SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1996-12-30** | Period of Report: **1996-09-30**
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FILER

CAMERON FINANCIAL CORP /DE/

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SIC: **6035** Savings institution, federally chartered

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended September 30, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from ______________________ to ___________________

Commission file number 0-25516

CAMERON FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	43-1702410
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

123 East Third Street, Cameron, Missouri	64429
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (816) 632-2154

Securities Registered Pursuant to Section 12(b) of the Act:

None

Securities Registered Pursuant to Section 12(g) of the Act:

Common Stock, par value $.01 per share
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such requirements for the past 90 days. YES X . NO ___.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the closing price of such stock on the Nasdaq National Market as of December 13, 1996, was $42,118,646. (The exclusion from such amount of the market value of the shares owned by any person shall not be deemed an admission by the registrant that such person is an affiliate of the registrant.)

As of December 13, 1996, there were issued and outstanding 2,849,280 shares of the Registrant's Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

Parts II and IV of Form 10-K - Portions of the Annual Report to Stockholders for the fiscal year ended September 30, 1996.

Part III of Form 10-K - Portions of the Proxy Statement for 1997 Annual Meeting of Stockholders.

PART I

Item 1. Description of Business

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General

Cameron Financial Corporation ("Cameron Financial" and, with its subsidiary, the "Company") was formed at the direction of The Cameron Savings & Loan Association, F.A. ("Cameron Savings" or the "Association") in December 1994 for the purpose of owning all of the outstanding stock of Cameron Savings issued upon the conversion of the Association from the mutual to the stock form (the "Conversion"). On March 31, 1995, Cameron Financial acquired all of the shares of the Association in connection with the completion of the Conversion. All references to the Company, unless otherwise indicated, at or before March 31, 1995 refer to the Association and its subsidiaries on a consolidated basis. The Company's Common Stock is quoted on the Nasdaq National Market under the symbol "CMRN."

Cameron Savings, which was originally chartered in 1887 as a Missouri-chartered mutual savings and loan association, is headquartered in Cameron, Missouri. The Association amended its mutual charter to become a federal mutual savings and loan association in 1994. Its deposits are insured up to the maximum allowable amount by the Federal Deposit Insurance Corporation ("FDIC"). Cameron Savings serves the financial needs of its customers throughout northwest Missouri through its main office located at 123 East Third Street, Cameron, Missouri, two branch offices located in Maryville and Mound City, Missouri and one loan production office located in Liberty, Missouri. At September 30, 1996, the Company had total assets of $186.3 million, deposits of $123.1 million, and shareholders' equity of $46.8 million.

Cameron Savings has been, and intends to continue to be, a community-oriented financial institution offering financial services to meet the needs of the market area it serves. The Association attracts deposits from the general public and uses such funds to originate loans secured by first mortgages on owner-occupied one- to four-family residences and construction loans in its market area. To a lesser extent, the Association originates land, commercial real estate, multi-family and consumer loans in its market area. See "Business - Originations, Purchases and Sales of Loans." The Association also invests in investment securities, interest-bearing deposits and other short-term liquid assets. See "Business - Investment Activities."

The executive office of the Association is located at 123 East Third Street, Cameron, Missouri. Its telephone number at that address is (816) 632-2154.

Market Area

The Association's primary market consists of the Northwestern part of Missouri. The Association primarily serves Clinton, Caldwell, DeKalb and Daviess Counties, Missouri through its main office located in Cameron, Missouri. The Association serves Nodaway County through its branch office in Maryville, Missouri and Holt County through its branch office in Mound City, Missouri. In addition, the Association serves Clay and Platte Counties through its loan production office in Liberty, Missouri. Nearly all of the Association's construction lending is

originated by the Association's loan production office and is secured by properties located in the northern suburbs of Kansas City.

Cameron, Missouri is located approximately 50 miles northeast of Kansas City, Missouri at the intersection of Interstate 35 and U.S. Highway 36. According to the 1990 census, Clinton, Caldwell, DeKalb and Daviess Counties had a combined population of approximately 45,000. The primary industries in Clinton and surrounding counties are services; governmental; finance, insurance and real estate; and light manufacturing. Major employers in the Association's market area include the State of Missouri Department of Corrections, Cameron Insurance Companies, Cameron Community Hospital, the Cameron R-1 school district and the Stride-Rite Manufacturing Corporation, a shoe manufacturer. The Association also serves commuting customers to Kansas City.

