that the Company is required to offer under COBRA shall commence when coverage under this Subsection (c) terminates.

9. Successors.

(a) Company's Successors. The Company shall require any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets, by an agreement in substance and form satisfactory to the Employee, to assume this Agreement and to agree expressly to perform this Agreement in the same manner and to the same extent as the Company would be required to perform it in the absence of a succession. The Company's failure to obtain such agreement prior to the effectiveness of a succession shall be a breach of this Agreement and shall entitle the Employee to all of the compensation and benefits to which he would have been entitled hereunder if the Company had involuntarily terminated his employment without Cause immediately after such succession becomes effective. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Subsection (a) or which becomes bound by this Agreement by operation of law.

(b) Employee's Successors. This Agreement and all rights of the Employee hereunder shall inure to the benefit of, and be enforceable by, the Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

10. Non-Disclosure of Confidential Information.

During the term of this Agreement and thereafter, the Employee shall not, without the prior written consent of the Board, disclose or use for any purpose (except in the course of his employment and in furtherance of the business of the Company and its subsidiaries) confidential information or proprietary data of the Company and its subsidiaries, except as required by applicable law or legal process; provided, however, that confidential information shall not include any information known generally to the public or ascertainable from public or published information (other than as a result of unauthorized disclosure by the Employee) or any information of a type not otherwise considered confidential by persons engaged in the same business or a business similar to that conducted by the Company and its subsidiaries. The Employee agrees to deliver to the Company at the termination of his employment, or at any other time the Company may request, all memoranda, notes, plans, records, reports and other documents (and copies thereof) relating to the business of the Company and its subsidiaries which he may then possess or have under his control.

11. Non-Competition.

(a) Covenant Not To Compete. This Section 11 shall apply:

(i) During the term of this Agreement;

(ii) For three years after the Employee receives the Regular Severance Payment under Section 7; and

(iii) For three years after the Employee voluntarily resigns his employment for any reason not described in Section 6, but only if the Company voluntarily makes all provisions of Section 7 applicable to him.

While this Section 11 applies, the Employee shall not, directly or indirectly, engage in any banking business or activity in the States of California, Hawaii, Oregon, Washington, or Idaho ("Competitive Business") nor be employed by, render services of any kind to, advise or receive compensation in any form from, nor invest or participate in any manner or capacity in, any entity or person which directly or indirectly engages in a Competitive Business.

(b) Exception. Subsection (a) above shall not preclude investments in a corporation whose stock is traded on a public market and of which the Employee owns less than one percent of the outstanding shares.

(c) Purpose of Covenant. It is agreed by both parties hereto that the covenants contained in Subsection (a) above are reasonable and necessary to protect the confidentiality of the customer, lists and trade secrets, and other confidential information concerning the Company, acquired by the Employee.

(d) Specific Performance. The Employee and the Company recognize and agree that (i) because of the nature of the businesses in which the Company and its subsidiaries are engaged and because of the nature of the confidential information that the Employee has acquired or will acquire with respect to the businesses of the Company and its subsidiaries, it would be impracticable and excessively difficult to determine the actual damages of the Company or its subsidiaries in the event that the Employee breaches any of the covenants contained in Subsection (a) above, and (ii) damages in an action at law would not constitute reasonable or adequate compensation to the Company or its subsidiaries in the event that the Employee breaches any of such covenants. Accordingly, if the Employee commits any breach of such covenants or threatens to commit any such breach, then the Company shall have the right to have the covenants contained in Subsection (a) above specifically enforced by any court having equity jurisdiction, without posting bond or other security, it being acknowledged and agreed by both parties hereto that any such breach or threatened breach would cause irreparable injury to the Company and its subsidiaries and that an injunction may be issued against the Employee. The rights described in this Subsection (d) shall be in addition to, and not in lieu of, any other rights or remedies available to the Company under law or in equity.

(e) Modification by Court. If any of the covenants contained in Subsection (a) above is determined to be unenforceable because of the duration of such covenants or the area covered thereby, then the court making the determination shall have the power to reduce the duration of such covenants and/or the area covered thereby, and such covenants, in their reduced form, shall be enforceable.

(f) Different Jurisdictions. If any of the covenants contained in Subsection (a) above is determined to be wholly unenforceable by the courts of any domestic or foreign jurisdiction, then the determination shall not bar or in any way affect the Company's right to relief in the courts of any other jurisdiction with respect to any breach of such covenants in such other jurisdiction. Such covenants, as they relate to each jurisdiction, shall be severable into independent covenants and shall be governed by the laws of the jurisdiction where a breach occurs.

(g) Discontinuance of Severance Pay. In the event that the Employee breaches any of the covenants contained in Subsection (a) above, the Company may discontinue all payments and benefits to the Employee under Section 7.

12. No Solicitation.

This Section 12 shall apply (a) during the term of this Agreement and (b) during the one-year period following the termination of the Employee's employment for any reason not described in Section 6. While this Section 12 applies, the Employee shall not, directly or indirectly, contact any employee of the Company or any of its subsidiaries to solicit such employee (or any entity in which such employee has a significant equity interest) to become an employee, partner or independent contractor of the Employee or any other person.

13. Tax Effect of Payments.

Excise Tax Restoration Payment. In the event that it is determined that any payment or distribution of any type to or for the benefit of the Employee made by the Company, by any of its affiliates, by any person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of section 280G of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "Code")) or by any affiliate of such person, whether paid or payable or distributed or distributable pursuant to the terms of an employment agreement or otherwise (the "Total Payments"), would be subject to the excise tax (such excise tax, together with any such interest or penalties, are collectively referred to as the "Excise Tax"), then the Employee shall be entitled to receive an additional payment (an "Excise Tax Restoration Payment") in an amount that shall fund the payment by the Employee of any Excise Tax on the Total Payments as well as all income taxes imposed on the Excise Tax Restoration Payment, any Excise Tax imposed on the Excise Tax Restoration Payment and any interest or penalties imposed with respect to taxes on the Excise Tax Restoration Payment or any Excise Tax.

Determination by Auditors. All mathematical determinations and all determinations of whether any of the Total Payments are "parachute payments" (within the meaning of section 280G of the Code) that are required to be made under this agreement, including all determinations of whether an Excise Tax Restoration Payment is required, of the amount of such Excise Tax Restoration Payment and of amounts relevant to the last sentence of this agreement, shall be made by the independent auditors retained by the Company most recently prior to the change in control (the "Auditors"), who shall provide their determination (the "Determination"), together with detailed supporting calculations regarding the amount of any Excise Tax Restoration Payment and any other relevant matters, both to the Company and to the Employee within seven business days of the Employee's termination date, if applicable, or such earlier time as is requested by the Company or by the Employee (if the Employee reasonably believes that any of the Total Payments may be subject to the Excise Tax). If the Auditors determine that no Excise Tax is payable by the Employee, it shall furnish the Employee with a written statement that such Auditors have concluded that no Excise Tax is payable (including the reasons therefor) and that the Employee has substantial authority not to report any Excise Tax on the Employee's federal income tax return. If an Excise Tax Restoration Payment is determined to be payable, it shall be paid to the Employee within five business days after the Determination is delivered to the Company or the Employee. Any determination by the Auditors shall be binding upon the Company and the Employee, absent manifest error.

Underpayments and Overpayments. As a result of uncertainty in the application of section 4999 of the Code at the time of the initial determination by the Auditors hereunder, it is possible that Excise Tax Restoration Payments not made by the Company should have been made ("Underpayments") or that Excise Tax Restoration Payments will have been made by the Company which should not have been made ("Overpayments"). In either event, the Auditors shall determine the amount of the Underpayment or Overpayment that has occurred. In the case of an Underpayment, the amount of such Underpayment shall promptly be paid by the Company to or for the benefit of the Employee. In the case of an Overpayment, the Employee shall, at the direction and expense of the Company, take such steps as are reasonably necessary (including the filing of returns and claims for refund), follow reasonable instructions from, and procedures established by, the Company and otherwise reasonably cooperate with the Company to correct such Overpayment; provided, however, that (i) the Employee shall in no event be obligated to return to the Company an amount greater than the net after-tax portion of the Overpayment that the Employee has retained or has recovered as a refund from the applicable taxing authorities and (ii) this provision shall be interpreted in a manner consistent with the intent of this agreement, which is to make the Employee whole, on an after-tax basis, for the application of the Excise Tax, it being understood that the correction of an Overpayment may result in the Employee's repaying to the Company an amount which is less than the Overpayment.

This agreement amends and supersedes provisions concerning parachute payments under section 280G of the Code and excise taxes under section 4999 of the Code in any other employment agreements or other agreements between the Employee and the Company.

14. Miscellaneous Provisions.

(a) Notice. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Employee, mailed notices shall be addressed to him at the home address which he most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Employee and by an authorized officer of the Company (other than the Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Whole Agreement; Modifications. No agreements, representations or understandings (whether oral or written and whether express or implied) which are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. A modification of this Agreement shall be valid only if it is made in writing and executed by both parties hereto. This Agreement shall be subject to the requirements of any applicable banking law, regulation or order. This Agreement shall supersede the employment agreement dated January 1, 1996 between the Employee and the Bank.

(d) Withholding Taxes. All payments and imputed payments made under this Agreement shall be subject to reduction to reflect taxes required to be withheld by law.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Delaware (other than their choice-of-law provisions).

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Arbitration. Except as otherwise provided in Section 11, any controversy or claim arising out of or relating to this Agreement or the breach thereof, shall be settled by arbitration in San Francisco, California, in accordance with the rules of the American Arbitration Association then in effect. Discovery shall be permitted to the same extent as in a proceeding under the Federal Rules of Civil Procedure, including (without limitation) such discovery as is specially authorized by Section 1283.05 of the California Code of Civil Procedure, without need of prior leave of the arbitrator under Section 1283.05(c) of the Code. Judgment may be entered on the arbitrator's award in any court having jurisdiction . All fees and expenses of the arbitrator of such Association shall be determined by the arbitrator.

(h) No Assignment. The rights of any person to payments or benefits under this Agreement shall not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any action in violation of this Subsection (h) shall be void.

(i) Effective Date. This Agreement shall become effective on the date when there shall occur the Effective Time under the Merger Agreement. Such date is herein referred to as the "Effective Date." If the Merger Agreement shall terminate for any reason without the merger provided for therein having been consummated, then this Agreement shall automatically terminate and be of no further force or effect and the parties hereto shall have no further obligation to one another.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the 28th day of May, to be effective as of the Effective Date.

/s/ Don J. McGrath

FIRST HAWAIIAN, INC.

By /s/ Walter A. Dods, Jr.

Title Chairman and Chief Executive Officer

EXHIBIT 10.18

BANCWEST CORPORATION

UMBRELLA TRUST(TM)

TRUST AGREEMENT

By and Between

BANCWEST CORPORATION

And

WACHOVIA BANK, N.A.

For

BANCWEST CORPORATION SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

BANCWEST CORPORATION DEFERRED COMPENSATION PLAN

BancWest Corporation Company
999 Bishop Street
Honolulu, Hawaii 96813

Wachovia Bank, N.A. Trustee
301 N Main Street
Winston-Salem, North Carolina 27150-3099

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TRUST AGREEMENT FOR

BANCWEST CORPORATION

GRANTOR TRUST

This Trust Agreement is made and entered into by and between BancWest Corporation, formerly know as First Hawaiian, Inc. (the "Company") and Wachovia Bank, N.A. (the "Trustee").

WHEREAS, the Company wishes to establish a trust (the "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Company's creditors in the event of Company's insolvency, until paid to Participants (as herein defined) and their beneficiaries in such manner and at such times as specified in the Plans (as herein defined);

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plans as unfunded plans maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974; and

WHEREAS, it is the intention of the Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plans;

NOW, THEREFORE, the parties do hereby agree as follows:

PREAMBLE

The Company hereby establishes with the Trustee the Trust to hold all monies and other property, together with the income thereon, as shall be paid or transferred to it hereunder in accordance with the terms and conditions of this Trust Agreement. The Trustee hereby accepts the Trust established under this Trust Agreement and agrees to hold, IN TRUST, all monies and other property transferred to and accepted by it hereunder, together with the income therefrom and any increment thereon, for the uses and purposes and upon the terms and conditions set forth herein, and the Trustee further agrees to discharge and perform fully and faithfully all of the duties and obligations imposed upon it under this Trust Agreement.

The Company has adopted the plans and/or agreements listed on Schedule I hereto (the "Plans"), which shall initially be subject to this Trust. If only one (1) plan or agreement is subject to this Trust at any time, references in this Trust Agreement to the Plans shall refer to such Plan.

The Plans are administered by an administrative committee (the "Committee") appointed by the Company. If the Plans are administered by more than one (1) Committee at any time, references in this Trust Agreement to the Committee which relate to a particular Plan shall refer to the Committee which administers that Plan and, if the reference does not relate to a particular Plan, shall refer to all of such Committees. All references in this Trust Agreement to the Committee shall refer to the administrative committee(s) which administers the Plan(s), unless the Company appoints a separate administrative committee to administer this Trust Agreement. If the Company appoints a separate administrative committee to administer this Trust Agreement, references in this Trust Agreement to the Committee shall refer to such administrative committee which is appointed to administer this Trust Agreement, unless the context clearly indicates otherwise.

The Plan participants who are covered by this Trust Agreement ("Participants") shall be all persons who are Plan participants prior to a Special Circumstance, unless the Company specifically designates in Schedule I only specified individuals or groups of Plan participants as Participants covered by this Trust Agreement. After a person becomes a Participant covered by this Trust Agreement, such person will continue to be a Participant at all times thereafter (including after retirement or other termination of service) until all Plan benefits payable to such Participant have been paid, the Participant ceases to be entitled to any Plan benefits, or the Participant's death, whichever occurs first.

At any time prior to a Special Circumstance, the Company may, by written notice to the Trustee which shall include a revised Schedule I to this Trust Agreement and with the Trustee's written consent, cause additional plans and/or agreements to become Plans subject to this Trust Agreement or cause additional Plan participants to become Participants covered by this Trust Agreement. Upon and after a Special Circumstance, the Company may not add any additional plans or agreements or Plan participants to this Trust Agreement.

The Company shall provide the Trustee with certified copies of the following items: (i) all documents constituting the Plan; (ii) all Plan amendments promptly following their adoption; and (iii) lists and specimen signatures of the members of the Committee(s) which administer the Plan(s) and this Trust Agreement and any other Company representatives authorized to take action in regard to the administration of the Plan(s) and this Trust, including any changes in the members of such Committee(s) and of such other representatives promptly following any such change. The Company shall also provide the Trustee at least annually with a list of all Participants in each Plan who are covered by this Trust Agreement. The Trustee shall be entitled to rely upon any such lists until notified in writing to the contrary by the Company.

The purpose of this Trust is to give Participants greater security by placing assets in trust for use only to pay Plan benefits to Participants or, if the Company becomes insolvent, to pay creditors. The Company shall continue to be liable to Participants to make all payments required under the terms of the Plans to the extent such payments are not made from this Trust. Distributions made from this Trust to Participants or their beneficiaries shall, to the extent of such distributions, satisfy the Company's obligations to pay benefits to Participants and their beneficiaries under the Plans.

The Trust is intended to be a grantor trust, of which the Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be construed accordingly. The Company hereby agrees to report all items of income, deductions and credits of the Trust on its own income tax returns. No contribution to or income of the Trust is intended to be taxable to Participants until benefits are distributed to them.

The principal of the Trust and any earnings thereon shall be held separate and apart from other funds of the Company and shall be used exclusively for the uses and purposes of Participants and general creditors as herein set forth. Participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plans and this Trust Agreement shall be mere unsecured contractual rights of Participants and their beneficiaries against the Company. Any assets held by the Trust will be subject to the claims of Company's general creditors under federal and state law in the event of the Company's insolvency.

The Plans are intended to be "unfunded" and maintained "primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" for purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and as such are intended not to be covered by Parts 2 through 4 of Subtitle B of Title I of ERISA (relating to participation and vesting, funding and fiduciary responsibility). The existence of this Trust is not intended to alter this characterization of the Plans.

ARTICLE I--EFFECTIVE DATE; DURATION

1.01 Effective Date and Trust Year

This Trust shall become effective when the Trust Agreement has been executed by the Company and the Trustee, and the Company has made a contribution to the Trust.

For tax purposes, the trust year shall be the calendar year. For financial reporting purposes, the trust year shall coincide with the Company's fiscal year. The Company shall report any change in its fiscal year to the Trustee.

1.02 Duration

1.02-1 This Trust may be revoked by the Company in its discretion at any time unless this Trust is then irrevocable pursuant to 1.03-1. The Trust shall continue in effect until the trust fund is exhausted through distribution of benefits to Participants, payment to creditors in the event of insolvency, payment of fees and expenses of the Trustee, and return of remaining funds to the Company pursuant to 1.02-2. Notwithstanding the foregoing, if required to comply with applicable state laws regulating the maximum period for which trusts may exist, this Trust shall terminate six (6) months before twenty-one (21) years after the death of the last survivor of all present or future Participants who are now living and those persons now living who are designated as beneficiaries of any such Participants in accordance with the terms of any Plans.

1.02-2 The Trust shall (except as otherwise provided in 1.02-3) become irrevocable at the times set forth in 1.03-1. If pursuant to 1.03-1 the Trust is irrevocable, it shall not be revoked by the Company until all benefits payable under the Plans to Participants who are covered by this Trust Agreement are paid. The Trustee, upon written direction of the Company, shall then return to the Company any assets remaining in the Trust.

1.02-3 If the existence of this Trust or any Subtrust hereunder is held to be ERISA Funded or Tax Funded by a federal court and appeals from that holding are no longer timely or have been exhausted, this Trust or such Subtrust shall terminate. The Board of Directors of the Company (the "Board") may also terminate this Trust or any Subtrust if it determines, based on an opinion of legal counsel which is satisfactory to the Trustee, that either (i) judicial authority or the position of the U.S. Department of Labor, Treasury Department or Internal Revenue Service (as expressed in proposed or final regulations, advisory opinions or rulings, or similar administrative announcements) creates a significant risk that the Trust or any Subtrust will be held to be ERISA Funded or Tax Funded or (ii) ERISA or the Code requires the Trust or any Subtrust to be amended in a way that creates a significant risk that the Trust or such Subtrust will be held to be ERISA Funded or Tax Funded, and failure to so amend the Trust or such Subtrust could subject the Company to material penalties. Upon any such termination, the assets of each terminated Trust or Subtrust remaining after payment of the Trustee's fees and expenses shall be distributed, in accordance with the written directions of the Company, as follows:

(a) Such assets shall be transferred to a new trust established by the Company which is not deemed to be ERISA Funded or Tax Funded, but which is similar in all other respects to this Trust, if the Company determines that it is possible to establish such a trust.

(b) If the Company determines that it is not possible to establish the trust in (a) above, then the assets shall be distributed to the Company if the Written Consent of Participants, as defined in 1.02-5, in the Trust or applicable Subtrust is obtained for such distribution.

(c) If the Company determines that it is not advantageous to establish a new trust and cannot obtain the Written Consent of Participants without adverse tax consequences, the assets of the terminated Subtrust shall be allocated in proportion to the vested accrued benefits of Participants under the applicable Plans and shall be distributed to such Participants in lump sums. Any assets remaining upon termination of a Subtrust shall be distributed to other Subtrusts or to the Company in accordance with 2.04.

Notwithstanding the foregoing, the Trustee, upon the direction of the Committee, shall distribute Plan benefits to a Participant to the extent that a federal court has held that the interest of the Participant in this Trust causes such Plan benefits to be includible for federal income tax purposes in the gross income of the Participant prior to actual payment of such Plan benefits to the Participant and appeals from that holding are no longer timely or have been exhausted. The Trustee may also distribute Plan benefits to a Participant, upon direction of the Committee, if the Trustee reasonably believes, based on an opinion of legal counsel which is satisfactory to the Trustee, that there is a significant risk that the Participant's interest in the trust fund will be held to be ERISA Funded or Tax Funded with respect to such Participant or that such Participant will be determined not to be a "management or highly compensated employee" for purposes of ERISA. The provisions of this paragraph shall also apply to any beneficiary of a Participant.

1.02-4 This Trust shall be "Tax Funded" if it causes the interest of a Participant in this Trust to be includible for federal income tax purposes in the gross income of the Participant prior to actual payment of Plan benefits to the Participant.

This Trust shall be "ERISA Funded" if it prevents any of the Plans from meeting the "unfunded" criterion of the exceptions to application of the provisions of Parts 2 through 4 of Subtitle B of Title I of ERISA for plans that are unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

1.02-5 "Written Consent of Participants" means, for the purposes of this Trust Agreement, consent in writing by Participants who (i) are a majority in number and (ii) have more than fifty percent (50%) in value of the accrued benefits, of the Participants in the Trust or in each affected Subtrust under this Trust Agreement on the date of such consent. For this purpose, Participants shall not include any beneficiaries of Participants.

1.03 Irrevocability

1.03-1 This Trust shall become irrevocable (subject to 1.02-3) upon the occurrence of a Special Circumstance. In addition, this Trust shall not be revoked after the occurrence of a Potential Change in Control unless that Potential Change in Control has ceased to exist.

1.04 Special Circumstance

1.04-1 Upon the occurrence of a Special Circumstance described in 1.04-2, the Trust assets shall be held for Participants who had accrued benefits under the Plans before the Special Circumstance occurred, including benefits accrued for such Participants after the Special Circumstance.

1.04-2 A "Special Circumstance" shall mean a Change in Control (as defined in 1.04-3) or a Default (as defined in 1.04-5).

1.04-3 A "Change in Control" means any of the following:

(a) Any Person becomes the Beneficial Owner of more than fifty percent (50%) of the total voting power of the outstanding Voting Securities of the Company.

(b) Any Person becomes the Beneficial Owner of more than fifty percent (50%) of the then outstanding shares of Common Stock.

(c) During any period of two (2) consecutive years, individuals who at the beginning of such period constituted the Non-Class A Directors (together with any new Non-Class A Directors whose election by Independent Directors or Non-Class A Directors or whose nomination for election by the Company's stockholders was approved by a vote or written consent of a majority of the Non-Class A Directors then still in office who were either Directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Directors of the Company then in office.

(d) A merger or consolidation of the Company with or into another Person or the merger or consolidation of another Person into the Company if as a result of such transaction or series of related transactions (i) any Person becomes the Beneficial Owner of more than fifty percent (50%) of the total voting power of all Voting Securities of the Company (or, if the Company is not the survivor or transferee corporation of such transaction or transactions, of such surviving or transferee corporation) outstanding immediately after such transaction or transactions, or (ii) the shares of Common Stock outstanding immediately prior to such transaction or transactions do not represent a majority of the voting power of all Voting Securities of the Company (or of such surviving or transferee corporation, if not the Company) outstanding immediately after such transaction or transactions.

(e) The sale, lease, exchange, or mortgage of all or substantially all of the assets of the Company and its subsidiaries taken as a whole.

(f) The approval by the stockholders of the Company of a plan of liquidation or dissolution of the Company.

(g) The Board agrees by a majority vote that an event has occurred or is about to occur that, in fairness to the Participants, is tantamount to a Change in Control.

(h) For purposes of this Section 1.04-3 and of Section 2.01-7, the following definitions shall apply:

(i) "Affiliate" means, with respect to any Person, any other Person that directly, or indirectly through one (1) or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

(ii) "Beneficial Ownership" by a Person of any securities includes ownership by any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise, has or shares (A) voting power, which includes the power to vote, or to direct the voting of, such security, and/or (B) investment power, which includes the power to dispose, or to direct the disposition, of such security; and shall otherwise be interpreted in accordance with the term "beneficial ownership" as defined in Rule 13d-3 (or any successor provision) under the Securities Exchange Act of 1934 (the "Act"); provided that for purposes of determining Beneficial Ownership, a Person shall be deemed to be the Beneficial Owner of any securities which may be acquired by such Person (irrespective of whether the right to acquire such securities is exercisable immediately or only after the passage of time, including the passage of time in excess of sixty (60) days, the satisfaction of any conditions, the occurrence of any event or any combination of the foregoing) pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise. The percentage of outstanding securities of any class Beneficially Owned or deemed to be owned by any Person shall be calculated in accordance with the last sentence of Rule 13d-3(d)(1)(i) under the Act. A Person shall be deemed to Beneficially Own any securities Beneficially Owned by its Affiliates or any group (within the meaning of Section 13(d) of the Act and the rules adopted thereunder) of which such Person or any of its Affiliates is or becomes a member.

(iii) "Class A Directors" has the meaning set forth in the Company's Certificate of Incorporation.

(iv) "Common Stock" means "Common Stock" as defined in the Company's Certificate of Incorporation (and does not refer to the Company's Class A Common Stock).

(v) "Directors" means members of the Company's Board of Directors (other than any advisory, honorary or other nonvoting members of such Board of Directors).

(vi) "Independent Directors" has the meaning set forth in the Company's Certificate of Incorporation.

(vii) "Non-Class A Directors" has the meaning set forth in the Company's Certificate of Incorporation.

(viii) "Person" means "person" as defined in Section 3(a)(9) of the Act and as used in Sections 13(d) and 14(d) thereof, including a "group" within the meaning of Section 13(d) and the rules adopted thereunder; provided that, "Person" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) an entity that acquires all Voting Securities of the Company (or into which the Company is merged) if immediately following that transaction (A) such entity has expressly assumed the obligations of the Company under this Trust, and (B) the rights, powers, preferences and proportionate ownership of that entity's authorized and outstanding voting securities are in all material respects identical to the rights, powers, preferences and proportionate ownership of the Common Stock and of the Class A Common Stock outstanding immediately prior to the transaction.

(ix) "Voting Securities" means at any time shares of any class of capital stock or other securities of the Company which are then entitled to vote generally in the election of Directors and not solely upon the occurrence and during the continuation of certain specified events.

1.04-4 For purposes of this Trust Agreement, a Change in Control shall be deemed to have occurred upon receipt by the Trustee of written notice to that effect from the Company. The Chief Executive Officer of the Company or the Board shall have the duty to furnish written notice to the Trustee when a Change in Control occurs under 1.04-3. Upon receipt of a written demand from a Participant, the Trustee shall request the Chief Executive Officer of the Company and the Board to advise it whether a Change in Control (as defined in this Trust Agreement) has occurred. If the Chief Executive Officer of the Company or the Board fails to advise the Trustee whether a Change in Control has occurred, the Trustee shall make this determination in its sole discretion.

1.04-5 A "Default" shall mean a failure by the Company to contribute, within thirty (30) days of receipt of written notice from the Trustee, any of the following amounts:

(a) The full amount of any insufficiency in assets of the Trust or any Subtrust that is required to pay any Plan benefit that is payable by the Trustee pursuant to 3.02-3 or upon final resolution of a disputed claim pursuant to 3.03-2; or

(b) Any contribution which is then required to be made by the Company to the Trust or any Subtrust under 2.01, 2.02-5, 2.05-3, 3.03-3, or 3.06-2.

If, after the occurrence of a Default, the Company at any time cures such Default by contributing to the Trust all amounts which are then required under subparagraphs (a) and (b) above, it shall then cease to be deemed that a Default has occurred or that a Special Circumstance has occurred by reason of such Default.

ARTICLE II--TRUST FUND AND FUNDING POLICY

2.01 Contributions

2.01-1 In its discretion, the Company may contribute to the Trust such amounts or assets as the Committee may reasonably decide are necessary to provide security for all Plan benefits payable to Participants covered by this Trust.

The Company shall also contribute to the Trust such amounts as are necessary to enable the Trustee to make all Plan benefit payments to Participants when due, unless the Company makes such payments directly, whenever the Trustee advises the Company that the assets of the Trust or Subtrust are insufficient to make such payments.

2.01-2 Whenever the Company makes a contribution to the Trust, the Company shall designate the Plan(s) and Subtrust(s) to which such contribution (or designated portions thereof) shall be allocated. The Company may also make contributions to a special reserve for payment of future fees and expenses of the Trustee and future trust fees and expenses for legal and administrative proceedings. The Company shall designate a separate Subtrust to receive such contributions, which shall be distinct from the other Subtrust(s) established for the Plan(s).

2.01-3 The Company shall, within sixty (60) days after the occurrence of a Special Circumstance (as defined in 1.04-2) or a Potential Change in Control (as defined in 2.01-7), and not later than sixty (60) days after the end of each calendar year following a Special Circumstance: (a) contribute to the Trust $150,000 to fund an expense reserve for use by the Trustee, which amount shall be credited to the separate Subtrust contemplated by clause (ii) of 2.03-1, (b) repay any loan made to the Company from the proceeds of any insurance policy held as an asset of the Trust (except to the extent such repayment would cause the Trust to hold Excess Assets); and (c) contribute to the Trust the amount by which the present value of all accrued benefits (vested and unvested) payable under the Plans on a pretax basis to Participants covered by this Trust exceeds the value of all Trust assets as of the applicable date. All benefits shall be calculated by assuming that each Participant is terminated at a time when the Participant is entitled to receive any benefit enhancement provided by the Plans upon or in connection with a change in control (as defined in the relevant Plan). Any benefit enhancement or right with respect to the Plans which is provided under employment or severance agreements of Participants shall be taken into account in making the foregoing calculation insofar as it may increase benefits under the Plans.

2.01-4 The calculations required under 2.01-3 shall be made by the Company, or a qualified actuary or consultant selected by the Committee, based on the terms of the Plans and the actuarial assumptions and methodology set forth in Appendix A attached hereto. Before a Special Circumstance (unless a Potential Change in Control exists), Appendix A may be revised by the Committee from time to time. After a Special Circumstance (or while a Potential Change in Control exists), Appendix A may be revised only with the Written Consent of Participants.

2.01-5 Whenever the Company makes a contribution to the Trust pursuant to 2.01-3, it shall furnish the Trustee with a written statement setting forth the computation of all required amounts contributed under 2.01-3. The Trustee shall have no duty or responsibility to review or otherwise question any such computation.

Whenever a Special Circumstance occurs or the Company makes a contribution pursuant to 2.01-3, the Company shall deliver to the Trustee, contemporaneously with or immediately prior to such event, a schedule (the "Payment Schedule") indicating the amounts payable under each Plan in respect of each Participant, or providing a formula or instructions acceptable to the Trustee for determining the amounts so payable, the form in which such amounts are to be paid (as provided for or available under the Plans) and the time of commencement for payment of such amounts. The Payment Schedule shall include any other necessary instructions with respect to Plan benefits (including legal expenses) payable under the Plans and any conditions with respect to any Participant's entitlement to, and the Company's obligation to provide, such benefits, and such instructions may be revised from time to time to the extent so provided under the Plans or this Trust Agreement.

A modified Payment Schedule shall be delivered by the Company to the Trustee (i) at each time that additional amounts are required to be paid by the Company to the Trustee pursuant to 2.01-3, (ii) whenever Excess Assets are returned to the Company pursuant to 2.04, and (iii) upon the occurrence of any event requiring a modification of the Payment Schedule. The Company shall also furnish a Payment Schedule or modified Payment Schedule for any or all Plan(s) upon request by the Trustee at any other time. Whenever the Company is required to deliver a Payment Schedule or a modified Payment Schedule, it shall also deliver to each Participant the respective portion of the Payment Schedule or modified Payment Schedule that sets forth the amount payable to that Participant. If the Company fails to deliver to the Trustee a Payment Schedule or modified Payment Schedule at any time it is required to do so, the Trustee may, in its sole discretion, prepare such Schedule.

2.01-6 Any contribution to the Trust which is made by the Company under 2.01-3 on account of a Potential Change in Control shall be returned to the Company if a Change in Control does not occur, when a Potential Change in Control no longer exists, and if the Company requests such return within one (1) year after the Potential Change in Control ceases to exist.

If no such request is made within this one (1) year period, the contribution shall become a permanent part of the trust fund.

2.01-7 A "Potential Change in Control" shall be deemed to occur if:

(a) Any Person delivers to the Company a statement containing the information required by Schedule 13-D under the Act, or any amendment to any such statement, that shows that such Person has acquired, directly or indirectly, the Beneficial Ownership of (i) more than thirty-five percent (35%) of the Company's Common Stock, or (ii) more than forty-six percent (46%) of the total voting power of the then outstanding Voting Securities of the Company;

(b) The Company becomes aware that preliminary or definitive copies of a proxy statement or information statement or other information have been filed with the Securities and Exchange Commission pursuant to Rule 14a-6, Rule 14c-5, or Rule 14f-1 under the Act relating to any transaction or event that if consummated would constitute or result in a Change in Control;

(c) Any Person delivers to the Company pursuant to Rule 14d-3 under the Act a tender offer statement relating to Voting Securities of the Company;

(d) Any Person publicly announces an intention to take actions which if consummated would constitute or result in a Change in Control;

(e) The Company enters into an agreement or arrangement, the consummation of which would constitute or result in a Change in Control;

(f) The Board approves a proposal, which if consummated would constitute or result in a Change in Control; or

(g) The Board adopts a resolution to the effect that, for purposes of this Trust Agreement, a Potential Change in Control has occurred.

2.01-8 For purposes of this Trust, a Potential Change in Control shall be deemed to have occurred upon receipt by the Trustee of written notice to that effect from the Company.

The Chief Executive Officer of the Company or the Board shall furnish written notice to the Trustee when a Potential Change in Control occurs under 2.01-7. Upon receipt of a written demand from a Participant, the Trustee shall request the Chief Executive Officer of the Company and the Board to advise it whether a Potential Change in Control (as defined in the Trust Agreement) has occurred. If the Chief Executive Officer of the Company or the Board fails to advise the Trustee that a Potential Change in Control has occurred or fails to respond to the Trustee's request, the Trustee shall make this determination in its sole discretion. The Trustee shall also have discretion to determine whether any Potential Change in Control has ceased to exist.

2.01-9 The Trustee shall accept the contributions made by the Company and hold them as a trust fund for the payment of benefits under the Plans. The Trustee shall not be responsible for determining the required amount of contributions or for collecting any contribution not voluntarily paid, nor shall the Trustee be responsible for the adequacy of the trust fund to meet and discharge all liabilities under the Plans. Contributions may be in cash or in other assets specified in 2.02.

2.02 Investments and Valuation

2.02-1 The trust fund shall be initially invested primarily in insurance (including annuity) contracts ("Contracts"). Such Contracts may be purchased by the Company and transferred to the Trustee as in-kind contributions or may be purchased by the Trustee with the proceeds of cash contributions (or may be purchased upon direction by the Committee pursuant to 2.02-2 or an Investment Manager pursuant to 2.02-4). The Trustee shall have the power to exercise all rights, privileges, options and elections granted by or permitted under any Contract or under the rules of the insurance company issuing the Contract ("Insurer"), including the right to obtain policy loans against the cash value of the Contract. Prior to a Special Circumstance (unless a Potential Change in Control exists), the exercise by the Trustee of any incidents of ownership under any Contract shall be subject to the direction of the Committee.

Prior to a Special Circumstance (unless a Potential Change in Control exists), the Trustee shall execute the application for any insurance contract to be applied for in such form as the Company shall deem appropriate. Following a Special Circumstance (or while a Potential Change in Control exists), insurance contracts shall be obtained in the discretion of the Trustee. The Trustee shall be the absolute owner of all Contracts which shall be held as part of the Trust corpus. The Trustee, upon direction of the Committee, shall pay from the Trust corpus premiums, assessments, dues, charges and interest to acquire or maintain any Contracts held in the Trust; provided that following a Special Circumstance (or while a Potential Change in Control exists), such payments shall be made or continue to be made in the discretion of the Trustee. For such purposes the Trustee may use any money held by the Trustee as part of the Trust corpus. If, prior to a Special Circumstance (or while a Potential Change in Control exists), the cash available in the Trust is not sufficient to pay all of the sums due with respect to such Contracts, the Trustee shall immediately notify the Company of the amount of the deficiency; and the Trustee shall be under no duty or obligation to make any such payments unless and until the Trustee shall be in receipt of a Company contribution which is sufficient to make such payments.

As directed by the Committee prior to a Special Circumstance (unless a Potential Change in Control exists), but otherwise in its discretion, the Trustee shall, without the consent of any other person, collect and receive all dividends or other payments of any kind payable with respect to, under, or arising out of any insurance contracts held in the Trust or shall leave the same with the Insurer. As directed by the Committee prior to a Special Circumstance (unless a Potential Change in Control exists), but otherwise in its discretion, the Trustee shall have the power to convert from one (1) form of Contract to any other form of Contract; to designate any mode of settlement of the proceeds of any Contract held in the Trust; to borrow sums of money from the Insurer upon any Contract or Contracts issued by it and held in the Trust; to agree with the Insurer issuing any Contract to any release, reduction, modification or amendment thereof; and, without limitation of any of the foregoing, to exercise any and all of the rights, options or privileges that belong to the absolute owner of any Contracts held in the Trust or that are granted by the terms of any such Contracts or of this Trust Agreement.

The Trustee shall have no power to name a beneficiary of an insurance policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy. Notwithstanding the prior sentence, provided that no Special Circumstance has occurred and no Potential Change in Control exists, the Trustee may loan to the Company the proceeds of any borrowing against any insurance policy held as an asset of the Trust.

Notwithstanding anything contained herein to the contrary, the Trustee shall not be liable for the refusal of any Insurer to issue or change any Contract or Contracts or to take any other action requested by the Trustee; nor for the form, genuineness, validity, sufficiency or effect of any Contract or Contracts held in the Trust; nor for the act of any person or persons that may render any such Contract or Contracts null and void; nor for the failure of any Insurer to pay the proceeds of any such Contract or Contracts as and when the same shall become due and payable; nor for any delay in payment resulting from any provision contained in any such Contract or Contracts; nor for the fact that for any reason whatsoever (other than its own negligence or willful misconduct) any Contracts shall lapse or otherwise become uncollectible.

