

2008 National Interagency Community Reinvestment Conference Strategies for Economic Development: Small Business Lending

Presented by:

Debbie Fournier, SVP and Manager, Business Link



BANK OF THE WEST 



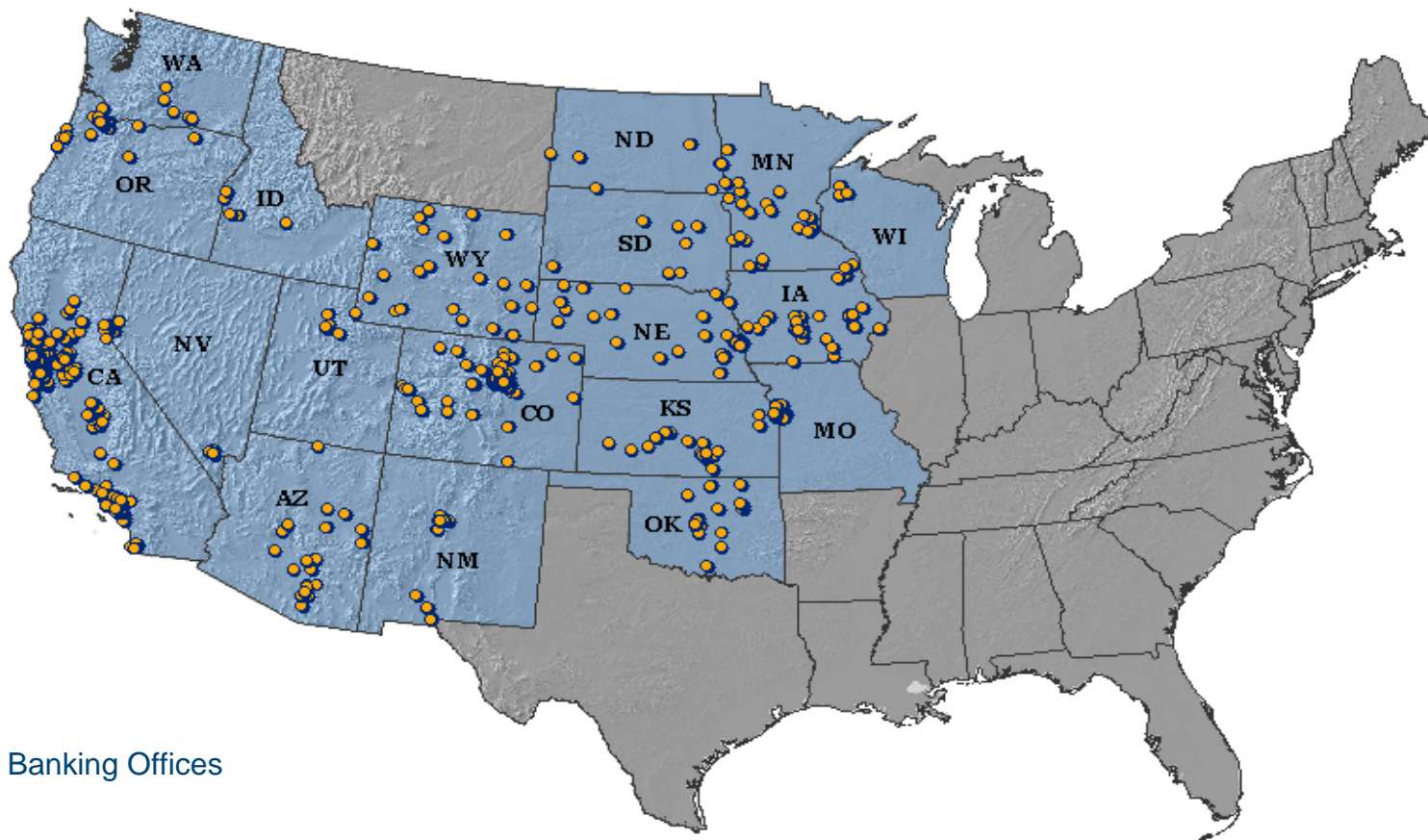
Bank of the West Key Facts



- ▶ \$62 Billion Full-Service Commercial Bank
- ▶ Serving Customers in 19 states
- ▶ Over 700 Retail and Commercial locations
- ▶ 2nd Largest Commercial Bank based in California
- ▶ Preferred SBA Lender Nationwide
- ▶ Founded in 1874 and headquartered in San Francisco



