



**BNP PARIBAS**

**A Further Step in Broadening  
BNP Paribas' Retail Banking  
Presence in the Western US**

**Proposed Acquisition  
of Community First Bankshares**

*March, 16<sup>th</sup> 2004*

# Acquisition of 100% of Community First (CFBX): A Strategically & Financially Compelling Transaction

- Important expansion move, broadening BancWest's reach in the Western US
- Significant step consistent with our US retail banking strategy
- Profitable franchise with strong market shares in attractive local markets
- Solid presence in most demographically dynamic Western US states such as Colorado, Wyoming and Arizona
- Community Banking approach, in line with BancWest's business model, providing for limited integration risk
- Meaningful synergies allowing for value creation and EPS accretion

- Price: \$32.25 per share; total deal size of \$1.2 billion (€1.0 billion)
- Transaction multiples in line with market precedents
  - P/E 03 = 16.2x; 14% share price premium<sup>(a)</sup>
- Cost savings: 24% of CFBX 2003 cost base (5% of combined costs)
- Valuable revenue enhancement opportunities
- Accretive to BNP Paribas' earnings from the first year
  
- Transaction approved by CFBX, BancWest and BNP Paribas Boards
- Required approvals: CFBX shareholders, US Regulatory Authorities
- Expected closing: 3<sup>rd</sup> Quarter 2004

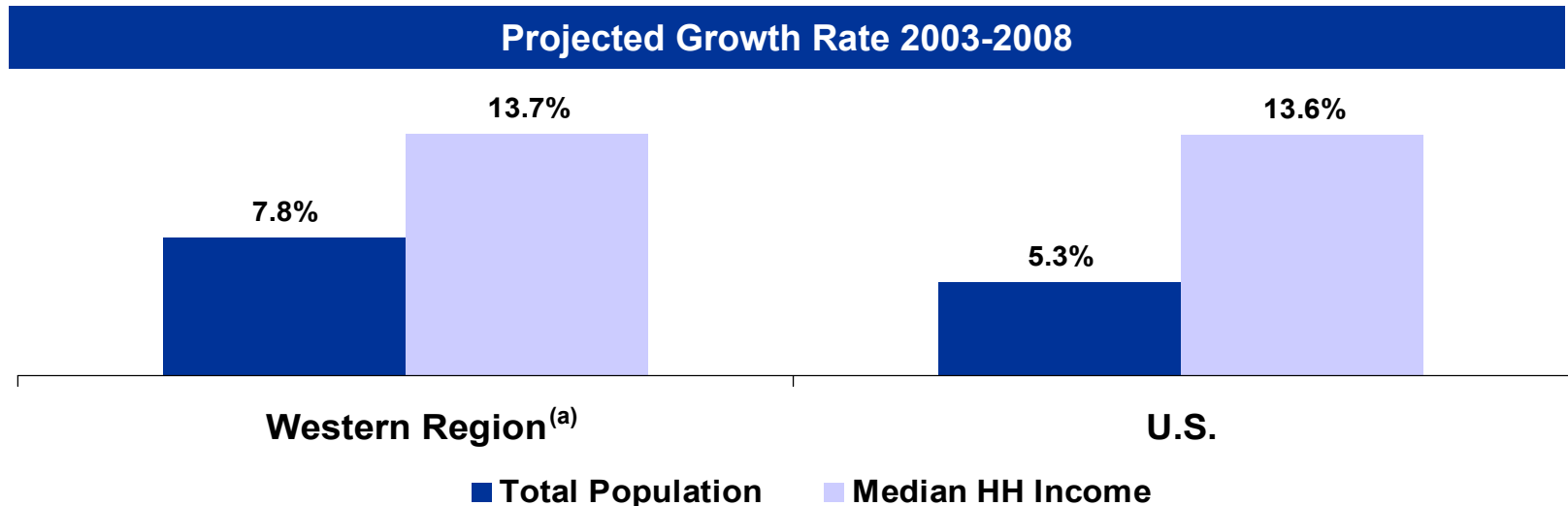
(a) Premium based on Community First's average share price in the last 3 months.