2.02-2 Prior to a Special Circumstance (unless a Potential Change in Control exists), the Trustee shall invest the trust fund in accordance with written directions by the Committee, including directions for exercising rights, privileges, options and elections pertaining to Contracts and for borrowing from Contracts or other borrowing by the Trustee. The Trustee shall act only as an administrative agent in carrying out directed investment transactions and shall not be responsible for the investment decision. If a directed investment transaction violates any duty to diversify, to maintain liquidity or to meet any other investment standard under this Trust Agreement or applicable law, the entire responsibility shall rest upon the Company. The Trustee shall be fully protected in acting upon or complying with any investment objectives, guidelines, restrictions or directions provided in accordance with this paragraph.

After a Special Circumstance (or while a Potential Change in Control exists), the Committee shall no longer be entitled to direct the Trustee with respect to the investment of the trust fund, unless the Written Consent of Participants is obtained for the Committee to continue to have this right pursuant to 2.02-2. If such Written Consent of Participants is not obtained, the trust fund shall be invested by the Trustee pursuant to 2.02-3 or by an Investment Manager pursuant to 2.02-4.

The Trustee may not invest in securities (including stock or rights to acquire stock) or obligations issued by the Company or its affiliates or in other real or personal property of the Company or its affiliates, other than a de minimis amount held by a mutual fund. No rights associated with assets of the Trust shall be exercisable by or rest with Participants.

The Committee may not direct the Trustee to make any investments, and the Company may not make any contributions to the trust fund, which are not permissible investments under 2.02-2 and 2.02-3.

2.02-3 After a Special Circumstance (or while a Potential Change in Control exists), the Trustee shall invest and reinvest the assets of the trust fund as the Trustee, in its sole discretion, may deem appropriate, in accordance with applicable law, except as provided in 2.02-2 or 2.02-4.

Permissible investments shall be limited to the following:

(a) Insurance or annuity contracts, including variable insurance or annuity contracts;

(b) Preferred or common stocks, bonds, notes, debentures, commercial paper, certificates of deposit, money market funds, obligations of governmental bodies, or other securities;

(c) Interest-bearing savings or deposit accounts with any federally-insured bank or savings and loan association (including the Trustee or an affiliate of the Trustee);

(d) Shares or certificates of participation issued by investment companies, investment trusts, mutual funds, or common or pooled investment funds (including any common or pooled investment fund now or hereafter maintained by the Trustee or an affiliate of the Trustee); or

(e) Real property, mortgage-backed securities, mortgages, deeds of trust, or notes secured by mortgages or deeds of trust.

Investments in securities, obligations or real or personal property of the Company or its affiliates shall be subject to the limitations under 2.02-2.

2.02-4 Prior to a Special Circumstance (unless a Potential Change in Control exists), the Company may appoint one (1) or more investment managers ("Investment Manager") subject to the following provisions:

(a) The Company may appoint one (1) or more Investment Managers to manage (including the power to acquire and dispose of) a specified portion of the assets of the Trust (hereinafter referred to as that Investment Manager's "Segregated Fund"). Any Investment Manager so appointed must be either (A) an investment adviser registered as such under the Investment Advisers Act of 1940, (B) a bank, as defined in that Act, or (C) an insurance company qualified to perform services in the management, acquisition or disposition of the assets of trusts under the laws of more than one (1) state; and any Investment Manager so appointed must acknowledge in writing to the Company and to the Trustee that it is a fiduciary with respect to the Plans. The Trustee, until notified in writing to the contrary, shall be fully protected in relying upon any written notice of the appointment of an Investment Manager furnished to it by the Company. In the event of any vacancy in the office of Investment Manager, the Trustee shall be deemed to be the Investment Manager of that Investment Manager's Segregated Fund until an Investment Manager thereof shall have been duly appointed; and in such event, until an Investment Manager shall have been so appointed and qualified, references herein to the Trustee's acting in respect of that Segregated Fund pursuant to direction from the Investment Manager shall be deemed to authorize the Trustee to act in its own discretion in managing and controlling the assets of that Segregated Fund, and subparagraphs (b) and (c) below shall have no effect with respect thereto and shall be disregarded.

(b) Each Investment Manager appointed pursuant to subparagraph (a) above shall have exclusive authority and discretion to manage and control the assets of its Segregated Fund and may invest and reinvest the assets of the Segregated Fund in any investments in which the Trustee is authorized to invest under 2.02-3, subject to the terms and limitations of any written instruments pertaining to its appointment as Investment Manager. Copies of any such written instruments shall be furnished to the Trustee. In addition, each Investment Manager from time to time and at any time may direct the Trustee to invest and reinvest otherwise uninvested cash held in its Segregated Fund temporarily in bonds, notes or other evidences of indebtedness issued or fully guaranteed by the United States of America or any agency or instrumentality thereof, or in other obligations of a short-term nature, including prime commercial obligations or part interests therein.

(c) Unless the Trustee knowingly participates in, or knowingly undertakes to conceal, an act or omission of an Investment Manager, knowing such act or omission to be a breach of the fiduciary responsibility of the Investment Manager with respect to the Plans, the Trustee shall not be liable for any act or omission of any Investment Manager and shall not be under any obligation to invest or otherwise manage the assets of the Plans that are subject to the management of any Investment Manager. Without limiting the generality of the foregoing, the Trustee shall not be liable by reason of its taking or refraining from taking at the direction, or in the absence of a direction, of an Investment Manager any action in respect of that Investment Manager's Segregated Fund. The Trustee shall be under no duty to question or to make inquiries as to any direction or order or failure to give direction or order by any Investment Manager; and the Trustee shall be under no duty to make any review of investments acquired for the Trust at the direction or order of any Investment Manager and shall be under no duty at any time to make any recommendation with respect to disposing of or continuing to retain any such investment.

(d) After occurrence of a Special Circumstance (or while a Potential Change in Control exists), the appointment or retention of any Investment Manager shall be at the sole discretion of the Trustee.

2.02-5 The values of all assets in the trust fund shall be reasonably determined by the Trustee and may be based on the determination of qualified independent parties or Experts (as described in 2.06-2). At any time before or after a Special Circumstance, the Trustee shall have the right to secure confirmation of value by a qualified independent party or Expert for all property of the trust fund, as well as any property to be substituted for other property of the trust fund pursuant to 2.05. Before a Special Circumstance (unless a Potential Change in Control exists), the Company may designate one (1) or more independent parties, who are acceptable to the Trustee, to determine the fair market value of any notes, securities, real property or other assets.

Any insurance or annuity contracts held in the trust fund shall be valued at their cash surrender value, except for purposes of substituting other property for such Contracts pursuant to 2.05-2. All securities shall be valued net of estimated costs to sell, or register for sale, such securities. All real property shall be valued net of estimated costs to sell such real property. All other assets of the trust fund shall be valued at their fair market value.

The Company shall pay all costs incurred in valuing the assets of the trust fund, including any assets to be substituted for other assets of the trust fund pursuant to 2.05. If not so paid, these costs shall be paid from the trust fund. The Company shall fully reimburse the trust fund within thirty (30) days after receipt of a trust statement from the Trustee indicating such costs paid out of the trust fund.

2.02-6 In order to permit the Committee or an Investment Manager, as the case may be, to make timely and informed decisions regarding the management of those assets of the Trust subject to its respective control, the Trustee shall forward to the Committee or Investment Manager, as the case may be, for appropriate action any and all proxies, proxy statements, notices, requests or other communications received by the Trustee (or its nominee) as the record owner of such assets.

2.03 Subtrusts

2.03-1 The Company shall direct the Trustee to establish (i) a separate subtrust ("Subtrust") for each Plan to which the Trustee shall credit contributions it receives which are earmarked for that Plan and Subtrust and (ii) a separate Subtrust to which the Trustee shall credit contributions it receives which are earmarked to the special reserve for payment of future fees and expenses of the Trustee and future Trust fees and expenses for legal and administrative proceedings. Each Subtrust shall reflect an undivided interest in assets of the trust fund and shall not require any segregation of particular assets. When Subtrusts are established, all contributions shall be designated by the Company for a particular Subtrust. However, any contribution received by the Trustee which is not designated by the Company for a particular Subtrust before a Special Circumstance shall be allocated among the Subtrusts as the Trustee may determine in its sole discretion.

The Committee may direct the Trustee, or the Trustee may determine on its own initiative after a Special Circumstance, to maintain a separate sub-account within each Subtrust for a Plan for each Participant who is covered by the Subtrust. Each sub-account in a Subtrust shall reflect an individual interest in assets of the Subtrust and, as much as possible, shall operate in the same manner as if it were a separate Subtrust.

2.03-2 The Trustee shall allocate investment earnings and losses and expenses of the trust fund as of a valuation date among the Subtrusts in proportion to their balances. Payments to creditors during Insolvency Administration under 5.02 shall be charged against the Subtrusts in proportion to their balances, except that payment of Plan benefits to a Participant as a general creditor shall be charged against the Subtrust for that Plan.

2.03-3 Assets allocated to a Subtrust for one (1) Plan may not be utilized to provide benefits under any other Plans until all benefits under such Plan have been paid in full, except that Excess Assets of a Subtrust may be transferred to other Subtrusts pursuant to 2.04-5.

2.04 Recapture of Excess Assets

2.04-1 In the event the Trust shall hold Excess Assets, the Committee, at its option, may direct the Trustee to return part or all of such Excess Assets to the Company.

2.04-2 "Excess Assets" are assets of the Trust exceeding one hundred twenty-five percent (125%) of the amounts described in 2.01-3.

2.04-3 The calculation required by 2.04-2 shall be based on the terms of the Plans and the actuarial assumptions and methodology set forth in Appendix A. Before a Special Circumstance (unless a Potential Change in Control exists), the calculation shall be made by the Company or a qualified actuary or consultant selected by the Committee. After a Special Circumstance (or while a Potential Change in Control exists), the calculation shall be made by a qualified actuary or consultant selected by the Trustee, provided the Committee may select a qualified actuary or consultant with the Written Consent of Participants.

2.04-4 Excess Assets shall be returned to the Company in the following order of priority, unless the Trustee determines otherwise to protect the Participants:

(a) Cash and cash equivalents;

(b) All taxable investments of the Trust (other than cash and cash equivalents and Contracts with Insurers), in such order as the Committee may request;

(c) All nontaxable investments of the Trust (other than cash and cash equivalents and Contracts with Insurers), in such order as the Committee may request; and

(d) Contracts with Insurers, proceeding in order of Contracts on insureds from the youngest to the oldest ages based on the insured's attained age on the date of return of Excess Assets.

Notwithstanding the foregoing, Excess Assets may be returned in any other order of priority directed by the Committee with the Written Consent of Participants.

2.04-5 If any Subtrust holds Excess Assets, the Committee may direct the Trustee to transfer such Excess Assets to other Subtrusts, either ratably in proportion to the unfunded liabilities to Participants for Plan benefits of all other Subtrusts or first to the other Subtrust(s) with the largest percentage of such unfunded liabilities. After a Special Circumstance the Trustee may also transfer Excess Assets of a Subtrust to other Subtrusts upon its own initiative in such amounts as it may determine in its sole discretion.

Excess Assets of a Subtrust for a Plan shall be determined in the same manner as Excess Assets of the Trust are determined pursuant to 2.04-2 and 2.04-3. In making this determination each Subtrust for a Plan shall bear its allocable share of the amounts described in subparagraphs (a) and (b) of 2.01-3 which relate to that Plan. The Trustee, in its sole discretion, shall determine whether there are Excess Assets in the separate Subtrust which constitutes the reserve for payment of future fees and expenses of the Trustee and future Trust fees and expenses for legal and administrative proceedings. Excess Assets for this Subtrust shall be any amounts which the Trustee reasonably determines will not be needed in the future for payment of such fees and expenses; provided, however, that no such determination shall deprive the Trustee from having the right to receive from the Company funds sufficient to satisfy any such fees and expenses.

2.05 Substitution of Other Property

2.05-1 The Company shall have the power to reacquire part or all of the assets or collateral held in the trust fund at any time, by simultaneously substituting for it other readily marketable property of equivalent value, net of any estimated costs of disposition; provided that, if the Trust holds Excess Assets, the property which is substituted shall not be required to be of equivalent value, but only of sufficient value so that the Trust will retain Excess Assets of not less than one thousand dollars ($1,000) after such substitution. The property which is substituted must be among the types of investments authorized under 2.02 and may not be less liquid or marketable or less well secured than the property for which it is substituted, as determined by the Trustee. Such power is exercisable by the Company in a nonfiduciary capacity and may be exercised without the approval or consent of Participants or any other person, subject to the limitations under 2.05.

2.05-2 Except for insurance contracts, the value of any assets reacquired under 2.05-1 shall be determined as provided in 2.02-5. The value of any insurance contract reacquired under 2.05-1 shall be the present value of future projected cash flow or benefits payable under the Contract, but not less than the cash surrender value. The projection shall include death benefits based on reasonable mortality assumptions, including known facts specifically relating to the health of the insured and the terms of the Contract to be reacquired. Values shall be reasonably determined by the Trustee and may be based on the determination of qualified independent parties and Experts, as described in 2.02-5 and 2.06-2. The Trustee shall have the right, but shall be under no duty or obligation, to secure confirmation of value by a qualified independent party or Expert for all property to be substituted for other property.

2.05-3 The Company shall pay all costs incurred in valuing the assets of the trust fund, including any assets to be substituted for other assets of the trust fund pursuant to 2.05. If not so paid, these costs shall be paid from the trust fund. The Company shall reimburse the trust fund within thirty (30) days after receipt of a bill from the Trustee for any such costs paid out of the trust fund.

2.06 Administrative Powers of Trustee

2.06-1 Subject in all respects to direction by the Committee or Investment Manager, as applicable, and to the applicable provisions of this Trust Agreement, including limitations on investment of the trust fund, the Trustee shall have the rights, powers and privileges of an absolute owner when dealing with property of the Trust, including (without limiting the generality of the foregoing) the powers listed below:

(a) To sell, convey, transfer, exchange, convert, partition, lease, and otherwise dispose of any of the assets of the Trust at any time held by the Trustee under this Trust Agreement and generally to make, execute, acknowledge and deliver any and all assignments and other instruments whenever such actions may be required to perform its obligation hereunder;

(b) To exercise any option, conversion privilege, subscription right, or other privilege given the Trustee as the owner of any security held in the Trust; to vote any corporate stock either in person or by proxy, with or without power of substitution; to consent to or oppose any reorganization, consolidation, merger, readjustment of financial structure, sale, lease or other disposition of the assets of any corporation or other organization, the securities of which may be an asset of the Trust; and to take any action in connection therewith and receive and retain any securities resulting therefrom;

(c) To deposit any security with any voting trust or protective or reorganization committee (and to delegate to such committee such power and authority with respect thereto as the Trustee may deem proper), or with depositories designated thereby, and to agree to pay out of the Trust such portion of the expenses and compensation of such voting trust or committee as the Trustee, in its discretion, shall deem appropriate;

(d) To cause any property of the Trust to be issued, held or registered in the name of the Trustee as trustee, or in the name of one (1) or more of its nominees, or one (1) or more nominees of any system for the central handling of securities, or in such form that title will pass by delivery, provided that the records of the Trustee shall in all events indicate the true ownership of such property, or to deposit any securities held in the Trust with a securities depository;

(e) To renew or extend the time of payment of any obligation due or to become due;

(f) To commence or defend lawsuits or legal or administrative proceedings; to compromise, arbitrate or settle claims, debts or damages in favor of or against the Trust; to deliver or accept, in either total or partial satisfaction of any indebtedness or other obligation, any property; to continue to hold for such period of time as the Trustee may deem appropriate any property so received; and to pay all costs and reasonable attorneys' fees in connection therewith out of the assets of the Trust; provided, however, that the Trustee shall be obligated to take any such action only to the extent the assets of the Trust are sufficient to fund such action;

(g) To foreclose any obligation by judicial proceeding or otherwise;

(h) Subject to 2.02, to borrow money from any person in such amounts, upon such terms and for such purposes as the Trustee may be directed by the Committee prior to a Special Circumstance (provided no Potential Change in Control exists) or as the Trustee, in its discretion, may deem appropriate; and in connection therewith, to execute promissory notes, mortgages or other obligations and to pledge or mortgage any trust assets as security; and to lend money on a secured or unsecured basis to any person other than a party in interest;

(i) To manage any real property in the Trust in the same manner as if the Trustee were the absolute owner thereof, including the power to lease the same for such term or terms within or beyond the existence of the Trust and upon such conditions as the Trustee may be directed by the Committee or may deem proper; and to grant options to purchase or acquire options to purchase any real property;

(j) To appoint one (1) or more persons or entities as custodian or ancillary trustee or sub-trustee for the purpose of investing in and holding title to real or personal property or any interest therein located outside the State of North Carolina; provided that any such custodian, ancillary trustee or sub-trustee shall act with such power, authority, discretion, duties, and functions of the Trustee as shall be specified in the instrument establishing such custodianship, ancillary trust or sub-trust, including (without limitation) the power to receive, hold and manage property, real or personal, or undivided interests therein; and the Trustee may pay the reasonable expenses and compensation of such custodians, ancillary trustees or sub-trustees out of the Trust;

(k) To hold such part of the assets of the Trust uninvested for such limited periods of time as may be necessary for purposes of orderly trust administration or pending required directions, or to create reserves for the payment of expenses or for distributions pursuant to the Plans without liability for payment of interest;

(l) To determine how all receipts and disbursements shall be credited, charged or apportioned as between income and principal, and the decision of the Trustee shall be final and not subject to question by any Participant or beneficiary of the Trust;

(m) To pay the expenses and taxes of the Trust out of the assets held hereunder, including, without limitation, reasonable expenses and compensation for its services as Trustee;

(n) To deposit any securities with stock clearing corporations or similar organizations, whether located within the State of North Carolina or in another state of the United States of America or elsewhere;

(o) To lend securities of the Trust and to invest and reinvest any cash collateral deposited as security for the securities so loaned; provided that any such loan of securities shall be made pursuant to a written agreement between the Company and the Trustee, which agreement shall set forth the terms and conditions of the Trustee's appointment as securities lending agent;

(p) To employ suitable agents, consultants, custodians, and legal counsel, and, as part of its reasonable expenses under this Trust Agreement, to pay their reasonable expenses and compensation;

(q) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers granted herein;

(r) To foreclose on any notes from the Company or its affiliates (and dispose of any collateral securing such notes, subject to the terms of any pledge agreement) upon any Default (as defined in 1.04-6), after sixty (60) days written notice to the Company to permit the Company to cure any Default; and

(s) Generally to do all acts, whether or not expressly authorized, which the Trustee may deem necessary or desirable for the orderly administration or protection of the trust fund.

Notwithstanding any powers granted to the Trustee pursuant to this Trust Agreement or applicable law, the Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of Section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

2.06-2 The Trustee may engage one (1) or more qualified independent attorneys, accountants, actuaries, appraisers, arbitrators, consultants or other experts (an "Expert") for any purpose, including the determination of Excess Assets pursuant to 2.04 or disputed claims pursuant to 3.03. For purposes of valuing any insurance contract, the issuer of any such Contract shall be deemed to be an Expert. The determination of an Expert shall be final and binding on the Company, the Trustee, and all of the Participants unless, within sixty (60) days after receiving a determination deemed by any Participant to be adverse, any Participant disputes the determination using the procedure for disputed claims pursuant to 3.03. The Trustee shall have no duty to oversee, independently evaluate or otherwise question the determination of the Expert and shall be fully protected in relying upon, and acting in accordance with, any advice or determination of any such Expert. The Trustee shall be authorized to pay the fees and expenses of any Expert out of the assets of the trust fund.

2.06-3 The Company shall from time to time pay taxes (references in this Trust Agreement to the payment of taxes shall include interest and applicable penalties) of any and all kinds whatsoever which at any time are lawfully levied or assessed upon or become payable in respect of the trust fund, the income or any property forming a part thereof, or any security transaction pertaining thereto. To the extent that any taxes levied or assessed upon the trust fund are not paid by the Company or contested by the Company pursuant to the last sentence of this paragraph, the Trustee shall pay such taxes out of the trust fund, and the Company shall deposit into the trust fund an amount equal to the amount paid from the trust fund to satisfy such tax liability, upon notice by the Trustee that any such amount has been paid by the Trustee, to the extent such amount is necessary to keep the Trust funded under 2.01-3. If requested by the Company, the Trustee may, at the Company's expense, contest the validity of such taxes in any manner deemed appropriate by the Company or its counsel, but only if it has received an indemnity bond or other security satisfactory to it to pay any expenses or any liability it may incur in connection with such contest. Alternatively, the Company may itself contest the validity of any such taxes, but any such contest shall not affect the Company's obligation to reimburse the trust fund for taxes paid from the trust fund.

2.06-4 Notwithstanding any provisions in the Plans or this Trust Agreement to the contrary, the Company and Trustee may withhold any benefits payable to a beneficiary as a result of the death of the Participant or any other beneficiary until such time as (a) the Company is able to determine whether a generation-skipping transfer tax, as defined in Chapter 13 of the Code, or any substitute provision therefor, is or may become payable by the Company or Trustee as a result of benefit payments to the beneficiary; and (b) the Company has determined the amount of generation-skipping transfer tax that is or may become due, including interest thereon. If any such tax is or may become payable, the Company shall reduce the benefits otherwise payable hereunder to such beneficiary by such amounts as the Company feels are reasonably necessary to pay any generation-skipping transfer tax and interest thereon which is or may become due.

Any excess amounts so withheld from a beneficiary, which are not used to pay generation-skipping transfer tax and interest thereon, shall be payable to the beneficiary as soon as there is a final determination of the applicable generation-skipping transfer tax and interest thereon. Whenever any amounts which were withheld are paid to any beneficiary, interest shall be payable by the Company or Trustee to such beneficiary for the period of time between the date when such amounts would otherwise have been paid to the beneficiary and the date when such amounts are actually paid to the beneficiary after the aforementioned generation-skipping transfer tax determinations are made and the amount of benefits payable to the beneficiary is finally determined. Interest shall be payable at the same rate as provided under 5.03-2.

ARTICLE III--ADMINISTRATION

3.01 Committee; Company Representatives

3.01-1 The Committee is the plan administrator for the Plans and has general responsibility to interpret the Plans and determine the rights of Participants and beneficiaries.

3.01-2 The Trustee shall be given the names and specimen signatures of the members of the Committee and any other Company representatives authorized to take action in regard to the administration of the Plans and this Trust. The Trustee shall accept and rely upon the names and signatures until notified of any change. Instructions to the Trustee shall be signed for the Committee by its Chair or such other person as the Committee may designate and for the Company by any officer or such other representative as the Company may designate.

3.02 Payment of Benefits

3.02-1 Benefit payments shall be made directly by the Company or by the Trustee pursuant to the Payment Schedule. If such payments are not made by the Company when due, the Participant or beneficiaries shall give written notice of the amount of such non-payment to the Trustee. The Trustee shall forward such notice to the Company and may pay such benefits to the Participant or beneficiaries on behalf of the Company thirty (30) days after such notice had been forwarded to the Company, unless the Company notifies the Trustee in writing in a timely manner that such payment already has been made. Benefit payments from the Trust or a Subtrust shall be made in full until the assets of the Trust or Subtrust are exhausted. Payments due on the date the Trust or Subtrust is exhausted shall be covered pro rata. The Company's obligation shall not be limited to the trust fund, and a Participant or beneficiary shall have a claim against the Company for any payment not made by the Trustee.

The Trustee shall bear no liability if the assets of the Trust or any Subtrust are insufficient to satisfy any liability of the Plan or Trust, and no Participant or beneficiary or the Company shall have a claim against the Trustee with respect to such insufficiency.

3.02-2 A Participant's entitlement to benefits under the Plans shall initially be determined by the Committee or consultant designated by the Committee. Any benefit enhancement or right with respect to the Plans which is provided under employment or severance agreements of Participants shall be taken into account in making the foregoing determination. Any claim for such benefits shall be considered and reviewed under the claims procedures established for the Plans.

3.02-3 The Trustee shall make payments in accordance with written directions from the Committee or consultant designated by the Committee, except as provided in 3.03. The Trustee may request such directions from the Committee or consultant designated by the Committee. If the Committee or consultant designated by the Committee fails to furnish written directions to the Trustee, within thirty (30) days after receiving a written request for directions from the Trustee, the Trustee may make payments in accordance with the Plan or the most recent Payment Schedule furnished to it by the Company.

The Trustee shall not be liable for payment of any tax assessed under any existing or future law against the assets of the trust fund. With respect to any benefit payment which is subject to federal, state or local income tax withholding, as directed in writing by the Company, the Trustee shall distribute assets of the trust fund to the Company for its submission to the applicable taxing authority or may pay amounts so withheld to taxing authorities on the Company's behalf, as the Trustee may determine in its discretion. With respect to any federal, state or local income tax on the earnings on the assets of the trust fund, such tax shall be paid by the Company.

3.02-4 The Trustee shall use the assets of the Trust or any Subtrust to make benefit payments or other payments in the following order of priority, unless the Trustee determines otherwise to protect the Participants:

(a) Cash contributions from the Company which are specifically designated to enable the Trustee to make such benefit payments or other payments when due;

(b) Cash and cash equivalents of the Trust or Subtrust;

(c) All taxable investments of the Trust or Subtrust (other than cash and cash equivalents and Contracts with Insurers), in such order as the Trustee may determine;

(d) All nontaxable investments of the Trust or Subtrust (other than cash and cash equivalents and Contracts with Insurers), in such order as the Trustee may determine; and

(e) Contracts with Insurers held in the Trust or Subtrust, in such order and manner (for example, making tax-free withdrawals prior to any taxable withdrawals from Contracts) as the Trustee may determine. Unless the Trustee determines otherwise to protect the Participants, the Trustee shall make tax-free withdrawals prior to any taxable withdrawals from Contracts; shall make withdrawals from Contracts to the premium vanish point before surrendering any Contracts; and shall surrender Contracts, only if necessary, proceeding in order of Contracts on insureds from the youngest to the oldest ages based on the insured's age on the date of surrender of the Contract.

Notwithstanding the foregoing, the Trustee may use the assets of the Trust or any Subtrust in any other order of priority directed by the Committee with the Written Consent of Participants affected thereby.

3.03 Disputed Claims

3.03-1 A Participant covered by this Trust whose claim has been denied in whole or in part by the Committee, or who has received no response to the claim within sixty (60) days after submission to the Committee, may submit the claim to the Trustee. The Trustee shall give written notice of the claim to the Committee. If the Trustee receives no written response from the Committee within thirty (30) days after the date the Committee is given written notice of the claim, the Trustee shall pay the Participant the amount claimed. If a written response is received within such thirty (30) days, the Trustee shall designate an Expert to consider the claim pursuant to 2.06-2. If the merits of the claim depend on compensation, service or other data in the possession of the Company and it is not provided, the Expert may rely upon information provided by the Participant. Any benefit enhancement or right with respect to the Plans which is provided under employment or severance agreements of Participants shall be taken into account in making the foregoing determination.

3.03-2 The Trustee shall give written notice to the Participant and the Committee of the Expert's decision on the claim. If the decision is to grant the claim, the Trustee shall make payment to the Participant.

Either the Participant or the Company may challenge the Expert's decision by filing suit in a court of competent jurisdiction. If no such suit is filed within sixty (60) days after delivery of written notice of the Expert's decision, the decision shall become final and binding on all parties.

3.03-3 If the Committee opposes a claim presented under 3.03-1 and the Trustee ultimately pays the claim from trust assets, the Trustee shall reimburse the Participant's expenses in pursuing the claim, including attorneys fees, from the assets of the Trust. The Company shall reimburse the trust fund within thirty (30) days after receipt of a bill from the Trustee for any such Participant's expenses which are reimbursed by the Trustee.

3.04 Records

3.04-1 The Trustee shall keep complete records on the trust fund open to inspection by the Company, Committee and Participants at all reasonable times. In addition to accountings required below, the Trustee shall furnish to the Company, Committee and Participants any information reasonably requested about the trust fund.

3.05 Accountings

3.05-1 The Trustee shall furnish the Company with a complete statement of accounts annually within sixty (60) days after the end of the trust year showing assets and liabilities and income and expense for the year of the Trust and each Subtrust. The Trustee shall also furnish the Company with accounting statements at such other times as the Company may reasonably request. The form and content of the statement of accounts shall be sufficient for the Company to include in computing its taxable income and credits the income, deductions and credits against tax that are attributable to the trust fund.

3.05-2 The Company may object to an accounting within one hundred twenty (120) days after it is furnished and require that it be settled by audit by a qualified, independent certified public accountant selected by mutual agreement of the Company and the Trustee. Either the Company or the Trustee may require that the account be settled by a court of competent jurisdiction, in lieu of or in conjunction with the audit. All expenses of any audit or court proceedings, including reasonable attorneys' fees, shall be allowed as administrative expenses of the Trust.

3.05-3 If the Company does not object to an accounting within the time provided, the account shall be settled for the period covered by it.

3.05-4 When an account is settled, it shall be final and binding on all parties, including all Participants and persons claiming through them.

3.06 Expenses and Fees

3.06-1 The Trustee shall be reimbursed for all reasonable expenses and shall be paid a reasonable fee fixed by agreement with the Company from time to time. No increase in the fee shall be effective before thirty (30) days after the Trustee gives written notice to the Company of the increase. The Trustee shall notify the Company periodically of expenses and fees.

3.06-2 Trustee and other administrative and valuation fees and expenses shall be paid from the trust fund, unless otherwise paid by the Company. The Company shall reimburse the trust fund within thirty (30) days after receipt of a bill from the Trustee for any fees and expenses paid out of the trust fund.

ARTICLE IV--LIABILITY

4.01 Indemnity

4.01-1 Subject to such limitations as may be imposed by applicable law, the Company shall indemnify and hold harmless the Trustee from any claim, loss, liability or expense, including reasonable attorneys' fees, which the Trustee may incur or pay out by reason of any alleged or actual act or failure to act on the part of any person authorized to act with respect to the Plans or the Trust created hereunder, including without limitation any claim, loss, liability or expense, including reasonable attorneys' fees, arising from any action or inaction in administration of this Trust based on direction or information provided to the Trustee from either the Company, Committee, any Investment Manager, any Expert, or any other person authorized to act hereunder, absent willful misconduct, gross negligence or bad faith on the part of the Trustee. If the Trustee's actions or inactions are determined to be a result of willful misconduct, gross negligence or bad faith, the Trustee shall indemnify and hold harmless the Company from any claim, loss, liability or expense, including reasonable attorneys' fees, which the Company may incur or pay out by reason of any alleged or actual act or failure to act on the part of the Trustee. All indemnities provided herein shall survive termination of this Agreement.

4.02 Bonding

4.02-1 The Trustee need not give any bond or other security for performance of its duties under this Trust.

ARTICLE V--INSOLVENCY

5.01 Trustee Responsibility Regarding Payments When Company Is Insolvent

5.01-1 The Trustee shall cease payment of benefits to Participants and their beneficiaries if the Company is Insolvent. The Company shall be considered "Insolvent" for purposes of this Trust

Agreement if (i) the Company is unable to pay its debts as they become due or (ii) the Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

5.01-2 At all times during the continuance of this Trust, the principal and income of the Trust shall be subject to claims of general creditors of the Company under federal and state law as set forth below.

(a) The Board of Directors and the Chief Executive Officer of the Company shall have the duty to inform the Trustee in writing of the Company's Insolvency. If a person claiming to be a creditor of the Company alleges in writing to the Trustee that the Company has become Insolvent, the Trustee shall determine whether the Company is Insolvent and, pending such determination, the Trustee shall discontinue payment of benefits to Participants or their beneficiaries.

(b) Unless the Trustee has actual knowledge of the Company's Insolvency, or has received notice from the Company or a person claiming to be a creditor alleging that the Company is Insolvent, the Trustee shall have no duty to inquire whether the Company is Insolvent. The Trustee may in all events rely on such evidence concerning the Company's solvency as may be furnished to the Trustee and that provides the Trustee with a reasonable basis for making a determination concerning the Company's solvency.

(c) If at any time the Trustee has determined that the Company is Insolvent, the Trustee shall discontinue payments to Participants or their beneficiaries and shall hold the assets of the Trust for the benefit of the Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Participants or their beneficiaries to pursue their rights as general creditors of the Company with respect to benefits due under the Plans or otherwise.

(d) The Trustee shall resume the payment of benefits to Participants or their beneficiaries in accordance with Article III of this Trust Agreement only after the Trustee has determined that the Company is not Insolvent (or is no longer Insolvent).

(e) The expenses of any determination of Insolvency or solvency shall be allowed as administrative expenses of the Trust.

5.01-3 Provided that there are sufficient assets, if the Trustee discontinues the payment of benefits from the Trust pursuant to 5.01-2 hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Participants or their beneficiaries under the terms of the Plans for the period of such discontinuance, less the aggregate amount of any payments made to Participants or their beneficiaries by the Company in lieu of the payments provided for hereunder during any such period of discontinuance.

5.02 Insolvency Administration

5.02-1 While the Company is Insolvent, the Trustee shall hold the trust fund for the benefit of the creditors of the Company and make payments only in accordance with 5.01 and 5.02-2. The Participants and beneficiaries shall have no greater rights than general creditors of the Company. The Trustee shall continue the investment of the trust fund in accordance with 2.02.

5.02-2 The Trustee shall make payments out of the trust fund in one (1) or more of the following ways:

(a) To creditors in accordance with instructions from a court, or a person appointed by a court, having jurisdiction over the Company's condition of Insolvency;

(b) To Participants and beneficiaries in accordance with such instructions; or

(c) In payment of its own fees or expenses.

5.02-3 The Trustee shall have a priority claim against the trust fund with respect to its own fees and expenses.

5.03 Termination of Insolvency Administration

5.03-1 Insolvency Administration shall terminate when the Trustee determines that the Company:

(a) Is not Insolvent, in response to a notice or allegation of insolvency under 5.01;

(b) Has ceased to be Insolvent; or

(c) Has been determined by a court of competent jurisdiction not to be Insolvent or to have ceased to be Insolvent.

5.03-2 Upon termination of Insolvency Administration under 5.03-1, the trust fund shall continue to be held for the benefit of the Participants and beneficiaries under the Plans. Benefit payments due during the period of Insolvency Administration shall be made as soon as practicable, together with interest from the due dates, as directed by the Committee, based upon the following rates:

(a) For deferred compensation or other defined contribution plans, the rate credited on the Participant's account under the Plan or, if greater, the rate provided under subparagraph (b) below.

(b) For supplemental retirement or other defined benefit plans, a rate equal to the average PBGC rate applicable to immediate annuities during the period while benefit payments were suspended.

5.04 Creditors' Claims During Solvency

5.04-1 During periods of solvency, the Trustee shall hold the trust fund exclusively to pay Plan benefits and fees and expenses of the Trust until all Plan benefits have been paid. Creditors of the Company shall not be paid during solvency from the trust fund, which may not be seized by or subjected to the claims of such creditors in any way.

5.04-2 A period of solvency is any period when the Company is not Insolvent.

ARTICLE VI--SUCCESSOR TRUSTEES

6.01 Resignation and Removal

6.01-1 The Trustee may resign at any time by written notice to the Company, which shall be effective in sixty (60) days unless the Company and the Trustee agree otherwise.

6.01-2 The Trustee may be removed by the Company on sixty (60) days' written notice or shorter notice accepted by the Trustee, provided that after a Special Circumstance (or while a Potential Change in Control exists), the Trustee may be removed only with the Written Consent of Participants.

6.01-3 When resignation or removal is effective, the Trustee shall begin transfer of assets to the successor Trustee as soon as practicable.

6.02 Appointment of Successor

6.02-1 The Company may appoint any national or state bank or trust company that is unrelated to the Company as a successor to replace the Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, which shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instruments necessary or reasonably requested by the Company or the successor Trustee to evidence the transfer. After a Special Circumstance (or while a Potential Change in Control exists), a successor Trustee may be appointed by the Company only with the Written Consent of Participants.

6.02-2 The successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Article II. The successor Trustee shall not be responsible for, and the Company shall indemnify and hold harmless the successor Trustee from any claim or liability because of, any action or inaction of any prior Trustee or any other past event, any existing condition or any existing assets.

6.03 Accountings; Continuity

6.03-1 A Trustee who resigns or is removed shall submit a final accounting to the Company as soon as practicable. The accounting shall be received and settled as provided in 3.05 for regular accountings.

6.03-2 No resignation or removal of the Trustee or change in identity of the Trustee for any reason shall cause a termination of the Plans or this Trust.

ARTICLE VII--GENERAL PROVISIONS

7.01 Interests Not Assignable

7.01-1 The interest of a Participant in the Trust may not be assigned, pledged or otherwise encumbered, seized by legal process, transferred or subjected to the claims of the Participant's creditors in any way.

In particular, no amount payable to or in respect of any Participant shall be subject in any manner to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge or encumbrance of any kind, and any attempt to do so will be void. The Trust corpus or income shall in no manner be liable for or subject to the debts or liabilities of Participants or their beneficiaries. No Participant or beneficiary (or any party related to either of the foregoing) may have any interest in the Trust's assets either as an owner, a nominee, or otherwise. It is the intention that establishment of this Trust will not cause the Plans to be funded for federal income tax purposes or for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended, and the assets of this Trust shall be subject to the claims of general creditors of the Company when the Company is or becomes Insolvent.

7.01-2 The Company may not create a security interest in the trust fund in favor of any of its creditors. The Trustee shall not make payments from the trust fund of any amounts to creditors of the Company other than Participants, except as provided in 5.01 and 5.02.

7.01-3 The Participants shall have no interest in the assets of the trust fund beyond the right to receive payment of Plan benefits and reimbursement of expenses from such assets, subject to the limitations during Insolvency referred to in 5.01 and 5.02. During Insolvency Administration the Participants' rights to Trust assets shall not be superior to those of any other general creditors of the Company.