On the map



● Retail Banking Offices



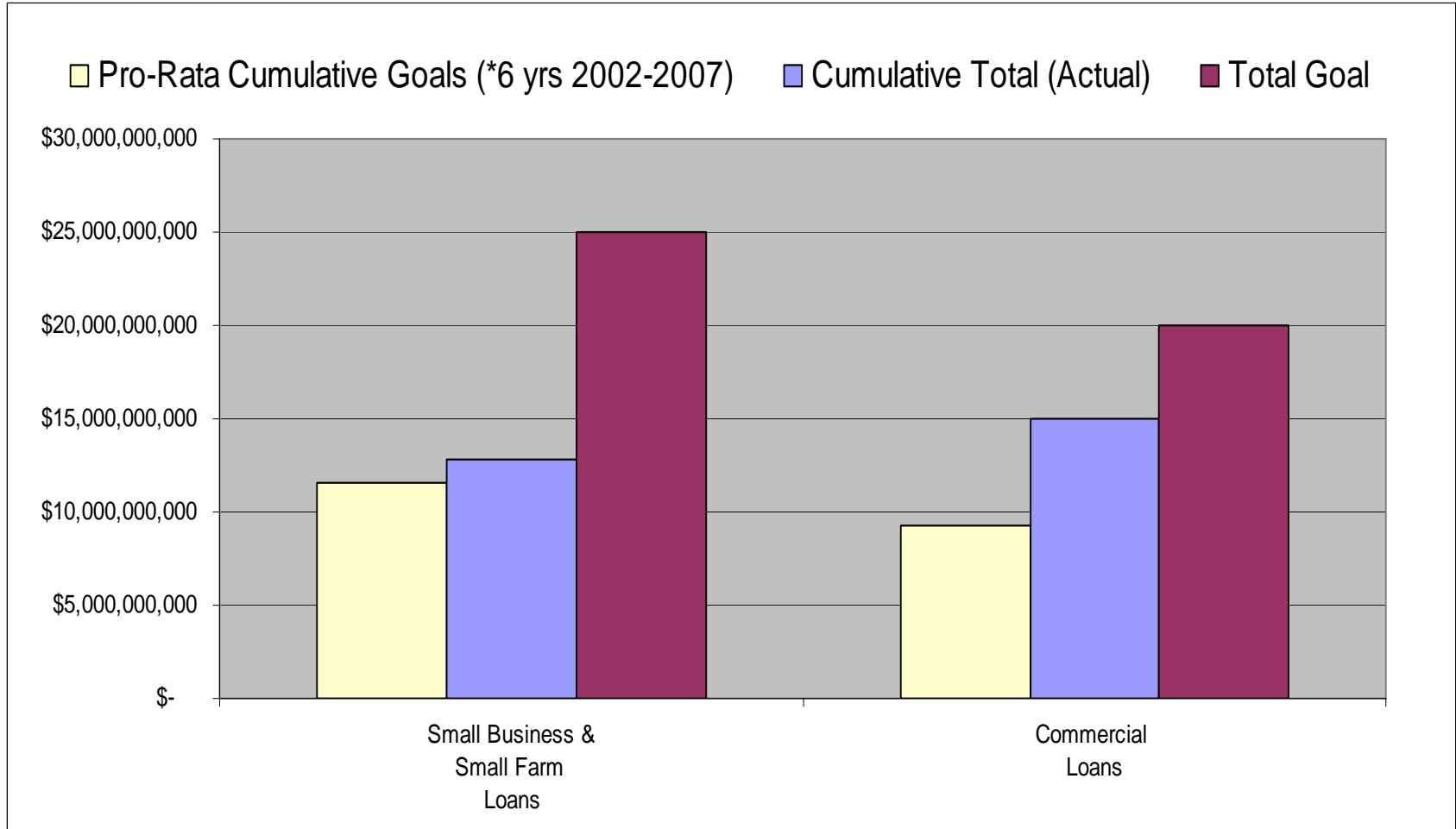
BUSINESS PRACTICES



ARE IMPORTANT



\$75 Billion Community Support Goal





Bank of the West Lending Plans



WE ARE **NOT**
SCALING BACK

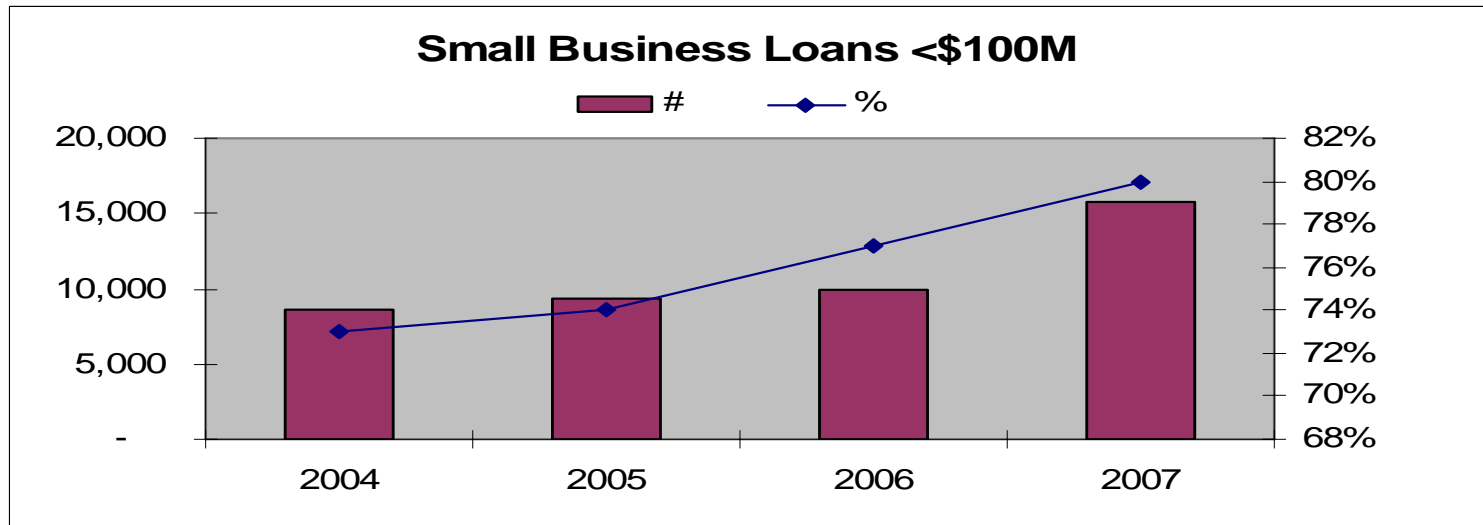
**NO
SPEED
LIMIT**



Small Business is Big Business



- ▶ Significant Growth in Volume by both Number and Share
- ▶ Dollars increased by almost 100% over 4 years
 - \$338MM in 2004
 - \$661MM in 2007





Business Banking Award



SMALL BUSINESS

VITAL CUSTOMER SEGMENT



BusinessLink Product Set



Product Overview

- ▶ BusinessLink Reserve
- ▶ BusinessLink Lines of Credit
- ▶ BusinessLink Loans
- ▶ BusinessLink Flex Loans
- ▶ BusinessLink Commercial Real Estate Loans
- ▶ AgLink Operating Lines
- ▶ AgLink Chattel Loans
- ▶ AgLink Farm Real Estate

BUSINESSLINK



*Fast, Flexible Credit
Solutions for Businesses
with a Track Record*

AGLINK



*Fast, Flexible Credit
Solutions for Farmers
and Ranchers*



BusinessLink Process



- ▶ Branch identifies Credit need for Existing/Prospective Client
- ▶ Branch obtains Application Information
- ▶ Branch submits on line to BusinessLink
- ▶ BusinessLink reviews and makes credit decision
- ▶ BusinessLink, Branch and Applicant work together to satisfy any approval conditions
- ▶ BusinessLink orders loan docs
- ▶ Branch meets Applicant to execute loan docs
- ▶ Branch returns Signed Docs
- ▶ Loan is booked, Client can access funds



Solid Lending Expertise



- ▶ Regional Lending Centers managed by Experienced Teams
- ▶ Ag Lending Officers have additional specialized Expertise
- ▶ Established Appeal Process allows for local intercession

ANSWERS FROM THE GROUND UP.



OUR AG EXPERTS KNOW WHAT IT TAKES TO KEEP YOUR BUSINESS GROWING.



Key Customer Benefits



- ▶ Ease of Application Process
 - Application Only process for requests \leq \$100,000
 - Limited Supporting Documentation for larger amounts
- ▶ Speed of Credit Decision
 - Application Only - Service Level is ~4 hours after complete application
 - Larger requests - Service Level is ~2 business days after complete application
- ▶ Speed of Loan Documentation
 - ReserveLine Documents are available for Branch downloads
 - Other products – docs ordered by 9AM are available by 5PM
- ▶ Easy Access
 - By phone, fax, branch visit
 - By Convenience Check or by creating an overdraft