Lending Activities

General. Historically, the Association originated primarily fixed-rate long-term residential mortgage loans. Since the early 1980s, however, the Association has emphasized, subject to market conditions, the origination for portfolio of adjustable rate mortgage ("ARM") loans and the origination and sale of fixed-rate loans with terms to maturity of up to 30 years. Management's strategy has been to attempt to increase the percentage of assets in its portfolio with more frequent repricing terms or shorter maturities. As part of its efforts, the Association has developed a variety of ARM loan products. In response to customer demand, however, the Association continues to originate fixed-rate mortgage loans with terms of 30 years, which it typically sells into the secondary market.

The Association's primary focus in lending activities is on the

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origination of loans secured by first mortgages on owner-occupied, one- to four-family residences and loans for the construction of one- to four-family residences. In addition, in order to serve the financial needs of the families and the communities in the Association's primary market area, Cameron Savings also originates, to a lesser extent, land, commercial real estate, multi-family and consumer loans. See "- Originations, Purchases and Sales of Loans." At September 30, 1996, the Association's net loan portfolio totaled $154.4 million.

The Association maintains an established loan approval process. Loans under $125,000 secured by real estate are reviewed and approved by any two members of the loan committee. Real estate loans between $125,000 and $150,000 that meet specified criteria may be approved by any two members of the loan committee. The entire Board of Directors approves all other real estate loans. Home equity and improvement loans are approved by the loan committee and the consumer lending department. Other consumer loans may be approved by any one person in the consumer lending department except for signature loans over $5,000 which require the approval of two persons on the loan committee.

The aggregate amount of loans that the Association is permitted to make under applicable federal regulations to any one borrower, including related entities, or the aggregate amount that the Association can have invested in any one real estate project is generally the greater of 15% of unimpaired capital and surplus or $500,000. See "Regulation - Federal Regulation of Savings Associations." At September 30, 1996, the maximum amount which the Association could have lent to any one borrower and the borrower's related entities was approximately $5.1 million. At September 30, 1996, the Association had no loans with an aggregate outstanding balance in excess of this amount. The Association has 19 borrowers or related borrowers with total loans outstanding in excess of $1.0 million. The largest amount outstanding to any one borrower and the borrower's related entities was approximately $3.6 million to a developer for land acquisition and development loans, commercial real estate loans, and residential construction loans, and was secured by real estate primarily in Clay and Platte Counties, Missouri and the personal guarantee of the borrower. At September 30, 1996, these loans were performing in accordance with their terms. See "Regulation - Federal Regulation of Savings Associations."

Loan Portfolio Composition. The following table sets forth the composition of the Association's loan portfolio in dollar amounts and in percentages (before deductions for loans in process, deferred fees and discounts and allowances for losses) at the dates indicated. Substantially all of the loans in process reflected in the table represent undisbursed residential construction funding.

<TABLE>
<CAPTION>

	At September 30,					
	1996		1995		1994	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in Thousands)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Real Estate Loans:						
One- to four-family..................	$109,292	62.06%	$95,040	65.71%	$85,197	67.48%
Multi-family	2,908	1.65	3,181	2.20	3,865	3.06
Commercial...........................	4,322	2.45	3,759	2.60	3,807	3.01
Land.................................	9,605	5.46	4,106	2.84	3,950	3.13
Construction/(1)/....................	41,646	23.65	32,956	22.79	25,233	19.98
Total real estate loans..........	167,773	95.27	139,042	96.14	122,052	96.66
Other Loans:						
Consumer Loans:						
Deposit account.....................	533	0.30	316	0.22	244	0.19
Student.............................	--	--	123	0.08	151	0.12
Automobile..........................	3,359	1.91	1,249	0.86	950	0.75
Home equity.........................	2,718	1.54	1,327	0.92	1,328	1.05
Home improvement....................	873	0.50	1,387	0.96	1,014	0.80
Other...............................	847	0.48	1,185	0.82	539	0.43
Total consumer loans............	8,330	4.73	5,587	3.86	4,226	3.34
Total loans......................	176,103	100.00%	$144,629	100.00%	126,278	100.00%

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Less:			
Loans in process....................	19,502	13,253	10,833
Deferred loan fees, net.............	804	642	588
Allowance for loan losses...........	1,353	994	876
Loans receivable, net...............	154,444	$129,740	$113,981

</TABLE>

/(1)/ Includes $8.3 million and $4.4 million of construction-permanent loans on one- to four-family residences at September 30, 1996 and September 30, 1995, respectively, and $1.4 million of construction-permanent loans on multi-family properties and $70,000 of construction-permanent loans on commercial property at September 30, 1996.