7.02 Amendment

7.02-1 The Company and the Trustee may amend this Trust Agreement at any time by a written instrument executed by both parties, except that no amendment shall (i) conflict with the terms of the Plans, (ii) make this Trust revocable after occurrence of a Special Circumstance, or while a Potential Change in Control exists, or (iii) have retroactive effect so as to deprive any Participant or beneficiary of any benefit which has previously been paid to such Participant or beneficiary from Trust assets. Except as provided below, any amendment after a Special Circumstance (or while a Potential Change in Control exists) may be made only with the Written Consent of Participants. Notwithstanding the foregoing, any amendment may be made by written agreement of the Company and the Trustee without the Written Consent of Participants if such amendment will not have a material adverse effect on the rights of any Participant hereunder or is necessary to comply with any laws, regulations or other legal requirements.

7.03 Applicable Law

7.03-1 This Trust shall be governed, construed and administered according to the laws of Hawaii, except as preempted by ERISA.

7.04 Agreement Binding on All Parties

7.04-1 This Trust Agreement shall be binding upon the heirs, personal representatives, successors and assigns of any and all present and future parties.

7.05 Notices and Directions

7.05-1 Any certificates, notices, orders, requests, instructions, directions or objections of the Company, Committee or an Investment Manager pursuant to this Trust Agreement shall be satisfactorily evidenced to the Trustee by a written statement (provided, however, that the Trustee may, in its sole discretion, accept oral notices, orders, requests, instructions, directions and objections subject to confirmation in writing). The Trustee may act upon any certificate, notice, order, request, instruction, direction or objection purporting to have been signed on behalf of the Company, Committee or an Investment Manager which the Trustee believes to be genuine and to have been executed by the Company, Committee or an Investment Manager, or by any person whose authority to act for the Company, Committee or an Investment Manager has been certified to the Trustee by the Company, Committee or an Investment Manager, as the case may be, and shall be fully protected for acting in accordance therewith or for failing to act in the absence thereof. Communications to the Trustee shall be sent to the Trustee's office as set forth below or to such other address as the Trustee shall specify in writing, and such communications to the Trustee shall be effective when received by the Trustee.

7.05-2 Any notice or direction under this Trust Agreement shall be in writing and shall be effective when actually received. Notices sent to a party shall be directed to the address stated below or to such other address as either party may specify by notice to the other party. Notices to the Committee shall be sent to the address of the Company. Notices to Participants who have submitted claims under 3.03 shall be mailed to the address shown in the claim submission. Until notice is given to the contrary, notices to the Company and the Trustee shall be addressed as follows:

Company:	BancWest Corporation 999 Bishop Street Honolulu, Hawaii 96813 Attention: Chief Financial Officer
Trustee:	Wachovia Bank, N.A. 301 N Main Street Winston-Salem, North Carolina 27150-3099 Attention: Executive Services

7.06 No Implied Duties

7.06-1 The duties of the Trustee shall be those stated in this Trust, and no other duties shall be implied.

7.07 Gender, Singular and Plural

7.07-1 All pronouns and any variations thereof shall be deemed to refer to the masculine or feminine, as the identity of the person or persons may require. As the context may require, the singular may be read as the plural and the plural as the singular.

7.08 Counterparts

7.08-1 This Trust Agreement may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall constitute one (1) and the same instrument, which may be sufficiently evidenced by any one (1) counterpart.

ARTICLE VIII--INSURER

8.01 Insurer Not a Party

8.01-1 Any Insurer shall not be deemed to be a party to this Trust Agreement, and its obligations shall be measured and determined solely by the terms of its Contracts and other agreements executed by it.

8.02 Authority of Trustee

8.02-1 Any Insurer shall accept the signature of the Trustee on any documents or papers executed in connection with any Contract. The signature of the Trustee shall be conclusive proof to the Insurer that the person on whose life an application is being made is eligible to have such Contract issued on his life and is eligible for a Contract of the type and amount requested.

8.03 Contract Ownership

8.03-1 Any Insurer shall deal with the Trustee as the sole and absolute owner of the Trust's interests in such Contracts and shall have no obligation to inquire whether any action or failure to act on the part of the Trustee is in accordance with or authorized by the terms of the Plans or this Trust Agreement.

8.04 Limitation of Liability

8.04-1 Any Insurer shall be fully discharged from any and all liability for any action taken or any amount paid in accordance with the direction of the Trustee and shall have no obligation to see to the proper application of the amounts so paid. Any Insurer shall have no liability for the operation of this Trust Agreement or the Plans, whether or not in accordance with their terms and provisions.

8.05 Change of Trustee

8.05-1 Any Insurer shall be fully discharged from any and all liability for dealing with a party or parties indicated on its records to be the Trustee until such time as it shall receive at its home office written notice from the Company of the appointment and qualification of a successor Trustee.

IN WITNESS WHEREOF, the Company and the Trustee have caused this Trust Agreement to be executed by their respective duly authorized officers on the dates set forth below.

BANCWEST CORPORATION

By: /s/ HOWARD H. KARR

Howard H. Karr
Executive Vice President and
Its: Chief Financial Officer

Executed: October 28, 1999

WACHOVIA BANK, N.A.

By: /s/ BEVERLY H. WOOD

Beverly H. Wood
Its: Senior Vice President

Executed: November 23, 1999

APPENDIX A

Assumptions and Methodology for

Calculations Required Under 2.01 and 2.04

1. The liability for benefits under each Plan will be calculated as of the applicable date under 2.01 or 2.04.

2. Calculations will be based upon the most valuable optional form of payment available to the Participant.

3. The liability for benefits under deferred compensation or other defined contribution Plans shall be equal to the deferral or other account balances (vested and unvested) of Participants as of the applicable date. Account balances of Participants under a Plan shall be calculated based on crediting the account with the highest amount of interest which may become payable on such account under the Plan.

4. The liability for benefits under supplemental retirement or other defined benefit Plans shall be equal to the present value of accrued benefits (vested and unvested) of Participants as of the relevant dates under 1 above, discounted in accordance with paragraph 8 below.

5. The liability for benefits under each Plan shall be calculated by assuming that each Participant is terminated at a time when he is entitled to receive any benefit enhancement provided by the Plan upon a change in control (as defined by that Plan). Any benefit enhancement or right with respect to a Plan which is provided under an employment or severance agreement of a Participant shall also be taken into account in calculating the liability for benefits for that Participant, insofar as it may increase the Participant's benefits under the Plan.

6. The liability for benefits under all Plans shall also include the present value (discounted to the applicable date in accordance with paragraph 8 below) of any survivor benefits which exceed the account balances or other accrued benefits of Participants and are not covered by death benefits payable under insurance contracts held in the Trust.

7. No mortality is assumed prior to the commencement of benefits, except for purposes of calculating any additional accrued liability under paragraph 6 above. Future mortality is assumed to occur in accordance with the 1983 Group Annuity Mortality Table after the commencement of benefits.

8. The present value of amounts under 2.01-3 shall be determined using a discount rate equal to the lesser of (i) the immediate annuity interest rate for termination of single-employer plans established by the Pension Benefit Guaranty Corporation (PBGC), or (ii) the interest rate (or series of interest rates) used to determine the amount of a lump sum payment under the applicable Plan.

9. Where left undefined above, calculations will be performed in accordance with generally accepted actuarial principles.

SCHEDULE I

Plans and Agreements

Covered by Trust Agreement

BancWest Corporation Supplemental Executive Retirement Plan

BancWest Corporation Deferred Compensation Plan

EXHIBIT 10.19

Draft of May 24, 1999

BANCWEST CORPORATION
SPLIT-DOLLAR PLAN FOR EXECUTIVES

PROLOGUE

BancWest Corporation hereby adopts the BancWest Corporation Split-Dollar Plan for Executives effective as of January 1, 1999.

Unless otherwise specifically provided for herein or by law, the provisions set forth herein shall determine as of January 1, 1999 the rights and benefits of all participants who terminate employment on or after said date.

ARTICLE I
DEFINITIONS

As used herein the following terms shall have the following meanings unless the context clearly requires otherwise.

1.1 "Committee" means the Executive Compensation Committee of the Company.

1.2 "Company" means BancWest Corporation.

1.3 "Participant" means any employee of a Participating Company who has received a Split-Dollar Agreement.

1.4 "Participating Employer" means the Company and any other employer which, with the Company's permission, elects to adopt the Plan for the benefit of some or all of its employees.

1.5 "Plan" means the BancWest Corporation Split-Dollar Plan for Executives as set forth herein and any amendments hereto as may be made from time to time.

1.6 "Split-Dollar Agreement" means an agreement between the Participant and the Participating Employer that relates to the payment of premiums on a "split-dollar" basis for a life insurance policy on the life of the Participant.

ARTICLE II
PARTICIPATION AND BENEFITS

Section 2.1 Participation.

The Committee shall determine from time to time employees who shall be eligible to be Participants.

Section 2.2 Benefits.

The Committee shall determine the terms of the Split-Dollar Agreement to be entered into with each Participant.

Section 2.3 Prior Agreements.

By adopting the Plan as a Participating Employer, the Participating Employer affirms that any Split-Dollar Agreements between it and any employee that were entered into prior to the effective date of this Plan shall be regarded as issued pursuant to this Plan.

ARTICLE III
ADMINISTRATION

Section 3.1 Committee.

Subject to the limitations of this Plan and unless otherwise determined by the Board, the Committee shall have the power and the duty to take all actions and to make all decisions necessary or proper to administer this Plan, including:

(1) To require as a condition to 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 this Plan;

(2) To make and enforce such rules and regulations and prescribe the use of such forms as it of this Plan;

(3) To decide questions concerning the interpretation of this Plan, including 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 responsibility for performance of ministerial functions necessary for the administration of 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.

Section 3.2 Indemnification, Insurance.

The Participating Employers shall indemnify and save harmless and/or insure each fiduciary who is an employee or a director of a Participating Employer or an Affiliate (as defined in the BancWest Corporation Defined Contribution Plan) against any and all claims, loss, damages, expense, and liability arising from his responsibilities in connection with this Plan, if the fiduciary acted in good faith and in a manner the fiduciary reasonably believed to be in or not opposed to the best interests of the Plan.

Section 3.3 Claims Procedure.

Unless otherwise specifically provided otherwise in the Split-Dollar Agreement, the procedure for claiming benefits under this Plan shall be as follows:

(a) The Committee (or its designee) shall determine the benefits due hereunder to a Participant or his beneficiary or beneficiaries, but a Participant or his beneficiary or beneficiaries may file a claim for benefits by written notice to the Committee.

(b) If a claim is denied in whole or in part, the Committee shall give the claimant written notice of such denial, within a reasonable period of time following the filing of the claim. Such notice shall (i) specify the reason or reasons for the denial, (ii) refer to the pertinent Plan provisions on which the denial is based, (iii) describe any additional material or information necessary to perfect the claim and explain the need therefor, and (iv) explain the review procedure described in subparagraph (c) hereof.

(c) The claimant may then appeal the denial of the claim to the Committee by filing written notice of such appeal with the Committee within 90 days after receipt of the notice of denial. The claimant or any authorized representative may, before or after filing notice of appeal, review any documents pertinent to the claim and submit issues and comments in writing. The Committee shall make its decision on such appeal within 60 days after receipt of the appeal (unless a longer period is requested by the claimant), and shall forthwith give written notice of such decision.

ARTICLE IV
AMENDMENT, TERMINATION, MERGER

Section 4.1 Amendment.

The Board may at any time amend this Plan.

Section 4.2 Termination or Partial Termination.

This Plan may be terminated in full or in part by the Board. The board of directors of a Participating Employer may terminate this Plan as to such Participating Employer.

ARTICLE V
MISCELLANEOUS

Section 5.1 Unfunded Plan.

(a) The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly-compensated employees" within the meaning of Sections 201, 301, and 401 of ERISA, and therefore exempt from the provisions of Parts 2, 3, and 4 of Title I of ERISA. Accordingly, the Plan shall terminate and no further benefits shall accrue hereunder if it is determined by a court of competent jurisdiction or by an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA that is not so exempt. In the event of such termination, all ongoing accruals shall terminate, no additional benefits shall accrue under the Plan, and the amount of each Participant's vested interest in the Plan shall be distributed to such Participant at such time and in such manner as the Committee, in its sole discretion, determines.

(b) In the event of the Company's or a Participating Employer's insolvency, Participants and their beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest, or claims in any property or assets of the Company or a Participating Employer. The Company's and the Participating Employers' obligations under the Plan shall be that of an unfunded and unsecured promise to pay money in the future.

Section 5.2 Rights of Participants.

(a) No Participant shall, by reason of his participation in this Plan, have any interest in (i) any specific asset or assets of a Participating Employer or an Affiliate (as defined in the BancWest Corporation Defined Contribution Plan) or (ii) any stock rights of any kind.

(b) Neither the adoption of this Plan nor any action of a board of directors or the Committee in connection with the Plan shall be held or construed to confer upon any person any legal right to be continued as an officer or employee of a Participating Employer or an Affiliate (as defined in the BancWest Corporation Defined Contribution Plan).

Section 5.3 Misc. Rules.

(a) Wherever used herein the masculine gender shall include the feminine and the singular number shall include the plural, unless the context clearly indicates otherwise.

(b) The headings of articles and sections are included herein solely for convenience of reference, and if there is any conflict between such headings and the text of the Plan, the text shall be controlling.

(c) Wherever a Participating Employer, the Company, or a board of directors is permitted or required to do or perform any act, matter, or thing under the terms of the Plan, it may be done and performed by any officer of a Participating Employer or the Company thereunto duly authorized.

(d) To the extent not preempted by the Employee Retirement Income Security Act of 1974, as amended, the Plan shall be governed, construed, administered, and regulated according to the laws of the State of Hawaii.

(e) All consents, elections, applications, designations, etc. required or permitted under the Plan must be made on forms prescribed by the Committee, and shall be recognized only if properly completed, executed, and filed with the Committee.

(f) A Participating Employer may assign a Split-Dollar Agreement (and any related collateral assignment of policy or similar document) to another Participating Employer upon such terms and conditions as the Participating Employers may agree, provided that the assignee Participating Employer shall agree to be bound by all of the terms and conditions of such Split-Dollar Agreement that affect the Participant's benefits thereunder.

TO RECORD the adoption of this amendment and restatement, BancWest Corporation has executed this document this 17th day of June, 1999.

BANCWEST CORPORATION

By /s/ Herbert E. Wolff

Its Senior Vice President and Secretary

EXHIBIT 12. STATEMENT RE: COMPUTATION OF RATIOS

BANCWEST CORPORATION AND SUBSIDIARIES
Computation of Consolidated Ratios of Earnings to Fixed Charges

	YEAR ENDED DECEMBER 31,				
	1999	1998	1997	1996	1995
	(dollars in thousands)				
Income before income taxes	$296,129	$144,901	$138,185	$123,716	$127,286
Fixed charges (1):					
Interest expense	446,877	315,822	281,232	270,755	279,269
Rental expense	15,017	13,659	12,502	6,574	6,345
	461,894	329,481	293,734	277,329	285,614
Less interest on deposits	368,621	253,860	220,116	199,094	188,744
Net fixed charges	93,273	75,621	73,618	78,235	96,870
Earnings, excluding interest on deposits	$389,402	$220,522	$211,803	$201,951	$224,156
Earnings, including interest on deposits	$758,023	$474,382	$431,919	$401,045	$412,900
Ratio of earnings to fixed charges:					
Excluding interest on deposits	4.17X	2.92x	2.88x	2.58x	2.31x
Including interest on deposits	1.64X	1.44x	1.47x	1.45x	1.45x

(1) For purposes of computing the consolidated ratios of earnings to fixed charges, earnings represent income before income taxes and 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, consist of the foregoing items plus interest on deposits.

EXHIBIT 13

CONSOLIDATED FINANCIAL HIGHLIGHTS

	1999	1998	1997
	(dollars in thousands, except per share data)		
FOR THE YEAR:			
Net income	$ 172,378	$ 84,284	$ 93,209
Operating earnings (1), (2)	184,008	106,150	93,209
Cash earnings (3)	204,886	95,366	99,832
Operating cash earnings (1), (2), (3)	216,516	117,232	99,832
Return on average total assets (1), (2)	1.13%	1.06%	1.08%
Return on average tangible total assets (4)	1.39	1.19	1.17
Return on average stockholders' equity (1), (2)	10.26	11.32	11.86
Return on average tangible stockholders' equity (4)	19.70	16.31	15.14
PER SHARE: (5)			
Diluted earnings	$ 1.38	$ 1.05	$ 1.29
Diluted operating earnings (1), (2)	1.48	1.32	1.29
Diluted cash earnings (3)	1.64	1.19	1.38
Diluted operating cash earnings (1), (2), (3)	1.74	1.46	1.38
Cash dividends	.62	.58	.58
AT YEAR END:			
Total assets	$16,681,022	$15,929,064	$8,879,838
Loans and leases	12,524,039	11,964,563	6,792,394
Deposits	12,877,952	12,042,872	6,790,201
Stockholders' equity	1,842,730	1,746,156	801,084
Tier 1 capital ratio	8.80%	8.32%	9.63%
Total risk-based capital ratio	10.56	10.18	11.87
Tier 1 leverage ratio	8.11	9.13	9.09
Book value per share (5)	$ 14.79	$ 14.15	$ 11.30
Market price per share (5)	19.50	24.00	19.88
Market capitalization	2,429,911	2,962,464	1,409,558

On July 1, 1999, we acquired SierraWest Bancorp. That merger was accounted for as a pooling of interests. Therefore, all financial information has been restated for all periods presented.

(1) Excluding after-tax restructuring, merger-related and other nonrecurring costs of $11.630 million in connection with the acquisition of SierraWest Bancorp and the consolidation of data centers in 1999.

(2) Excluding after-tax restructuring, merger-related and other nonrecurring costs of $21.866 million in connection with the merger of the former BancWest Corporation with and into First Hawaiian, Inc. on November 1, 1998 ("BancWest Merger").

(3) Excluding amortization of goodwill and core deposit intangible.

(4) Defined as operating cash earnings as a percentage of average total assets or average stockholders' equity minus average goodwill and core deposit intangible.

(5) All per share data have been calculated to include both common and Class A common shares and have been adjusted to give retroactive effect to the two-for-one stock split in the fourth quarter of 1999.

Operating Cash Earnings and Operating Earnings
($ in millions)

	1995	1996	1997	1998	1999
Operating Cash Earnings (1), (2), (3)	84.5	90.8	99.8	117.2	216.5
Operating Earnings (1), (2)	80.3	85.2	93.2	106.2	184.0

Diluted Operating Earnings and Cash Dividends Per Share
($)

	1995	1996	1997	1998	1999
Diluted Operating Earnings (1), (2)	1.12	1.20	1.29	1.32	1.48
Cash Dividends Per Share	.56	.57	.58	.58	.62

Return on Average Tangible Total Assets and Average Total Assets
(%)

	1995	1996	1997	1998	1999
	----	----	----	----	----
	(Amount in Percent)				
Return on Average Tangible Total Assets (4)....	1.07	1.11	1.17	1.19	1.39
Return on Average Total Assets (1), (2)........	1.00	1.03	1.08	1.06	1.13

Return on Average Tangible Stockholders' Equity and Average Stockholders' Equity (%)

	1995	1996	1997	1998	1999
	----	----	----	----	----
	(Amount in Dollars)				
Return on Average Tangible Stockholders' Equity (4)................................	14.32	14.94	15.14	16.31	19.70
Return on Average Stockholders' Equity (1), (2)..................................	11.80	11.82	11.86	11.32	10.26

SENIOR ADMINISTRATIVE OFFICERS

- --

BANCWEST CORPORATION

Walter A. Dods, Jr.
Chairman & Chief Executive Officer

Don J. McGrath
President & Chief Operating Officer

John K. Tsui
Vice Chairman & Chief Credit Officer

Joel Sibrac
Vice Chairman

Howard H. Karr
Executive Vice President &
Chief Financial Officer

Douglas C. Grigsby
Executive Vice President & Treasurer

Bernard Brasseur
Executive Vice President &
Risk Manager

Donald G. Horner
Executive Vice President

BANK OF THE WEST

Don J. McGrath
President & Chief Executive Officer

Frank J. Bonetto
Senior Executive Vice President,
Community Banking Group

Joel Sibrac
Senior Executive Vice President,
Commercial Banking Group

Bernard Brasseur
Risk Manager

Douglas C. Grigsby
Chief Financial Officer

Christian A. Morio
Chief Inspector

EXECUTIVE VICE PRESIDENTS

Thomas J. Burns
Credit Administration

Scott J. Germer
Business Banking

Stephen C. Glenn
Chief Administrative Officer

James R. Henry
Specialty Lending

Richard T. McGoldrick
Consumer Credit

Barbara S. Tomber
Commercial Banking

Donald R. Ward
Operations & Systems

Donald E. Weyant
Real Estate Industries

Richard C. Williamson
Northwest Regional Executive

SENIOR VICE PRESIDENTS

Kevin F. Ames
Controller

Richard W. Aubrey
Treasurer

Mark R. Beecher
Consumer Credit Loan Production

Fred W. Bergemann
Credit Administration - Northwest

Bradley J. Bleything
Community Banking - Northwest

Arthur J. Crawford
Consumer Credit Asset Recovery

John H. Dimalanta
Trust

James W. Forsloff
Business Banking - Northwest

Kenneth T. Fujihara
Community Banking - South Bay

Charlotte A. Gallagher
Real Estate Industries - Northwest

Robert J. Galli
Business Banking - South Bay

Lawrence A. Heaton
Human Resources

Shirley A. Horeff
Operations & Systems

James R. Kennedy
Cash Management

James L. Loos
Consumer Credit

Frances E. Lopez-Cooper
Community Banking - Administration

Daniel A. Mikes
Religious Lending

James L. Mullins
Special Assets

Paul H. Nakae
Real Estate Industries

James G. Newell
Equipment Leasing

Robert S. Raye
Marketing

Michael R. Robinson
Community Banking - Valley

W. Gordon Smith
Compliance

Kathy Schueler
Foreign Exchange

Lisa M. Standen
Investment Products

Calvin Y. Tabata
Community Banking - Northwest

Norma J. Waters
Community Banking - North Bay

Susan J. Wheeler
Risk Management Administration

Paul T. Wible
Consumer Credit Operations

John B. Wojcik
Chief Auditor

Gina M. Wolley
Operations & Systems

Michael V. Wood
Community Banking - East Bay

William L. Zillman
General Counsel

Jerry Zuspan
Consumer Credit Collections

ESSEX CREDIT CORPORATION

Gene Schiavone
Chairman & Chief Executive Officer

FIRST HAWAIIAN BANK

Walter A. Dods, Jr.
Chairman & Chief Executive Officer

John K. Tsui
President & Chief Operating Officer

Donald G. Horner
Vice Chairman,
Retail Banking Group

Howard H. Karr
Vice Chairman,
Administration & Finance Group

Lily Yao
Vice Chairman,
Government & Community Relations

EXECUTIVE VICE PRESIDENTS

Robert A. Alm
Financial Management Group

William E. Atwater
General Counsel

Gary L. Caulfield
Information Management Group

Anthony R. Guerrero, Jr.
Branch Banking Group

William B. Johnstone, III
Treasurer

John W. Landgraf
Commercial Real Estate

David W. Madison
Branch Loan Administration

Gerald M. Pang
Chief Credit Officer

Sheila M. Sumida
Human Resources

Barbara S. Tomber
Wholesale Loan Group

Albert M. Yamada
Chief Financial Officer

SENIOR VICE PRESIDENTS

Sharon S. Brown
Sales & Service

Winston K. H. Chow
Branch Banking - Hawaii

Linda B. Cornejo
Branch Loan Administration

Koren K. Dreher
Commercial Real Estate

Brandt G. Farias
Marketing Communications

Mark H. Felmet
Retail Loans

Robert T. Fujioka
Main Banking Center

Gary Y. Fujitani
Business Services

Gisela O. Gere
Cash Management

Anthony D. Goo
Trust Investments

Alfred R. Gross
Managed Assets

Edmund H. Kajiyama
Branch Support

Corbett A. K. Kalama
Branch Banking - Oahu

Gerald J. Keir
Corporate Communications

John K. Lee, Jr.
Branch Banking - Guam

George H. Lumsden
General Auditor

Roger P. MacArthur
Branch Banking - Maui

Kristi L. Maynard
Treasury & Investment

Melvin W. Y. Mow
Branch Loan Administration

Michael J. Murakoshi
Private Banking &
Branch Banking - Kauai

Francis T. Natori
Information Technology

Glen R. Okazaki
Controller's Division

Vernon T. Omori
Residential Real Estate

Raymond S. Ono
University Banking Center

Curt T. Otaguro
Operations Research & Development

Kenneth C. S. Pai
Commercial Real Estate

Edward Y. W. Pei
Electronic Banking

Frederick J. Shine, III
Managed Assets

Michael G. Taylor
First Hawaiian Insurance, Inc.

James M. Wayman
Bank Properties

Gary D. Williams
Corporate Services

Steve J. Williams
Branch Banking - Maui

Douglas D. Wilson
Trust Business Development

Herbert E. Wolff
Corporate Secretary

Donald C. Young
Media Finance

FIRST HAWAIIAN LEASING, INC./
FHL LEASE HOLDING CO., INC.

John K. Tsui
Chairman & Chief Executive Officer

Stephen J. Marcuccilli
President

BOARDS OF DIRECTORS

BANCWEST CORPORATION

Jacques Ardant
Director, International Banking &
Finance, North America Area,
Banque Nationale de Paris

John W. A. Buyers
Chairman & Chief Executive Officer,
C. Brewer & Company, Limited

Walter A. Dods, Jr.
Chairman & Chief Executive Officer,
BancWest Corporation &
First Hawaiian Bank

Dr. Julia Ann Frohlich
President, Blood Bank of Hawaii

Robert A. Fuhrman
Chairman, Bank of the West
Vice Chairman, President &
Chief Operating Officer (Retired),
Lockheed Corporation

Paul Mullin Ganley
Trustee, Estate of S. M. Damon
Partner, Carlsmith Ball

David M. Haig
Trustee, Estate of S. M. Damon

John A. Hoag
Chairman, Hawaii Reserves, Inc.
Vice Chairman (Retired),
First Hawaiian Bank

Bert T. Kobayashi, Jr.
Principal, Kobayashi, Sugita & Goda

Michel Larrouilh
Chairman & Chief Executive Officer
(Retired), Old BancWest Corporation
Chief Executive Officer (Retired),
Bank of the West

Pierre Mariani
Executive Vice President,
International Retail Banking,
Banque Nationale de Paris

Yves Martrenchar
Executive Vice President,
Products and Markets,
Banque Nationale de Paris

Dr. Fujio Matsuda
Chairman, Pacific International Center
for High Technology Research

Don J. McGrath
President & Chief Operating Officer,
BancWest Corporation
President & Chief Executive Officer,
Bank of the West

Rodney R. Peck
Senior Partner,
Pillsbury, Madison & Sutro LLP

Joel Sibrac
Vice Chairman, BancWest Corporation
Senior Executive Vice President,
Commercial Banking Group,
Bank of the West

John K. Tsui
Vice Chairman & Chief Credit Officer,
BancWest Corporation
President & Chief Operating Officer,
First Hawaiian Bank

Jacques Henri Wahl
Director & Senior Advisor
to the Chief Executive Officer,
Banque Nationale de Paris

General Fred C. Weyand
Trustee, Estate of S. M. Damon
General (Retired), U.S. Army

Robert C. Wo
President & Secretary,
BJ Management Corporation
Chairman, C. S. Wo & Sons, Ltd.

BANK OF THE WEST

Jacques Ardant
David W. Clark
Walter A. Dods, Jr.
Robert A. Fuhrman
Stuart A. Hall
Jerrold T. Henley
Michel Larrouilh
A. Ewan Macdonald
Pierre Mariani
Yves Martrenchar
Don J. McGrath
Otis W. Mitchell
Rodney R. Peck
Donald A. Pelton
Joel Sibrac
Jean Thomazeau
Robert L. Toney
Jacques Henri Wahl

FIRST HAWAIIAN BANK

John W. A. Buyers
W. Allen Doane
Walter A. Dods, Jr.
Dr. Julia Ann Frohlich
Michael K. Fujimoto
Paul Mullin Ganley
David M. Haig
Warren H. Haruki
Howard K. Hiroki
John A. Hoag
David C. Hulihee
Glenn A. Kaya
Dr. Richard R. Kelley
Bert T. Kobayashi, Jr.
Dr. Richard T. Mamiya
Dr. Fujio Matsuda
Leighton S. L. Mau
Don J. McGrath
Dr. Roderick F. McPhee
Wesley T. Park
George P. Shea, Jr.
R. Dwayne Steele
John K. Tsui
Jenai Sullivan Wall
General Fred C. Weyand
James C. Wo
Robert C. Wo

INDEX TO FINANCIAL REVIEW

CORPORATE ORGANIZATION

BANCWEST CORPORATION

BancWest Corporation (the "Company" or "we/our") is a registered bank holding company under the Bank Holding Company Act of 1956, as amended (the "BHCA"). The Company is incorporated under the laws of the State of Delaware. As a bank holding company, the Company is allowed to acquire or invest in the securities of companies engaged in banking or in activities closely related to banking as authorized by the Federal Reserve Board. Pursuant to amendments to the BHCA enacted as part of the Gramm-Leach-Bliley Act, the Company expects to qualify as a financial holding company, which, effective March 13, 2000, will be permitted to engage in a broad range of financial activities, including insurance and merchant banking.

In November 1998, the merger of the former BancWest Corporation, parent company of Bank of the West, with and into First Hawaiian, Inc. ("FHI") was consummated ("BancWest Merger"). FHI, the surviving corporation of the BancWest Merger, changed its name to "BancWest Corporation."

Our organization consists of the following wholly-owned subsidiaries:

BANK OF THE WEST

Bank of the West was founded in 1874 and is the third-oldest bank in California. It is a full-service bank conducting general commercial and consumer banking business and offering trust and investment services. Bank of the West, California's fourth-largest bank, had total assets of approximately $9.6 billion and total deposits of approximately $7.4 billion at December 31,1999.

The executive office is located in San Francisco, California. Bank of the West has 162 branch offices located in five Western states--118 in Northern California, 30 in Oregon, nine in Washington state, three in Idaho and two in Nevada.

Bank of the West receives demand, savings and time deposits; makes commercial, agricultural, real estate, small business and consumer loans and leases; sells cash management services, trust services, insurance products, mutual funds, annuities, traveler's checks and personal money orders; issues letters of credit; handles domestic and foreign collections; and rents safe deposit boxes.

Bank of the West also generates indirect automobile loans and leases, recreational vehicle loans, recreational marine vessel loans and equipment leases through a network of manufacturers, dealers, representatives and brokers in all 50 states.

Nationally, Bank of the West, through its principal subsidiary, Essex Credit Corporation ("Essex"), originates and sells consumer loans for acquiring or refinancing pleasure boats or recreational vehicles. Essex has 10 regional offices located in Northern California, Southern California, Connecticut, Florida, Maryland, Massachusetts, New York, New Jersey, Texas and Washington.

Bank of the West, through its SierraWest SBA lending division, is one of the top originators of U.S. Small Business Administration ("SBA") loans in the nation with ten lending offices located in California, Nevada, Oregon, Washington, Colorado and Tennessee.

FIRST HAWAIIAN BANK

First Hawaiian Bank ("First Hawaiian") was founded in 1858 and is the oldest financial institution in Hawaii. First Hawaiian is a full-service bank conducting general commercial and consumer banking business and offering trust, investment and insurance services. First Hawaiian, Hawaii's second-largest bank, had approximately $7.1 billion in total assets and $5.5 billion in total deposits at December 31, 1999.

First Hawaiian's main office is located in Honolulu, Hawaii. Its other banking offices are in the State of Hawaii (56 offices), Guam (two offices), and Saipan, Northern Mariana Islands (one office). First Hawaiian also has an offshore branch in Grand Cayman, British West Indies; a representative office in Tokyo, Japan; and a worldwide network of correspondent banks.

First Hawaiian receives demand, savings and time deposits; makes commercial, agricultural, real estate and consumer loans; sells cash management services, trust services, insurance products, mutual funds, annuities, traveler's checks and personal money orders; issues letters of credit; handles domestic and foreign collections; and rents safe deposit boxes.

First Hawaiian also conducts business through the following wholly-owned subsidiaries:

- FH CENTER, INC., which owns certain real property in connection with First Hawaiian Center, the Company's headquarters.

- FHB PROPERTIES, INC., which holds title to certain property and premises used by First Hawaiian.

- FIRST HAWAIIAN LEASING, INC., which engages in commercial equipment and vehicle leasing.

- REAL ESTATE DELIVERY, INC., which holds title to certain real property acquired by First Hawaiian in business activities.

- FIRST HAWAIIAN INSURANCE, INC., which provides personal, business and estate insurance to its customers.

CORPORATE ORGANIZATION (continued)

FHL LEASE HOLDING COMPANY, INC.

FHL Lease Holding Company, Inc. is a financial services loan company in Hawaii primarily engaged in commercial equipment and vehicle leasing.

FIRST HAWAIIAN CAPITAL I

First Hawaiian Capital I is a Delaware business trust (the "Trust") which was formed in 1997. The Trust issued $100 million of its Capital Securities (the "Capital Securities") and used the proceeds to purchase junior subordinated deferrable interest debentures (the "Debentures") of the Company. The Capital Securities qualify as Tier 1 Capital of the Company and are fully and unconditionally guaranteed by the Company.

The Capital Securities accrue and pay interest semi-annually at an annual interest rate of 8.343%. The Capital Securities are redeemable upon maturity of the Debentures on July 1, 2027, or upon earlier redemption in whole or in part as provided for in the governing indenture.

COMMON STOCK INFORMATION

Our common stock is traded on the New York Stock Exchange under the symbol BWE. At December 31, 1999, there were 5,392 holders of record of the common stock. A large number of shares are also held in the names of nominees and brokers for individuals and institutions.

At December 31, 1999, there was one holder of record of our Class A common stock. All Class A common shares were issued to Banque Nationale de Paris ("BNP") in conjunction with the BancWest Merger. A share of Class A common stock is generally the same as a share of common stock in all respects, except that holders of the Class A common stock have the right to elect a separate class of directors (the "Class A Directors"), and to vote as a class on certain fundamental corporate actions. The number of Class A Directors will generally be comparable to the percentage of Class A common shares in relation to total stock outstanding (common stock plus Class A common stock). Note 12 to the Consolidated Financial Statements on page 60 discusses key terms of the Class A common stock. The Class A common stock is not publicly traded.

BNP is bound by a standstill and governance agreement. Among the key features of this agreement are provisions that: (1) limit BNP's ability to acquire, directly or indirectly, additional common stock that would result in its ownership of more than 45% of the outstanding voting stock of the Company; (2) restrict BNP's ability to transfer its shares; (3) restrict BNP's ability to exercise control over the Company or our Board of Directors (the "Board"), other than through its representation on the Board; and (4) create various other restrictions. Note 12 to the Consolidated Financial Statements on page 60 contains additional information.

At December 31, 1999, a total of 75,418,850 shares of common stock were issued, including 2,437,556 shares in the treasury stock account.

On November 18, 1999, our Board approved a two-for-one stock split of the total issued shares of the Company's common stock and Class A common stock. The additional shares issued as a result of the stock split were distributed on December 15, 1999, to stockholders of record at the close of business on December 1, 1999. A total of 63,522,968 shares of common stock and Class A common stock were issued in connection with the stock split. In addition, due to the stock split, treasury shares increased by 1,220,408 shares. As a result of the stock split, $63.523 million was reclassified from capital surplus to common stock and Class A common stock. The stock split did not cause any changes in the $1 par value per share of the common stock, the $1 par value per share of the Class A common stock or in total stockholders'equity.

Unless otherwise noted, the number of common shares and per common share amounts include Class A common shares and have been restated to reflect the effects of the stock split.

On November 1, 1998, in connection with the merger of the former BancWest Corporation with and into First Hawaiian, Inc., as described in Note 2 to the Consolidated Financial Statements on page 53, we issued 25,814,768 shares of Class A common stock, which now constitute 51,629,536 shares due to the two-for-one stock split. All of these shares remained outstanding at December 31, 1999.

COMMON STOCK INFORMATION (continued)

Here are quarterly and annual per share data, computed using the common stock and Class A common shares and restated for the effects of a two-for-one stock split:

	Diluted Earnings	Cash Dividends Paid	Market Price High	Market Price Low	Market Price Close
1999					
FIRST QUARTER	$.34	$.15	$24-1/4	$19-7/16	$21-1/4
SECOND QUARTER	.36	.15	21-7/32	18-1/2	18-9/16
THIRD QUARTER	.29(1)	.15	22-1/32	18-9/16	20-5/16
FOURTH QUARTER	.39	.17	22-3/4	19-1/16	19-1/2
ANNUAL	$1.38(1)	$.62	24-1/4	18-1/2	19-1/2
1998					
First Quarter	$ .32	$.14	$21	$17-5/16	$20
Second Quarter	.31	.14	20-1/2	17-5/32	18-3/16
Third Quarter	.35	.15	19	13-13/16	17
Fourth Quarter	.07(2)	.15	24	15-5/8	24
Annual	$1.05(2)	$.58	24	13-13/16	24
1997	$1.29	$.58	21-15/16	14-5/16	19-7/8
1996	$1.20	$.57	18-3/8	12-7/8	17-1/2
1995	$1.12	$.56	15-5/8	11-1/2	15

On July 1, 1999, we acquired SierraWest Bancorp. That merger was accounted for as a pooling of interests. Therefore, all financial information has been restated for all periods presented.

