

Financial Review

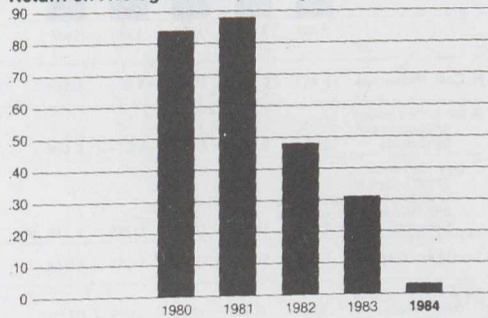
1.98% of average assets in mid 1983. Including Westlands, non-interest expenses were 1.57% of average assets for the year and 1.81% for the fourth quarter reflecting the higher cost of Westlands' operations. The inclusion of Westlands' operating costs are offset by larger funding spreads largely because of a high demand deposit component, and new sources of revenue from the sale of proprietary software.

Non-interest expenses will decline from current levels over the next several quarters as the full benefits of the integration of Westlands' operations are realized and a zero base budgeting approach to discretionary expense items becomes fully entrenched in Westlands.

Return on Average Assets

The return on average total assets is a measurement of profitability relative to volume of business. The substantial decline in fiscal 1984 earnings combined with significant asset growth, reduced the return on average assets to 0.03% in the current year. This is a decline from 0.31% in 1983.

Return on Average Assets (Percentage)

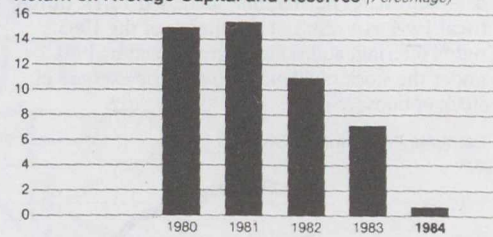


Year	Return on Average Assets (%)
1980	0.84%
1981	0.88%
1982	0.48%
1983	0.31%
1984	0.03%

Return on Average Capital and Reserves

The return on average capital and reserves declined to 0.7% in 1984 from 7.2% in 1983. The decline is a function of a significant fall in earnings and a 34.1% increase in average capital and reserves.

Return on Average Capital and Reserves (Percentage)



Year	1980	1981	1982	1983	1984
Net Income After Income Taxes as a Percentage of Average Capital and Reserves	15.0%	15.4%	11.0%	7.2%	0.7%
(\$ Millions) Average Capital and Reserves	\$37.4	\$64.2	\$77.6	\$89.9	\$120.5