- **BNP Paribas' Strategic Rationale**
- **BancWest Snapshot**
- **Community First Overview**
- **BancWest + Community First = A Strong Western US Franchise**
- **Cost and Revenue Synergies**
- **Financial Impact on BNP Paribas Group**
- **Summary Timetable**
- **Conclusion**

**“Our aim is to develop a US-based retail bank, which is a core asset of BNP Paribas, and that offers the Group:**

- **A significant and recurring contribution to Group earnings;**
- **A growth engine in retail banking;**
- **A cross-selling platform for Group products.”**

- Western US, a homogeneous market with highly favourable characteristics and prospects:
  - 18 states
  - 100 million inhabitants
  - \$49,224 weighted average household income
  - fastest population and income growth prospects amongst major US regional markets



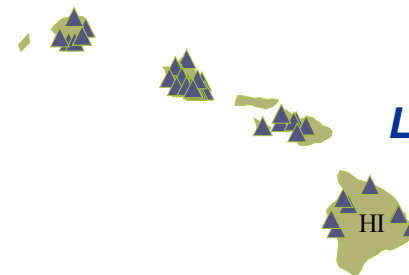
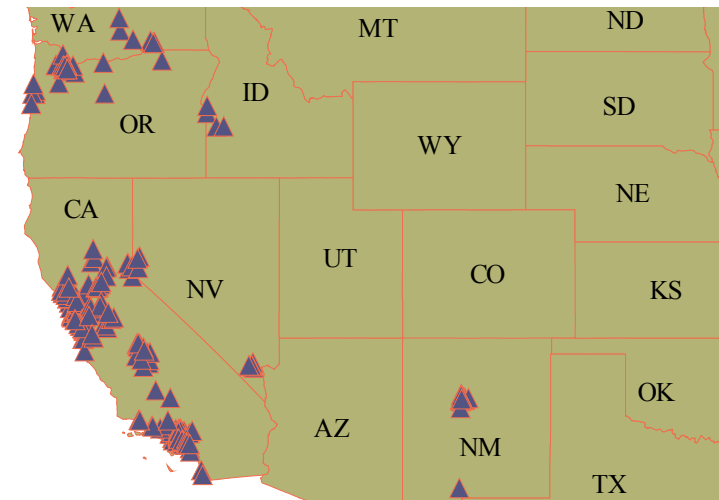
(a) Western region includes Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington and Wyoming.

Source: SNL.

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- Strong and differentiated business model
  - Community bankers: Relationship focused
  - Broad product offering
  - Nationwide business lending capabilities (consumer finance, church lending, SBA)
- Significant organic and acquisition-related growth (assets: +21% average annual growth since 1990; cash operating earnings: +32%)
- Sizeable contributor to BNP Paribas' financials
  - Earning assets: \$32.0 billion
  - Deposits: \$26.4 billion
  - Contribution to BNP Paribas pre-tax income: \$679 million<sup>(a)</sup>
  - 2.4 million accounts

**Bank of the West:**  
 296 branches,  
 5<sup>th</sup> largest retail bank in California,  
 6<sup>th</sup> in New Mexico



**First Hawaiian Bank:**  
 61 branches  
 Largest bank in Hawaii

(a) Based on French GAAP.



- **2002: Purchase of UCB for \$2.4 billion**
  - Higher synergies than originally expected (\$80 mn vs. \$75 mn)
  - Smooth and rapid integration (merger of networks and IT migrations finished within 6 months of closing)
  - Efficiently managed risk

	Bank of the West (9M01)	UCB (9M01)	Bank of the West (2003)
Deposits (USD bn)	11.4	9.6	24.8
Cost to income ratio	8.9	8.8	19.4
NPL ratio	48.0%	60.7%	47.2%
	0.79%	1.46%	0.60%