(1) Amounts include after-tax restructuring, merger-related and other nonrecurring costs of $11.630 million in connection with the acquisition of SierraWest Bancorp and the consolidation of data centers. Excluding those costs, adjusted diluted earnings per share were $.39 for the quarter ended September 30, 1999, and $1.48 for the year ended December 31, 1999.

(2) Amounts include after-tax restructuring, merger-related and other nonrecurring costs of $21.866 million in connection with the merger of the former BancWest Corporation with and into First Hawaiian, Inc. on November 1, 1998. Excluding those costs, adjusted diluted earnings per share were $.34 for the 1998 fourth quarter and $1.32 for the year ended December 31, 1998.

We expect to continue our policy of paying quarterly cash dividends. The declaration and payment of cash dividends are subject to our future earnings, capital requirements, financial condition and certain limitations as described in Note 14 to the Consolidated Financial Statements on page 62.

SUMMARY OF SELECTED CONSOLIDATED FINANCIAL DATA

	1999	1998	1997	1996	1995
INCOME STATEMENTS AND DIVIDENDS (in thousands)					
Interest income	$1,135,711	$749,541	$651,048	$620,511	$598,098
Interest expense	446,877	315,822	281,232	270,755	279,269
Net interest income	688,834	433,719	369,816	349,756	318,829
Provision for credit losses	55,262	30,925	20,010	25,048	39,701
Noninterest income	197,632	134,182	110,550	95,575	91,175
Noninterest expense, without restructuring, merger-related and other nonrecurring costs	517,541	366,548	322,171	296,567	243,017
Restructuring, merger-related and other nonrecurring costs	17,534	25,527	--	--	--
Income before income taxes	296,129	144,901	138,185	123,716	127,286
Provision for income taxes	123,751	60,617	44,976	38,533	46,960
NET INCOME	$ 172,378	$ 84,284	$ 93,209	$ 85,183	$ 80,326
OPERATING EARNINGS (1), (2)	$ 184,008	$106,150	$ 93,209	$ 85,183	$ 80,326
CASH EARNINGS (3)	$ 204,886	$ 95,366	$ 99,832	$ 90,845	$ 84,503
OPERATING CASH EARNINGS (1), (2), (3)	$ 216,516	$117,232	$ 99,832	$ 90,845	$ 84,503
CASH DIVIDENDS	$ 77,446	$ 40,786	$ 41,116	$ 38,946	$ 38,461
COMMON STOCK DATA (5)					
Per share:					
Basic earnings	$ 1.39	$ 1.06	$ 1.31	$ 1.24	$ 1.16
Diluted earnings	1.38	1.05	1.29	1.20	1.12
Diluted operating earnings (1), (2)	1.48	1.32	1.29	1.20	1.12
Diluted cash earnings (3)	1.64	1.19	1.38	1.28	1.18
Diluted operating cash earnings (1), (2), (3)	1.74	1.46	1.38	1.28	1.18
Cash dividends	.62	.58	.58	.57	.56
Book value (at December 31)	14.79	14.15	11.30	10.85	10.20
Market price (close at December 31)	19.50	24.00	19.88	17.50	15.00
Average shares outstanding (in thousands)	124,048	79,516	70,939	68,738	69,250
BALANCE SHEETS (in millions)					
Average balances:					
Total assets	$ 16,294	$ 10,033	$ 8,635	$ 8,306	$ 8,002
Total earning assets	14,492	9,036	7,768	7,558	7,260
Loans and leases	12,291	7,659	6,477	5,907	5,774
Deposits	12,517	7,710	6,541	6,102	5,563
Long-term debt and capital securities	790	354	279	265	245
Stockholders' equity	1,793	938	786	720	681
At December 31:					
Total assets	$ 16,681	$ 15,929	$ 8,880	$ 8,642	$ 8,063
Loans and leases	12,524	11,965	6,792	6,243	5,610
Deposits	12,878	12,043	6,790	6,507	5,793
Long-term debt and capital securities	802	734	324	218	249
Stockholders' equity	1,843	1,746	801	753	692
SELECTED RATIOS					
Return on average:					
Total assets	1.06%	.84%	1.08%	1.03%	1.00%
Tangible total assets (4)	1.39	1.19	1.17	1.11	1.07
Stockholders' equity	9.61	8.99	11.86	11.82	11.80
Tangible stockholders' equity (4)	19.70	16.31	15.14	14.94	14.32
Dividend payout ratio	44.93	55.24	44.96	47.50	50.00
Average stockholders' equity to average total assets	11.00	9.35	9.10	8.67	8.51
Year ended December 31:					
Net interest margin	4.76	4.81	4.77	4.63	4.39
Net loans and leases charged off to average loans and leases	.42	.31	.33	.42	.38
Efficiency ratio (1), (2), (3)	54.47	62.50	65.53	64.54	63.07
At December 31:					
Risk-based capital ratios:					
Tier 1	8.80	8.32	9.63	8.49	9.13
Total	10.56	10.18	11.87	11.93	12.06
Tier 1 leverage ratio	8.11	9.13	9.09	7.24	7.63
Allowance for credit losses to total loans and leases	1.29	1.32	1.33	1.46	1.49
Nonperforming assets to total loans and leases and other real estate owned and repossessed personal property	1.01	1.11	1.42	1.68	1.78
Allowance for credit losses to nonperforming loans and leases	1.64x	1.61x	1.40x	1.15x	.93x

On July 1, 1999, we acquired SierraWest Bancorp. That merger was accounted for as a pooling of interests. Therefore, all financial information has been restated for all periods presented.

(1) Excluding after-tax restructuring, merger-related and other nonrecurring costs of $11.630 million in connection with the acquisition of SierraWest Bancorp and the consolidation of data centers in 1999.

(2) Excluding after-tax restructuring, BancWest Merger-related and other nonrecurring costs of $21.866 million for the year ended December 31, 1998.

(3) Excluding amortization of goodwill and core deposit intangible.

(4) Defined as operating cash earnings as a percentage of average total assets or average stockholders' equity minus average goodwill and core deposit intangible.

(5) All per share data have been calculated to include both common and Class A common shares and have been adjusted to give retroactive effect to the two-for-one stock split in the fourth quarter of 1999.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

Certain matters contained in this report are forward-looking statements involving certain risks and uncertainties that could cause the Company's actual results to differ materially from those discussed in the statements. Readers should carefully consider these 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;

(2) the level and volatility of interest rates and currency values;

(3) government fiscal and monetary policies;

(4) credit risks inherent in the lending processes;

(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) the extensive federal and state regulation of the Company's 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 recent acquisitions relating to the integration of the businesses of the Company, the former BancWest Corporation, and SierraWest Bancorp, including the impact of combining these businesses on revenues, expenses, deposit attrition, customer retention and financial performance;

(10) other risks discussed below; and

(11) management's ability to manage these risks.

We expressly disclaim any obligation or undertaking to update or revise any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances on which any statement is based.

See "Glossary of Financial Terms" on page 73 for definitions of certain terms used in this annual report.

OVERVIEW

Four key events affected the financial condition and results of operations of the Company in 1999:

- - The continued impact of the BancWest Merger.

- - The acquisition of SierraWest Bancorp ("SierraWest") on July 1, 1999 (the "SierraWest Merger"). The acquisition was accounted for as a pooling of interests. Therefore, the financial information for all periods in this report are restated to reflect the financial position and results of operations of SierraWest.

- - We recorded pre-tax restructuring, merger-related and other nonrecurring costs totaling $17.534 million (after-tax $11.630 million) in 1999. These costs resulted from the SierraWest Merger and the consolidation of our three existing data centers into a single facility in Honolulu, Hawaii.

- - The two-for-one stock split in December 1999 doubled the amount of our common shares, including Class A common shares, issued and outstanding. Per share information, such as earnings per share, dividends per share and book value per share, were restated for all periods presented in this report.

For further information regarding the Company's mergers and acquisitions, see Note 2 to the Consolidated Financial Statements on page 53. For further information regarding the Company's restructuring, merger-related, and other nonrecurring costs, see Note 3 to the Consolidated Financial Statements on page 54. For additional information regarding the stock split, see "Common Stock Information" on page 19 and Note 12 to the Consolidated Financial Statements on page 60.

1999 VS. 1998

In most income and expense categories, the increases in the amounts we reported for 1999 compared to the prior year resulted primarily from including the results of operations of Bank of the West for a full year. The table below compares our 1999 financial results to 1998. The improvement in our financial performance can be primarily attributed to the inclusion of Bank of the West for all of 1999 versus two months in 1998.

	1999	1998	Change
	(dollars in thousands, except per share data)		
Consolidated net income	$172,378	$ 84,284	104.5%

Diluted earnings per share	1.38	1.05	31.4
Operating earnings*	184,008	106,150	73.3
Diluted operating earnings per share*	1.48	1.32	12.1
Diluted operating cash earnings per share* **	1.74	1.46	19.2
Return on average tangible total assets*	1.39%	1.19%	16.8
Return on average tangible stockholders' equity*	19.70%	16.31%	20.8

*Excludes after-tax restructuring, merger-related and other nonrecurring costs of $11.630 million in 1999 and $21.866 million in 1998.

** Operating earnings per share before amortization of goodwill and core deposit intangible.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

1998 VS. 1997

The BancWest Merger, which occurred on November 1, 1998, also caused substantially all of the changes in our financial performance and income and expense categories between 1998 and 1997.

	1998	1997	Change
	(dollars in thousands, except per share data)		
Consolidated net income	$ 84,284	$93,209	(9.6)%
Diluted earnings per share ...	1.05	1.29	(18.6)
Operating earnings	106,150*	93,209	13.9
Diluted operating earnings per share	1.32*	1.29	2.3
Diluted operating cash earnings per share**	1.46*	1.38	5.8
Return on average tangible total assets	1.19%*	1.17%	1.7
Return on average tangible stockholders' equity	16.31%*	15.14%	7.7

* Excludes after-tax restructuring, merger-related and other nonrecurring costs of $21.866 million in 1998.

** Operating earnings per share before amortization of goodwill and core deposit intangible.

NET INTEREST INCOME
1999 VS. 1998

(in thousands)	1999	1998	Change
Net interest income	$688,834	$433,719	58.8%

The increase in our net interest income in 1999 was principally the result of a $5.456 billion, or 60.4%, increase in average earning assets. This increase was partially offset by a five basis point (1% equals 100 basis points) reduction in our net interest margin. The increase in our average earning assets was primarily the result of the inclusion of Bank of the West for all of 1999 as compared to two months in 1998. In addition to the increase caused by the BancWest Merger, the economic expansion on the Mainland United States increased our loan and lease volume. On the other hand, Hawaii is slowly recovering from the prolonged economic downturn that it has experienced over the last nine years, which has slowed growth in loans and leases, deposits and net interest income.

1998 VS. 1997

	1998	1997	Change
	(in thousands)		
Net interest income	$433,719	$369,816	17.3%

The addition of the results of operations of Bank of the West for the last two months of 1998 was the primary reason for the increase in net interest income in 1998 over 1997. Primarily due to the BancWest Merger, average earning assets increased $1.268 billion, or 16.3%, in 1998. In addition to the increase in average earning assets, the increase in the net interest margin of four basis points also contributed to the increase in net interest income.

NONINTEREST INCOME

	1999	1998	Change
	(in thousands)		
Noninterest income	$197,632	$134,182	47.3%

In addition to the effects of the BancWest Merger, noninterest income increased due to higher: (1) trust and investment services income; (2) service charges on deposit accounts; and (3) other service charges and fees.

NONINTEREST EXPENSE

	1999	1998	Change
	(in thousands)		

Noninterest expense	$535,075	$392,075	36.5%

The increase in noninterest expense in 1999 was primarily due to including the results of operations of Bank of the West for a full year. The addition of Bank of the West significantly increased employee compensation, occupancy expense and intangible amortization.

EFFICIENCY RATIO

	1999	1998	1997
Efficiency ratio*	54.47%	62.50%	65.53%

*Calculated as noninterest expense (exclusive of nonrecurring costs) minus the amortization of goodwill and core deposit intangible as a percentage of total operating revenue.

Our efficiency ratio improved in 1999 over 1998 principally because the BancWest Merger allowed us to increase our revenue and gain efficiencies in operating expenses such as salaries and benefits, occupancy and equipment expenses.

NONPERFORMING ASSETS

The provision for credit losses increased in 1999 over 1998 primarily because of the inclusion of an entire year of the operations of Bank of the West. The improvement in the ratio of nonperforming assets to total loans and leases, OREO and repossessed personal property in 1999 over 1998 was primarily due to increased charge-offs, repayments and an improvement in asset quality due to the BancWest Merger. Net charge-offs increased due primarily to the inclusion of Bank of the West's net charge-offs for an entire year in 1999 versus two months in 1998 and the write-down of certain real estate loans in 1999.

	1999	1998	1997
		(dollars in thousands)	
Provision for credit losses	$ 55,262	$ 30,925	$20,010
Net charge-offs to average loans & leases	.42%	.31%	.33%
Allowance for credit losses (year end)	$161,418	$158,294	$90,487
Allowance for credit losses as % of total loans & leases (year end)	1.29%	1.32%	1.33%
Nonperforming assets* as % of total loans & leases, OREO & repossessed personal property (year end)	1.01%	1.11%	1.42%

* Principally loans and leases collateralized by real estate.

CAPITAL RATIOS

	1999	1998
Tier 1 capital to risk-weighted assets.....	8.80%	8.32%
Total capital to risk-weighted assets......	10.56%	10.18%
Tier 1 capital to average assets...........	8.11%	9.13%

These ratios were in excess of the minimum required for capital adequacy purposes of 4.00%, 8.00% and 4.00%, respectively, specified by the Federal Reserve Board.

NET INTEREST MARGIN

1999 VS. 1998

	1999	1998	Change
Net interest margin	4.76%	4.81%	-5 basis pts.

The net interest margin decreased by five basis points in 1999 from 1998 due primarily to the continuing effects of the lower interest rate environment that began in the second half of 1998. Although we paid 41 basis points less for sources of funds used for average earning assets, the yield on our average earning assets fell by 46 basis points. Partially offsetting the decline on the yield of average earning assets, average noninterest-bearing deposits increased in 1999 by $364.365 million, or 30.9%, compared to 1998.

1998 VS. 1997

	1998	1997	Change
Net interest margin	4.81%	4.77%	+4 basis pts.

The net interest margin increased between 1998 and 1997 by four basis points. We paid 13 basis points less for sources of funds used for average earning assets, which was partially offset by a nine-basis-point decrease in the yield on average earning assets. Contributing to the increase in the net interest margin between 1998 and 1997 was the change in the mix of earning assets, with higher-yielding average loans and leases increasing to 84.8% of total earning assets from 83.4% in 1997. The increase in average loans and leases was accompanied by a decrease in lower-yielding average interest-bearing deposits in other banks and average total investment securities in 1998 compared to 1997. The lower cost of funds to source the average earning assets was attributable to the 24.7% increase in average noninterest-bearing demand deposits. The net interest margin in 1998 was not significantly impacted by the BancWest Merger.

AVERAGE EARNING ASSETS
1999 VS. 1998

	1999	1998	Change
		(in thousands)	
Average earning assets	$14,491,524	$9,035,712	60.4%

The BancWest Merger significantly increased our average earning assets due to the inclusion of Bank of the West average balances for all of 1999. The increase in average earning assets was primarily due to increases in average total loans and leases of $4.632 billion, or 60.5%, and average total investment securities of $740.806 million, or 75.7%.

In addition, the mix of earning assets continues to change, with average investment securities representing 11.9% of average earning assets for 1999 as compared to 10.8% for 1998.

1998 VS. 1997

	1998	1997	Change
		(in thousands)	
Average earning assets	$9,035,712	$7,767,715	16.3%

The increase in average earning assets was primarily due to the BancWest Merger. Excluding the effects of the BancWest Merger, average earning assets increased primarily because of an increase in average loans and leases of $368.419 million, or 5.7%, over 1997. Offsetting that increase was a decrease in the average investment securities portfolio of $176.361 million, or 17.5%, compared to 1997. The investment securities portfolio decreased because of a change in the collateral requirements for state and local government funds.

AVERAGE LOANS AND LEASES

1999 VS. 1998

	1999	1998	Change
	(in thousands)		
Average loans and leases	$12,291,095	$7,658,998	60.5%

The inclusion of Bank of the West balances for an entire year was the primary reason for the increase in average loans and leases. The growth in loan and lease volumes outside of Hawaii was also a factor in the increase in average loans and leases.

1998 VS. 1997

	1998	1997	Change
	(in thousands)		
Average loans and leases	$7,658,998	$6,476,822	18.3%

The increase in average loans and leases in 1998 over 1997 was primarily due to the BancWest Merger. Excluding the effects of the BancWest Merger, average loans and leases increased by $368.419 million, or 5.7%, from 1997 to 1998. The increase was primarily due to growth in automobile financing in California and Oregon and credit extensions to companies in the media and telecommunications industries on the Mainland United States.

INTEREST-BEARING DEPOSITS AND LIABILITIES

1999 VS. 1998

	1999	1998	Change
		(in thousands)	
Average interest-bearing deposits and liabilities	$12,409,543	$7,610,964	63.0%

The increase in average interest-bearing deposits and liabilities in 1999 over 1998 was principally caused by the effects of having Bank of the West balances included for an entire year, as well as growth in our customer deposit base.

1998 VS. 1997

	1998	1997	Change
		(in thousands)	
Average interest-bearing deposits and liabilities	$7,610,964	$6,667,892	14.1%

The increase in average interest-bearing deposits and liabilities in 1998 over 1997 was primarily due to the BancWest Merger and the issuance in mid-1997 of Capital Securities with an aggregate liquidation amount of $100 million.

OPERATING SEGMENTS RESULTS

As detailed in Note 19 to the Consolidated Financial Statements on page 68, our operations are managed principally through our two major bank subsidiaries, Bank of the West and First Hawaiian. Bank of the West operates primarily in five western states. It also conducts business nationally through its Consumer Finance Division and its Essex Credit Corporation subsidiary. First Hawaiian's primary base of operations is in Hawaii. It also has significant operations extending nationally, and to a lesser degree internationally, through its media finance, national corporate lending and leveraged leasing operations. The "other" category in the table below consists principally of BancWest Corporation (Parent Company), FHL Lease Holding Company, Inc. and First Hawaiian Capital I. The reconciling items are principally consolidating entries to eliminate intercompany balances and transactions. The following table summarizes significant financial information, as of or for years ended December 31, of our reportable segments:

	1999	1998	1997
		(in millions)	
NET INTEREST INCOME			
Bank of the West	$384	$126	$ 73
First Hawaiian	312	322	310
Other	(7)	(14)	(13)
CONSOLIDATED TOTAL	$689	$434	$370

	1999	1998	1997
		(in millions)	
NET INCOME			
Bank of the West	$ 84	$ 18	$ 14
First Hawaiian	94	75	86
Other	(6)	(9)	(7)
CONSOLIDATED TOTAL	$ 172	$ 84	$ 93
YEAR END SEGMENT ASSETS			
Bank of the West	$ 9,571	$ 8,603	$ 1,702
First Hawaiian	7,081	7,248	7,072
Other	2,747	2,458	1,436
Reconciling items	(2,718)	(2,380)	(1,330)
CONSOLIDATED TOTAL	$16,681	$15,929	$ 8,880

- - Our net interest income for 1999 increased over 1998, principally due to the inclusion of an entire year of Bank of the West operations in 1999 as opposed to two months for the year ended December 31, 1998. First Hawaiian's 3.1% decrease in net interest income between 1999 and 1998 reflects the effects of the slow recovery from the prolonged economic downturn in Hawaii, which decreased loan and lease volume.

- - Our net income for 1999 increased over 1998, primarily due to the inclusion of Bank of the West's results for an entire year. The 25.3% increase in First Hawaiian's net income was primarily due to: (1) lower restructuring, merger-related and other nonrecurring costs in 1999 compared to 1998; (2) higher noninterest income in 1999 over 1998, such as income from trust and investment products and services; and (3) a reduction in noninterest expense, achieved through efficiencies gained from the BancWest Merger and cost containment initiatives.

- - Our total assets at December 31, 1999, grew by 4.7% over December 31, 1998, predominantly due to the 11.3% growth in Bank of the West's assets. An increase in earning assets, mainly consumer loans and lease financing, contributed to Bank of the West's growth. The 2.3% decrease in First Hawaiian's assets in 1999 from 1998 was principally due to a decline in loans, reflecting the challenging economy in Hawaii.

- - Our net interest income for 1998 increased over 1997, principally due to the inclusion of two months of Bank of the West's operations in 1998. Net interest income for First Hawaiian for 1998 remained relatively unchanged compared to 1997.

- - Our net income in 1998 decreased from 1997, principally as a result of after-tax restructuring, BancWest Merger-related and other nonrecurring costs of $21.866 million in 1998 recorded by First Hawaiian and Bank of the West.

- - Our total assets at December 31, 1998, increased over December 31, 1997, primarily due to the BancWest Merger.

TABLE 1: AVERAGE BALANCES, INTEREST INCOME AND EXPENSE, AND YIELDS AND RATES (TAXABLE-EQUIVALENT BASIS)

The following table sets forth the condensed consolidated average balance sheets, an analysis of interest income/expense and average yield/rate for each major category of earning assets and interest-bearing deposits and liabilities for the years indicated on a taxable-equivalent basis. The taxable-equivalent adjustment is made for items exempt from Federal income taxes (assuming a 35% tax rate for 1999, 1998 and 1997) to make them comparable with taxable items before any income taxes are applied.

	1999			1998		
	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE	Average Balance	Interest Income/ Expense	Yield/ Rate
	(dollars in thousands)					
ASSETS						
Earning assets:						
Interest-bearing deposits in other banks:						
Domestic	$ 3,712	$ 156	4.22%	$ 60,824	$ 3,641	5.99%
Foreign	291,097	15,096	5.19	115,576	6,448	5.58
Total interest-bearing deposits in other banks	294,809	15,252	5.17	176,400	10,089	5.72
Federal funds sold and securities purchased under agreements to resell	186,569	9,537	5.11	222,069	11,932	5.37
Investment securities:						
Taxable	1,695,858	101,706	6.00	958,996	60,938	6.35
Exempt from Federal income taxes	23,193	1,699	7.33	19,249	1,426	7.41
Total investment securities	1,719,051	103,405	6.02	978,245	62,364	6.38
Loans and leases(1), (2):						
Domestic	11,933,259	977,575	8.19	7,281,289	632,245	8.68
Foreign	357,836	30,553	8.54	377,709	33,453	8.86
Total loans and leases	12,291,095	1,008,128	8.20	7,658,998	665,698	8.69
TOTAL EARNING ASSETS	14,491,524	1,136,322	7.84	9,035,712	750,083	8.30
Cash and due from banks	621,964			343,029		
Premises and equipment	280,587			259,130		
Core deposit intangible	69,050			21,868		
Goodwill	624,886			197,178		
Other assets	205,504			175,641		
TOTAL ASSETS	$16,293,515			$10,032,558		

	1997		
	Average Balance	Interest Income/ Expense	Yield/ Rate
	(dollars in thousands)		
ASSETS			
Earning assets:			
Interest-bearing deposits in other banks:			
Domestic	$ 50,894	$ 3,088	6.07%
Foreign	40,315	2,282	5.66
Total interest-bearing deposits in other banks	91,209	5,370	5.89
Federal funds sold and securities purchased under agreements to resell	193,700	10,636	5.49
Investment securities:			
Taxable	985,219	64,608	6.56
Exempt from Federal income taxes	20,765	1,871	9.01
Total investment securities	1,005,984	66,479	6.61
Loans and leases(1), (2):			
Domestic	6,170,221	541,679	8.78
Foreign	306,601	27,847	9.08
Total loans and leases	6,476,822	569,526	8.79

TOTAL EARNING ASSETS	7,767,715	652,011	8.39
Cash and due from banks	310,361		
Premises and equipment	261,614		
Core deposit intangible	27,733		
Goodwill	100,019		
Other assets	168,050		
TOTAL ASSETS	$8,635,492		

Notes:

(1) Nonaccruing loans and leases are included in the average loan and lease balances.

(2) Interest income for loans and leases include loan fees of $32,803, $32,133 and $26,362 for 1999, 1998 and 1997, respectively.

	1999			1998		
	AVERAGE BALANCE	INTEREST INCOME/ EXPENSE	YIELD/ RATE	Average Balance	Interest Income/ Expense	Yield/ Rate
	(dollars in thousands)					
LIABILITIES AND STOCKHOLDERS' EQUITY						
Interest-bearing deposits and liabilities:						
Deposits:						
Domestic:						
Interest-bearing demand	$ 289,142	$ 3,609	1.25%	$ 534,967	$ 11,743	2.20%
Savings	4,982,479	93,100	1.87	2,564,765	65,665	2.56
Time	5,497,583	264,336	4.81	3,202,516	166,860	5.21
Foreign	203,846	7,576	3.72	228,333	9,592	4.20
Total interest-bearing deposits	10,973,050	368,621	3.36	6,530,581	253,860	3.89
Short-term borrowings	646,576	30,326	4.69	726,119	36,727	5.06
Long-term debt and capital securities	789,917	47,930	6.07	354,264	25,235	7.12
TOTAL INTEREST-BEARING DEPOSITS AND LIABILITIES......	12,409,543	446,877	3.60	7,610,964	315,822	4.15
Noninterest-bearing demand deposits	1,543,883			1,179,518		
Other liabilities	547,128			304,018		
Total liabilities	14,500,554			9,094,500		
Stockholders' equity	1,792,961			938,058		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$16,293,515			$10,032,558		
NET INTEREST INCOME AND MARGIN ON TOTAL EARNING ASSETS		689,445	4.76%		434,261	4.81%
Tax-equivalent adjustment		611			542	
NET INTEREST INCOME		$688,834			$433,719	

	1997		
	Average Balance	Interest Income/ Expense	Yield/ Rate
	(dollars in thousands)		
LIABILITIES AND STOCKHOLDERS' EQUITY			
Interest-bearing deposits and liabilities:			
Deposits:			
Domestic:			
Interest-bearing demand	$ 521,683	$ 11,365	2.18%
Savings	2,187,288	57,032	2.61
Time	2,672,058	142,370	5.33
Foreign	214,482	9,349	4.36
Total interest-bearing deposits	5,595,511	220,116	3.93
Short-term borrowings	793,642	41,527	5.23
Long-term debt and capital securities	278,739	19,589	7.03
TOTAL INTEREST-BEARING DEPOSITS AND LIABILITIES......	6,667,892	281,232	4.22
Noninterest-bearing demand deposits	945,867		
Other liabilities	235,966		
Total liabilities	7,849,725		
Stockholders' equity	785,767		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$8,635,492		
NET INTEREST INCOME AND MARGIN ON TOTAL EARNING ASSETS		370,779	4.77%
Tax-equivalent adjustment		963	

NET INTEREST INCOME	$369,816

TOTAL ASSETS

	1995	1996	1997	1998	1999
	($ in billions)				
DECEMBER 31	8.06	8.64	8.88	15.93	16.68

LOANS AND LEASES

	1995	1996	1997	1998	1999
	($ in billions)				
DECEMBER 31	5.61	6.24	6.79	11.97	12.52

TOTAL REVENUE--NET INTEREST INCOME AND NONINTEREST INCOME

	1995	1996	1997	1998	1999
	($ in millions)				
Net interest income	318.8	349.8	369.8	433.7	688.8
Noninterest income	91.2	95.6	110.6	134.2	197.6

NET INTEREST MARGIN(%)

	1995	1996	1997	1998	1999
NET INTEREST MARGIN	4.39	4.63	4.77	4.81	4.76

TABLE 2: ANALYSIS OF CHANGES IN NET INTEREST INCOME (TAXABLE-EQUIVALENT BASIS)

The following table analyzes the dollar amount of change (on a taxable-equivalent basis) in interest income and expense and the changes in dollar amounts attributable to:

(a) changes in volume (changes in volume times the prior year's rate),

(b) changes in rates (changes in rates times the prior year's volume),and

(c) changes in rate/volume (change in rate times change in volume).

In this table, the dollar change in rate/volume is prorated to volume and rate proportionately.

The taxable-equivalent adjustment is made for items exempt from Federal income taxes (assuming a 35% tax rate for 1999, 1998 and 1997) to make them comparable with taxable items before any income taxes are applied.

	1999 COMPARED TO 1998-- INCREASE (DECREASE) DUE TO:			1998 Compared to 1997-- Increase (Decrease) Due to:		
	VOLUME	RATE	NET INCREASE (DECREASE)	Volume	Rate	Net Increase (Decrease)
	(in thousands)					
Interest earned on:						
Interest-bearing deposits in other banks:						
Domestic	$ (2,646)	$ (839)	$ (3,485)	$ 595	$ (42)	$ 553
Foreign	9,133	(485)	8,648	4,199	(33)	4,166
Total interest-bearing deposits in other banks	6,487	(1,324)	5,163	4,794	(75)	4,719
Federal funds sold and securities purchased under agreements to resell	(1,836)	(559)	(2,395)	1,529	(233)	1,296
Investment securities:						
Taxable	44,371	(3,603)	40,768	(1,695)	(1,975)	(3,670)
Exempt from Federal income taxes	289	(16)	273	(130)	(315)	(445)
Total investment securities	44,660	(3,619)	41,041	(1,825)	(2,290)	(4,115)
Loans and leases (1):						
Domestic	382,948	(37,618)	345,330	96,537	(5,971)	90,566
Foreign	(1,723)	(1,177)	(2,900)	6,313	(707)	5,606
Total loans and leases	381,225	(38,795)	342,430	102,850	(6,678)	96,172
Total earning assets	430,536	(44,297)	386,239	107,348	(9,276)	98,072
Interest paid on:						
Deposits:						
Domestic:						
Interest-bearing demand	(4,195)	(3,939)	(8,134)	291	87	378
Savings	48,902	(21,467)	27,435	9,681	(1,048)	8,633
Time	111,249	(13,773)	97,476	27,701	(3,211)	24,490
Foreign	(972)	(1,044)	(2,016)	590	(347)	243
Total interest-bearing deposits	154,984	(40,223)	114,761	38,263	(4,519)	33,744
Short-term borrowings	(3,847)	(2,554)	(6,401)	(3,448)	(1,352)	(4,800)
Long-term debt and capital securities	26,929	(4,234)	22,695	5,376	270	5,646
Total interest-bearing deposits and liabilities	178,066	(47,011)	131,055	40,191	(5,601)	34,590
INCREASE (DECREASE) IN NET INTEREST INCOME	$252,470	$ 2,714	$255,184	$ 67,157	$(3,675)	$63,482

Note:

(1) Interest income for loans and leases include loan fees of $32,803, $32,133 and $26,362 for 1999, 1998 and 1997, respectively.

NONINTEREST INCOME

Components of and changes in noninterest income are reflected below for the years indicated:

	1999	1998	1997	1999/98 CHANGE AMOUNT	1999/98 CHANGE %	1998/97 Change Amount	1998/97 Change %
	(dollars in thousands)						
Trust and investment services income	$ 32,644	$ 26,971	$ 25,115	$ 5,673	21.0%	$ 1,856	7.4%
Service charges on deposit accounts	67,674	39,545	31,983	28,129	71.1	7,562	23.6
Other service charges and fees	65,484	39,770	33,793	25,714	64.7	5,977	17.7
Securities gains, net	16	441	321	(425)	(96.4)	120	37.4
Other	31,814	27,455	19,338	4,359	15.9	8,117	42.0
TOTAL NONINTEREST INCOME	$197,632	$134,182	$110,550	$ 63,450	47.3%	$ 23,632	21.4%

1999 VS. 1998

The 47.3% increase in total noninterest income from 1998 to 1999 (as shown in more detail in the table above) was primarily due to the inclusion of the results of operations for an entire year of Bank of the West versus two months in 1998, as well as the following factors:

- Trust and investment services income increased, primarily due to higher investment and trust management fees earned.

- Service charges on deposit accounts increased, primarily due to higher service charges.

- Other service charges and fees increased, primarily due to higher mortgage servicing fees for mortgage loans that were originated and sold with servicing retained, higher ATM-convenience fee income and higher merchant-discount fees.

- Other noninterest income increased, primarily due to increases in foreclosed property income and miscellaneous service charges and fees. In addition, we recognized a gain on the transfer of rights associated with the termination of a leveraged lease of approximately $4.952 million in 1999. It should be noted that 1998's other noninterest income total included a $3.907 million gain on the sale of a corporate aircraft and a $2.115 million gain on the sale of a regional manager's residence.

1998 VS. 1997

The 21.4% increase in total noninterest income from 1997 to 1998 was primarily due to the BancWest Merger and to the following factors:

- Trust and investment services increased, primarily the result of an increase in investment management fees resulting from new business and an increase in the market value of managed assets.

- Service charges on deposit accounts increased, primarily due to an increase in fees on checks returned and paid.

- Other service charges and fees increased, primarily due to higher commissions from annuity and mutual fund sales.

- Other noninterest income increased, primarily due to: (1) a $3.907 million gain on sale of a corporate aircraft; (2) a $2.115 million gain on sale of a regional manager's residence; and (3) income earned on bank-owned life insurance on certain officers (a program started in May 1997). It should be noted that 1997's other noninterest income total included a $2.500 million gain on the sale of a leasehold interest in a former branch.

ALLOWANCE FOR CREDIT LOSSES TO TOTAL LOANS AND LEASES (%) DECEMBER 31

95	96	97	98	99
1.49	1.46	1.33	1.32	1.29

NET LOANS AND LEASES CHARGED OFF TO AVERAGE LOANS AND LEASES (%)

95	96	97	98	99
.38	.42	.33	.31	.42

NONPERFORMING ASSETS TO TOTAL LOANS AND LEASES AND OTHER REAL ESTATE OWNED AND REPOSSESSED PERSONAL PROPERTY (%) DECEMBER 31

95	96	97	98	99
1.78	1.68	1.42	1.11	1.01

PROVISION AND ALLOWANCE FOR CREDIT LOSSES

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

	1999	1998	1997	1996	1995
			(dollars in thousands)		
LOANS AND LEASES OUTSTANDING (END OF YEAR)	$ 12,524,039	$ 11,964,563	$ 6,792,394	$ 6,243,124	$ 5,609,906
AVERAGE LOANS AND LEASES OUTSTANDING	$ 12,291,095	$ 7,658,998	$ 6,476,822	$ 5,906,929	$ 5,774,417
Allowance for credit losses:					
Balance at beginning of year	$ 158,294	$ 90,487	$ 90,895	$ 83,736	$ 65,904
Loans and leases charged off:					
Commercial, financial and agricultural	7,715	6,440	7,487	10,671	8,246
Real estate:					
Commercial	6,385	740	1,150	1,883	2,906
Construction	3,646	--	180	1,450	1,466
Residential	5,539	4,217	3,731	2,937	2,707
Consumer	27,927	17,911	13,994	10,957	8,134
Lease financing	9,111	1,385	105	117	276
Foreign	1,222	458	197	415	417
Total loans and leases charged off	61,545	31,151	26,844	28,430	24,152
Recoveries on loans and leases previously charged off:					
Commercial, financial and agricultural	1,761	1,314	1,830	1,199	375
Real estate:					
Commercial	311	821	310	112	239
Construction	18	1,244	--	117	--
Residential	1,101	250	985	234	43
Consumer	5,681	3,040	2,347	1,706	1,610
Lease financing	1,397	253	26	3	16
Foreign	163	124	64	64	--
Total recoveries on loans and leases previously charged off	10,432	7,046	5,562	3,435	2,283
Net charge-offs	(51,113)	(24,105)	(21,282)	(24,995)	(21,869)
Provision for credit losses	55,262	30,925	20,010	25,048	39,701
Transfer of allowance allocated to securitized loans	(1,025)	--	--	--	--
Allowances of subsidiaries purchased(1)	--	60,987	864	7,106	--
BALANCE AT END OF YEAR	$ 161,418	$ 158,294	$ 90,487	$ 90,895	$ 83,736
Net loans and leases charged off to average loans and leases	.42%	.31%	.33%	.42%	.38%
Net loans and leases charged off to allowance for credit losses	31.66%	15.23%	23.52%	27.50%	26.12%
Allowance for credit losses to total loans and leases (end of year)	1.29%	1.32%	1.33%	1.46%	1.49%
Allowance for credit losses to nonperforming loans and leases (end of year):					
Excluding 90 days or more past due accruing loans and leases	1.64X	1.61x	1.40x	1.15x	.93x
Including 90 days or more past due accruing loans and leases	1.39X	1.16x	.91x	.81x	.70x

Note:

(1) Allowance for credit losses of $60,987 in 1998, $864 in 1997 and $7,106 in 1996 were related to the BancWest Merger, a SierraWest Bancorp merger and the 1996 acquisition of divested branches in the Pacific Northwest, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (continued)

We have allocated a portion of the allowance for credit losses according to the amount deemed to be reasonably necessary to provide for the possibility of losses being incurred within the various loan and lease categories as of December 31 for the years indicated:

	1999		1998		1997	
	ALLOWANCE AMOUNT	PERCENT OF LOANS/LEASES IN EACH CATEGORY TO TOTAL LOANS/LEASES	Allowance Amount	Percent of Loans/Leases in Each Category to Total Loans/Leases	Allowance Amount	Percent of Loans/Leases in Each Category to Total Loans/Leases
	(dollars in thousands)					
Domestic:						
Commercial, financial and agricultural	$ 19,175	18%	$ 28,988	19%	$17,113	25%
Real estate:						
Commercial	10,275	19	13,245	19	5,829	22
Construction	4,755	3	4,899	4	570	3
Residential	12,305	19	12,009	22	8,779	30
Consumer	34,200	24	32,251	22	15,464	10
Lease financing	12,855	14	9,992	11	546	5
Foreign	850	3	1,435	3	1,405	5
Unallocated	67,003	N/A	55,475	N/A	40,781	N/A
TOTAL	$161,418	100%	$158,294	100%	$90,487	100%

	1996		1995	
	Allowance Amount	Percent of Loans/Leases in Each Category to Total Loans/Leases	Allowance Amount	Percent of Loans/Leases in Each Category to Total Loans/Leases
	(dollars in thousands)			
Domestic:				
Commercial, financial and agricultural	$17,091	24%	$18,483	25%
Real estate:				
Commercial	8,111	23	3,485	21
Construction	414	4	4,262	5
Residential	6,407	32	4,509	32
Consumer	11,130	9	9,636	9
Lease financing	894	4	763	4
Foreign	1,540	4	1,430	4
Unallocated	45,308	N/A	41,168	N/A
TOTAL	$90,895	100%	$83,736	100%

The provision for credit losses is based on management's judgment as to the adequacy of the allowance for credit losses (the "Allowance") to absorb future losses. Management uses a systematic methodology to determine the related provision for credit losses to be reported for financial statement purposes. 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; and (6) the fair value of collateral.

