

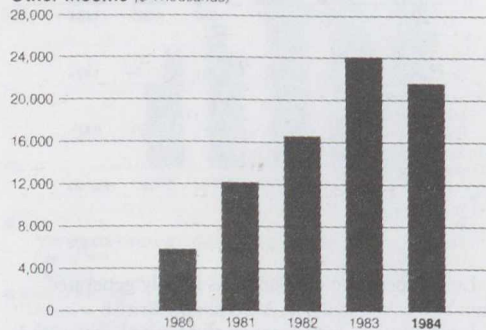
Financial Review

The provision for loan losses, determined on the basis of a formula prescribed by the Minister of Finance, increased by \$5.8 million in 1984 to \$14.8 million. This represents an increase of 64.4% from the previous year and is caused by the impact of the higher loss experience on loans on the averaging formula and the substantial growth in eligible assets.

Other Income

Other income for the year amounted to \$21.7 million, a decrease of 9.7% from 1983. As a percentage of average assets, other income was 0.83% in 1984 compared with 1.16% in 1983. Domestically, loan fee income declined by 13.8% as a result of soft loan demand and intensified competition. In the U.S. Division, loan fee revenue also declined in 1984 by 33.5%, largely reflecting the absence of acquisition financing and leveraged buy-out opportunities during the year.

Other Income (\$ Thousands)



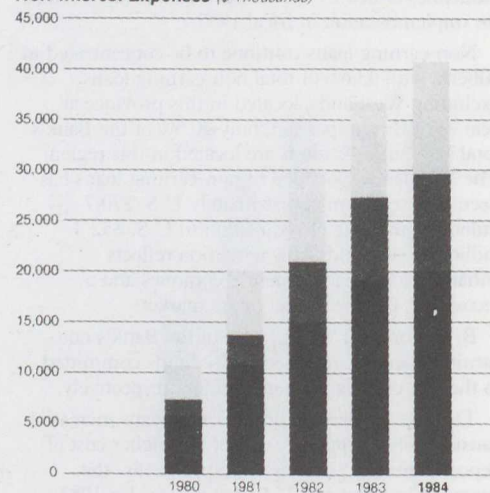
Year	1980	1981	1982	1983	1984
Other Income	\$ 5,796	\$12,171	\$16,700	\$24,040	\$21,698

Other income was augmented by \$1.1 million from the sale of proprietary software systems in the U.S., developed and marketed by the data processing subsidiary of Westlands. This proprietary software was only brought to market during the fourth quarter and this new product should generate important revenues for the Bank over the next two to three years.

Non-Interest Expenses

Non-interest expenses increased \$4.1 million in 1984 to \$41.0 million, an increase of 11.0% for the year. Of the total non-interest expenses, \$5.7 million represented the non-interest expenses of Westlands in the post acquisition period. Excluding Westlands, non-interest expenses declined by \$1.6 million or 4.4% from 1983 as a result of continued efficiency gains and cost reductions realized from programs implemented in mid 1983.

Non-Interest Expenses (\$ Thousands)



Staff	\$ 5,412	\$10,749	\$14,873	\$19,033	\$19,994
Premises and Equipment	\$ 1,632	\$ 3,020	\$ 6,154	\$ 8,220	\$ 9,739
Other	\$ 3,684	\$ 6,482	\$ 8,969	\$ 9,706	\$11,306
Total	\$10,738	\$20,251	\$29,996	\$36,959	\$41,039
Increase over Previous Year	78%	89%	48%	23%	11%
Number of Employees	224	321	429	397	595

Excluding Westlands' non-interest expenses and consolidated average assets, CCB's non-interest expenses represented 1.45% of average assets in 1984, a reduction of almost 30% from a peak of