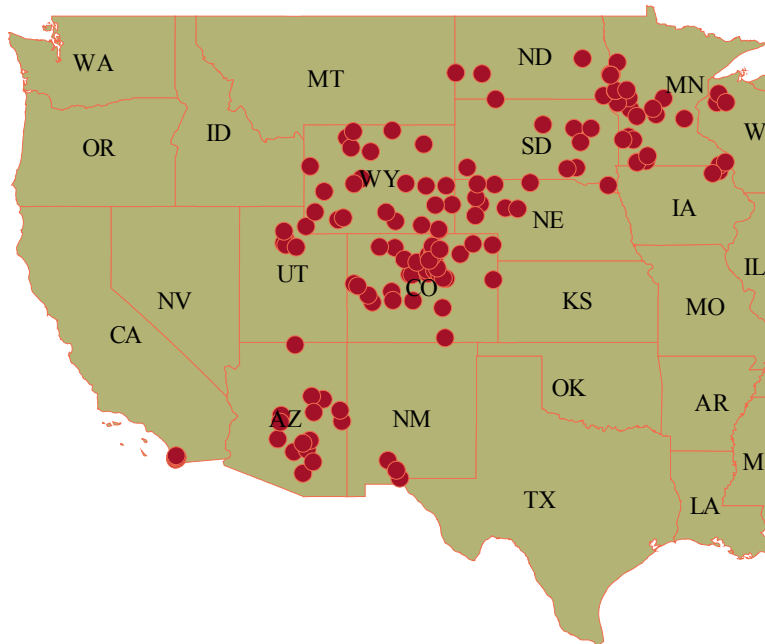
- **13 acquisition transactions across 7 states successfully integrated since 1990**
  - BancWest cost to income ratio reduced from 78% to 48%

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- Formed in 1987; headquartered in Fargo (North Dakota)
- \$5.5 bn in assets; \$4.4 bn in deposits (around 15% of BancWest)
- Branch network of 155 offices in 12 states
- Focus on small to medium sized communities; with organic growth supplemented through a series of acquisitions
- Successful integration of 12 regional bank charters and branch network optimization since 2000
- High level of customer loyalty
- Strong fee income culture: investment products, trust services, insurance brokerage (28% of total revenues)
- Sound financial indicators and profitability track record (\$75 million net profits in 2003, 20%+ ROE)
- Listed on Nasdaq since 1991; \$1.1 billion market capitalisation

# Community First: Extended Network with Solid Local Market Shares in Attractive Western US States

Total Community First Branches: 155<sup>(a)</sup>



State	Rank	Branches	Deposits (USD mn)	% of Total	Market Share
● Colorado	9	44	\$1,238	28%	2.2%
● Wyoming	3	26	802	18%	10.5%
● Minnesota	9	22	666	15%	0.7%
● North Dakota	6	9	395	9%	3.7%
● Arizona	18	16	336	8%	0.6%
● Other		38	1,026	23%	-
<b>Total</b>		<b>155<sup>(a)</sup></b>	<b>\$4,463<sup>(b)</sup></b>	<b>100%</b>	<b>-</b>

**Top 10 share in Colorado, Wyoming, Minnesota and North Dakota**

Distribution of counties by market share and number of branches<sup>(b)</sup>

	Market Share by County											
	0/5%	5/10%	10/15%	15/20%	20/25%	25/30%	30/35%	35/40%	40/45%	45/50%	100%	
<b>Number of CFBX Branches by County</b>	1	12	12	13	8	7	3	4	3	1	1	2
	2	6	1	1	4	1	2	2	1		1	
	3	2	1	1	1				1			
	4	1	2	1								
	6	1										
	7	1										

**Average market share: 17% per county<sup>(c)</sup>**

Source: SNL.

(a) As of end February 2004. (b) As of 30 June 2003. (c) Unweighted average.

## Community Banking

Effective Client Segmentation

- 1 million accounts
- **Regional Financial Centers:** commercial / retail focus
- **Community Financial Centers:** primarily retail focus
- Market extension strategy – 8 new branches planned for Minneapolis / St. Paul area

## Specialty Lending Businesses

Driver of Loan Growth

- **Commercial Real Estate:** \$1.0 bn portfolio
- **SBA Lending:** 36<sup>th</sup> largest 7(a) lender nationwide
- **Consumer Lending:** \$670 mn portfolio; credit function centralized in 2003

## Non-Bank Fee Income Business

28% of Total Revenue

- **Insurance Agency:** revenue of \$15.2 mn; 55 locations; 16.2% five year revenue CAGR
- **Investment Sales and Trust Services:** revenue of \$14.4 mn; 9.2% five year revenue CAGR despite weak market environment

“A Solutions Focused Financial Institution”

## Loan Portfolio (as of 31/12/03)

(In USD mn)

### Commercial Loans

● Construction & Land Development	321
● Commercial Mortgages	1,010
● Agriculture	178
● Other	583
	2,093

### Consumer Credits

● Residential Mortgages	390
● Home Equity Loans	162
● Credit Cards	9
● Other	670
	1,231

