

Financial Review

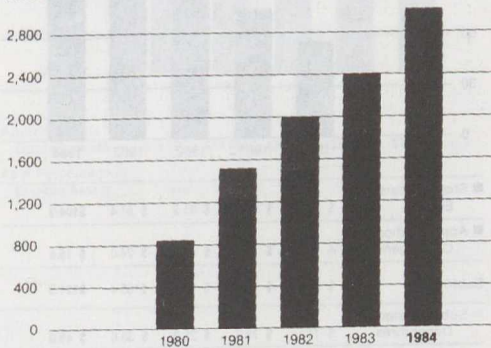
Total Assets

Total assets of \$3.1 billion at October 31, 1984, represented an increase of \$0.7 billion or 28.8% from one year ago. The principal source of growth is the inclusion of \$0.4 billion of Westlands' assets in the consolidated balance sheet of the Bank at year-end.

Domestic assets only increased 1.9% during the year reflecting soft loan demand and heavy loan retirements. Foreign assets represented 39.8% of total assets at year-end compared with 23.9% last year. Excluding Westlands, foreign assets increased by 42.5% in 1984 primarily from new commercial loans. The majority of U.S. loan growth is based in the large and diversified California market.

International loans amounted to 0.5% of total assets at October 31, 1984, and are exclusively represented by sovereign risks. As a result of this negligible exposure, the Bank has not been materially affected by escalating international non-earning loans and loan losses.

Total Assets (\$ Millions)



Canadian	\$ 742	\$1,229	\$1,567	\$1,824	\$1,858
U.S.A. & International	\$ 122	\$ 246	\$ 428	\$ 573	\$1,229
Total	\$ 864	\$1,475	\$1,995	\$2,397	\$3,087

Increase Over Previous Year	71%	71%	35%	20%	29%
-----------------------------	-----	-----	-----	-----	-----

Geographic Distribution of Loans

The acquisition of Westlands increased the percentage of the loan assets located in the U.S. from 26.6% in 1983 to 37.2% at the close of 1984. The Bank's U.S. lending activities are conducted from seven offices in California in addition to a representative office in Denver. During 1983, the U.S. Division of CCB operated from a Los Angeles Agency and three representative offices. As a result of this recent expansion, the Bank anticipates reaching its goal of having 45% of the loan portfolio represented by U.S. commercial borrowers during fiscal 1985.

Ongoing geographic diversification of the domestic portfolio through emphasizing the Ontario market was a key strategy in 1984. The percentage of the authorized loan portfolio located in this market increased from 21.5% in 1983 to 42.1% in 1984. The proportion of the loan portfolio located in Alberta and British Columbia declined through dilution during 1984 reflecting strong growth in other regions, principally Ontario and California. A well diversified loan portfolio by region and sector, will play a key role in stabilizing future earnings.