Using this methodology, we allocate the Allowance to individual loans and leases and to categories of loans and leases, representing probable losses based on available information. At least quarterly, we make 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 on page 49 describes how we evaluate loans for impairment. Note 7 to the Consolidated Financial Statements on page 58 details additional information regarding the Allowance and impaired loans.

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.

As the table on page 30 illustrates, the provision for credit losses for 1999 was $55.262 million, an increase of $24.337 million, or 78.7%, over 1998. The increase was principally due to the inclusion of an entire year of Bank of the West's provision for credit losses in 1999, versus two months in 1998.

The most notable factor causing the relatively high level of the provision for credit losses, other than the effects of the BancWest Merger, was the still challenging, but slowly rebounding, Hawaii economy and real estate market.

NET CHARGE-OFFS
1999 VS. 1998

	1999	1998	Change
	(in thousands)		
Net charge-offs	$ 51,113	$24,105	112.0%

In 1999, net charge-offs increased by $27.008 million over 1998 due to the following factors:

- Real estate - commercial net charge-offs increased by $6.155 million, primarily due to the write-down of values of certain nonperforming loans in Hawaii. The charge-offs reflected the lingering effect that the prolonged economic downturn in Hawaii has on real estate property values.

- Real estate - construction net charge-offs increased in 1999 over 1998 by $4.872 million, primarily due to a partial writedown of a restructured loan in Hawaii.

- Consumer net charge-offs increased in 1999 over 1998 by $7.375 million, or 49.6%, primarily due to the BancWest Merger. The addition of Bank of the West for an entire year, versus two months in 1998, was the main factor in the increase in net charge-offs in this category.

- Lease financing net charge-offs increased in 1999 over 1998 by $6.582 million, or 581.4%, primarily due to the BancWest Merger. The addition of Bank of the West's lease financing portfolio for an entire year increased the amount of charge-offs. The charge-offs were primarily in the consumer and equipment lease areas.

1998 VS. 1997

	1998	1997	Change
	(in thousands)		
Net charge-offs	$24,105	$21,282	13.3%

The addition of Bank of the West's net charge-offs in the last two months increased 1998 charge-offs over 1997. Excluding the effects of the BancWest Merger, the increase in net charge-offs in 1998 over 1997 was primarily due to an increase in consumer loan net charge-offs of $1.348 million, or 11.6%. The increase was caused by lingering effects of the sluggish Hawaii economy, which produced more personal bankruptcies in Hawaii and a resulting increase in write-offs of credit card loans. Smaller balance homogeneous credit card and consumer loans are charged off at a predetermined delinquency status or earlier if we determine that the loan is uncollectible.

ALLOWANCE FOR CREDIT LOSSES
1999 VS. 1998

	1999	1998	Change
	(dollars in thousands)		
Allowance for credit losses (year end)	$161,418	$158,294	2.0%
Allowance for credit losses as a % of total loans and leases (year end)	1.29%	1.32%	(2.3)%
Allowance for credit losses to nonperforming loans and leases, excluding 90 days or more past due accruing loans and leases (year end)	1.64x	1.61x	1.9%

The percentage of the Allowance compared to total loans and leases declined in 1999 from 1998, primarily due to the growth in loan and lease volume and higher charge-offs in 1999. The ratio of the Allowance to nonperforming assets increased to 1.64x in 1999 compared to 1.61x in 1998. The increase is primarily attributable to the decrease in nonperforming assets in 1999.

In management's judgment, the Allowance is adequate to absorb potential losses currently inherent in the loan and lease portfolio at December 31, 1999. However, if economic conditions in our markets change, the Allowance, nonperforming assets and charge-offs could change as a result.

NONINTEREST EXPENSE

The table below shows the categories of noninterest expense and how they have changed between 1999 and 1998, and between 1998 and 1997:

				1999/98 CHANGE		1998/97 Change	
	1999	1998	1997	AMOUNT	%	Amount	%
	(in thousands)						
Personnel:							
Salaries and wages	$181,914	$130,986	$125,779	$ 50,928	38.9%	$ 5,207	4.1%
Employee benefits	52,103	38,670	38,536	13,433	34.7	134	.3
Total personnel expense	234,017	169,656	164,315	64,361	37.9	5,341	3.3
Occupancy expense	60,056	47,107	41,937	12,949	27.5	5,170	12.3
Equipment expense	30,422	29,125	27,577	1,297	4.5	1,548	5.6
Outside services	44,697	21,858	13,391	22,839	104.5	8,467	63.2
Intangible amortization	35,760	13,789	8,548	21,971	159.3	5,241	61.3
Restructuring, merger-related and other nonrecurring costs	17,534	25,527	--	(7,993)	(31.3)	25,527	--

Stationery and supplies	21,275	12,958	12,835	8,317	64.2	123	1.0
Advertising and promotion	15,788	11,909	11,948	3,879	32.6	(39)	(.3)
Other	75,526	60,146	41,620	15,380	25.6	18,526	44.5
TOTAL NONINTEREST EXPENSE	$535,075	$392,075	$322,171	$ 143,000	36.5%	$ 69,904	21.7%

1999 VS. 1998

Total noninterest expense for 1999 was $535.075 million, an increase of $143.0 million, or 36.5%, over 1998. The main reason was the inclusion of an entire year of operations of Bank of the West in 1999 as opposed to only two months in 1998. Major areas of difference between 1999 and 1998 were:

- Total personnel expense increased $64.361 million, or 37.9%, due to the larger number of employees. This increase was partially offset by: (1) lower salaries and wages expense as a result of our reengineering and consolidation efforts; and (2) higher net periodic pension benefit credits.

- Occupancy expense increased by $12.949 million, or 27.5%, because we had more facilities after the BancWest Merger.

- Intangible amortization expense increased by $21.971 million, or 159.3%, primarily due to an entire year of amortization of intangible assets associated with the BancWest Merger.

- Outside services increased by $22.839 million, or 104.5%, due in part to our outsourcing of the data processing operations to a third-party facilities management contractor.

The following factors also contributed to the increase:

- We recorded restructuring, merger-related and other nonrecurring costs totaling $17.534 million in 1999, primarily due to the merger with SierraWest Bancorp and the consolidation of our three data centers into a single facility in Honolulu.

- Other noninterest expense increased by $15.380 million, or 25.6%, due to write-downs and losses on the sale of certain OREO, higher foreclosed property expenses and the charitable donation of an employee recreational center to a community group in Hawaii, resulting in a pre-tax loss on donation of $1.277 million, but a tax benefit of $2.425 million.

1998 VS. 1997

The primary cause of the $69.904 million, or 21.7%, increase in total noninterest expense between 1998 and 1997 was the BancWest Merger. Excluding the effects of the BancWest Merger and restructuring and other nonrecurring costs, total noninterest expense increased $11.181 million, or 3.5%, over 1997. Major areas of difference between 1998 and 1997 were:

- Total personnel expense decreased 5.1%, excluding the effects of the BancWest Merger, principally because of: (1) lower salaries and wages expense as a result of our continued reengineering; and (2) higher net periodic pension benefit credits.

- Restructuring, merger-related and other nonrecurring costs totaling $25.527 million in 1998.

- Outside services expense increased 50.6%, excluding the effects of the BancWest Merger, primarily due to our expenses to prepare for the year 2000.

- Intangible amortization expense increased 61.3% over 1997, primarily due to the BancWest Merger.

- Advertising and promotion expense decreased 5.7%, excluding the effects of the BancWest Merger, principally due to more stringent cost controls and lower levels of spending for advertising, direct mail, collateral and marketing production.

Other noninterest expense increased 27.0%, excluding the effects of the BancWest Merger, due to higher foreclosed property expenses and write-downs of certain OREO. This increase was partially offset by losses on sales of a loan and certain OREO in 1997.

INCOME TAXES

The provision for income taxes as shown in the Consolidated Statements of Income on page 45 represents 41.8% of pre-tax income for 1999 and 1998, and 32.5% for 1997.

On a taxable-equivalent basis, the effective tax rate was 41.9% for 1999, 42.1% for 1998 and 33.0% for 1997. Additional information on our consolidated income taxes is provided in Note 18 to the Consolidated Financial Statements on page 67.

The 1999 and 1998 effective tax rates were higher than the 1997 rate primarily due to the BancWest Merger, which resulted in: (1) the recognition of increased goodwill amortization, for most of which we receive no tax benefit; and (2) increased state income taxes, as a result of a higher apportionment of total taxable income to California and a higher corporate tax rate than in Hawaii. Additionally, in 1997 the tax rate was lowered because we recognized tax credits that had not been previously recognized.

LOANS AND LEASES

The following table shows the major categories in the loan and lease portfolio as of December 31 for the years indicated:

	1999	1998	1997	1996	1995
			(in millions)		
Domestic:					
Commercial, financial and agricultural	$ 2,213	$ 2,233	$1,710	$1,482	$1,396
Real estate:					
Commercial	2,467	2,284	1,509	1,421	1,197
Construction	408	430	228	262	296
Residential	2,363	2,692	1,980	1,963	1,788
Consumer	2,987	2,583	689	590	480
Lease financing	1,738	1,361	338	245	245
Foreign:					
Commercial and industrial	65	81	68	55	19
Other	283	301	270	225	189
TOTAL LOANS AND LEASES	$ 12,524	$ 11,965	$6,792	$6,243	$5,610

The BancWest Merger shows how we are continuing our efforts to diversify our loan and lease portfolio, both geographically and by industry. Our overall growth in loan and lease volume was primarily in our Mainland United States operations. However, loan and lease volumes in Hawaii appear to be rebounding.

The loan and lease portfolio is the largest component of total earning assets and accounts for the greatest portion of total interest income. As the table above shows, total loans and leases increased by 4.7% at December 31, 1999 over December 31, 1998. The increase was primarily due to increases in the volume of consumer loans and leases, mainly due to the increased lending in the Mainland United States. The increase was partially offset by: (1) a decrease in the amount of residential real estate loans, mainly in Hawaii, resulting from the prolonged economic downturn experienced for most of the 1990's, from which Hawaii is slowly rebounding; and (2) an increase in loan refinancing activity due to the lower interest rate environment experienced in the beginning of 1999.

Excluding the effects of the BancWest Merger, total loans at December 31, 1998 increased 3.7% over December 31, 1997. The increase was primarily due to increases in consumer loans and lease financing. The increase was partially offset by decreases in real estate residential loans.

COMMERCIAL, FINANCIAL AND AGRICULTURAL LOANS

As of December 31, 1999, commercial, financial and agricultural loans totaled 17.7% of total loans and leases. Loan volume in this category was relatively unchanged between 1999 and 1998.

We seek to maintain reasonable levels of risk in commercial and financial lending by following prudent underwriting guidelines primarily based on cash flow. Most commercial and financial loans are collateralized and/or supported by guarantors judged to have adequate net worth. We make unsecured loans to customers based on character, net worth, liquidity and repayment ability.

REAL ESTATE LOANS

Real estate loans totaled 41.8% and 45.2% of total loans and leases at December 31, 1999 and 1998, respectively. The percentage of real estate loans to total loans and leases decreased by 7.5% from 1998 to 1999, primarily due to increased refinancing due to the lower interest rate environment.

We seek to maintain reasonable levels of risk in real estate lending by financing projects selectively, by adhering to prudent underwriting guidelines and by closely monitoring general economic conditions affecting local real estate markets.

MULTIFAMILY AND COMMERCIAL REAL ESTATE LOANS. We analyze each application to assess the project's economic viability, the loan-to-value ratio of the real estate securing the financing and the underlying financial strength of the borrower. In this type of lending, we will generally: (1) lend no more than 75% of the appraised value of the underlying project or property; and (2) require a minimum debt service ratio of 1.20.

SINGLE-FAMILY RESIDENTIAL LOANS. We will generally lend no more than 80% of the appraised value of the underlying property. Although the majority of our loans adhere to that limit, loans made in excess of that limit are generally covered by third-party mortgage insurance that reduces our equivalent risk to an 80% loan-to-appraised-value ratio.

HOME EQUITY LOANS. We generally lend up to 75% of appraised value or tax assessed value for fee simple properties. This includes any senior mortgages. Debt-to-income ratio should not exceed 45% and good credit is required.

CONSUMER LOANS

Consumer loans, including credit cards, totaled 23.9% of total loans and leases at December 31, 1999. Balances in this category increased 15.6% from a year earlier, primarily due to the BancWest Merger. The BancWest Merger increased our consumer loan portfolio by expanding our market presence on the West Coast. Further expansion in this market was aided by the robust economy in this region.

Consumer loans consist primarily of open- and closed-end direct and indirect credit facilities for personal, automobile and household purchases. We seek to maintain reasonable levels of risk in consumer lending by following prudent underwriting guidelines which include an evaluation of: (1) personal credit history; (2) personal cash flow; and (3) collateral values based on existing market conditions.

LEASE FINANCING

Lease financing as of December 31, 1999, increased 27.7% from 1998. The increase is primarily due to an increased volume of consumer leases on the Mainland United States. In addition, our leveraged lease portfolio increased in 1999, due to the addition of several new leveraged leases.

LOAN AND LEASE CONCENTRATIONS

Loan and lease concentrations exist when there are loans to multiple borrowers who are engaged in similar activities and thus would be impacted by the same economic or other conditions. At December 31, 1999, we did not have a concentration of loans and leases greater than 10% of total loans and leases which were not otherwise disclosed as a category in the table on page 34.

The loan and lease portfolio is principally located in Hawaii and California and, to a lesser extent, Oregon, Washington, Idaho and Nevada. The risk inherent in the portfolio is dependent upon both the economic stability of those states and the financial well-being and creditworthiness of the borrowers.

LOAN AND LEASE MATURITIES

The contractual maturities of loans and leases (shown in the table below) do not necessarily reflect the actual term of our loan and lease portfolio. In our experience, the average life of residential real estate loans is substantially less than their contractual terms because borrowers prepay loans or we enforce due-on-sale clauses. A due-on-sale clause gives us the right to declare a loan immediately due and payable if the borrower sells the real property subject to the mortgage and the loan is not repaid.

In general, the average life of real estate loans tends to increase when current interest rates exceed rates on existing loans. In contrast, borrowers are more likely to prepay loans when current interest rates are below the rates on existing loans. The volume of such prepayments depends upon changes in both the absolute level of interest rates and the relationship between fixed and adjustable-rate loans. As a result, the average life of our fixed-rate real estate loans has varied widely.

We generally sell our fixed-rate residential loans on the secondary market, but retain variable-rate residential loans in our portfolio.

At December 31, 1999, loans and leases with maturities over one year were comprised of fixed-rate loans totaling $5.924 billion and floating or adjustable-rate loans totaling $4.014 billion.

The following table sets forth the contractual maturities of our loan and lease portfolio by category at December 31, 1999. Demand loans are included as due within one year.

	Within One Year	After One But Within Five Years	After Five Years	Total
		(in millions)		
Commercial, financial and agricultural	$1,018	$ 893	$ 302	$ 2,213
Real estate:				
Commercial	399	1,179	889	2,467
Construction	285	105	18	408
Residential	122	602	1,639	2,363
Consumer	455	1,342	1,190	2,987
Lease financing	229	1,065	444	1,738
Foreign	78	196	74	348
TOTAL	$2,586	$5,382	$4,556	$ 12,524

NONPERFORMING ASSETS AND PAST DUE LOANS AND LEASES

Nonperforming assets and past due loans and leases as of December 31 are reflected below for the years indicated:

	1999	1998	1997	1996	1995
	(dollars in thousands)				
Nonperforming assets:					
Nonaccrual:					
Commercial, financial and agricultural	$ 22,222	$ 21,951	$ 10,372	$ 21,648	$ 16,529
Real estate:					
Commercial	25,790	23,128	9,941	10,736	46,165
Construction	2,990	485	--	2,173	10,265
Residential:					
Insured, guaranteed, or conventional	18,174	10,137	6,478	13,815	12,628
Home equity credit lines	940	527	50	489	541
Total real estate loans	47,894	34,277	16,469	27,213	69,599
Consumer	1,625	2,416	139	92	111
Lease financing	3,391	1,816	10	27	19
Foreign	2,162	1,174	--	--	--
Total nonaccrual loans and leases	77,294	61,634	26,990	48,980	86,258
Restructured:					
Commercial, financial and agricultural	1,004	3,894	1,532	3,429	682
Real estate:					
Commercial	7,905	17,161	18,241	25,853	3,048
Construction	11,024	14,524	14,524	--	--
Residential:					
Insured, guaranteed, or conventional	1,100	1,100	2,626	267	--
Home equity credit lines	--	--	559	561	--
Total real estate loans	20,029	32,785	35,950	26,681	3,048
Total restructured loans and leases	21,033	36,679	37,482	30,110	3,730
Total nonperforming loans and leases	98,327	98,313	64,472	79,090	89,988
Other real estate owned and repossessed personal property	28,429	34,440	32,294	26,170	10,252
TOTAL NONPERFORMING ASSETS	$126,756	$132,753	$ 96,766	$105,260	$100,240
Past due loans and leases (1):					
Commercial, financial and agricultural	$ 1,280	$ 1,578	$ 3,158	$ 8,818	$ 13,587
Real estate:					
Commercial	1,436	5,212	866	8,527	2,601
Construction	--	440	447	--	--
Residential:					
Insured, guaranteed, or conventional	7,751	23,413	25,002	9,812	7,502
Home equity credit lines	575	1,710	2,077	2,220	3,005
Total real estate loans	9,762	30,775	28,392	20,559	13,108
Consumer	2,043	3,552	3,769	3,164	3,168
Lease financing	113	74	24	40	28
Foreign	4,824	1,816	--	--	--
TOTAL PAST DUE LOANS AND LEASES	$ 18,022	$ 37,795	$ 35,343	$ 32,581	$ 29,891
Nonperforming assets to total loans and leases and other real estate owned and repossessed personal property (end of year):					
Excluding past due loans and leases	1.01%	1.11%	1.42%	1.68%	1.78%
Including past due loans and leases	1.15%	1.42%	1.94%	2.20%	2.32%
Nonperforming assets to total assets (end of year):					
Excluding past due loans and leases	.76%	.83%	1.09%	1.22%	1.24%
Including past due loans and leases	.87%	1.07%	1.49%	1.60%	1.61%

Note:

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

As shown in the table on page 36, nonperforming assets at December 31, 1999 decreased by 4.5%, or $5.997 million, between December 31, 1998 and December 31, 1999. The decrease was principally due to the following:

- A decrease in the restructured real estate - commercial loan category, primarily due to a $6.864 million restructured loan that was partially charged off and paid down with remaining collateral transferred to other real estate owned ("OREO") in the second quarter of 1999.

- The decrease in restructured real estate - construction was principally due to a $3.500 million partial write-down of a particular loan in 1999.

- The decrease in OREO and repossessed personal property in 1999 of $6.011 million from 1998 is a sign that the economy in Hawaii is slowly rebounding, as sales and values of Hawaii OREO in 1999 have improved.

- The decreases were partially offset by an increase in nonaccrual residential real estate loans of $8.450 million, or 79.2%, from 1998, reflecting the lingering effects of the prolonged economic downturn, from which Hawaii is slowly emerging.

IMPACT OF HAWAII ECONOMY

A nine-year economic downturn in Hawaii has increased the level of our nonaccrual loans and leases and charge-offs during the 1990s. Hawaii's overall economic growth and the level of growth in tourism reflected a slight increase during 1999. Some improvement was seen in 1999 and 1998 in certain sectors of the Hawaii real estate market. There was a continued increase in residential real estate properties transferred to OREO in 1999 because of overall weakness in the market, including declining leasehold real estate values. However, sales of OREO began to increase in the second half of 1999.

IMPACT OF WESTERN REGION ECONOMY

Although Hawaii's recovery continues to be slow and protracted, the economy in California and the Pacific Northwest continues to expand. As a result, there has been an overall decline in the ratios of nonperforming assets to total loans and leases, OREO and repossessed personal property. In January 2000, we further increased our presence in the Western part of the Mainland United States by agreeing to acquire 68 branches in Utah and Idaho. See further discussion in Note 2 to the Consolidated Financial Statements on page 53.

ASIA-PACIFIC LOAN EXPOSURE

A number of countries in the Asia-Pacific region, including Japan, experienced significant weaknesses in their economies beginning in 1998. Our aggregate outstanding loans and leases to these countries totaled $53.200 million, or .32% of our total assets, at December 31, 1999. The economic downturn in Asia has reduced the number of Asian visitors, especially from Japan, to Hawaii. This in turn has hindered the recovery of Hawaii's economy. In 1999, signs of the slow recovery of Asian economies became evident.

The following table presents the direct claims on or claims guaranteed by borrowers in the Asian countries indicated below at December 31, 1999:

	Outstanding Commitment	Outstanding Balance
	(in thousands)	
China	$ 163	$ 163
Hong Kong	17,510	17,510
Indonesia	376	286
South Korea	1,048	1,048
Philippines	1,271	1,271
Singapore	1,728	1,078
Taiwan	2,278	278
Total non-Japan	24,374	21,634
Japan	40,602	31,566
TOTAL	$ 64,976	$ 53,200

Outstanding commitments of Asian countries other than Japan represented .15% of total assets and 1.32% of total stockholders' equity. Including Japan, exposures to Asian countries represented .39% of total assets and 3.53% of total stockholders' equity. Loans to Asian countries are primarily collateralized by certificates of deposit, Hawaii real estate, standby letters of credit issued by Asian banks or guarantees by creditworthy Asian individuals and corporations.

LOANS PAST DUE, STILL ACCRUING

The BancWest Merger did not have a significant impact on loans past due 90 days or more and still accruing interest at December 31, 1999. Such loans decreased 52.3% between December 31, 1999 and December 31, 1998. All loans which are past due 90 days or more and still accruing interest are, in management's judgment, adequately collateralized and in the process of collection.

POTENTIAL PROBLEM LOANS

Other than the loans listed in the table on page 36, at December 31, 1999, 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 on existing terms.

The following table presents information related to nonaccrual and nonaccrual restructured loans and leases as of December 31, 1999:

	Domestic	Foreign	TOTAL
	(in thousands)		
Interest income which would have been recorded if loans had been current	$7,764	$ --	$7,764
Interest income recorded during the year	$3,922	$ --	$3,922

DEPOSITS

Deposits are the largest component of our total liabilities and account for the greatest portion of total interest expense. At December 31, 1999, total deposits were $12.878 billion, an increase of 6.9% over December 31, 1998. The increase was primarily due to the growth in our customer deposit base, primarily on the Mainland United States.

Here are the average amount and average rate paid on deposits for the years indicated:

	1999		1998		1997	
	AMOUNT	RATE	Amount	Rate	Amount	Rate
	(dollars in millions)					
Domestic:						
Noninterest-bearing demand	$ 1,494	--%	$1,124	--%	$ 894	--%
Interest-bearing demand	289	1.25	535	2.20	522	2.18
Savings	4,982	1.87	2,565	2.56	2,187	2.61
Time	5,498	4.81	3,203	5.21	2,672	5.33
Foreign	254	2.98	283	3.38	266	3.52
TOTAL	$ 12,517	2.94%	$7,710	3.29%	$6,541	3.36%

INVESTMENT SECURITIES BY MATURITIES AND WEIGHTED AVERAGE YIELDS

The following tables present the maturities of held-to-maturity and available-for-sale investment securities and the weighted average yields (for obligations exempt from Federal income taxes on a taxable-equivalent basis assuming a 35% tax rate) of such securities at December 31, 1999. The tax-equivalent adjustment is made for items exempt from Federal income taxes to make them comparable with taxable items before any income taxes are applied.

HELD-TO-MATURITY

	Maturity									
	Within One Year		After One But Within Five Years		After Five But Within Ten Years		After Ten Years		TOTAL	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	AMOUNT	YIELD
	(dollars in millions)									
U.S. Treasury and other U.S. Government agencies and corporations	$ --	--%	$ 16	5.53%	$ --	--%	$ --	--%	$ 16	5.53%
Other asset-backed securities	--	--	--	--	--	--	72	5.80	72	5.80
Collateralized mortgage obligations	--	--	--	--	9	5.72	46	6.04	55	5.99
TOTAL	$ --	--%	$ 16	5.53%	$ 9	5.72%	$118	5.89%	$143	5.84%

Note: The weighted average yields were calculated on the basis of the cost and effective yields weighted for the scheduled maturity of each security.

AVAILABLE-FOR-SALE

	Maturity									
	Within One Year		After One But Within Five Years		After Five But Within Ten Years		After Ten Years		TOTAL	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	AMOUNT	YIELD
	(dollars in millions)									
U.S. Treasury and other U.S. Government agencies and corporations	$300	5.56%	$470	5.78%	$ --	--%	$ 6	5.85%	$ 776	5.70%
Mortgage and asset-backed securities:										
Government	--	--	--	--	14	6.55	542	7.06	556	7.05
Other	--	--	118	6.42	41	6.73	226	6.55	385	6.53
Collateralized mortgage obligations	--	--	--	--	9	5.71	7	6.95	16	6.20
States and political subdivisions	--	--	2	4.89	5	5.12	15	5.06	22	5.05
TOTAL	$300	5.56%	$590	5.91%	$ 69	6.43%	$796	6.87%	$1,755	6.30%

Note: The weighted average yields were calculated on the basis of the cost and effective yields weighted for the scheduled maturity of each security.

LIQUIDITY MANAGEMENT

Liquidity refers to our ability to provide sufficient cash flows to fund operations and to meet obligations and commitments on a timely basis at reasonable costs. We achieve our liquidity objectives from both assets and liabilities.

We obtain asset-based liquidity from our investment securities portfolio and short-term investments which 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 17.4% of total assets at the end of 1999 compared to 17.5% at the end of 1998. Additional information related to our off-balance-sheet instruments at December 31, 1999 and 1998 is included in Note 22 to the Consolidated Financial Statements on page 70.

We obtain liability-based liquidity primarily from deposits. Average total deposits for 1999 increased 62.3% to $12.517 billion, primarily due to the BancWest Merger. Average total deposits funded 76.82% of average total assets for 1999 and 76.85% in 1998.

We also obtain liquidity from short-term borrowings, including issuing our own commercial paper, purchasing Federal funds, selling securities under agreements to repurchase, lines of credit from other banks and 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 page 59. Also, offshore deposits in the international market provide another available source of funds.

Our commercial paper is assigned a rating of A2 by Standard & Poor's ("S&P"). Our subordinated debt is assigned a rating of A3 by Moody's Investors Service and BBB by S&P. We currently have a Thomson BankWatch, Inc. rating of B/C.

CASH FLOWS

The following is a summary of our cash flows for 1999, 1998 and 1997. (There is more detail in the Consolidated Statements of Cash Flows on page 47.)

	1999	1998	1997
	(in thousands)		
Net cash provided by operating and financing activities	$847,981	$546,610	$266,801
Net cash used in investing activities....	$702,792	$223,088	$285,496

For the year ended December 31, 1999, due primarily to the inclusion of the operations of Bank of the West for an entire year, net cash increased by $145.189 million over the year ended 1998. The net cash provided by operating and financing activities in 1999 was used principally to fund earning assets. In 1998, the BancWest Merger significantly changed our cash flows, providing $207.454 million out of the total increase of $323.522 million in net cash. In 1997, the Trust issued $100 million of Capital Securities and, in a related transaction, we issued junior subordinated deferrable interest debentures to the Trust. Our cash flows were positively impacted by these transactions. Among other things, we used the net cash from these issuances to reduce short-term borrowings and repurchase our common stock.

DIVIDENDS

Our ability to pay dividends depends primarily upon dividends and other payments from our subsidiaries, which are subject to certain limitations as described in Note 14 to the Consolidated Financial Statements on page 62.

ASSET/LIABILITY MANAGEMENT

We actively measure and manage our exposure to interest rate risk in order to maintain a relatively stable net interest margin and to allow ourselves to take advantage of profitable business opportunities.

Interest rate risk refers to the effects of future interest rate changes on our earnings and capital. Usually on a quarterly basis, we carefully measure and monitor our interest rate risk exposure using: (1) market value of equity analysis; and (2) net interest income simulations.

MARKET VALUE OF EQUITY ANALYSIS. We examine the change in our economic value due to changes in interest rates. Our guidelines allow for no more than a decrease in value equal to 1% of total assets due to a 1% change in interest rates. At December 31, 1999, we remained within these guidelines.

NET INTEREST INCOME SIMULATIONS. We look at how our net interest income is affected by flat, rising or declining interest rates. Using the current balance sheet, we simulate net interest income going forward two years in different simulated interest rate environments. Our guidelines allow for no more than a 10% adverse change in net interest income for a 1% change in interest rates over a one-year time period. Under these simulations, at December 31, 1999, our exposure to changes in interest rates was within these guidelines.

Interest rate risk exposure is managed primarily through the use of off-balance-sheet instruments such as swaps, caps, floors and options on mortgage-backed securities and through extending or shortening the duration of the investment securities portfolio.

INTEREST RATE SENSITIVITY

The table below presents our interest rate sensitivity position at December 31, 1999. The interest rate sensitivity gap, shown at the bottom of the table, refers to the difference

	Within Three Months	After Three But Within 12 Months	After One But Within Five Years	After Five Years	TOTAL
			(dollars in thousands)		
ASSETS:					
Interest-bearing deposits in other banks	$ 4,035	$ 5,100	$ --	$ --	$ 9,135
Federal funds sold and securities purchased under agreements to resell	71,100	--	--	--	71,100
Investment securities:					
Held-to-maturity	28,440	35,194	66,994	12,240	142,868
Available-for-sale	451,865	450,417	813,738	151,983	1,868,003
Net loans:					
Commercial, financial and agricultural	1,778,812	249,680	161,077	23,188	2,212,757
Real estate--construction	368,515	2,552	26,307	10,704	408,078
Foreign	108,026	82,987	151,571	5,614	348,198
Other	1,875,516	2,104,779	4,407,525	1,005,768	9,393,588
Total earning assets	4,686,309	2,930,709	5,627,212	1,209,497	14,453,727
Nonearning assets	276,672	397,203	806,643	746,777	2,227,295
TOTAL ASSETS	$ 4,962,981	$ 3,327,912	$6,433,855	$ 1,956,274	$16,681,022
LIABILITIES AND STOCKHOLDERS' EQUITY:					
Interest-bearing deposits	$ 4,102,930	$ 3,285,963	$2,854,685	$ 1,006,829	$11,250,407
Noninterest-bearing deposits	271,909	161,659	862,183	331,794	1,627,545
Short-term borrowings	361,760	135,818	6,399	--	503,977
Long-term debt and capital securities	79,133	413,513	106,134	203,012	801,792
Stockholders' equity	1,266	--	--	1,841,464	1,842,730
Off-balance-sheet adjustment	(49,034)	(64,996)	55,837	58,193	--
Noncosting liabilities	161,072	238,103	2,365	253,031	654,571
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,929,036	$ 4,170,060	$3,887,603	$ 3,694,323	$16,681,022
Interest rate sensitivity gap	$ 33,945	$ (842,148)	$2,546,252	$(1,738,049)	
Cumulative gap	$ 33,945	$ (808,203)	$1,738,049	$ --	
Cumulative gap as a percent of total assets	.20%	(4.85)%	10.42%	--%	

between assets and liabilities subject to repricing, maturity, runoff and/or volatility during a specified period. The gap is adjusted for interest rate swaps, which are hedging certain assets or liabilities on the balance sheet. (For ease of analysis, all of these swap adjustments are consolidated into the "off-balance-sheet adjustment" line on the gap table.)

Since all interest rates and yields do not adjust at the same velocity or magnitude, and since volatility is subject to change, the gap is only a general indicator of interest-rate sensitivity. At December 31, 1999, we had a cumulative one-year gap that was a negative $808.203 million, representing 4.85% of total assets.

YEAR 2000 ISSUES

BACKGROUND. Our year 2000 programs have been conducted by our subsidiary banks, Bank of the West and First Hawaiian. Those programs were undertaken to address issues arising from the inability of certain computer and infrastructure systems to process dates into the year 2000 and beyond.

Both banks' programs were conducted to comply with guidelines established by the Federal Financial Institutions Examination Council (the "FFIEC"). Those programs addressed the banks' own systems, as well as the compliance efforts and year 2000 exposure of external parties, funds providers, funds users and counterparties. The banks also developed and tested contingency plans to minimize the possibility and potential impact of operational disruptions caused by year 2000 issues.

TRANSITION TO THE YEAR 2000. The transition to the year 2000 went smoothly for both banks. Neither bank experienced infrastructure failures or received reports of significant customer impact problems related to the year 2000 rollover. The banks completed extensive validation to confirm that their systems were operating normally.

As of the date of this report, we are not aware of any significant issues related to the year 2000. However, the FFIEC has identified additional critical dates during and beyond the year 2000, and the banks will monitor activities related to those dates. As part of their normal business operations, appropriate areas of each bank will also continue monitoring of internal systems, borrowers and other customers, and external parties.

BUDGET. Our current estimate of total costs related solely to our year 2000 programs is $10.2 million through June 30, 2000. Additionally, we estimate a total of $4.9 million in expenditures through June 30, 2000, for accelerated purchase and installation of new or replacement systems or equipment to address year 2000 issues. The source of these funds has been and will continue to be operating cash flows. Through December 31, 1999, an aggregate of $9.4 million has been expended on costs related solely to year 2000 compliance efforts, and $4.2 million has been spent on the planning and accelerated installation of systems and applications to address year 2000 issues. For the twelve months ended December 31, 1999, we expended $3.1 million on costs related solely to year 2000 compliance and $1.4 million on accelerated systems and applications.

FOURTH QUARTER RESULTS

	1999	1998	Change
	(dollars in thousands, except per share data)		
Consolidated net income	$ 48,498	$ 14,098	244.0%
Diluted earnings per share ...	.39	.07	457.1%
Operating earnings	48,498	35,964*	34.9%
Diluted operating earnings per share	.39	.34*	14.7%
Diluted operating cash earnings per share**	.46	.40*	15.0%
Return on average tangible total assets (annualized) ...	1.41%	1.29%*	9.3%
Return on average tangible stockholders' equity (annualized)	19.58%	21.18%*	(7.6)%

*Excludes after-tax restructuring, BancWest Merger-related and other nonrecurring costs of $21.866 million in 1998.

**Operating earnings per share before amortization of goodwill and core deposit intangible.

Our consolidated net income in the fourth quarter of 1999 increased over the fourth quarter of 1998 primarily due to after-tax restructuring, BancWest Merger-related and other nonrecurring costs of $21.866 million in 1998 and an additional month of Bank of the West income in the fourth quarter of 1999 compared to the fourth quarter of 1998.

The increase in operating earnings for the fourth quarter of 1999 as compared to the fourth quarter of 1998 was primarily due to three months of income for Bank of the West in the fourth quarter of 1999 versus only two months in 1998.