<b>Total Loans</b>	<b>3,324</b>
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- **Emphasis on quality, exiting relationships not meeting strict credit standards**
- **Construction and real estate loans:**
  - **Mostly concentrated on small owner-used properties**
  - **Only 10 loans above \$10 mn and 30 above \$6 mn**
- **Low NPLs level**
  - **0.63% of gross loans, versus 0.70% for average peer group**
- **Adequate provisioning levels**
  - **1.57% of gross loans**
  - **251% NPLs coverage ratio**

- 1990s acquisition driven growth reoriented to active balance sheet management since 2000
  - Yield enhancement and risk management
  - Capital optimization
- Controlled contraction of loan portfolio
  - Exited certain non-core businesses (discount lease financing, subprime lending)
  - Sale of mortgage and SBA loans on the secondary market

	2001	2002	2003
Gross loans (USD mn)	3,737	3,578	3,324
Cost of risk (bps)	46	36	37

- Emphasis on low cost deposit base
  - Reduction in CDs with growing savings and checking account volumes
  - Sold 13 branches and closed an additional 8 underperforming branches since 2000

*(Average balances, USD mn)*

	2001	2002	2003
Non-interest bearing deposits	922	948	987
Savings and checking accounts	1,845	1,847	1,921
Time deposits	2,054	1,819	1,560
<b>Total deposits</b>	<b>4,820</b>	<b>4,614</b>	<b>4,468</b>

- Net interest margin: top 10% of peer group

	2001	2002	2003
Net interest margin	4.99%	5.09%	4.84%

- Effective cross-selling culture: fee income 28% of total revenues
- Healthy cost of risk level: 37 bps of average loans
- Dynamic capital management
  - dividends (45% pay-out) / preference shares issuance (\$120 mn) / significant share buy-backs (\$300 mn of shares repurchased since 2000)
- Above par performance

	2001	2002	2003
Net income (USD mn)	65.1	79.2	75.0
EPS (\$, diluted)	1.57	1.97	1.95
Return on equity	18.7%	21.8%	20.5%
Return on assets	1.11%	1.40%	1.34%

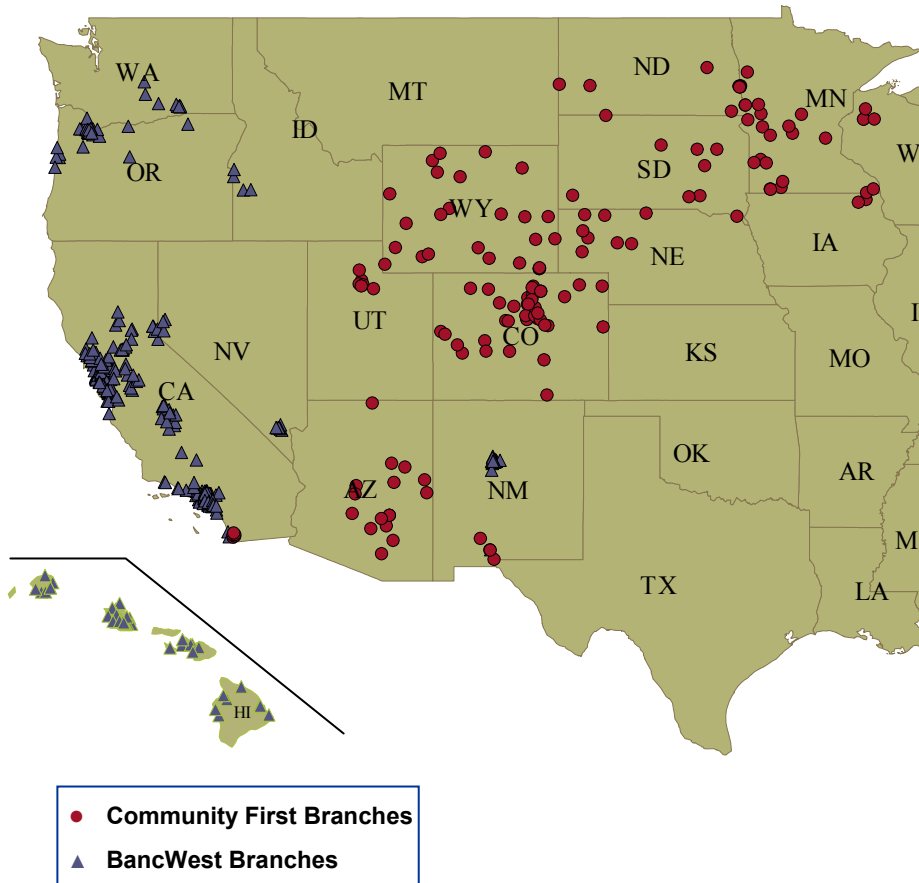
**A sound platform for growth**



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# A Sizeable Expansion Move, Significantly Enhancing BancWest's Western Footprint