The following table sets forth the composition of the Association's loan portfolio by fixed- and adjustable-rate at the dates indicated.

<TABLE>
<CAPTION>

	At September 30,					
	1996		1995		1994	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in Thousands)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Fixed-Rate Loans:						
Real estate:						
One- to four-family/(1)/.................	$24,312	13.81%	$24,146	16.70%	$24,357	19.29%
Multi-family............................	986	0.56	1,028	0.71	1,085	0.86
Commercial..............................	604	0.34	354	0.24	1,410	1.12
Land....................................	6,298	3.58	2,457	1.70	2,911	2.30
Construction............................	35,475	20.14	30,369	21.00	21,963	17.39
Total real estate loan.................	67,675	38.43	58,354	40.35	51,726	40.96
Consumer.................................	6,033	3.43	3,901	2.70	2,795	2.22
Total fixed-rate loans.................	73,708	41.86	62,255	43.05	54,521	43.18
Adjustable-Rate Loans:						
Real estate:						
One- to four-family......................	84,980	48.26	70,894	49.01%	60,840	48.18
Multi-family............................	1,922	1.09	2,153	1.49	2,780	2.20
Commercial..............................	3,718	2.11	3,405	2.35	2,397	1.90
Land....................................	3,307	1.88	1,649	1.14	1,039	.82
Construction............................	6,171	3.50	2,587	1.79	3,270	2.59
Total real estate loans................	100,098	56.84	80,688	55.78	70,326	55.69
Consumer.................................	2,297	1.30	1,686	1.17	1,431	1.13
Total adjustable-rate loans............	102,395	58.14	82,374	56.95	71,757	56.82
Total loans............................	176,103	100.00%	144,629	100.00%	126,278	100.00%
Less:						
Loans in process..........................	19,502		13,253		10,833	
Deferred loan fees, net...................	804		642		588	
Allowance for loan losses.................	1,353		994		876	
Loans receivable, net..................	$154,444		$129,740		$113,981	

</TABLE>

(1) Includes ARM loans which have their next interest rate adjustment date five years or more from the dates indicated. At September 30, 1996, approximately $7.9 million of ARM loans fell into this category.

The following table sets forth the contractual maturity and weighted

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average rates of the Association's loan portfolio at September 30, 1996. Loans which have adjustable or renegotiable interest rates are shown as maturing in the year during which the contract is due. The schedule does not reflect the effects of scheduled payments, possible prepayments or enforcement of due-on-sale clauses.

(Dollars in Thousands)

Due During Years Ending September 30,	Real Estate: One- to Four-Family Amount	One- to Four-Family Weighted Average Rate	Multi-family and Commercial Amount	Multi-family and Commercial Weighted Average Rate	Land Amount	Land Weighted Average Rate	Construction Amount	Construction Weighted Average Rate
1997/(1)/	$1,043	8.45%	$ 5	8.75%	$ 234	9.10%	$28,127	9.71%
1998	153	8.18	828	9.74	293	8.95	3,674	9.70
1999	402	7.82	86	9.56	70	8.56	--	--
2000 and 2001	1,485	8.50	132	9.56	3,675	9.07	--	--
2002 to 2006	12,387	8.32	2,345	8.76	1,745	8.67	--	--
2007 to 2021	79,794	8.09	3,834	8.05	3,588	8.09	6,425	8.10
2022 and following	14,028	7.69	--	--	--	--	3,420	7.56
Total	$109,292	8.07	$7,230	8.52	$9,605	8.62	$41,646	9.28

Due During Years Ending September 30,	Consumer Amount	Consumer Weighted Average Rate	Total Amount	Total Weighted Average Rate
1997/(1)/	$1,289	8.99%	$30,698	9.63%
1998	462	10.10	5,410	9.66
1999	777	9.71	1,335	9.07
2000 and 2001	2,946	9.07	8,238	8.98
2002 to 2006	2,180	10.15	19,287	8.67
2007 to 2021	46	8.50	93,687	8.09
2022 and following	--	--	17,448	7.66
Total	$8,330	9.54	$176,103	8.48

/1/ Includes demand loans and overdraft loans.

The total amount of loans due after September 30, 1997 which have predetermined interest rates is $43.0 million, while the total amount of loans due after such date which have floating or adjustable interest rates is $102.4 million.

All of the Association's lending is subject to its written underwriting standards and loan origination procedures. Decisions on loan applications are made on the basis of detailed applications and property valuations, if applicable.