SUMMARY OF QUARTERLY FINANCIAL DATA (UNAUDITED)

A summary of unaudited quarterly financial data for 1999 and 1998 is presented below:

	Quarter				Annual
	First	Second	Third	Fourth	Total
	(in thousands, except per share data)				
1999					
INTEREST INCOME	$ 276,665	$ 278,038	$ 288,299	$ 292,709	$1,135,711
INTEREST EXPENSE	108,293	109,295	112,794	116,495	446,877
NET INTEREST INCOME	168,372	168,743	175,505	176,214	688,834
PROVISION FOR CREDIT LOSSES	10,225	13,345	11,835	19,857	55,262
NONINTEREST INCOME	46,818	49,621	46,483	54,710	197,632
NONINTEREST EXPENSE, WITHOUT RESTRUCTURING, MERGER-RELATED AND OTHER NONRECURRING COSTS	129,582	130,079	128,961	128,919	517,541
RESTRUCTURING, MERGER-RELATED AND OTHER NONRECURRING COSTS	786	632	16,116	--	17,534
INCOME BEFORE INCOME TAXES	74,597	74,308	65,076	82,148	296,129
PROVISION FOR INCOME TAXES	32,091	29,789	28,221	33,650	123,751
NET INCOME	$ 42,506	$ 44,519	$ 36,855	$ 48,498	$ 172,378
BASIC EARNINGS PER SHARE	$ .34	$ .36	$ .30	$ .39	$ 1.39
DILUTED EARNINGS PER SHARE	.34	.36	.29	.39	1.38
1998					
Interest income	$ 167,337	$ 168,669	$ 171,516	$ 242,019	$ 749,541
Interest expense	71,966	72,688	72,977	98,191	315,822
Net interest income	95,371	95,981	98,539	143,828	433,719
Provision for credit losses	4,921	8,421	6,719	10,864	30,925
Noninterest income	28,258	35,489	30,113	40,322	134,182
Noninterest expense, without restructuring, merger-related and other nonrecurring costs	82,151	88,781	81,825	113,791	366,548
Restructuring, merger-related and other nonrecurring costs	--	--	--	25,527	25,527

Income before income taxes	36,557	34,268	40,108	33,968	144,901
Provision for income taxes	13,310	12,679	14,758	19,870	60,617
Net income	$ 23,247	$ 21,589	$ 25,350	$ 14,098	$ 84,284
Basic earnings per share	$ .33	$ .31	$ .35	$ .07	$ 1.06
Diluted earnings per share	.32	.31	.35	.07	1.05

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE STOCKHOLDERS
BANCWEST CORPORATION

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, changes in stockholders' equity and cash flows present fairly, in all material respects, the consolidated financial position of BancWest Corporation and its subsidiaries at December 31, 1999 and 1998, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PRICEWATERHOUSECOOPERS LLP

Honolulu, Hawaii
January 18, 2000

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 1999	DECEMBER 31, 1998
	(in thousands, except number of shares and per share data)	
ASSETS		
Cash and due from banks	$ 809,961	$ 664,772
Interest-bearing deposits in other banks	9,135	278,455
Federal funds sold and securities purchased under agreements to resell	71,100	66,500
Investment securities (note 5):		
Held-to-maturity (fair value of $139,102 in 1999 and $291,414 in 1998)	142,868	290,922
Available-for-sale	1,868,003	1,480,976
Loans and leases:		
Loans and leases (note 6)	12,524,039	11,964,563
Less allowance for credit losses (note 7)	161,418	158,294
Net loans and leases	12,362,621	11,806,269
Premises and equipment, net (note 8)	281,665	283,881
Customers' acceptance liability	1,039	1,377
Core deposit intangible (net of accumulated amortization of $24,995 in 1999 and $16,448 in 1998)	65,092	73,946
Goodwill (net of accumulated amortization of $61,056 in 1999 and $27,013 in 1998)	613,620	636,677
Other real estate owned and repossessed personal property	28,429	34,440
Other assets	427,489	310,849
TOTAL ASSETS	$ 16,681,022	$ 15,929,064
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Domestic:		
Noninterest-bearing demand	$ 1,577,042	$ 2,195,920
Interest-bearing demand	315,786	585,219
Savings	4,921,146	3,911,237
Time (fair value of $5,815,195 in 1999 and $5,111,338 in 1998) (note 9)	5,825,330	5,093,933
Foreign (fair value of $238,535 in 1999 and $256,830 in 1998) (note 9)	238,648	256,563
Total deposits	12,877,952	12,042,872
Short-term borrowings (note 10)	503,977	922,867
Acceptances outstanding	1,039	1,377
Long-term debt (note 11)	701,792	634,368
Guaranteed preferred beneficial interests in Company's junior subordinated debentures (note 11)	100,000	100,000
Other liabilities	653,532	481,424
Total liabilities	14,838,292	14,182,908
Commitments and contingent liabilities (notes 15, 21 and 22)		
Stockholders' equity:		
Preferred stock, par value $1 per share Authorized and unissued--50,000,000 shares in 1999 and 1998	--	--
Class A common stock, par value $1 per share (notes 2 and 12) Authorized--75,000,000 shares in 1999 and 1998 Issued--51,629,536 shares in 1999 and 25,814,768 shares in 1998	51,630	25,815
Common stock, par value $1 per share (notes 2, 12 and 16) Authorized--200,000,000 shares in 1999 and 1998 Issued--75,418,850 shares in 1999 and 37,537,814 shares in 1998	75,419	37,538
Surplus	1,124,512	1,183,274
Retained earnings (note 14)	638,687	543,755
Accumulated other comprehensive income	(9,873)	6,228
Treasury stock, at cost--2,437,556 shares in 1999 and 1,635,397 shares in 1998	(37,645)	(50,454)
Total stockholders' equity	1,842,730	1,746,156
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 16,681,022	$ 15,929,064

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

CONSOLIDATED STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31, 1999	1998	1997
	(in thousands, except number of shares and per share data)		
INTEREST INCOME			
Interest and fees on loans	$ 895,079	$ 632,634	$ 553,965
Lease financing income	113,035	32,983	15,202
Interest on investment securities:			
Taxable interest income	101,706	60,938	64,608
Exempt from Federal income taxes	1,102	965	1,267
Other interest income	24,789	22,021	16,006
Total interest income	1,135,711	749,541	651,048
INTEREST EXPENSE			
Deposits (note 9)	368,621	253,860	220,116
Short-term borrowings	30,326	36,727	41,527
Long-term debt	47,930	25,235	19,589
Total interest expense	446,877	315,822	281,232
Net interest income	688,834	433,719	369,816
Provision for credit losses (note 7)	55,262	30,925	20,010
Net interest income after provision for credit losses	633,572	402,794	349,806
NONINTEREST INCOME			
Trust and investment services income	32,644	26,971	25,115
Service charges on deposit accounts	67,674	39,545	31,983
Other service charges and fees	65,484	39,770	33,793
Securities gains, net (note 5)	16	441	321
Other	31,814	27,455	19,338
Total noninterest income	197,632	134,182	110,550
NONINTEREST EXPENSE			
Salaries and wages	181,914	130,986	125,779
Employee benefits (note 15)	52,103	38,670	38,536
Occupancy expense (notes 8 and 21)	60,056	47,107	41,937
Equipment expense (notes 8 and 21)	30,422	29,125	27,577
Outside services	44,697	21,858	13,391
Intangible amortization	35,760	13,789	8,548
Restructuring, merger-related and other nonrecurring costs (note 3)	17,534	25,527	--
Other (note 17)	112,589	85,013	66,403
Total noninterest expense	535,075	392,075	322,171
Income before income taxes	296,129	144,901	138,185
Provision for income taxes (note 18)	123,751	60,617	44,976
NET INCOME	$ 172,378	$ 84,284	$ 93,209
PER SHARE DATA:			
Basic earnings (note 12)	$ 1.39	$ 1.06	$ 1.31
Diluted earnings (note 12)	$ 1.38	$ 1.05	$ 1.29
CASH DIVIDENDS	$ .62	$ .58	$ .58
AVERAGE SHARES OUTSTANDING	124,047,664	79,515,996	70,939,308

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

CONSOLIDATED STATEMENTS OF CHANGES
IN STOCKHOLDERS' EQUITY

	Class A Common Stock		Common Stock		
	Shares	Amount	Shares	Amount	Surplus
	(in thousands, except number of shares and per share data)				
Balance, December 31, 1996	--	$ --	36,137,454	$ 180,687	$ 156,887
Comprehensive income:					
Net income	--	--	--	--	--
Unrealized valuation adjustment, net of tax and reclassification adjustment	--	--	--	--	--
Comprehensive income	--	--	--	--	--
Issuance of common stock (1)	--	--	105,780	529	1,099
Issuance of common stock on conversion of debentures (1)	--	--	763,628	3,819	5,265
Issuance of common stock for acquisition (1)	--	--	140,220	701	2,616
Stock dividend on common stock (1)	--	--	159,080	795	3,898
Purchase of treasury stock, net	--	--	--	--	(31)
Cash dividends ($.58 per share) (note 14)	--	--	--	--	--
Balance, December 31, 1997	--	--	37,306,162	186,531	169,734
Comprehensive income:					
Net income	--	--	--	--	--
Unrealized valuation adjustment, net of tax and reclassification adjustment	--	--	--	--	--
Comprehensive income	--	--	--	--	--
Reduction in par value of common stock (note 12)	--	--	--	(149,225)	149,225
Issuance of Class A common stock (notes 2 and 12)	25,814,768	25,815	--	--	858,115
Issuance of common stock (1)	--	--	102,912	103	1,451
Issuance of common stock on conversion of debentures (1)	--	--	128,740	129	2,152
Purchase of treasury stock, net	--	--	--	--	(25)
Issuance of treasury stock (note 12)	--	--	--	--	2,622
Cash dividends ($.58 per share) (note 14)	--	--	--	--	--
Balance, December 31, 1998	25,814,768	25,815	37,537,814	37,538	1,183,274
COMPREHENSIVE INCOME:					
NET INCOME	--	--	--	--	--
UNREALIZED VALUATION ADJUSTMENT, NET OF TAX AND RECLASSIFICATION ADJUSTMENT	--	--	--	--	--
COMPREHENSIVE INCOME	--	--	--	--	--
ISSUANCE OF COMMON STOCK FOR TWO-FOR-ONE STOCK SPLIT (NOTE 12)	25,814,768	25,815	37,708,200	37,708	(63,523)
ISSUANCE OF COMMON STOCK	--	--	172,836	173	4,887
ISSUANCE OF TREASURY STOCK (NOTE 12)	--	--	--	--	(126)
CASH DIVIDENDS ($.62 PER SHARE) (NOTE 14)	--	--	--	--	--
BALANCE, DECEMBER 31, 1999	51,629,536	$ 51,630	75,418,850	$ 75,419	$ 1,124,512

	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total
	(in thousands, except number of shares and per share data)			
Balance, December 31, 1996	$ 452,857	$ 1,545	$ (38,807)	$ 753,169
Comprehensive income:				
Net income	93,209	--	--	93,209
Unrealized valuation adjustment, net of tax and reclassification adjustment	--	(1,149)	--	(1,149)
Comprehensive income	93,209	(1,149)	--	92,060

Issuance of common stock (1)	--	--	--	1,628
Issuance of common stock on conversion of debentures (1)	--	--	--	9,084
Issuance of common stock for acquisition (1)	--	--	--	3,317
Stock dividend on common stock (1)	(4,693)	--	--	--
Purchase of treasury stock, net ...	--	--	(17,027)	(17,058)
Cash dividends ($.58 per share) (note 14)	(41,116)	--	--	(41,116)
Balance, December 31, 1997	500,257	396	(55,834)	801,084
Comprehensive income:				
Net income	84,284	--	--	84,284
Unrealized valuation adjustment, net of tax and reclassification adjustment	--	5,832	--	5,832
Comprehensive income	84,284	5,832	--	90,116
Reduction in par value of common stock (note 12)	--	--	--	--
Issuance of Class A common stock (notes 2 and 12)	--	--	--	883,930
Issuance of common stock (1)	--	--	--	1,554
Issuance of common stock on conversion of debentures (1)	--	--	--	2,281
Purchase of treasury stock, net ...	--	--	(7,297)	(7,322)
Issuance of treasury stock (note 12)	--	--	12,677	15,299
Cash dividends ($.58 per share) (note 14)	(40,786)	--	--	(40,786)
Balance, December 31, 1998	543,755	6,228	(50,454)	1,746,156
COMPREHENSIVE INCOME:				
NET INCOME	172,378	--	--	172,378
UNREALIZED VALUATION ADJUSTMENT, NET OF TAX AND RECLASSIFICATION ADJUSTMENT	--	(16,101)	--	(16,101)
COMPREHENSIVE INCOME	172,378	(16,101)	--	156,277
ISSUANCE OF COMMON STOCK FOR TWO-FOR-ONE STOCK SPLIT (NOTE 12)	--	--	--	--
ISSUANCE OF COMMON STOCK	--	--	10,808	15,868
ISSUANCE OF TREASURY STOCK (NOTE 12)	--	--	2,001	1,875
CASH DIVIDENDS ($.62 PER SHARE) (NOTE 14)	(77,446)	--	--	(77,446)
BALANCE, DECEMBER 31, 1999	$ 638,687	$ (9,873)	$ (37,645)	$ 1,842,730

(1) Transaction is a SierraWest Bancorp restatement item reported under the pooling-of-interests method of accounting.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31, 1999	1998	1997
	(in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 172,378	$ 84,284	$ 93,209
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	55,262	30,925	20,010
Net gain on sale of assets	(3,675)	(6,022)	(2,500)
Depreciation and amortization	67,484	35,437	33,493
Income taxes	111,285	53,371	25,957
Decrease (increase) in interest receivable	(6,848)	(1,328)	3,073
Increase (decrease) in interest payable	28,145	(2,408)	9,956
Decrease (increase) in prepaid expense	(15,264)	608	1,720
Restructuring, merger-related and other nonrecurring costs	17,534	25,527	--
Other	(2,231)	4,937	(11,705)
NET CASH PROVIDED BY OPERATING ACTIVITIES	424,070	225,331	173,213
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net decrease (increase) in interest-bearing deposits in other banks	269,320	(136,711)	(67,800)
Net decrease (increase) in Federal funds sold and securities purchased under agreements to resell	(4,600)	90,049	24,021
Proceeds from maturity of held-to-maturity investment securities	163,906	14,172	1,012
Purchase of held-to-maturity investment securities	(15,852)	--	--
Proceeds from maturity of available-for-sale investment securities	526,621	421,571	360,394
Proceeds from sale of available-for-sale investment securities	27,828	41,428	394,001
Purchase of available-for-sale investment securities	(968,209)	(446,432)	(415,414)
Purchase of bank-owned life insurance	(50,000)	--	(30,000)
Net increase in loans to customers	(627,239)	(372,387)	(566,577)
Net cash provided by acquisitions	--	207,454	5,269
Proceeds from sale of premises and equipment	--	11,402	4,074
Purchase of premises and equipment	(38,823)	(18,599)	(19,723)
Other	14,256	(35,035)	25,247
NET CASH USED IN INVESTING ACTIVITIES	(702,792)	(223,088)	(285,496)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase in deposits	835,080	402,118	245,798
Net decrease in short-term borrowings	(418,890)	(5,989)	(228,099)
Proceeds from long-term debt	94,483	--	192,700
Payments on long-term debt	(27,059)	(27,836)	(59,707)
Cash dividends paid	(77,446)	(40,786)	(41,116)
Proceeds from issuance of common stock	4,934	1,094	1,070
Issuance (purchase) of treasury stock, net	12,809	(7,322)	(17,058)
NET CASH PROVIDED BY FINANCING ACTIVITIES	423,911	321,279	93,588
NET INCREASE (DECREASE) IN CASH AND DUE FROM BANKS	145,189	323,522	(18,695)
CASH AND DUE FROM BANKS AT BEGINNING OF YEAR	664,772	341,250	359,945
CASH AND DUE FROM BANKS AT END OF YEAR	$ 809,961	$ 664,772	$ 341,250
SUPPLEMENTAL DISCLOSURES:			
Interest paid	$ 418,732	$ 307,139	$ 273,761
Income taxes paid	$ 12,466	$ 13,289	$ 27,231
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Loans converted into other real estate owned and repossessed personal property	$ 10,931	$ 18,020	$ 23,753
Issuance of common stock in connection with convertible debentures	$ --	$ 2,281	$ 9,084
IN CONNECTION WITH MERGERS, THE FOLLOWING LIABILITIES WERE ASSUMED:			
Fair value of assets acquired	$ --	$ 6,425,007	$ 36,039
Cash received	--	207,454	5,269
Issuance of Class A common stock	--	(883,930)	--
Issuance of treasury stock	--	(15,299)	--
Issuance of common stock	--	--	(3,317)
LIABILITIES ASSUMED	$ --	$ 5,733,232	$ 37,991

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF OPERATIONS

BancWest Corporation is a bank holding company headquartered in Honolulu, Hawaii and incorporated under the laws of the State of Delaware. Through our principal subsidiaries, Bank of the West and First Hawaiian Bank, we provide commercial and consumer banking services, engage in commercial and equipment and vehicle leasing and offer trust and insurance products. BancWest Corporation's subsidiaries operate 221 offices in the states of California, Hawaii, Oregon, Washington, Idaho and Nevada and in Guam and Saipan.

The accounting and reporting policies of BancWest Corporation and Subsidiaries (the "Company" or "we/our") conform with generally accepted accounting principles and practices within the banking industry. The following is a summary of the significant accounting policies:

CONSOLIDATION

The consolidated financial statements of the Company include the accounts of BancWest Corporation (the "Parent") and its wholly-owned subsidiary companies:

- Bank of the West and its wholly-owned subsidiaries ("Bank of the West");
- First Hawaiian Bank and its wholly-owned subsidiaries ("First Hawaiian");
- FHL Lease Holding Company, Inc. and its wholly-owned subsidiary ("Leasing");
- First Hawaiian Capital I; and
- FHI International, Inc.

All significant intercompany balances and transactions have been eliminated in consolidation.

RECLASSIFICATIONS AND RESTATEMENTS

The 1998 and 1997 Consolidated Financial Statements were reclassified in certain respects to conform to the 1999 presentation. Such reclassifications did not have a material effect on the Consolidated Financial Statements.

In addition, Consolidated Financial Statements for all periods presented have been restated to include the results of operations, financial position and cash flows for the 1999 acquisition of SierraWest Bancorp, which was accounted for as a pooling of interests.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND DUE FROM BANKS

Cash and due from banks include amounts from other financial institutions as well as in-transit clearings. Under the terms of the Depository Institutions Deregulation and Monetary Control Act, the Company is required to place reserves with the Federal Reserve Bank based on the amount of deposits held. The average amounts of these reserve balances were $192.040 million for 1999, $113.495 million for 1998 and $99.380 million for 1997.

INVESTMENT SECURITIES

Investment securities consist principally of debt and asset-backed securities issued by the U.S. Treasury and other U.S. Government agencies and corporations and state and local government units. These securities have been adjusted for amortization of premiums or accretion of discounts using the interest method.

Investment securities are classified into three categories and accounted for as follows:

(1) Held-to-maturity securities are debt securities which the Company has the positive intent and ability to hold to maturity. These securities are reported at amortized cost.

(2) Trading securities are debt securities which are bought and held principally for the purpose of selling them in the near term. These securities are reported at fair value, with unrealized gains and losses included in current earnings.

(3) Available-for-sale securities are debt and equity securities not classified as either held-to-maturity or trading securities. Available-for-sale securities are reported at fair value, with unrealized gains and losses excluded from current earnings. The unrealized gains and losses are reported as a separate component of stockholders' equity.

Gains and losses realized on the sales of investment securities are determined using the specific identification method.

LOANS AND LEASES

Loans are stated at the principal amounts outstanding, net of any unearned income or discounts. Interest income is accrued and recognized on the principal amount outstanding unless the loan is determined to be impaired and placed on nonaccrual status. (See Impaired and Nonaccrual Loans below.) Loans identified as held for sale are carried at the lower of cost or market value and are included in other assets on the Consolidated Balance Sheets.

We provide lease financing under a variety of arrangements, primarily consumer automobile leases, commercial equipment leases and leveraged leases.

- Leases for consumer automobiles and commercial equipment are classified as direct financing leases. Unearned income on direct financing leases is accreted over the lives of the leases to provide a constant periodic rate of return on the net investment in the lease.

- Leveraged lease transactions are subject to outside financing through one or more participants, without recourse to the Company. These transactions are accounted for by recording as the net investment in each lease the aggregate of rentals receivable (net of principal and interest on the related nonrecourse debt) and the estimated residual value of the equipment less the unearned income. Income from these lease transactions is recognized during the periods in which the net investment is positive.

IMPAIRED AND NONACCRUAL LOANS

We evaluate loans for impairment on a case-by-case basis. We consider a loan to be impaired when it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan. We measure impairment based on the present value of the expected future cash flows discounted at the loan's effective interest rate, except for collateral-dependent loans. For collateral-dependent loans, we measure impairment based on the fair value of the collateral. On a case-by-case basis, we may measure impairment based upon a loan's observable market price.

Based primarily on historical loss experience for each portfolio, we collectively evaluate for impairment large groups of homogeneous loans with smaller balances. Examples of such small balance portfolios are credit cards and consumer loans and leases, including 1-4 family mortgage loans with balances less than $250,000. Impairment losses are charged against the allowance for credit losses.

We generally place a loan or lease on nonaccrual status:

- When management believes that collection of principal or income has become doubtful; or

- When a loan is first classified as impaired; or

- When loans or leases are 90 days past due as to principal or income, 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; or (2) become both well secured and in the process of collection.

LOAN FEES

We generally charge fees for originating loans and leases and for commitments to extend credits. Origination fees (net of direct costs of underwriting, closing costs and premiums) are deferred and amortized to interest income, using methods which approximate a level yield, adjusted for actual prepayment experience. We recognize unamortized fees and premiums on loans paid in full as a component of interest income.

We also charge other loan fees consisting of delinquent payment charges and other common loan servicing fees, including fees for servicing loans sold to third parties. We recognize these fees as income when earned.

ALLOWANCE FOR CREDIT LOSSES

We maintain the allowance for credit losses (the "Allowance") at a level which, in management's judgment, is adequate to absorb losses in the Company's loan and lease portfolio. While the Company has a formalized methodology for determining an adequate and appropriate level of the Allowance, estimates of inherent credit losses involve judgment and assumptions as to various factors which deserve current recognition in the Allowance. Principal factors considered by management in determining the Allowance include historical loss experience, the value and adequacy of collateral, the level of nonperforming loans, the growth and composition of the portfolio, periodic review of loan delinquency, results of examinations of

individual loans and/or evaluation of the overall portfolio by senior credit personnel, internal auditors and regulators, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay and general economic conditions.

The Allowance is increased by provisions for credit losses and reduced by charge-offs, net of recoveries. Charge-offs for loans and leases that are evaluated for impairment are made based on impairment evaluations as described above. Consumer loans and leases are generally charged off upon reaching a predetermined delinquency status that ranges from 120 to 180 days and varies by product type. Other loans and leases are charged off to the extent they are classified as loss, either internally or by the Company's regulators. Recoveries of amounts that have previously been charged off are credited to the Allowance and are generally recorded only to the extent that cash is received.

The provision for credit losses reflects management's judgment of the current-period cost of credit risk inherent in the Company's loan and lease portfolio. Specifically, the provision for credit losses represents the amount charged against current-period earnings to achieve an allowance for credit losses that in management's judgment is adequate to absorb losses inherent in the Company's loan and lease portfolio. Accordingly, the provision for credit losses will vary from period to period based on management's ongoing assessment of the adequacy of the Allowance.

OTHER REAL ESTATE OWNED AND REPOSSESSED PERSONAL PROPERTY

Other real estate owned and repossessed personal property is primarily comprised of properties that we acquired through foreclosure proceedings. We value these properties at the lower of cost or fair value at the time we acquire them, which establishes their new cost basis. We charge against the Allowance any losses arising at the time of acquisition of such properties. After we acquire them, we carry such properties at the lower of cost or fair value less estimated selling costs. If we record any write-downs or losses from the disposition of such properties after acquiring them, we include this amount in other noninterest expense.

PREMISES AND EQUIPMENT

Premises and equipment, including leasehold improvements, are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of 10-40 years for premises, 3-13 years for equipment and the lease term for leasehold improvements.

CORE DEPOSIT AND OTHER IDENTIFIABLE INTANGIBLE ASSETS

Core deposit and other identifiable intangible assets are amortized on the straight-line method over the period of benefit, generally 10 years. We review core deposit and other identifiable intangible assets for impairment whenever events or changes in circumstances indicate that we may not recover our investment in the underlying assets or liabilities which gave rise to such core deposit and other identifiable intangible assets.

GOODWILL

Goodwill represents the cost of acquired companies in excess of the fair value of net assets acquired. This excess is being amortized on the straight-line method over 25 years. It is our policy to review goodwill for impairment whenever events or changes in circumstances indicate that we may not recover our investment in the underlying assets/businesses which gave rise to such goodwill. Should such an evaluation of impairment become necessary, we will evaluate the performance of such acquired business on an undiscounted basis.

REPURCHASE AND REVERSE REPURCHASE AGREEMENTS

We apply a control-oriented, financial-components approach to financial-asset-transfer transactions by: (1) recognizing the financial and servicing assets we control and the liabilities we have incurred; (2) derecognizing financial assets only when control has been surrendered; and (3) derecognizing liabilities once they are extinguished.

Control is considered to have been surrendered only if: (i) the transferred assets have been isolated from the transferor and its creditors, even in bankruptcy or other receivership; (ii) the transferee has the unconditional right to pledge or exchange the transferred assets, or is a qualifying special-purpose entity and the holders of beneficial interests in that entity have the unconditional right to pledge or exchange those interests; and (iii) the transferor does not maintain effective control over the transferred assets through: (a) an agreement that both entitles and obligates it to repurchase or redeem those assets prior to maturity; or (b) an agreement which both entitles and obligates it to repurchase or redeem those assets if they were not readily obtainable elsewhere. If any of these conditions are not met, we account for the transfer as a secured borrowing.

Securities purchased under agreements to resell and securities sold under agreements to repurchase generally qualify as financing transactions under generally accepted accounting principles. We carry such securities at the amounts at which they subsequently will be resold or reacquired as specified in the respective agreements, including accrued interest.

Repurchase and reverse-repurchase agreements are presented in the accompanying Consolidated Balance Sheets where net presentation is consistent with generally accepted accounting principles. It is our policy to take possession of securities purchased under agreements to resell. We monitor the fair value of the underlying securities as compared to the related receivable, including accrued interest and as necessary we request additional collateral. Where deemed appropriate, our agreements with third parties specify our rights to request additional collateral. All collateral is held by the Company or a custodian.

SERVICING ASSETS

Servicing assets primarily consist of originated mortgage servicing rights which are capitalized and included in other assets in the Consolidated Balance Sheets. These rights are recorded based on the relative fair values of the servicing rights and the underlying loan. They are amortized over the period of the related loan-servicing income stream. We reflect amortization of these rights in our Consolidated Statements of Income under the caption "other service charges and fees." We evaluate servicing assets for impairment in accordance with generally accepted accounting principles. For the years presented, servicing assets and the related amortization were not material.

TRUST PROPERTY

We do not include in our Consolidated Balance Sheets trust property, other than cash deposits which we hold as fiduciaries or agents for our customers, because such items are not assets of the Company.

INCOME TAXES

We recognize deferred income tax liabilities and assets for the expected future tax consequences of events that we include in our financial statements or tax returns. Under this method, we determine deferred income tax liabilities and assets based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

We account for excise tax credits relating to premises and equipment under the flow-through method, recognizing the benefit in the year the asset is placed in service. The excise tax credits related to lease equipment, except for excise tax credits that are passed on to lessees, are recognized during the periods in which the net investment is positive.

We file a consolidated Federal income tax return. Amounts equal to income tax benefits of those subsidiaries having taxable losses or credits are reimbursed by other subsidiaries which would have incurred current income tax liabilities.

COMPREHENSIVE INCOME

Effective January 1, 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," which established standards for reporting comprehensive income (defined to include net income, unrealized gains and losses on available-for-sale investment securities, foreign currency adjustments and certain other items not included in the income statement). Accumulated other comprehensive income consists of unrealized holding gains on available-for-sale investment securities and interest-only strips receivable. The activity for the years presented (gross unrealized holding gains/losses and realized gains/losses, net of tax effects) was not significant.

DERIVATIVES

Periodically, we may:

- Manage our interest rate risk by using interest rate swaps, caps and floors;
- Manage our residential mortgage loan origination pipeline by using over-the-counter options on mortgage-backed securities; and
- Manage foreign exchange activities by using commitments to purchase or sell foreign currencies and foreign exchange activities.

The criteria that must be satisfied for accrual accounting treatment are: (1) the transaction to be hedged exposes the Company to interest rate or foreign exchange risk; (2) the hedge acts to reduce the interest rate or foreign exchange risk by moving closer to being insensitive to interest or foreign exchange rate changes; and (3) the derivative is designed and is effective as a hedge of the transaction.

The following additional criteria apply to hedges of anticipated transactions: (1) the significant characteristics and expected terms of the anticipated transaction must be identified; and (2) it must be probable that the anticipated transaction will occur. We would carry at market value any derivative products that do not satisfy the hedging criteria above, recognizing any change in market value in noninterest income. For the years presented, all interest rate derivative products met the criteria for accrual accounting treatment. All option and forward positions for the years presented were marked to market and reflected in our Consolidated Statements of Income.

At the date of termination, we record to income or expense gains or losses resulting from early termination of derivatives and the designated hedge. Gains or losses on the termination of anticipatory hedges would be amortized over the remaining life of the designated hedged item.

FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK

In the normal course of business, we are a party to various financial instruments "designated" or "entered into" to meet the financing needs of our customers and to reduce our own exposure to fluctuations in interest rates and foreign exchange rates. These financial instruments include commitments to extend credit; standby and commercial letters of credit; interest rate swaps, caps and floors; options on mortgage-backed securities; and commitments to purchase or sell foreign currencies. These instruments involve, to varying degrees, elements of credit, interest rate and foreign exchange risk in excess of the amounts recognized in the Consolidated and Parent Company Balance Sheets (see Note 24 on page 71). The contract or notional amounts of those instruments reflect the extent of involvement that we have in particular classes of financial instruments.

If a counterparty to a commitment to extend credit or to a standby or commercial letter of credit fails to perform, our exposure to credit losses would be the contractual notional amount. Since these commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flows. For interest rate swap transactions, the notional amounts do not represent exposure to credit losses.

Options on mortgage-backed securities allow us to decide to make or take delivery of certain mortgage-backed securities. The notional amount of securities covered by the amount of the contracts does not represent exposure to credit losses.

Commitments to purchase or sell foreign currencies obligate us to take or make delivery of a foreign currency. Risks in such instruments arise from fluctuations in foreign exchange rates and the ability of counterparties to fulfill the terms of the contracts.

Off-balance-sheet instruments must meet the same criteria of acceptable risk established for our lending and other financing activities. We manage the credit risk of counterparty defaults in these transactions by:

- Limiting the total amount of outstanding arrangements, both by the individual counterparty and in the aggregate;

- Monitoring the size and maturity structure of the off-balance-sheet portfolio; and

- Applying the uniform credit standards maintained for all of our credit activities, including, in some cases, taking collateral to secure the counterparty obligations.

We enter into interest rate swap agreements as an end-user only. These instruments are used as hedges against various balance sheet accounts. The net interest payable or receivable is accrued and recognized as an adjustment to the interest expense or interest income of the hedged item.

We enter into commitments to purchase or sell foreign currencies on behalf of our customers. These commitments are generally matched through offsetting positions. Foreign exchange positions are valued monthly with the resulting gain or loss recognized as incurred.

We use short-term (60 days or less) options on mortgage-backed securities to hedge the market risk associated with timing differences between the commitment of the interest rate, documentation and subsequent sale of residential real estate loans. We value these option contracts monthly and recognize the gain or loss in noninterest income, if the options are exercised.

We monitor and manage interest rate and market risk in conjunction with our overall interest rate risk position. Off-balance-sheet agreements are not entered into if they would increase our interest rate risk above approved guidelines. Our testing to measure and monitor this risk, using net interest income simulations and market value of equity analysis, is usually conducted quarterly.

FAIR VALUE OF FINANCIAL INSTRUMENTS

We use the following methods and assumptions to estimate the fair value of our financial instruments:

CASH AND DUE FROM BANKS: The carrying amounts reported in the Consolidated Balance Sheets of cash and short-term instruments approximate fair values.

INVESTMENT SECURITIES: Fair values of investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

LOANS AND LEASES: Fair values are estimated for portfolios of performing loans and leases with similar characteristics. For variable-rate loans that reprice frequently and with no significant change in credit risk, fair values are based on carrying values. We use discounted cash flow analyses, which utilize interest rates currently being offered for loans with

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

similar terms to borrowers of similar credit quality, to estimate the fair values of: (1) fixed-rate commercial and industrial loans; (2) financial institution loans; (3) agricultural loans; (4) certain mortgage loans (e.g., 1-4 family residential, commercial real estate and rental property); (5) credit card loans; (6) leases; and (7) other consumer loans. The carrying amount of accrued interest approximates its fair value.

DEPOSITS: The fair value of deposits with no maturity date (e.g., interest and noninterest-bearing checking, passbook savings, and certain types of money market accounts) are, according to generally accepted accounting principles, equal to the amount payable on demand at the reporting date (i.e., their carrying amounts). Fair values of fixed-rate certificates of deposit are estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregated expected monthly maturities on time deposits.

SHORT-TERM BORROWINGS: The carrying amounts of overnight Federal funds purchased, borrowings under repurchase agreements and other short-term borrowings approximate their fair values.

LONG-TERM DEBT AND CAPITAL SECURITIES: The fair values of our long-term debt (other than deposits) and capital securities are estimated using discounted cash flow analyses based on our current incremental borrowing rates for similar types of borrowing arrangements.

OFF-BALANCE-SHEET COMMITMENTS AND CONTINGENT LIABILITIES: Fair values are based upon: (1) quoted market prices of comparable instruments (options on mortgage-backed securities and commitments to buy or sell foreign currencies); (2) fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the counterparties' credit standing (letters of credit and commitments to extend credit); or (3) pricing models based upon brokers' quoted markets, current levels of interest rates and specific cash flow schedules (interest rate swaps).

NEW PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires recognition of all derivative instruments in the statement of financial position as either assets or liabilities and the measurement of derivative instruments at fair value. In June 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133." The original effective date for SFAS No. 133 was for all fiscal years beginning after June 15, 1999. As a result of the issuance of SFAS No. 137, the effective date for SFAS No. 133 is for all fiscal quarters of all fiscal years beginning after June 15, 2000. The adoption of SFAS No. 133, as amended by SFAS No. 137, is not expected to have a material effect on the Consolidated Financial Statements.

In January 1999, we adopted SFAS No. 134, "Accounting of Mortgage-Backed Securities Retained after the Securitization of Mortgage Loans Held for Sale by a Mortgage Banking Enterprise, an amendment to SFAS No. 65." SFAS No. 134 requires mortgage banking enterprises to classify loans held for sale that they have securitized, based on their intent to sell or hold these investments. The adoption of SFAS No. 134 did not have a material effect on the Consolidated Financial Statements.

2. MERGERS AND ACQUISITIONS

SIERRAWEST BANCORP

On July 1, 1999, the Company completed its acquisition of SierraWest Bancorp ("SierraWest"). SierraWest was merged with and into the Company and its subsidiary, SierraWest Bank, was merged with and into Bank of the West (the "SierraWest Merger") resulting in the issuance of approximately 4.40 million shares of our common stock to the shareholders of SierraWest. The acquisition was accounted for using the pooling-of-interests method of accounting. Historical financial information presented herein is restated to include SierraWest. No material adjustments were required to conform SierraWest's accounting policies with those of the Company.

In connection with the SierraWest merger, the Company recorded pre-tax restructuring, merger-related and other nonrecurring costs totaling $10.680 million in 1999 as described in Note 3 on page 54.

The following table sets forth the results of operations of SierraWest and the Company for the six months ended June 30, 1999. These six-month results are included in the consolidated results of operations for the year ended December 31, 1999, presented in the accompanying Consolidated Statements of Income.

	SIX MONTHS ENDED JUNE 30, 1999		
	SierraWest	Company	Combined
	(in thousands)		
Net interest income ...	$ 21,703	$315,412	$337,115
Net income	$ 4,765	$ 82,260	$ 87,025

The following table reconciles the net interest income and net income previously reported by the Company with the combined amounts presented in the accompanying Consolidated Statements of Income for the years ended December 31, 1998 and 1997.

	YEAR ENDED DECEMBER 31, 1998		
	SierraWest	Company	Combined
	(in thousands)		
Net interest income ...	$ 39,482	$394,237	$433,719
Net income	$ 7,678	$ 76,606	$ 84,284

	YEAR ENDED DECEMBER 31, 1997		
	SierraWest	Company	Combined
	(in thousands)		
Net interest income ...	$ 35,344	$334,472	$369,816
Net income	$ 8,948	$ 84,261	$ 93,209

BANCWEST CORPORATION

On November 1, 1998, for a purchase price of $905.729 million, BancWest Corporation ("Old BancWest"), parent company of Bank of the West, was merged with and into First Hawaiian, Inc. ("FHI") (the "BancWest Merger"). At that date, Bank of the West, headquartered in San Francisco, was California's fifth-largest bank with approximately $6.1 billion in assets and 103 branches in 21 counties in Northern and Central California.

Prior to the BancWest Merger, Old BancWest was wholly-owned by Banque Nationale de Paris ("BNP"). BNP is part of The BNP Paribas Group, the largest commercial bank in France, and among the largest in Europe. In the BancWest Merger, BNP received approximately 25.815 million shares (51.630 million shares after adjustment for the two-for-one stock split in December 1999) of the Company's newly authorized Class A common stock (representing approximately 45% of the outstanding voting stock). The transaction was accounted for using the purchase method of accounting and results of operations were included in the Consolidated Statements of Income from the date of acquisition. The excess of cost over fair value of net assets acquired amounted to approximately $599.0 million. FHI, the surviving corporation of the BancWest Merger, changed its name to "BancWest Corporation" on November 1, 1998.

The Company recorded pre-tax restructuring, merger-related and other nonrecurring costs totaling $25.527 million in 1998 as described in Note 3.

UTAH AND IDAHO BRANCH ACQUISITIONS

In January 2000, the Company agreed to acquire 68 branches in Utah and Idaho. These branches have approximately $2.1 billion in deposits and $660.0 million in loans and are being divested due to the pending merger between Zions Bancorporation and First Security Corporation. The acquisition is expected to close in the second quarter of 2000.

STANDARD FINANCIAL CORPORATION ACQUISITION

In December 1999, the Company agreed to assume deposits and purchase selected loans of Standard Financial Corporation of Honolulu. Standard Financial Corporation has total deposits of approximately $17.8 million and loans of approximately $16.0 million in three branches in Hawaii. The Company will not purchase or assume any lease of branch facilities. The acquisition is expected to close in the second quarter of 2000.