## Pro-forma BancWest Network: 512 Branches<sup>(a)</sup>



- Fully consistent with BNP Paribas' Western US strategy
  - Strong footprint in largest and most demographically attractive markets (Colorado, Wyoming and Arizona)
  - Enhances geographical reach throughout the region
- Complementary markets
  - Economic diversification outside California
  - Expansion into small to medium sized communities, strong customer loyalty

**BancWest becomes the 7<sup>th</sup> largest Western US bank in a fast consolidating market**

Source: SNL.

(a) Of which 296 branches from Bank of the West, 61 branches from First Hawaiian and 155 branches from CFBX.

(End 2003 Figures)

	BancWest	Community First	CFBX relative size to BW
Total Assets (USD bn)	38.4	5.5	14%
Deposits (USD bn)	26.4	4.4	17%
Net Loans (USD bn)	25.4	3.3	13%
Net Income (USD mn) (US GAAP)	436.5	75.0	17%
Branches	357	155	43%
Number of Accounts (mn)	2.4	1.0	42%
Employees	7,461	2,162	29%

- Upside potential by sharing best practices:

	Bank of the West	Community First
Cost to income Ratio <sup>(a)</sup>	47%	60%
Non-Interest Income / Revenues	18%	28%

(a) Excluding amortization of intangibles.

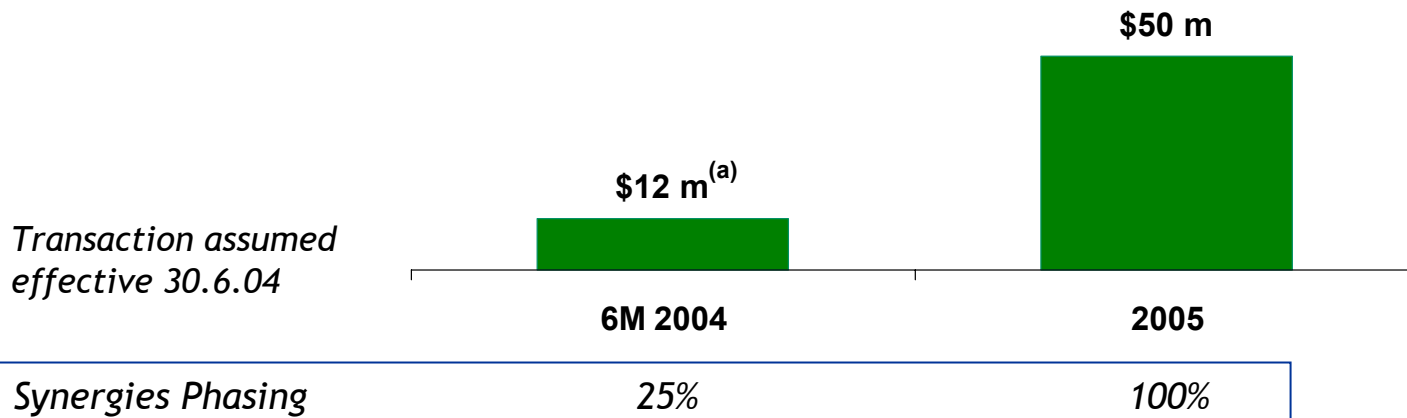
- BancWest track record in 13 completed transactions
- Implementation of “proven” integration model/process
- Bank of the West organizational structure designed to facilitate integration of decentralized regional units and back-office integration (adding 2 regional divisions to existing 5)
- Compatibility of IT & operating systems
- Limited branch overlap
  - Manageable social cost
  - Minimum customer disruption
- Management additive

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# Significant Cost Savings: 24% of Community First 2003 Expense Base (5% of Combined Base)



**\$50 million p.a.**



- **Cost reduction potential from combination of BancWest and CFBX:**
  - Centralization of IT systems and support platforms
  - Centralization of head office
  - Integration of SBA and auto loan platforms
- **Convergence of CFBX to Bank of the West's efficiency level**

(a) Pro-forma over a six month period, subject to date of closing.