Relationships are Key



BRANCHES HAVE A 
VITAL ROLE



Providing Community Support



Branch Channel Delivers Loans to Local Communities

Small Business Loans in Low-Income & Moderate-Income Census Tracts

■ # ◆ \$ (000's)





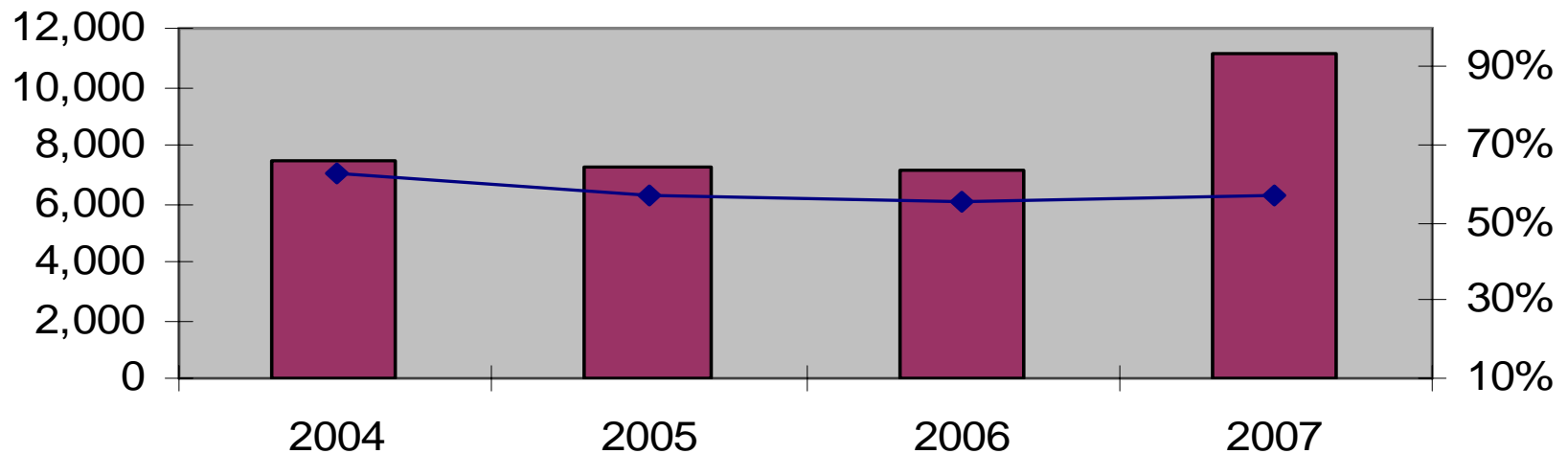
Providing Community Support



These loans represent nearly 60% of total volume

Small Business Loans to Businesses with Annual Revenues less than \$1 Million

■ # —◆ %





Small Business is an Important Segment



STEADY

PROFITABILITY THROUGH
DIFFERENT CYCLES





BusinessLink Benefits



- ▶ **Triple bottom line benefits:**
 - Generates profitable relationships
 - Sustains local economy and vibrant communities
 - Meets credit needs of borrowers



Contact Information



BANK OF THE WEST

DEBBIE FOURNIER

Business Link Unit Manager
Senior Vice President
[Business Link Unit](#)

[2655 Stanwell Drive](#)

[Concord, CA 94520](#)

Mail sort: NC-STA-03-J

Debbie.Fournier@bankofthewest.com

Phone: 925-521-2952

Fax: 877-620-6063



BANK OF THE WEST

KRISTEN WALTER

CRA Manager & Deputy Compliance Manager
Senior Vice President
[Corporate Compliance](#)

[1977 Saturn St.](#)

[Monterey Park, CA 91755](#)

Mail sort: SC-MPK-03-N

Kristen.Walter@bankofthewest.com

Phone: 323-727-3381

Fax: 323-727-4934



BANK OF THE WEST

REBECA RANGEL

Community Affairs Regional Officer
Vice President
[Community Affairs](#)

[180 Montgomery Street](#)

[San Francisco, CA 94104](#)

Mail sort: NC-MON-14-A

Rebeca.Rangel@bankofthewest.com

Phone: 415-399-7285

Fax: 415-398-3467

Cell Phone: 415-850-4061



Time for...