3. RESTRUCTURING, MERGER-RELATED AND OTHER NONRECURRING COSTS

SIERRAWEST BANCORP MERGER

In connection with the SierraWest Merger, the Company recorded pre-tax restructuring, merger-related and other nonrecurring costs of $10.680 million in 1999. These costs were comprised of: (1) $3.358 million in severance and other employee benefits; (2) $1.648 million in equipment and occupancy expense; (3) $4.219 million in expenses for legal and other professional services; and (4) $1.455 million in other nonrecurring costs. During 1999, we wrote off $1.648 million of capitalized equipment and occupancy expense, paid $2.670 million in accrued severance and other employee benefits and paid $5.413 million in legal and other professional services and other nonrecurring costs. At December 31, 1999, $682,000 of severance and other employee benefits and $267,000 in other costs remained accrued.

BANCWEST MERGER

The Company recorded pre-tax restructuring, BancWest Merger-related and other nonrecurring costs totaling $25.527 million in 1998. Restructuring and BancWest Merger-related costs of $20.043 million included: (1) severance and termination payments to employees of $2.211 million; (2) data processing contract termination penalties of $2.083 million; (3) write-off of capitalized software costs of $2.755 million; (4) write-downs or losses associated with excess leased commercial properties of $8.179 million; (5) write-off of signage, forms, prepaid expenses and other miscellaneous assets totaling $3.828 million; and (6) other integration costs of $987,000. Other nonrecurring costs included impairment charges of $5.484 million related to intangible assets associated with earlier acquisitions.

As a result of the restructuring, BancWest Merger-related and other nonrecurring costs of $25.527 million, a liability of $11.302 million was recorded in 1998. During 1999, this liability was reduced by a total of $6.604 million, as a result of: (1) $2.024 million for the payment of data processing contract termination penalties; (2) $2.036 million for severance payments; (3) $1.944 million related to excess leased commercial properties; and (4) $600,000 for payments on other costs. The remaining amount accrued is $4.698 million at December 31, 1999.

On July 19, 1999, the Company announced plans to consolidate its three existing data centers into a single data center in Honolulu. The consolidation will be accomplished through a facilities management contract with a service provider which has assumed management of First Hawaiian's existing data center. As a result of this consolidation effort, the Company recorded pre-tax restructuring and other nonrecurring costs of $6.854 million in the third quarter of 1999. Those costs are comprised of: (1) $3.777 million for the write-off of capitalized information technology costs; (2) $1.454 million for employee severance costs; and (3) $1.623 million in other nonrecurring costs. During 1999, we wrote off $3.777 million in capitalized information technology costs and paid $459,000 in other nonrecurring costs. At December 31, 1999, the remaining amount accrued for restructuring and other nonrecurring costs related to the consolidation of data centers was $2.618 million. See Note 22 to the Consolidated Financial Statements on page 70 for additional information.

4. TRANSACTIONS WITH AFFILIATES

Bank of the West participates in various transactions with BNP and its affiliates. These transactions are subject to review by the Federal Deposit Insurance Corporation (the "FDIC") and other regulatory authorities. The transactions are required to be on terms at least as favorable to Bank of the West as those prevailing at the time for similar non-affiliate transactions. These transactions have included the sales and purchases of assets, foreign exchange activities, financial guarantees, international services, interest rate swaps and intercompany deposits and borrowings. Amounts due to and from affiliates and off-balance-sheet transactions at December 31, 1999 and 1998 were as follows:

	1999	1998
	(in thousands)	
Cash and due from banks	$ 3,520	$ 498
Noninterest-bearing demand deposits	4,618	4,189
Short-term borrowings	--	150,000
Other liabilities	161	1,420
Subordinated capital notes included in long-term debt	51,783	53,837
Off-balance-sheet transactions:		
Standby letters of credit	7,626	9,542
Guarantees received	24,168	893
Commitments to purchase foreign currencies	5,464	6,586
Commitments to sell foreign currencies	901	5,463

The subordinated capital notes were sold directly to BNP. They are subordinated to the claims of depositors and creditors and qualify for inclusion as a component of risk-based capital under current FDIC guidelines for assessing capital adequacy.

5. INVESTMENT SECURITIES

HELD-TO-MATURITY

Amortized cost and fair value of held-to-maturity investment securities at December 31, 1999, 1998 and 1997 were as follows:

	1999			
	AMORTIZED COST	UNREALIZED GAINS	UNREALIZED LOSSES	FAIR VALUE
	(in thousands)			
U.S. TREASURY AND OTHER U.S. GOVERNMENT AGENCIES AND CORPORATIONS	$ 15,985	$ --	$ 543	$ 15,442
OTHER ASSET-BACKED SECURITIES	72,388	--	1,557	70,831
COLLATERALIZED MORTGAGE OBLIGATIONS	54,495	2	1,668	52,829

TOTAL HELD-TO-MATURITY INVESTMENT SECURITIES	$142,868	$ 2	$ 3,768	$139,102
	=========	==========	==========	==========

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	1998			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
U.S. Treasury and other U.S. Government agencies and corporations	$ 80,174	$ 456	$ --	$ 80,630
Other asset-backed securities	111,130	387	141	111,376
Collateralized mortgage obligations	99,618	231	441	99,408
Total held-to-maturity investment securities	$290,922	$ 1,074	$ 582	$291,414

	1997			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
U.S. Treasury and other U.S. Government agencies and corporations	$1,000	$ --	$ --	$1,000
Total held-to-maturity investment securities	$1,000	$ --	$ --	$1,000

The amortized cost and fair value of held-to-maturity investment securities at December 31, 1999, by contractual maturity, were as follows:

	Amortized Cost	Fair Value
	(in thousands)	
Due within one year	$ --	$ --
Due after one but within five years ..	15,985	15,442
Due after five but within ten years ..	8,585	8,451
Due after ten years	118,298	115,209
TOTAL HELD-TO-MATURITY INVESTMENT SECURITIES	$142,868	$139,102

AVAILABLE-FOR-SALE

Amortized cost and fair value of available-for-sale investment securities at December 31, 1999, 1998 and 1997 were as follows:

	1999			
	AMORTIZED COST	UNREALIZED GAINS	UNREALIZED LOSSES	FAIR VALUE
	(in thousands)			
U.S. TREASURY AND OTHER U.S. GOVERNMENT AGENCIES AND CORPORATIONS	$ 775,778	$ 38	$ 7,672	$ 768,144
MORTGAGE AND ASSET-BACKED SECURITIES:				
GOVERNMENT	556,735	5,043	6,746	555,032
OTHER	384,378	118	4,244	380,252
COLLATERALIZED MORTGAGE				

OBLIGATIONS	16,374	6	334	16,046
STATES AND POLITICAL SUBDIVISIONS	22,104	205	670	21,639
OTHER	126,896	3	9	126,890
TOTAL AVAILABLE-FOR-SALE INVESTMENT SECURITIES	$1,882,265	$ 5,413	$19,675	$1,868,003

	1998			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
U.S. Treasury and other U.S. Government agencies and corporations	$ 529,164	$ 2,187	$ 436	$ 530,915
Mortgage and asset-backed securities:				
Government	547,025	7,084	1,226	552,883
Other	247,483	2,091	362	249,212
Collateralized mortgage obligations	685	--	--	685
States and political subdivisions	37,370	1,222	42	38,550
Other	108,729	2	--	108,731
Total available-for-sale investment securities	$1,470,456	$12,586	$ 2,066	$1,480,976

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	1997			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
U.S. Treasury and other U.S. Government agencies and corporations	$445,384	$ 747	$ 345	$445,786
Mortgage and asset-backed securities:				
Government	335,731	637	1,227	335,141
Collateralized mortgage obligations	1,399	--	2	1,397
States and political subdivisions	16,559	530	229	16,860
Other	86,357	1	109	86,249
Total available-for-sale investment securities	$885,430	$ 1,915	$ 1,912	$885,433

The amortized cost and fair value of available-for-sale investment securities at December 31, 1999, by contractual maturity, excluding securities which have no stated maturity, were as follows:

	Amortized Cost	Fair Value
	(in thousands)	
Due within one year	$ 299,860	$ 298,968
Due after one but within five years	589,746	582,611
Due after five but within ten years	69,366	68,740
Due after ten years	796,397	790,794
TOTAL AVAILABLE-FOR-SALE INVESTMENT SECURITIES .	$1,755,369	$1,741,113

The Company held no trading securities at December 31, 1999, 1998 and 1997.

Investment securities with an aggregate book value of $1.354 billion at December 31, 1999, were pledged to secure public deposits, repurchase agreements and Federal Home Loan Bank advances.

We held no investment securities of any single issuer (other than the U.S. Government and its agencies) which were in excess of 10% of consolidated stockholders' equity at December 31, 1999.

Gross gains of $38,000, $462,000 and $1.139 million and gross losses of $22,000, $21,000 and $818,000 were realized on sales of investment securities during 1999, 1998 and 1997, respectively.

6. LOANS AND LEASES

At December 31, 1999 and 1998, loans and leases were comprised of the following:

	1999		1998	
	BOOK VALUE	FAIR VALUE	Book Value	Fair Value
	(in thousands)			
Commercial, financial and agricultural	$ 2,212,757	$ 2,232,619	$ 2,232,821	$ 2,271,650
Real estate:				
Commercial ..	2,466,822	2,480,255	2,284,236	2,588,081
Construction	408,078	406,465	429,674	434,979
Residential .	2,362,789	2,282,095	2,691,640	2,440,649
Consumer	2,987,347	3,014,161	2,583,725	2,582,154
Lease financing ...	1,738,048	1,701,850	1,360,885	1,356,249
Foreign	348,198	329,985	381,582	396,640
TOTAL LOANS				

AND LEASES ..	$12,524,039	$12,447,430	$11,964,563	$12,070,402
	===========	===========	===========	===========

The loan and lease portfolio is principally located in Hawaii and California and, to a lesser extent, Oregon, Washington, Nevada and Idaho. The risk inherent in the portfolio depends upon both the economic stability of those states, which affects property values, and the financial well being and creditworthiness of the borrowers.

At December 31, 1999, loans and leases of $98.327 million were on a nonaccrual status or restructured; at December 31, 1998, loans and leases of $98.313 million were on a nonaccrual status or restructured.

Our leasing activities consist primarily of: (1) leasing automobiles and commercial equipment; and (2) leveraged leases. Lessees are responsible for all maintenance, taxes and insurance on the leased property. The leases are reported net of unearned income of $390.999 million at December 31, 1999, and $372.656 million at December 31, 1998. At December 31, 1999, minimum lease receivables for the five succeeding years were as follows:

- 2000 -- $363.317 million

- 2001 -- $345.683 million

- 2002 -- $341.052 million

- 2003 -- $293.537 million

- 2004 -- $239.418 million

In the normal course of business, the Company and its subsidiaries make loans to executive officers and directors of the Company and its subsidiaries and to entities and individuals affiliated with those executive officers and directors. Those loans were made on terms no less favorable to the Company and its subsidiaries than those prevailing at the time for comparable transactions with other persons or, in the case of certain residential real estate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

loans, on terms that were widely available to employees of the Company or its subsidiaries who were not directors or executive officers. Changes in the loans to such executive officers, directors and affiliates during 1999 were as follows:

	1999 (in thousands)
Balance at beginning of year	$238,290
New loans made	60,269
Less repayments	31,362
BALANCE AT END OF YEAR	$267,197

At December 31, 1999, loans to such parties by the Parent were $4.457 million; at December 31, 1998, $5.776 million. Interest income related to these loans was $323,000 in 1999, $576,000 in 1998, and $782,000 in 1997.

Real estate loans totaling $1.385 billion were pledged to collateralize the Company's borrowing capacity at the Federal Home Loan Bank at December 31, 1999.

7. PROVISION AND ALLOWANCE FOR CREDIT LOSSES

Changes in the allowance for credit losses were as follows for the years indicated:

	1999	1998	1997
		(in thousands)	
Balance at beginning of year	$ 158,294	$ 90,487	$ 90,895
Net charge-offs:			
Loans and leases charged off	(61,545)	(31,151)	(26,844)
Recoveries on loans and leases previously charged off	10,432	7,046	5,562
Net charge-offs	(51,113)	(24,105)	(21,282)
Provision for credit losses	55,262	30,925	20,010
Transfer of allowance allocated to securitized loans	(1,025)	--	--
Allowance of subsidiaries purchased	--	60,987	864
BALANCE AT END OF YEAR	$ 161,418	$ 158,294	$ 90,487

The following table presents information related to impaired loans as of and for the years ended December 31, 1999, 1998 and 1997:

	1999	1998	1997
		(in thousands)	
Impaired loans	$ 95,421	$109,368	$ 81,651
Impaired loans with related allowance for credit losses calculated under SFAS No. 114	72,258	76,513	45,178
Total allowance for credit losses on impaired loans	15,833	19,710	10,124
Average impaired loans ...	107,948	88,736	97,701
Interest income recognized on impaired loans	4,349	3,295	1,251

Impaired loans without a related allowance for credit losses are generally collateralized by assets with fair values in excess of the recorded investment in the loans. Interest payments on impaired loans are generally applied to reduce the outstanding principal amounts of such loans.

8. PREMISES AND EQUIPMENT

At December 31, 1999 and 1998, premises and equipment were comprised of the following:

	1999	1998
	(in thousands)	
Premises	$282,066	$263,540
Equipment	176,437	178,053
Total premises and equipment	458,503	441,593
Less accumulated depreciation and amortization	176,838	157,712
NET BOOK VALUE	$281,665	$283,881

Occupancy and equipment expenses include depreciation and amortization expenses of $24.334 million for 1999, $22.585 million for 1998 and $19.873 million for 1997.

9. DEPOSITS

Interest expense related to deposits for the years indicated was as follows:

	1999	1998	1997
	(in thousands)		
Domestic:			
Interest-bearing demand	$ 3,609	$ 11,743	$ 11,365
Savings	93,100	65,665	57,032
Time--Under $100	136,797	94,037	80,562
Time--$100 and over ...	127,539	72,823	61,808
Foreign	7,576	9,592	9,349
TOTAL INTEREST EXPENSE ON DEPOSITS	$368,621	$253,860	$220,116

The following table presents the maturity distribution of domestic time certificates of deposits of $100,000 or more at December 31 for the years indicated:

	1999	1998
	(in millions)	
3 months or less	$1,980	$1,453
Over 3 months through 6 months	738	477
Over 6 months through 12 months	371	348
Over 1 year through 2 years ...	110	79
Over 2 years through 3 years ..	24	34
Over 3 years through 4 years ..	5	6
Over 4 years through 5 years ..	3	2
Over 5 years	1	--
TOTAL	$3,232	$2,399

Time certificates of deposits in denominations of $100,000 or more at December 31, 1999 and 1998 were as follows:

	1999	1998
	(in thousands)	
Domestic	$3,231,994	$2,399,369
Foreign	76,259	89,971

10. SHORT-TERM BORROWINGS

At December 31 for the years indicated, short-term borrowings were comprised of the following:

	1999	1998	1997
		(in thousands)	
BancWest Corporation (Parent):			
Commercial paper	$ 2,600	$ 13,903	$ 1,800
Bank of the West:			
Federal funds purchased	2,095	209,070	--
Securities sold under agreements to repurchase	142,842	68,696	--
Advances from Federal Home Loan Bank of San Francisco	--	1,000	--
Other short-term borrowings	16,274	4,069	--
First Hawaiian:			
Federal funds purchased	38,595	164,462	99,167
Securities sold under agreements to repurchase	301,571	447,667	495,054
Advances from Federal Home Loan Bank of Seattle	--	14,000	99,000
TOTAL SHORT-TERM BORROWINGS	$503,977	$922,867	$695,021

Weighted average interest rates and weighted average and maximum balances for these short-term borrowings were as follows for the years indicated:

	1999	1998	1997
		(dollars in thousands)	
Commercial paper:			
Weighted average interest rate at December 31	6.1%	4.9%	5.2%
Highest month-end balance	$ 9,400	$ 13,903	$ 6,226
Weighted average daily			

outstanding balance	$ 4,962	$ 4,265	$ 5,017
Weighted average daily interest rate paid	4.9%	5.0%	5.3%
Notes payable:			
Weighted average interest rate at December 31	--%	--%	--%
Highest month-end balance	$ --	$ --	$ 50,000
Weighted average daily outstanding balance	$ --	$ --	$ 31,742
Weighted average daily interest rate paid	--%	--%	6.0%
Federal funds purchased:			
Weighted average interest rate at December 31	4.7%	4.6%	5.7%
Highest month-end balance	$392,325	$ 373,532	$116,450
Weighted average daily outstanding balance	$138,101	$ 85,405	$ 76,164
Weighted average daily interest rate paid	4.9%	5.2%	6.2%
Securities sold under agreements to repurchase:			
Weighted average interest rate at December 31	5.1%	4.5%	5.3%
Highest month-end balance	$564,207	$ 552,921	$715,554
Weighted average daily outstanding balance	$499,728	$ 505,529	$593,061
Weighted average daily interest rate paid	4.6%	5.1%	5.0%
Advances from Federal Home Loan Banks of Seattle and San Francisco:			
Weighted average interest rate at December 31	--%	5.4%	5.7%
Highest month-end balance	$ 1,000	$ 441,089	$100,500
Weighted average daily outstanding balance	$ 414	$ 130,804	$ 87,658
Weighted average daily interest rate paid	6.3%	4.8%	5.5%
Other short-term borrowings:			
Weighted average interest rate at December 31	5.5%	4.1%	--%
Highest month-end balance	$ 25,085	$ 4,069	$ --
Weighted average daily outstanding balance	$ 2,959	$ 116	$ --
Weighted average daily interest rate paid	5.6%	4.7%	--%
	========	==========	========

We treat securities sold under agreements to repurchase as financings. We reflect the obligations to repurchase the identical securities sold as liabilities, with the dollar amount of securities underlying the agreements remaining in the asset accounts. At December 31, 1999, the weighted average maturity of these agreements was 70 days and primarily represented investments by public (governmental) entities. Maturities of these agreements were as follows:

	(in thousands)
Overnight	$142,465
Less than 30 days	75,581
30 through 90 days	84,150
Over 90 days	142,217
TOTAL	$444,413

The Parent had $40.0 million in unused lines of credit with BNP to support its commercial paper borrowings as of December 31, 1999.

11. LONG-TERM DEBT AND CAPITAL SECURITIES

At December 31 for the years indicated, long-term debt and Capital Securities were comprised of the following:

	1999		1998	
	BOOK VALUE	FAIR VALUE	Book Value	Fair Value
	(in thousands)			
BancWest Corporation (Parent):				
6.25% subordinated notes due 2000	$100,000	$ 99,610	$100,000	$100,900
6.4375% note due 2004	50,000	49,858	50,000	50,031
7.375% subordinated notes due 2006	50,000	49,025	50,000	53,930
Bank of the West:				
4.60%-9.23% notes due through 2014	497,316	494,007	404,887	407,722
First Hawaiian:				
5.70%-5.84% notes due 2000	4,476	4,500	29,481	28,850
Total long-term debt	701,792	697,000	634,368	641,433
Capital Securities	100,000	95,782	100,000	115,206
TOTAL LONG-TERM DEBT AND CAPITAL SECURITIES	$801,792	$792,782	$734,368	$756,639

BANCWEST CORPORATION (PARENT)

The 6.25% subordinated notes due in 2000 and the 7.375% subordinated notes due in 2006 are unsecured obligations with interest payable semiannually.

The 6.4375% note due in 2004 is unsecured and accrues interest at London Interbank Offered Rates ("LIBOR") plus 0.25% per annum (6.4375% per annum at December 31, 1999). Interest is paid on a quarterly basis.

BANK OF THE WEST

The 4.60%-9.23% notes due through 2014 primarily represent advances from the Federal Home Loan Bank of San Francisco and $51.783 million in subordinated capital notes sold to BNP. Interest on the Federal Home Loan Bank of San Francisco advances is payable monthly. Interest on the subordinated capital notes sold to BNP is payable semiannually.

FIRST HAWAIIAN

The 5.70%-5.84% notes due in 2000 primarily represent advances from the Federal Home Loan Bank of Seattle with interest payable monthly.

FIRST HAWAIIAN CAPITAL I

In 1997, First Hawaiian Capital I, a Delaware business trust (the "Trust"), issued Capital Securities (the "Capital Securities") with an aggregate liquidation amount of $100 million. The proceeds were used to purchase junior subordinated deferrable interest debentures (the "Debentures") of the Company. These debentures are the sole assets of the Trust. The Capital Securities qualify as Tier 1 Capital of the Company and are fully and unconditionally guaranteed by the Company. The Company owns all the common securities issued by the Trust.

The Capital Securities accrue and pay interest semiannually at an annual interest rate of 8.343%. The Capital Securities are mandatorily redeemable upon maturity of the Debentures on July 1, 2027, or upon earlier redemption in whole or in part (subject to a prepayment penalty) as provided for in the governing indenture.

As of December 31, 1999, the principal payments due on long-term debt and Capital Securities were as follows:

	BancWest Corporation (Parent)	Bank of the West	First Hawaiian	First Hawaiian Capital I	Total
			(in thousands)		
2000........	$100,000	$339,270	$ 4,000	$ --	$443,270
2001........	--	101,951	12	--	101,963
2002........	--	185	13	--	198
2003........	--	1,988	15	--	2,003
2004........	50,000	1,387	16	--	51,403
2005 and thereafter..	50,000	52,535	420	100,000	202,955
TOTAL.......	$200,000	$497,316	$ 4,476	$100,000	$801,792

12. COMMON STOCK AND EARNINGS PER SHARE

There have been three significant stock-related issues since November 1998:

(1) In December 1999, the Company declared a two-for-one stock split which doubled the amount of common and Class A common shares issued and outstanding. Per share

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

information, such as earnings per share, dividends per share and book value per share, was restated for all periods presented in this report.

(2) On July 1, 1999, the Company completed its acquisition of SierraWest. The acquisition was accounted for using the pooling-of-interests method of accounting. SierraWest and its subsidiary SierraWest Bank were merged with and into Bank of the West, resulting in the issuance of approximately 4.40 million shares of the Company's common stock to shareholders of SierraWest.

(3) On November 1, 1998, in connection with the BancWest Merger, the Company issued approximately 25.815 million shares (51.630 million shares after adjustment for the two-for-one stock split in December 1999) of newly authorized Class A common stock to BNP and 411,049 shares of treasury stock to satisfy stock appreciation rights of certain Bank of the West employees. The 441,049 shares were issued as dividend-paying restricted stock. If, prior to November 1, 2000, the holder voluntarily terminates employment with the Company or is terminated for cause, the restricted stock will be forfeited. If, prior to that date, the holder's employment terminates for other reasons, or if the holder remains an employee until that date, the stock will become fully vested.

A share of Class A common stock is generally the same as a share of common stock in all respects, except that holders of the Class A common stock have the right to elect a separate class of directors (the "Class A Directors"), and the Class A common stock is entitled to vote as a class on certain fundamental corporate actions unless such actions have been approved by two-thirds of the entire board of directors. The number of Class A Directors will generally be comparable to the percentage of Class A common stock shares in relation to total common stock outstanding (common stock plus Class A common stock).

As of December 31, 1999, the Class A common stock was entitled to elect nine of the Company's 20 directors.

Shares of Class A common stock automatically convert to common stock under certain circumstances, principally when they are transferred by BNP to a third party.

Additionally, BNP is bound by a standstill and governance agreement that governs most aspects of the relationship between BNP and the Company. The standstill and governance agreement extends for a four-year period from the time of the BancWest Merger, with certain provisions continuing beyond that initial period. Among the key features of this agreement are provisions that:

- Limit BNP's ability to acquire, directly or indirectly, additional common stock that would result in its ownership of more than 45% of the outstanding voting stock of the Company;
- Restrict BNP's ability to transfer its shares;
- Restrict BNP's ability to exercise control over the Company or the Board (other than through its representation on the Board); and
- Create various other restrictions.

Additionally, concurrent with the BancWest Merger, the Company increased the number of authorized shares of common stock from 100,000,000 to 200,000,000, while reducing the common stock's par value from $5.00 per share to $1.00 per share.

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share (includes both common and Class A common shares):

	1999		
	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER SHARE AMOUNT
	(in thousands, except number of shares and per share data)		
BASIC NET INCOME	$ 172,378	124,047,664	$1.39
EFFECT OF DILUTIVE SECURITIES-- STOCK INCENTIVE PLAN OPTIONS	--	651,729	--
DILUTED NET INCOME	$ 172,378	124,699,393	$1.38

	1998		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except		

	Income (Numerator)	Shares (Denominator)	Per Share Amount
		(in thousands, except number of shares and per share data)	
Basic net income	$ 84,284	79,515,996	$1.06
Effect of dilutive securities-- Stock incentive plan options	--	853,890	--
Diluted net income	$ 84,284	80,369,886	$1.05

	1997		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
		(in thousands, except number of shares and per share data)	
Basic net income	$ 93,209	70,939,308	$1.31
Effect of dilutive securities-- Stock incentive plan options	--	1,470,500	--
Diluted net income	$ 93,209	72,409,808	$1.29

13. REGULATORY CAPITAL REQUIREMENTS

The Company is subject to various regulatory capital requirements administered by the Federal banking agencies. If we fail to meet minimum capital requirements, these agencies can initiate certain discretionary (and, in the case of the Company's depository institution subsidiaries, 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, the Company and its depository institution subsidiaries must each meet specific capital guidelines that involve quantitative measures of their 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.

Quantitative measures established by regulation to ensure capital adequacy require the Company and its depository institution subsidiaries to maintain minimum amounts and ratios of Tier 1 and Total capital to risk-weighted assets, and of Tier 1 capital to average assets. The table below sets forth those ratios at December 31, 1999 and 1998.

	ACTUAL		FOR CAPITAL ADEQUACY PURPOSES		TO BE WELL-CAPITALIZED UNDER PROMPT CORRECTIVE ACTION PROVISIONS	
	AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO
			(dollars in thousands)			
AS OF DECEMBER 31, 1999:						
TIER 1 CAPITAL TO RISK-WEIGHTED ASSETS:						
BANCWEST CORPORATION	$1,297,796	8.80%	$ 590,165	4.00%		
BANK OF THE WEST	572,775	7.35	311,531	4.00	$ 467,296	6.00%
FIRST HAWAIIAN	691,297	9.98	277,056	4.00	415,583	6.00
TOTAL CAPITAL TO RISK-WEIGHTED ASSETS:						
BANCWEST CORPORATION	$1,558,494	10.56%	$1,180,329	8.00%		
BANK OF THE WEST	834,791	10.72	623,061	8.00	$ 778,827	10.00%
FIRST HAWAIIAN	838,985	12.11	554,111	8.00	692,639	10.00
TIER 1 CAPITAL TO AVERAGE ASSETS:						
BANCWEST CORPORATION	$1,297,796	8.11%	$ 640,281	4.00%(1)		
BANK OF THE WEST	572,775	6.39	358,269	4.00(1)	$ 447,836	5.00%
FIRST HAWAIIAN	691,297	9.92	278,725	4.00(1)	348,407	5.00

	Actual		For Capital Adequacy Purposes		To Be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
			(dollars in thousands)			
As of December 31, 1998:						
Tier 1 Capital to Risk-Weighted Assets:						
BancWest Corporation	$1,156,499	8.32%	$ 556,054	4.00%		
Bank of the West	496,246	7.36	269,871	4.00	$ 404,807	6.00%
First Hawaiian	645,842	9.16	281,876	4.00	422,814	6.00
Total Capital to Risk-Weighted Assets:						
BancWest Corporation	$1,414,622	10.18%	$1,112,108	8.00%		
Bank of the West	705,264	10.45	539,743	8.00	$ 674,680	10.00%
First Hawaiian	796,541	11.30	563,752	8.00	704,689	10.00
Tier 1 Capital to Average Assets:						
BancWest Corporation	$1,156,499	9.13%	$ 506,626	4.00%(1)		
Bank of the West	496,246	8.80	225,459	4.00(1)	$ 281,823	5.00%
First Hawaiian	645,842	9.08	284,406	4.00(1)	355,507	5.00

(1) The leverage ratio consists of a ratio of Tier 1 capital to average assets. The minimum leverage ratio guideline is three percent for banking organizations that do not anticipate or are not experiencing significant growth, and that have well-diversified risk, excellent asset quality, high liquidity, good earnings, a strong banking organization, and rated a composite 1 under the Uniform Financial Institution Rating System established by the Federal Financial Institution Examination Council.

Pursuant to applicable law and regulations, each of the depository institution subsidiaries have been notified by the Federal Deposit Insurance Corporation ("FDIC") that each of them is deemed to be well-capitalized. To be well-capitalized, a bank must have a total risk-based capital ratio of 10.00% or greater, a Tier 1 risk-based capital ratio of 6.00% or greater, a leverage ratio of 5.00% or greater and not be subject to any agreement, order or directive to meet a specific capital level for any capital measure. Management believes that no conditions or events have occurred since the respective notifications to change the capital category of either of its depository institution subsidiaries.

14. LIMITATIONS ON PAYMENT OF DIVIDENDS

The primary source of funds that we use to pay dividends to stockholders are dividends the Parent receives from its subsidiaries. Regulations limit the amount of dividends Bank of the West and First Hawaiian may declare or pay. At December 31, 1999, the aggregate amount available for payment of dividends by such subsidiaries without prior regulatory approval was $365.525 million.

15. BENEFIT PLANS

PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

In 1998, the Company adopted SFAS No. 132, "Employers' Disclosure about Pension and Other Postretirement Benefits." SFAS No. 132 standardized disclosure requirements for pension and other postretirement benefits and superseded the disclosure requirements in SFAS No. 87, "Employers' Accounting for Pensions," SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS No. 132 did not change existing measurement or recognition standards. The adoption of SFAS No. 132 did not affect the Company's consolidated results of operations or consolidated financial position as previously reported.

The Company has a noncontributory defined benefit pension plan that was frozen as of December 31, 1995. As a result of the freeze, there will be no further benefit accruals and no additional participants in the plan. Employees are also covered under unfunded postretirement medical and life insurance plans. In addition, a select group of key executives participates in an unfunded supplemental executive retirement plan.

In connection with the BancWest Merger, the Company assumed the pension and postretirement benefit obligations of Bank of the West. Bank of the West employees participate in: (1) a noncontributory cash balance defined benefit pension plan; (2) an unfunded excess benefit pension plan covering employees whose pay or benefits exceed certain regulatory limits; (3) unfunded postretirement medical and life insurance plans; and (4) a 401(k) savings plan. In addition, certain key executives are eligible for a supplemental pension benefit in the unfunded excess benefit pension plan if they meet certain age and service conditions. In November 1999, the Bank of the West noncontributory cash balance defined benefit pension plan was integrated with the Company's existing noncontributory defined benefit pension plan. The benefit obligations assumed by the Company in connection with the BancWest Merger have been reflected in the following table.

The Company also has a non-qualified pension plan (the "Director's Retirement Plan") that provides for eligible directors to qualify for retirement benefits based on their service as a director. The Director's Retirement Plan's benefit obligations have been reflected in the following table.

The following tables summarize changes to the benefit obligation and fair value of plan assets for the years indicated:

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
	(in thousands)			
Benefit obligation at beginning of year	$ 148,206	$ 99,276	$ 16,174	$ 8,056
Service cost	3,295	1,483	945	369
Interest cost	9,909	7,345	1,000	623
Amendments	--	1,981	517	--
Actuarial (gain) loss	(6,990)	4,145	(1,353)	(13)
Acquisitions	--	41,866	--	7,637
Benefit payments	(12,319)	(7,890)	(632)	(498)
BENEFIT OBLIGATION AT END OF YEAR	$ 142,101	$ 148,206	$ 16,651	$ 16,174

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
	(in thousands)			
Fair value of plan assets at beginning of year ..	$ 183,955	$ 125,293	$ --	$ --
Actual return on plan assets	23,334	29,941	--	--
Acquisitions	--	35,261	--	--
Employer contributions	1,511	1,350	632	498
Benefit payments	(12,319)	(7,890)	(632)	(498)
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	$ 196,481	$ 183,955	$ --	$ --

The following table summarizes the funded status of the plans and amounts recognized/unrecognized in the Consolidated Balance Sheets:

	Pension Benefits		Other Benefits	
	1999	1998	1999	1998
	(in thousands)			
Funded status	$ 54,380	$ 35,749	$ (16,651)	$ (16,174)
Unrecognized net (gain) loss	(38,546)	(27,866)	1,057	362
Unrecognized prior service cost	6,772	7,559	517	353
Unrecognized transition (asset) obligation	(2,400)	(3,600)	33	2,000
PREPAID (ACCRUED) BENEFIT COST	$ 20,206	$ 11,842	$ (15,044)	$ (13,459)

Pension plan assets at December 31 include the following shares of common stock of the Company:

	Shares	Fair Value
	(dollars in thousands)	
1999	1,175,712	$ 22,926
1998	1,175,712	$ 28,217

Key provisions for the retirement plans as of December 31, 1999 and 1998 are as follows:

	1999	1998
	(in thousands)	
Projected benefit obligation	$113,670	$117,291
Accumulated benefit obligation	112,765	116,876
Fair value of plan assets for the retirement plan with plan assets in excess of accumulated benefit obligations	196,481	183,955
Prepaid benefit cost for the overfunded plan	43,760	31,745

The remaining plans had an accrued benefit liability.

The weighted average discount rate was 7.00% and 6.75% as of December 31, 1999 and 1998, respectively. In determining the 1999 net periodic benefit cost, the expected return on plan assets was 8.70% for the noncontributory defined benefit pension plan; the rate of increase in future compensation used in determining the projected benefit obligation averaged 6.10% for the unfunded supplemental executive retirement plan and 4.00% for the noncontributory cash balance defined benefit pension plan.

For the subsidy for retirees under age 65, for First Hawaiian, a 7.50% annual rate of increase in the per capita cost of covered health care benefits was assumed for 1999. The rate was assumed to decrease gradually to 4% after seven years and remain level at 4% thereafter. These assumptions are not applicable for First Hawaiian retirees over age 65 because benefits are capped at $50 per month. For Bank of the West, the annual rate was 6% for 1999, 5% for 2000 and 4.25% thereafter.

The following table sets forth the components of the net periodic benefit cost (credit) for 1999, 1998 and 1997:

	Pension Benefits			Other Benefits		
	1999	1998	1997	1999	1998	1997
	(in thousands)					
Service cost	$ 3,295	$ 1,483	$ 1,182	$ 945	$ 369	$ 305
Interest cost	9,909	7,345	6,636	1,000	623	519
Expected return on plan assets	(15,773)	(11,004)	(9,120)	--	--	--
Amortization of transition (asset) obligation	(1,200)	(1,200)	(1,200)	3	143	143
Amortization of prior service cost	851	886	746	--	26	26
Recognized net actuarial (gain) loss	(3,934)	(2,450)	(291)	129	--	--
Curtailment loss	N/A	N/A	N/A	139	N/A	N/A
NET PERIODIC BENEFIT COST (CREDIT)	$ (6,852)	$ (4,940)	$ (2,047)	$ 2,216	$ 1,161	$ 993

Assumed health care cost trend rates have an impact on the amounts reported for the health care plans. A one-percentage-point change in the assumed health care cost trend rates would have the following pre-tax effect:

	One-Percentage-Point Increase	One-Percentage-Point Decrease
	(in thousands)	
Effect on 1999 total of service and interest cost components	$ 85	$ (74)
Effect on postretirement benefit obligation at December 31, 1999	593	(530)

MONEY PURCHASE AND 401(k) MATCH PLANS

Effective January 1, 1996, the Company began contributing to a defined contribution money purchase plan. The Company also began matching employees' contributions (up to 3% of pay) to an existing 401(k) component of the defined contribution plan. The plans replace the noncontributory defined benefit pension plan, which was "frozen" as of December 31, 1995. The plans cover substantially all employees who satisfy applicable age and length-of-service requirements, except for a select group of key executives who are eligible for the Company's unfunded supplemental executive retirement plan.

For 1999, 1998 and 1997, the defined contribution money purchase plan contributions were $5.005 million, $5.185 million and $5.351 million, respectively. The matching employer contributions to the 401(k) plan were $1.975 million, $2.090 million and $2.154 million, respectively.

Effective July 1, 1999, the Bank of the West Savings Plan was merged into the Company's defined contribution plan. Effective June 30, 1999, SierraWest amended the SierraWest Bancorp KSOP Plan (the "KSOP") to cease all contributions. Effective July 1, 1999, all eligible employees who participated in the KSOP became eligible to participate in the Company's defined contribution plan.

Effective January 1, 2000, the KSOP was divided into two separate plans: (1) the SierraWest Bancorp Employee Stock Ownership Plan (the "ESOP"); and (2) the SierraWest Bancorp Savings Plan (the "SierraWest Savings Plan") (together, the "Plans"). The Plans will be separately submitted to the Internal Revenue Service (the "IRS") for determination letters that they remain qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended. As soon as administratively practicable following the favorable determination letters from the IRS, the ESOP will be terminated as of an appropriate date and its assets will be distributed to participants, and the SierraWest Savings Plan will be merged into the Company's defined contribution plan.

PROFIT-SHARING AND CASH-BONUS PLANS

Previously, the profit-sharing and cash-bonus plans covered substantially all employees who satisfied age and length-of-service requirements. Annual contributions to the plans were based upon a formula and were limited to the total amount deductible under the applicable provisions of the Internal Revenue Code. The profit-sharing and cash-bonus formula provided that:

- 50% of the Company's contribution be paid directly to eligible members as a year-end cash-bonus, and

- The other 50%, less forfeitures, be paid into the profit-sharing trust fund.

The profit-sharing contribution and cash-bonus (reflected in salaries and wages) totaled:

- $4.287 million for 1998, and

- $5.537 million for 1997.

Contributions to the profit-sharing and cash-bonus plans have been terminated for periods commencing after December 31, 1998.