Note: Figures exclude \$7 million of estimated one-off pre-tax restructuring charges.

- Important cross-selling opportunities from BancWest larger product range, leveraging CFBX approx. 1 million accounts
  - cash management
  - capital markets
  - leasing
  - debit cards
  - consumer lending
  - overdrafts, etc.
- Expansion of Community First insurance brokerage activities through BancWest's branch network

 Up to \$8 million p.a. by 2007

- Refinancing opportunity of \$120 million of Community First outstanding preference shares (2007-08)

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- \$1.2 billion (€1.0 billion) purchase price for 100% (\$32.25 per share)
- A 14% premium to average last 3 months share price
- Acquisition multiples well in line with market precedents

	Community First	Peer Average <sup>(a)</sup>
Price / Earnings <sup>(b)</sup>	16.2x	20.6x
Price / Book Value	3.4x	2.5x
Price / Adj. Tangible Book <sup>(c)</sup>	3.5x	3.0x
Core Deposit Premium	24%	22%

(a) Average of comparable transactions since 1/1/02, with a deal value between \$0.5 mn and \$2 bn.

(b) Latest 12 month period.

(c) Adjusted to normalized 7% tangible equity to tangible assets ratio.

*(French GAAP, in EUR mn<sup>(a)</sup>)*

	<b>2004<sup>(b)</sup></b>	<b>2005</b>
<b>Community First net income (IBES)</b>	<b>32</b>	<b>65</b>
<b>Pre-tax cost synergies</b>	10	40
<b>Tax impact on cost synergies<sup>(c)</sup></b>	-4	-16
<b>Financing costs (net)</b>	-14	-27
<b>Impact on net result before goodwill amort.</b>	<b>+24</b>	<b>+62</b>
<b>Goodwill amortization</b>	-19	-38
<b>Impact on net result after goodwill amort.</b>	<b>+5</b>	<b>+24</b>

(a) Based on a 0.806 € / US\$ exchange rate.

(b) Pro-forma over a six month period for 2004, subject to date of closing.

(c) Assumed 40% tax rate.

Note: Figures exclude 6 mn euros of estimated one-off pre-tax restructuring charges.

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<b>Due Diligence:</b>	<b>Completed</b>
<b>Announcement Date:</b>	<b>March 16, 2004</b>
<b>Issuance of Proxy Statement:</b>	<b>April</b>
<b>Expected SEC Clearance:</b>	<b>April / May</b>
<b>CFBX Shareholders' Meeting:</b>	<b>End of May</b>
<b>Expected Regulatory Approvals / Closing:</b>	<b>3<sup>rd</sup> Quarter 2004</b>

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# Acquisition of 100% of Community First: Strong Strategic and Financial Rationale