Q & A



Addenda



Bank of the West History



1874

Bank of the West is founded as Farmers National Gold Bank

1981

Bank of the West becomes part of the Banque Nationale de Paris Group

1990s

Bank of the West expands service throughout Northern California and into other states

1998

Bank of the West merges with First Hawaiian Bank to form BancWest Corp (NYSE: BWE)

2001

BNP Paribas acquires the 55% of BWE shares it did not already own

2002

Bank of the West expands into Southern California with the acquisition of United California Bank

2004

Bank of the West expands into ten new states with the acquisition of Community First Bankshares

2005

Bank of the West reinforces its Midwest presence with the acquisition of Commercial Federal Bank

Community Support Goal



Product or Service	\$75 Billion Community Goal 2002-2015 Component Description	Cumulative Total 2002 - 2007	Percent of Goal
Residential Mortgage Loans	Originate and purchase \$10.3 billion in one-to-four family residential mortgages for low- and moderate-income borrowers, minorities and residents of low- and moderate-income census tracts.	\$ 4,078,271,086	39.6%
Small Business Small Farm Loans	Originate \$25 billion in small business loans (\$1 million and under), SBA loans and small farm loans (\$500,000 and under), including \$250 million in micro-loans (under \$30,000).	\$ 12,827,950,071	51.3%
Commercial Loans	Originate \$20 billion to larger businesses (loan amounts exceeding \$1 million) in low- and moderate-income census tracts, stabilizing employment and services in these areas.	\$ 14,950,456,934	74.8%
Community Development Loans	Originate \$5 billion as sole lender, or in partnerships, for: <ul style="list-style-type: none"> • affordable housing including multi-family rentals, • organizations serving primarily low- and moderate-income individuals, • community economic development, and • revitalization of low- and moderate-income census tracts, including rehabilitation of contaminated properties. 	\$ 3,168,458,277	63.4%
Consumer Loans and Leases	Originate \$10 billion consumer purpose loans, lines of credit and leases (other than HMDA-reportable loans) located in low- and moderate-income census tracts or to low- and moderate-income individuals.	\$ 5,912,839,428	59.1%
Faith-Based Loans	Originate \$4 billion in faith-based lending to provide critical social services and enhance the social and moral environment of our communities.	\$ 2,142,354,167	53.6%
Community Development Investments	Originate \$250 million in investments, grants and deposits in financial intermediaries and other organizations that primarily lend to, or in other ways support, low- and moderate-income communities.	\$ 158,883,046	63.6%
Charitable Contributions	Originate \$100 million in grants and contributions targeted for organizations promoting economic development, financial literacy, affordable housing, environmental preservation and health and human services for low- and moderate-income individuals as well as sponsorships for a wide range of community events.	\$ 45,207,020	45.2%
Vendor Contracts	Originate \$350 million in contracts with minority-owned, women-owned, and disabled-owned businesses.	\$ 152,250,120	43.5%
TOTAL		\$ 43,436,670,149	57.9%



Chart Details



Loans \leq \$100,000:

	#	%	Total \$ (000's)	% Total small bus loans	Total# Small Bus Loans	Total \$ (000's)	# Loans \geq \$100M	% Loans \geq \$100M
2004	8,643	73%	\$ 337,897	22%	11,839	\$ 1,563,209	3,196	27%
2005	9,307	74%	\$ 395,380	23%	12,635	\$ 1,696,400	3,328	26%
2006	9,917	77%	\$ 446,995	27%	12,855	\$ 1,638,283	2,938	23%
2007	15,700	80%	\$ 660,839	30%	19,570	\$ 2,193,732	3,870	20%

Loans to Businesses with Revenues $<$ \$1,000,000:

	#	%	Total \$ (000's)	% Total small bus loans	Total# Small Bus Loans	Total \$ (000's)	# Revs \geq \$1MM	% Revs \geq \$1MM
2004	7,449	63%	\$ 604,162	39%	11,839	\$ 1,563,209	4,390	37%
2005	7,225	57%	\$ 562,414	33%	12,635	\$ 1,696,400	5,410	43%
2006	7,094	55%	\$ 470,832	29%	12,855	\$ 1,638,283	5,761	45%
2007	11,107	57%	\$ 681,337	31%	19,570	\$ 2,193,732	8,463	43%



Additional Chart Details



Loans to Low-Income and Moderate-Income Census Tracts:

	#	%	Total \$ (000's)	% Total small bus loans	Total# Small Bus Loans	Total \$ (000's)	# other census tracts	% Other Census Tracts
2004	2,945	25%	\$ 482,312	31%	11,839	\$ 1,563,209	8,894	75%
2005	3,114	25%	\$ 473,095	28%	12,635	\$ 1,696,400	9,521	75%
2006	3,442	27%	\$ 504,433	31%	12,855	\$ 1,638,283	9,413	73%
2007	5,096	26%	\$ 638,104	30%	19,570	\$ 2,193,732	14,474	74%