INCENTIVE PLAN FOR KEY EXECUTIVES

The Company has an Incentive Plan for Key Executives (the "IPKE"), under which awards of cash or our common stock, or both, are made to key executives. The IPKE limits the aggregate and individual value of the awards that could be issued in any one fiscal year. Shares of common stock awarded under the IPKE are held in escrow. Key executives concerned may not, under any circumstances, voluntarily dispose of or transfer such shares prior to the earliest of:

- Attaining 60 years of age,

- Completion of 20 full years of employment with the Company, or

- Retirement, death or termination of employment prior to retirement with the approval of the Company.

Additionally, any key executive who has met the minimum restrictions of 20 years of employment or 60 years of age may not voluntarily dispose of subsequent shares awarded for a five-year period.

16. STOCK-BASED COMPENSATION

The Company has two Stock Incentive Plans, one effective in 1991 (the "1991 SIP") and one effective in 1998 (the "1998 SIP" and, together with the 1991 SIP, the "SIP"). The SIP authorizes the grant of up to 6,000,000 shares of common stock to selected key employees. The SIP aims to enhance the value of the Company by providing additional incentives for outstanding performance to selected key employees, linking their interests with those of our stockholders. The SIP is administered by the Executive Compensation Committee of the Board.

The Company began administering the Sierra Tahoe Bancorp 1996 Stock Option Plan, the Sierra Tahoe Bancorp 1998 Stock Option Plan, the California Community BancShares Corporation 1993 Stock Option Plan and the Continental Pacific Bank 1990 Amended Stock Option Plan (the "SierraWest Option Plans") as a result of the SierraWest Merger. There will be no future options granted under the SierraWest Option Plan.

The SIP provides for grants of restricted stock, incentive stock options, non-qualified stock options and reload options. Options are granted at exercise prices that are not less than the fair market value of the common stock on the date of grant. Options vest at a rate of 25% per year after the date of grant. Stock options must be exercised within ten years from the date of grant, but may not be exercised for six months after the date of grant and/or vesting.

Stock options may be exercised, in whole or in part, by payment of the option price in cash or, if allowed under the option agreement, shares of common stock already owned by the optionee. If there is a change in control of the Company, as defined in the SIP, all options granted and held at least six months become immediately vested and exercisable. In 1998, concurrent with the BancWest Merger, substantially all options outstanding became immediately vested and exercisable.

In connection with the two-for-one stock split in December 1999, the number of shares of the Company's common stock available for grants under the SIP was doubled. Outstanding options under the SIP and SierraWest Option Plans were adjusted by doubling the aggregate number of shares issuable under each outstanding option and by halving their per share exercise price.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

The following table summarizes activity under the SIP and SierraWest Option Plans for 1999, 1998 and 1997:

	Options Outstanding	
	Shares	Weighted Average Exercise Price
Balance at December 31, 1996	1,045,087	$ 10.08
Granted	363,297	15.50
Exercised	(180,345)	7.80
Forfeited	(18,158)	8.11
Balance at December 31, 1997	1,209,881	12.08
Granted	420,362	19.30
Exercised	(118,753)	5.65
Forfeited	(16,305)	10.58
Balance at December 31, 1998	1,495,185	14.61
GRANTED	2,183,567	20.08
EXERCISED	(234,661)	10.00
FORFEITED	(8,981)	19.71
BALANCE AT DECEMBER 31, 1999	3,435,110	$ 18.31

At December 31, 1999, 2,473,748 stock options (net of exercised options of 317,872) were available for future grants under the SIP.

The following table summarizes SIP and SierraWest Option Plans options outstanding and exercisable as of December 31, 1999:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of Shares Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life(Years)	Number of Shares Outstanding	Weighted Average Exercise Price
Less than $12.50...........	185,730	$ 7.58	6.00	185,377	$ 7.58
$12.50-$15.00	940,226	13.60	4.64	940,226	13.60
$15.50-$17.50	582,896	16.62	7.00	581,396	16.62
$18.00-$20.00	1,726,258	19.89	8.49	540,960	18.82
BALANCE AT DECEMBER 31, 1999	3,435,110	$ 18.31	7.05	2,247,959	$ 15.14

In accounting for our option plans, the Company applies Accounting Principles Board ("APB") Opinion No. 25 and related interpretations. There has been no compensation cost charged against income for the option plans, as options are granted at exercise prices that are not less than the fair market value of the common stock on the date of grant. Had compensation cost for the option plans been determined in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation," the Company's net income and basic earnings per share would have been reduced to the pro forma amounts indicated below:

	1999	1998	1997
	(in thousands, except per share data)		
Net income:			
As reported	$ 172,378	$ 84,284	$ 93,209
Pro forma	171,543	81,544	92,563
Basic earnings per share:			
As reported	$ 1.39	$ 1.06	$ 1.31
Pro forma	1.38	1.03	1.30

Under SFAS No. 123, the fair value of each grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for the grants:

	1999	1998	1997
Expected dividend yield	3.32%	3.20%	3.69%
Expected common stock volatility	22.58%	19.84%	18.07%
Risk-free interest rate	5.47%	5.35%	6.49%
Expected life of the options	6 YEARS	6 years	6 years

The weighted average grant date fair value of options granted was $4.45 in 1999, $4.01 in 1998 and $3.34 in 1997.

LONG-TERM INCENTIVE PLAN

We have a Long-Term Incentive Plan (the "LTIP") designed to reward selected key executives for their performance and the Company's performance measured over a three-year performance cycle. Due to the timing of the BancWest Merger, the current cycle runs for two years (1999-2000). Concurrently, the second and third cycles for three years (1999-2001 and 2000-2002) will be running.

Even though the Company was the surviving corporation, the BancWest Merger constituted a "Change in Control" as defined by the LTIP. As of the effective date of an LTIP Change in Control, the LTIP provides that participants will be deemed to have fully earned the maximum target value attainable for the entire performance period, regardless of whether the Company met the target levels.

Based on actual performance to November 1, 1998, it did not appear that any payments would be made for either of the three-year performance periods that began in 1996 and 1997. If the LTIP Change in Control provisions had been implemented, on the other hand, participants would have received maximum payments under the LTIP for the three-year periods that began on January 1, 1996, 1997 and 1998.

We also recognized that, because of the BancWest Merger, the LTIP's performance goals would no longer be appropriate. As a result, we amended the LTIP to: (1) specify that the BancWest Merger would not be considered an LTIP Change in Control for purposes of the LTIP; and (2) pay the maximum target value attainable for one year of the three-year performance period that began on January 1, 1998. A payment of $1.047 million, equal to one-third of the maximum target value attainable for the 1998-2000 performance cycle, was made to participants in the LTIP in January 1999. The payments were based upon 1998 compensation levels.

17. OTHER NONINTEREST EXPENSE

For the years indicated, other noninterest expense included the following:

	1999	1998	1997
		(in thousands)	
Stationery and supplies	$ 21,275	$ 12,958	$ 12,835
Advertising and promotion	15,788	11,909	11,948
Other	75,526	60,146	41,620
TOTAL OTHER NONINTEREST EXPENSE	$112,589	$ 85,013	$ 66,403

18. INCOME TAXES

For the years indicated, the provision for income taxes was comprised of the following:

	1999	1998	1997
		(in thousands)	
Current:			
Federal	$ 22,075	$ 9,030	$ 12,525
States and other	6,445	4,511	4,270
Total current	28,520	13,541	16,795
Deferred:			
Federal	76,184	33,491	26,805
States and other	19,047	13,585	1,376
Total deferred	95,231	47,076	28,181
TOTAL PROVISION FOR INCOME TAXES	$123,751	$ 60,617	$ 44,976

The provision for income taxes has been reduced by general business and capital goods excise tax credits of:

- $4.718 million in 1999,
- $5.436 million in 1998, and
- $4.360 million in 1997.

At December 31, 1999, the Company has no federal or state tax credit carryforwards.

The components of net deferred income tax liabilities at December 31, 1999 and 1998 were as follows:

	1999	1998
	(in thousands)	
ASSETS		
Allowance for credit losses and nonperforming assets	$ 71,894	$ 60,533
Deferred compensation expenses	10,835	13,128
State income and franchise taxes	841	1,829
Federal and state tax credit carryforwards	--	7,957
Other	19,361	--

Total deferred income tax assets	102,931	83,447
LIABILITIES		
Leases	453,092	363,461
Intangible assets	13,212	14,370
Investment securities	12,493	4,777
Depreciation expense	11,626	1,219
Net deferred income	--	9,115
Other	--	12,530
Total deferred income tax liabilities	490,423	405,472
NET DEFERRED INCOME TAX LIABILITIES	$387,492	$322,025

Net deferred income tax liabilities are included in other liabilities in the Consolidated Balance Sheets.

The following analysis reconciles the Federal statutory income tax rate to the effective income tax rate for the years indicated:

	1999	1998	1997
Federal statutory income tax rate	35.0%	35.0%	34.9%
Foreign, state and local taxes, net of Federal income tax benefit	6.0	5.0	3.3
Goodwill amortization	3.5	1.9	1.0
Tax credits	(2.1)	(2.1)	(3.1)
Other	(.6)	2.0	(3.6)
EFFECTIVE INCOME TAX RATE	41.8%	41.8%	32.5%

The increase in the 1999 and 1998 effective tax rates as compared to 1997 was primarily due to the effects of the BancWest Merger which resulted in: (1) the recognition of increased goodwill amortization, for which the Company receives no income tax benefits; and (2) increased state income taxes, as a result of a higher apportionment of California versus Hawaii income. Additionally, we had a lower effective tax rate in 1997 because of the recognition of previously unrecognized tax credits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. OPERATING SEGMENTS

In 1998, the Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 superseded SFAS No. 14, "Financial Reporting for Segments of a Business Enterprise," replacing the "industry segment" approach with the "management" approach. Using the management approach, we report the same operating segments that management uses to make decisions and assess the Company's performance. SFAS No. 131 also requires disclosures about products and services, geographic areas and major customers. The adoption of SFAS No. 131 did not affect consolidated results of operations or consolidated financial position as previously reported.

The Company has determined that our reportable segments are the ones we use in our internal reporting: Bank of the West and First Hawaiian. The Bank of the West segment operates primarily on the Mainland United States. The Bank of the West segment includes:

- The operations acquired by the Company in the Pacific Northwest in 1996, which were merged with the operations of Bank of the West on November 1, 1998, and

- The operations acquired in the SierraWest Merger.

Although the First Hawaiian segment operates primarily in Hawaii, it also has significant operations outside the state, such as media finance, leveraged leases and international banking.

The financial results of these operating segments are presented on an accrual basis. There are no significant differences among the accounting policies of the segments as compared to the Consolidated Financial Statements. The Company evaluates the performance of its segments and allocates resources to them based on net interest income and net income. There are no material intersegment revenues.

The tables below present information about the Company's operating segments as of or for the years ended December 31:

	Bank of the West	First Hawaiian	Other	Reconciling Items	Consolidated Totals
			(in millions)		
1999:					
NET INTEREST INCOME	$ 384	$ 312	$ (7)	$ --	$ 689
PROVISION FOR CREDIT LOSSES	28	27	--	--	55
DEPRECIATION AND AMORTIZATION	41	26	--	--	67
RESTRUCTURING, MERGER-RELATED AND OTHER NONRECURRING COSTS	11	7	--	--	18
PROVISION FOR INCOME TAXES	72	56	(4)	--	124
NET INCOME	84	94	(6)	--	172
SEGMENT ASSETS (YEAR END)	9,571	7,081	2,747	(2,718)	16,681
CAPITAL EXPENDITURES	18	21	--	--	39
1998:					
Net interest income	$ 126	$ 322	$ (14)	$ --	$ 434
Provision for credit losses	8	23	--	--	31
Depreciation and amortization	12	23	--	--	35
Restructuring, merger-related and other nonrecurring costs	10	16	--	--	26
Provision for income taxes	16	53	(6)	(2)	61
Net income	18	75	(9)	--	84
Segment assets (year end)	8,603	7,248	2,458	(2,380)	15,929
Capital expenditures	8	11	--	--	19
1997:					
Net interest income	$ 73	$ 310	$ (13)	$ --	$ 370
Provision for credit losses	5	15	--	--	20
Depreciation and amortization	5	28	--	--	33
Provision for income taxes	9	41	(5)	--	45
Net income	14	86	(7)	--	93
Segment assets (year end)	1,702	7,072	1,436	(1,330)	8,880
Capital expenditures	6	14	--	--	20

The Company also identifies business units based on the products or services offered and the channels through which the products or services are delivered. In addition to the operating segment information, the table below presents selected Company-wide information regarding business units for the respective years ended December 31:

	Wholesale	Retail	Other	Reconciling Items	Consolidated Totals
			(in millions)		
Interest income:					
1999	$ 410	$ 657	$ 91	$ (22)	$ 1,136

1998	281	465	16	(12)	750
1997	241	410	10	(10)	651

The reconciling items in the above tables are principally intercompany eliminations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

20. INTERNATIONAL OPERATIONS

The Company's international operations are principally in Guam, Saipan and Grand Cayman, British West Indies. These operations involve foreign banking and international financing activities, including short-term investments, loans and leases, acceptances, letters of credit financing and international funds transfers.

We identify international activities on the basis of the domicile of the customer.

The table below presents information about the Company's foreign, domestic and consolidated operations as of or for the years ended December 31:

	Foreign	Domestic	Consolidated
		(in thousands)	
1999:			
TOTAL REVENUE	$ 50,730	$ 1,282,613	$ 1,333,343
INCOME BEFORE INCOME TAXES	6,270	289,859	296,129
NET INCOME	4,013	168,365	172,378
TOTAL ASSETS	404,666	16,276,356	16,681,022
1998:			
Total revenue	$ 45,197	$ 838,526	$ 883,723
Income before income taxes	4,274	140,627	144,901
Net income	2,735	81,549	84,284
Total assets	695,698	15,233,366	15,929,064
1997:			
Total revenue	$ 38,056	$ 723,542	$ 761,598
Income before income taxes	4,666	133,519	138,185
Net income	3,033	90,176	93,209
Total assets	444,016	8,435,822	8,879,838

Our current procedure is to price intercompany transfers of funds at prevailing market rates. In general, we have allocated all direct expenses and a proportionate share of general and administrative expenses to the income derived from loans and leases and transactions by the Company's international operations.

The following table presents the percentages of assets and liabilities attributable to foreign operations. For this purpose, assets attributable to foreign operations are defined as: (1) assets in foreign offices; and (2) loans and leases to and investments in customers domiciled outside the United States. Deposits received and other liabilities are classified on the basis of domicile of the depositor/creditor.

	1999	1998	1997
Average foreign assets to average total assets	3.98%	4.92%	4.02%
Average foreign liabilities to average total liabilities	1.75	3.12	3.39

21. LEASE COMMITMENTS

At December 31, 1999, we had the following future minimum lease payments (by year and in the aggregate) under noncancelable operating leases having initial or remaining terms in excess of one year:

	Operating Leases	Less Sublease Income	Net Operating Leases
		(in thousands)	
2000	$ 42,267	$ 9,138	$ 33,129
2001	40,028	8,825	31,203
2002	36,048	7,868	28,180
2003	31,574	6,267	25,307
2004	14,059	5,691	8,368
2005 and thereafter	69,477	12,414	57,063
TOTAL	$233,453	$ 50,203	$183,250

These leases of premises and equipment extend for varying periods up to 42 years. Some of them may be renewed for periods ranging from one to 42 years. Under the premises' leases, we are also required to pay real property taxes, insurance and maintenance.

In most cases, leases for premises provide for periodic renegotiation of rents based upon a percentage of the appraised value of the leased property. The renegotiated annual rent is usually not less than the annual amount paid in the previous period. Where future commitments are subject to appraisals, the minimum annual rental commitments are based on the latest annual rents.

Rental expense for the years indicated was:

- 1999: $45.051 million

- 1998: $37.188 million

- 1997: $34.049 million

In December 1993, the Company entered into a noncancelable agreement to lease its administrative headquarters building on land owned in fee simple by the Company. (Construction of the building was completed in September 1996.) Also in December 1993, the Company entered into a ground lease of the land to the lessor of the building.

Rent obligation for the building commenced on December 1, 1996 and will expire on December 1, 2003 (the "Primary Term"). We are obligated to pay all taxes, insurance, maintenance and other operating costs associated with the building during the Primary Term. As of December 31, 1999, the Company has executed certain noncancelable subleases with third parties. These amounts are included in sublease income in the above table.

At the end of the Primary Term, the Company may decide whether to: (1) extend the lease term at rents based on the lessor's cost of funds at the time of renewal; (2) purchase the building for an amount approximately equal to that expended by the lessor to construct the building; or (3) arrange for the sale of the building to a third party on behalf of the lessor. If we choose option (3), we must pay to lessor any shortfall between the sales proceeds and a specified residual value, such payment not to exceed $161.990 million. This lease is accounted for as an operating lease.

22. COMMITMENTS AND CONTINGENT LIABILITIES

Off-balance-sheet commitments and contingent liabilities were as follows at December 31 for the years indicated:

	1999 NOTIONAL/ CONTRACT AMOUNT	1998 Notional/ Contract Amount
	(in thousands)	
Contractual Amounts Which Represent Credit Risk:		
Commitments to extend credit	$5,552,476	$5,791,353
Standby letters of credit	247,620	191,471
Commercial letters of credit	7,150	16,738
Contractual Amounts Where Credit Risk is Less Than Contractual Amount:		
Commitments to purchase foreign currencies	8,870	16,581
Commitments to sell foreign currencies	11,458	16,515
Interest rate swaps	131,471	145,153
Forward contracts	10,000	33,000
Put options	2,000	6,000
Guarantees received	31,003	893

ROLLFORWARD SCHEDULE

The following is a summary of the off-balance-sheet financial instruments for 1999 and 1998:

	Receive Fixed Swaps	Pay Fixed Swaps	Variable/ Variable Swaps	Forward Starting Swaps	Floors	Forward Con- tracts	Put Options	Total
				(in millions)				
Balance, December 31, 1997	$ 320	$ 95	$ 10	$ --	$ 500	$ 16	$ 5	$ 946
Additions	--	23	--	4	--	212	50	289
Maturities/ amortizations	300	2	--	--	500	195	49	1,046
Terminations	--	5	--	--	--	--	--	5
Balance, December 31, 1998	20	111	10	4	--	33	6	184
ADDITIONS	--	11	--	--	--	130	29	170
MATURITIES/ AMORTIZATIONS	20	4	--	--	--	153	33	210
TERMINATIONS	--	1	--	--	--	--	--	1
BALANCE, DECEMBER 31, 1999	$ --	$ 117	$ 10	$ 4	$ --	$ 10	$ 2	$ 143

HEDGING SUMMARY

The following is additional hedging information related to the Company's interest rate swaps as of December 31, 1999:

	Notional Amount	Pay Rate	Receive Rate	Asset Yield	Net Yield	Original Maturity	Remaining Maturity
			(dollars in millions)				
Asset hedges:							
Fixed rate loans	$117	6.31%	5.95%	8.03%	7.67%	10.1 YRS.	5.9 YRS.

The following summarizes the impact of the Company's interest rate swap and floor activities on its weighted average borrowing rate and on interest income and expense for the years indicated:

	1999	1998	1997
	(dollars in thousands)		
Average borrowing rate:			
Without interest rate swaps and floors	3.60%	4.15%	4.22%
With interest rate swaps and floors	3.60	4.15	4.22
Decrease in interest income	$ 1,128	$ 1,256	$3,521
Decrease in interest expense	--	--	42
INTEREST RATE SWAP AND FLOOR EXPENSE, NET	$ 1,128	$ 1,256	$3,479

FACILITIES MANAGEMENT AGREEMENT

In August 1999, the Company signed a facilities management agreement in connection with the consolidation of the three data centers. At December 31, 1999, the Company had the following future minimum payments under this noncancelable agreement:

	Minimum Payments (in thousands)
2000	$ 18,118
2001	16,934
2002	16,934
2003	16,934
2004	16,934
2005 and thereafter	16,934
TOTAL	$102,788

Expenses under this facilities management agreement for the year ended December 31, 1999 were approximately $7.685 million.

LITIGATION

Various legal proceedings are pending against the Company. Our ultimate liability, if any, cannot be determined at this time. Based upon consultation with counsel, management does not expect that the aggregate liability, if any, resulting from these proceedings would have a material effect on the Company's consolidated financial position, results of operations or liquidity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents a summary of the book and fair value of the Company's financial instruments at December 31 for the years indicated:

	1999	
	BOOK VALUE	FAIR VALUE
	(in thousands)	
FINANCIAL ASSETS:		
CASH AND DUE FROM BANKS	$ 809,961	$ 809,961
INTEREST-BEARING DEPOSITS IN OTHER BANKS	9,135	6,979
FEDERAL FUNDS SOLD AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	71,100	71,100
INVESTMENT SECURITIES (NOTE 5):		
HELD-TO-MATURITY	142,868	139,102
AVAILABLE-FOR-SALE	1,868,003	1,868,003
LOANS AND LEASES (NOTE 6)	12,524,039	12,447,430
CUSTOMERS' ACCEPTANCE LIABILITY	1,039	1,039
FINANCIAL LIABILITIES:		
DEPOSITS	$12,877,952	$12,866,814
SHORT-TERM BORROWINGS(NOTE 10)	503,977	503,977
ACCEPTANCES OUTSTANDING	1,039	1,039
LONG-TERM DEBT (NOTE 11)	701,792	697,000
GUARANTEED PREFERRED BENEFICIAL INTERESTS IN JUNIOR SUBORDINATED DEBENTURES (NOTE 11)	100,000	95,782

	1998	
	Book Value	Fair Value
	(in thousands)	
Financial Assets:		
Cash and due from banks	$ 664,772	$ 664,772
Interest-bearing deposits in other banks	278,455	279,033
Federal funds sold and securities purchased under agreements to resell	66,500	66,500
Investment securities (note 5):		
Held-to-maturity	290,922	291,414
Available-for-sale	1,480,976	1,480,976
Loans and leases (note 6)	11,964,563	12,070,402
Customers' acceptance liability	1,377	1,377
Financial Liabilities:		
Deposits	$12,042,872	$12,060,600
Short-term borrowings (note 10)	922,867	922,867
Acceptances outstanding	1,377	1,377
Long-term debt (note 11)	634,368	641,433
Guaranteed preferred beneficial interests in junior subordinated debentures (note 11)	100,000	115,206

The following table presents a summary of the fair value of the Company's off-balance-sheet financial instruments (Note 22) at December 31, 1999 and 1998:

	1999	1998
	(in thousands)	
Commitments to extend credit	$ 26,850	$ 29,947
Standby letters of credit	2,433	1,873
Commercial letters of credit	71	167
Commitments to purchase foreign currencies	(90)	55
Commitments to sell foreign currencies	333	(13)
Interest rate swaps	3,841	(6,008)
Forward contracts	141	(3)
Put options	13	--

24. BANCWEST CORPORATION (PARENT COMPANY ONLY) FINANCIAL STATEMENTS

In the financial statements presented below, the investment in subsidiaries is accounted for under the equity method.

BALANCE SHEETS

	DECEMBER 31, 1999	DECEMBER 31, 1998
	(in thousands, except number of shares and per share data)	
ASSETS:		
Cash on deposit with First Hawaiian	$ 207	$ 70
Interest-bearing deposits in other banks	--	5,000
Loans, net of allowance for credit losses of $120 in 1999 and 1998	4,338	5,656
Available-for-sale investment securities	300	300
Securities purchased from First Hawaiian	16,354	22,880
Investment in subsidiaries:		
Bank of the West	1,151,059	1,110,853
First Hawaiian	761,688	725,812
Other subsidiaries	15,565	15,929
Due from:		
Bank of the West	248,853	187,669
First Hawaiian	236,094	176,592
Other subsidiaries	97,191	82,472
Other assets	1,618	2,088
TOTAL ASSETS	$ 2,533,267	$ 2,335,321
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Short-term borrowings (note 10)	$ 2,600	$ 13,903
Current and deferred income taxes	375,384	264,626
Due to subsidiary	103,093	103,093
Other liabilities	9,460	7,543
Long-term debt (note 11)	200,000	200,000
Total liabilities	690,537	589,165
Commitments and contingent liabilities (notes 15, 21 and 22)		
Stockholders' equity:		
Preferred stock, par value $1 per share Authorized and unissued--50,000,000 shares in 1999 and 1998	--	--
Class A common stock, par value $1 per share (notes 2 and 12) Authorized--75,000,000 shares in 1999 and 1998 Issued--51,629,536 shares in 1999 and 25,814,768 shares in 1998	51,630	25,815
Common stock, par value $1 per share (notes 2, 12 and 16) Authorized--200,000,000 shares in 1999 and 1998 Issued--75,418,850 shares in 1999 and 37,537,814 shares in 1998	75,419	37,538
Surplus	1,124,512	1,183,274
Retained earnings (note 14)	638,687	543,755
Accumulated other comprehensive income	(9,873)	6,228
Treasury stock, at cost--2,437,556 shares in 1999 and 1,635,397 shares in 1998	(37,645)	(50,454)
Total stockholders' equity	1,842,730	1,746,156
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,533,267	$ 2,335,321

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

STATEMENTS OF INCOME

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
	(in thousands)		
INCOME:			
Dividends from:			
Bank of the West	$ 31,366	$ 2,151	$ 2,904
First Hawaiian	54,267	143,176	39,698
Other subsidiaries	1,558	1,558	4,830
Interest and fees from:			
Bank of the West	7,182	907	--
First Hawaiian	5,543	1,946	1,245
Other subsidiaries	435	633	1,103
Other interest and dividends	354	3,830	3,312
Total income	100,705	154,201	53,092
EXPENSE:			
Interest expense:			
Short-term borrowings	254	290	266
Long-term debt	21,434	21,785	15,585
Other	--	--	2,650
Professional services	491	745	418
Other	2,580	1,053	310
Total expense	24,759	23,873	19,229
Income before income tax benefit and equity in undistributed income (loss) of subsidiaries	75,946	130,328	33,863
Income tax benefit	4,282	6,332	5,246
Income before equity in undistributed income (loss) of subsidiaries	80,228	136,660	39,109
Equity in undistributed income (loss) of subsidiaries:			
Bank of the West	52,537	15,967	6,044
First Hawaiian	40,108	(67,846)	39,135
Other subsidiaries	(495)	(497)	8,921
NET INCOME	$ 172,378	$ 84,284	$ 93,209

STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
	(in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 172,378	$ 84,284	$ 93,209
Adjustments to reconcile net income to net cash provided by operating activities:			
Deficiency (excess) of equity in earnings of subsidiaries over dividends received	(92,150)	52,407	(55,194)
Other	3,071	(4,897)	(596)
NET CASH PROVIDED BY OPERATING ACTIVITIES	83,299	131,794	37,419
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net change in:			
Interest-bearing deposits in other banks	5,000	65,000	(70,000)
Securities sold to (purchased from) First Hawaiian	6,526	980	(16,785)
Loans repaid by directors and executive officers	1,318	4,035	1,920
Repayments from (advances to) subsidiaries	(25,000)	(167,000)	22,400
Purchase of available-for-sale investment securities	--	--	(300)
Investment in Pacific Northwest Acquisitions	--	--	(15,000)
Cash acquired in acquisition	--	57	--
Investment in First Hawaiian Capital I	--	--	(3,093)

NET CASH USED IN INVESTING ACTIVITIES	(12,156)	(96,928)	(80,858)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net increase (decrease) in short-term borrowings	(11,303)	12,103	(52,609)
Proceeds from long-term debt and junior subordi- nated debentures	--	--	153,093
Cash dividends paid	(77,446)	(40,786)	(41,116)
Proceeds from issuance of common stock	4,934	1,094	1,070
Issuance (purchase) of treasury stock, net	12,809	(7,322)	(17,058)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(71,006)	(34,911)	43,380
NET INCREASE (DECREASE) IN CASH	137	(45)	(59)
CASH AT BEGINNING OF YEAR	70	115	174
CASH AT END OF YEAR	$ 207	$ 70	$ 115
SUPPLEMENTAL DISCLOSURES:			
Interest paid	$ 21,422	$ 21,981	$ 14,528
Income taxes refunded	$ 6,535	$ 2,018	$ 2,644
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Issuance of common stock in connection with convertible debentures	$ --	$ 2,281	$ 9,084

GLOSSARY OF FINANCIAL TERMS

BALANCE SHEET: A statement of financial position reflecting our assets, liabilities and stockholders' equity at a particular point in time in accordance with generally accepted accounting principles.

BASIS-POINT: A measure of the yield on a bond, note or other indebtedness equal to 1/100th of a percentage point. For example, a yield of 5% is 500 basis points.

CASH EARNINGS: Earnings before amortization of goodwill and core deposit intangible.

COLLATERAL: An asset or property pledged to secure the payment of a debt or performance of an obligation.

DEPRECIATION: A charge against our earnings that writes off the cost of a capital asset over its estimated useful life.

DERIVATIVES: Financial instruments where the performance is derived from the performance of another financial instrument or an interest rate, currency or other index. Derivative instruments are used for asset and liability management and to mitigate risks associated with other instruments that are reflected on the balance sheet.

DIVIDEND: Usually a cash distribution to our stockholders of a portion of our earnings.

EARNINGS PER SHARE: Basic earnings per share--earnings for the period divided by the weighted-average number of shares of common stock outstanding for the period. Diluted earnings per share--earnings for the period divided by the weighted-average number of shares of common stock outstanding for the period, including the treatment of all dilutive securities, such as options, warrants and convertible debt.

EFFICIENCY RATIO: Noninterest expense (exclusive of nonrecurring costs) minus the amortization of goodwill and core deposit intangible as a percentage of total operating revenue.

HEDGE: A strategy used to avoid, reduce or transfer risk.

INCOME STATEMENT: A financial statement that reflects our performance by measuring our revenues and expenses for the period.

INTEREST RATE RISK: The risk to earnings or capital arising from the movement of interest rates.

INTEREST RATE SWAP: A contract used for the purpose of interest rate risk management in which two parties agree to exchange interest payments of a different character over a specified period based on an underlying notional amount of principal. The term "notional principal" is the amount on which the interest payments are calculated, as the swap contracts generally involve no exchange of the principal.

LEVERAGE RATIO: Tier 1 Capital divided by the sum of average total assets minus average allowance for credit losses and certain intangible assets.

LIQUIDITY: The ability of an entity to provide sufficient cash to fund its operations and to pay its debts on a timely basis at a reasonable cost.

NET INTEREST INCOME: Interest income plus loan fees minus interest expense.

NET INTEREST MARGIN: Net interest income divided by average earning assets (e.g., loans and investment securities).

NONACCRUAL LOANS AND LEASES: Loans and leases on which interest is not being accrued for income statement purposes. Payments received on nonaccrual loans and leases are applied against the principal balance.

NONINTEREST EXPENSE: Expenses for such items as salaries, benefits, building occupancy and supplies, as opposed to interest expense paid for deposits and other liabilities.

NONINTEREST INCOME: Income received from such sources as fees, charges and commissions, as opposed to interest income received from loans and leases, and investment securities.

NONPERFORMING ASSETS: Nonaccrual loans and leases plus restructured loans and leases plus OREO (other real estate owned) and repossessed personal property.

OPERATING EARNINGS: Earnings before restructuring, merger-related and other nonrecurring costs.

OPERATING CASH EARNINGS: Earnings before restructuring, merger-related and other nonrecurring costs and amortization of goodwill and core deposit intangible.

OREO: Other real estate owned. Primarily includes foreclosed assets and assets taken in lieu of foreclosure.

REPURCHASE AGREEMENTS, ALSO CALLED "REPOS": Agreement between a seller and a buyer in which the seller agrees to repurchase the securities at an agreed-upon price at a stated time. A repo is similar to a secured borrowing and lending of funds equal to the sales price of the related collateral.

RETURN ON AVERAGE TOTAL ASSETS (ROA): Measures the productivity of assets.

Calculated by dividing net income by average total assets.

RETURN ON AVERAGE TANGIBLE TOTAL ASSETS: Calculated by dividing cash earnings by average total assets minus average goodwill and core deposit intangible.

RETURN ON AVERAGE STOCKHOLDERS' EQUITY (ROE): Measures the rate of return on the stockholders' investment in the Company. Calculated by dividing net income by average total stockholders' equity.

RETURN ON AVERAGE TANGIBLE STOCKHOLDERS' EQUITY: Calculated by dividing cash earnings by average stockholders' equity minus average goodwill and core deposit intangible.

RISK-BASED CAPITAL RATIOS: Equity measurements used by regulatory agencies to assess capital adequacy. These ratios are: Tier 1 Capital divided by risk-weighted assets; and Total Capital divided by risk-weighted assets.

STATEMENT OF CASH FLOWS: A financial statement that reflects cash flows from operating, investing and financing activities, providing a comprehensive view of changes in our cash and cash equivalents for the period.

STOCK OPTION: Form of employee incentive and compensation in which the employee of the Company is given the right to purchase our shares at a determinable price within a specified period of years.

TIER 1 CAPITAL: Common stockholders' equity plus perpetual preferred stock and certain minority equity interests in subsidiaries, minus goodwill and certain qualifying intangible assets.

TOTAL CAPITAL: Tier 1 Capital plus the allowance for credit losses (not to exceed 1.25% of risk-weighted assets) plus qualifying subordinated debt, trust preferred stock, convertible debt securities and certain hybrid investments.

SUPPLEMENTAL INFORMATION

[BANCWEST LOGO]

BancWest Corporation's shares are traded on the New York Stock Exchange under the symbol: BWE.

TRANSFER AGENT
American Stock Transfer & Trust Company
40 Wall Street, 46th Floor
New York, New York 10005

DIVIDEND REINVESTMENT PLAN

Stockholders may reinvest their dividends in additional shares of BancWest Corporation common stock through the Dividend Reinvestment Plan. Stockholders wishing to participate in the Plan can receive a descriptive brochure and authorization card by calling 1-800-937-5449 (toll free), writing to American Stock Transfer & Trust Company at the address above or on the BancWest investor relations website at www.bancwestcorp.com/investor/index.htm

FORM 10-K AND OTHER FINANCIAL INFORMATION

The Company's 1999 Form 10-K annual report, which is to be filed with the Securities and Exchange Commission by March 30, 2000, will be available to stockholders after that date. Analysts, investors and others seeking a copy of the Form 10-K or any other financial information should write or e-mail to:

Howard H. Karr
Executive Vice President and Chief Financial Officer
BancWest Corporation
P.O. Box 3200
Honolulu, Hawaii 96847
E-mail: exmhow@fhwn.com

ANNUAL MEETING

The annual meeting of stockholders of BancWest Corporation will be held on Thursday, April 20, 2000 at 9:00 a.m. Hawaii Time, in the 30th floor Board Room of First Hawaiian Center, 999 Bishop Street, Honolulu, Hawaii.

STOCKHOLDER INFORMATION: AVAILABLE 24 HOURS, 7 DAYS

- For recorded BancWest news, or to request copies of news releases and financial reports by fax or mail, call toll-free 1-877-463-6293 (1-877-INFO-BWE).

- To obtain the same information on the Internet, go to www.bancwestcorp.com, then click Investor Relations.

GENERAL INFORMATION

News media representatives and others seeking general information should contact:

Gerry Keir
Senior Vice President, Corporate Communications
(808) 525-7086; E-mail: exmkeir@fhwn.com

EXHIBIT 21. SUBSIDIARIES OF THE REGISTRANT

The Corporation or one of its wholly owned subsidiaries beneficially owns 100% of the outstanding capital stock, voting securities and ownership interests of each of the corporations and limited partnerships listed below and all of the common securities of First Hawaiian Capital I. The Corporation is indirectly the sole general partner of First Hawaiian Center Limited Partnership.

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
Bank of the West	California
Oakwood Financial Service Corporation	California
First National Bancorporation	California
Essex Credit Corporation	Connecticut
First National Bancorp, Inc.	California
CB Insurance Agency, Inc.	California
Church Loan Corporation	California
United Communities Corporation	California
First Santa Clara Corporation	California
Central Valley National Corporation	California
First Hawaiian Bank	Hawaii
Real Estate Delivery, Inc.	Hawaii
FH Center, Inc.	Hawaii
FHB Properties, Inc.	Hawaii
First Hawaiian Center, L.P.	Hawaii
Pacific One Dealer Center, Inc.	Hawaii
The Bankers Club, Inc.	Hawaii
Center Club, Inc.	Hawaii
First Hawaiian Leasing, Inc.	Hawaii
First Hawaiian Insurance, Inc.	Hawaii
FHL Lease Holding Company, Inc.	Hawaii
FHL SPC One, Inc.	Hawaii
FHI International, Inc.	Hawaii
First Hawaiian Capital I	Delaware

All subsidiaries were included in the consolidated financial statements of the Corporation.

EXHIBIT 23. CONSENT OF INDEPENDENT ACCOUNTANTS

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the registration statements on Form S-8 (Registration Nos. 333-22107 and 333-75483) and the Post-Effective Amendment on Form S-8 to Form S-4 (Registration No. 333-76271) of BancWest Corporation of our report dated January 18, 2000 relating to the consolidated financial statements of BancWest Corporation and Subsidiaries as of December 31, 1999 and 1998, which appears in the 1999 Annual Report to Shareholders, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

Honolulu, Hawaii
March 17, 2000

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THIS SCHEDULE CONTAINS SUMMARY INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS CONTAINED IN THE CORPORATIONS'S 1999 ANNUAL REPORT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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YEAR
DEC-31-1999
JAN-01-1999
DEC-31-1999
809,961
9,135
71,100
0
1,868,003
142,868
139,102
12,524,039
161,418
16,681,022
12,877,952
503,977
653,532
801,792
0
0
127,049
1,715,681
16,681,022
1,008,114
102,808
24,789
1,135,711
368,621
446,877
688,834
55,262
16
535,075
296,129
172,378
0
0
172,378
1.39
1.38
7.84
77,294
18,022
21,033
0
158,294
61,545
10,432
161,418
93,565
850
67,003