**Consistent with BNP Paribas' disciplined growth strategy and commitment to expand its US retail operations**

**Opportunity to strengthen BancWest's regional banking franchise**

**Enhanced platform for additional fill-in acquisitions, consolidating BancWest's leading position in Western US**

**Limited execution risk given size and BancWest proven integration track-record**

**Significant cost and revenue synergies, creating shareholder value from the first year**

# *Appendices*

(In USD mn)	2001	2002	2003
Interest Income	430.5	354.7	309.2
Interest Expense	172.8	100.7	70.5
<b>Net Interest Income</b>	<b>257.7</b>	<b>254.0</b>	<b>238.7</b>
Loan Loss Provision	17.5	13.3	12.6
<b>Net Interest Income post LLP</b>	<b>240.1</b>	<b>240.8</b>	<b>226.1</b>
Investment Securities Transactions	0.8	0.4	4.3
Trust Revenue	5.7	5.4	5.3
Insurance Revenue	12.5	13.8	15.2
Security Sales Revenue	6.6	9.5	9.1
Service Charges on Deposits	41.9	40.1	40.2
Other Non-Interest Revenue	15.9	15.9	18.6
<b>Total Non-Interest Revenues</b>	<b>83.4</b>	<b>85.1</b>	<b>92.7</b>
<b>Total Revenues</b>	<b>341.1</b>	<b>339.2</b>	<b>331.4</b>
<b>Total Revenues post LLP</b>	<b>323.6</b>	<b>325.9</b>	<b>318.8</b>
Salaries & Benefits	115.7	114.0	112.9
Net Occupancy	31.6	32.8	33.5
Deposit Insurance Expense	0.9	0.8	0.7
Foreclosed Property Expense	0.7	0.7	1.5
Other Expenses	58.1	55.5	54.9
Amortization of Intangibles	9.9	3.3	3.4
Material Non-Recurring Expenses	8.1	0.0	0.0
<b>Total Non-Interest Expense</b>	<b>225.0</b>	<b>207.2</b>	<b>206.9</b>
<b>Reported Pre-Tax Income</b>	<b>98.5</b>	<b>118.8</b>	<b>111.9</b>
Taxes	33.5	39.5	36.9
<b>Net Income</b>	<b>65.1</b>	<b>79.2</b>	<b>75.0</b>
<b>Earnings per Share (in \$, Diluted)</b>	<b>1.57</b>	<b>1.97</b>	<b>1.95</b>



(In USD mn)	2002	2003
Cash and due from banks	242.9	234.1
Interest-bearing deposits	4.6	3.3
Available-for-sale securities	1,672.4	1,563.4
Held-to-maturity securities	0.0	0.0
Loans	3,577.9	3,323.6
Less: Allowance for loan losses	-56.2	-52.2
<b>Net loans</b>	<b>3,521.7</b>	<b>3,271.3</b>
Bank premises and equipment, net	132.1	131.0
Accrued interest receivable	34.9	28.7
Goodwill	62.9	63.4
Other intangible assets	32.6	30.4
Other assets	126.7	139.4
<b>Total assets</b>	<b>5,830.9</b>	<b>5,465.1</b>
Deposits:		
Non-interest-bearing	470.9	447.6
Interest-bearing:		
Savings and NOW accounts	2,424.9	2,552.1
Time accounts over \$100,000	670.2	501.4
Other time accounts	1,103.7	888.1
<b>Total deposits</b>	<b>4,669.7</b>	<b>4,389.2</b>
Federal funds purchased and securities sold under agreements to repurchase	377.2	416.7
Other short-term borrowings	76.3	25.6
Long-term debt	251.2	222.2
Accrued interest payable	20.3	13.1
Other liabilities	57.7	36.5
<b>Total shareholders' equity</b>	<b>378.4</b>	<b>361.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,830.9</b>	<b>5,465.1</b>

This presentation, the accompanying slides and our related comments include statements that are not based on historical facts, but are “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995.

Forward-looking statements from BNP Paribas and BancWest (such as those concerning plans, expectations, estimates, strategies, projections and goals) reflect management’s best judgment as of this date. However, such statements involve risks and uncertainties that could cause actual results to differ materially from those discussed in the statements.

Among the factors that could cause or contribute to such differences are:

- (1) the possibility of customer or employee attrition following commencement of this transaction;
- (2) the possibility that expected revenue enhancements and cost savings may not be realized within expected time frames;
- (3) the possibility of adverse changes in global, national or local economic or monetary conditions;
- (4) the potential effects of intense competition within the financial services industry;
- (5) the level and volatility of interest rates and currency values;
- (6) government fiscal and monetary policies;
- (7) credit risks inherent in the lending process;
- (8) loan and deposit demand in the geographic regions where BancWest and BNP Paribas conduct business;

(9) extensive federal and state regulation of BancWest’s business, including the effect of current and pending legislation and regulations;

(10) matters relating to the integration of BancWest’s business with that of future merger partners, including the impact of combining those businesses on revenues, expenses, deposit attrition, customer retention and financial performance;

(11) reliance on third parties to provide certain critical services, including data processing;

(12) changes in accounting policies;

(13) technological changes;

(14) other risks and uncertainties detailed from time to time in BancWest’s Securities and Exchange Commission filings; and

(15) management’s ability to manage these and other risks.

Those factors or others could result, for example, in delay or termination of the transaction discussed above or in failure to achieve the anticipated results discussed here. Except as otherwise required by law, BancWest and BNP Paribas disclaim any obligation to update any forward-looking statements included herein to reflect future events or developments.