The Association requires evidence of marketable title and lien position and/or appropriate title insurance or title opinions and surveys of such properties. The Association also requires fire and extended coverage casualty insurance in amounts at least equal to the lesser of the principal amount of the loan or the value of improvements on the property, depending on the type of loan. As required by federal regulations, the Association also requires flood insurance to protect the property securing its interest if such property is located in a designated flood area.

One- to Four-Family Residential Real Estate Lending

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A primary focus of the Association's lending program has long been the origination of long-term permanent loans secured by mortgages on owner-occupied, one- to four-family residences. At September 30, 1996, $109.3 million, or 62.1%, of the Association's loan portfolio consisted of permanent loans on one- to four-family residences. Substantially all of the residential loans originated by Cameron Savings are secured by properties located in the Association's market area.

Historically, Cameron Savings originated for retention in its portfolio, fixed-rate loans secured by one- to four-family residential real estate. In the early 1980s, in order to reduce its exposure to changes in interest rates, Cameron Savings began to emphasize the origination of ARM loans, subject to market conditions and consumer preference. The Association originates ARM loans for its portfolio. However, as a result of continued consumer demand for long-term fixed-rate loans, particularly during recent periods of relatively low interest rates, Cameron Savings has continued to originate fixed-rate loans with terms to maturity of 15 to 30 years. During recent years, the Association's general policy has been to sell into the secondary market, with servicing released, fixed-rate loans with terms to maturity of 30 years. Fixed-rate loans with terms to maturity of less than 30 years may either be retained in portfolio or sold in the secondary market depending on the interest rate charged and the Association's asset/liability management objectives.

In the loan approval process, Cameron Savings assesses the borrower's ability to repay the loan, the adequacy of the proposed security, the employment stability of the borrower and the creditworthiness of the borrower. Initially, Cameron Savings' loan underwriters analyze the loan application and the property involved. As part of the loan application process, qualified independent and, to a lesser extent, staff appraisers inspect and appraise the security property. All appraisals are subsequently reviewed by the loan committee as applicable.

The Association's loans are underwritten and documented pursuant to the guidelines of Freddie Mac. Most of the Association's fixed-rate residential loans have contractual terms to maturity of ten to 30 years. The Association's decision to hold or sell these loans is based on its asset/liability management policies and goals and the market conditions for mortgages at any period in time. Currently, the Association originates and sells substantially all of its fixed-rate 30-year loans into the secondary markets, servicing released. See "Business - Originations,

Purchases and Sales of Loans." The interest rates on loans sold are determined pursuant to commitments to purchase from secondary market sources.

The Association offers ARM loans at rates and on terms determined in accordance with market and competitive factors. Substantially all of the ARM loans originated by the Association meet the underwriting standards regarding creditworthiness of the secondary market for residential loans, but may not have other terms that are generally acceptable to the secondary market (i.e., periodic interest rate cap or type of property). The Association's one- to four-family residential ARM loans generally are fully amortizing loans with contractual maturities of up to 30 years.

Cameron Savings presently offers several ARM products which adjust annually after an initial period ranging from one to seven years subject to a limitation on the annual increase of 0.5%, 1.0% or 2.0% and an overall life of loan limitation of 5.0% or 6.0%. These ARM products utilize the weekly average yield on one-year U.S. Treasury securities adjusted to a constant maturity of one year plus a margin of 2.75% or 3.0%. Borrowers are generally qualified using the fully indexed rate. ARM products held in the Association's portfolio do not permit negative amortization of principal and carry no prepayment restrictions. At September 30, 1996, the Association had $85.0 million of one- to four-family ARM loans, or 48.3% of total loans.

It is Cameron Savings' present policy generally to lend up to 97% of the lesser of the appraised value or purchase price of the property. Cameron Savings generally requires private mortgage insurance on residential loans with a loan-to-value ratio at origination exceeding 80% in order to reduce its exposure to 80% or less. The Association occasionally deviates from this policy for first-time home buyers in which the Association will provide lending opportunities to individuals who have not been employed long enough to qualify for private mortgage insurance but who have qualifying incomes and low debt to income ratios.

Adjustable-rate loans decrease the risk associated with changes in interest rates but involve other risks, primarily because as interest rates rise, the payment by the borrowers may rise to the extent permitted by the terms of the loan, thereby increasing the potential for default. Also, adjustable-rate loans have features which restrict changes in interest rates on a short-term basis and over the life of the loan. In particular, the ARM loans originated by the Association which have annual adjustments of 0.5% would take longer to adjust to market rates than would many competing loans. At the same time, the

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market value of the underlying property may be adversely affected by higher interest rates.

The Association's residential mortgage loans customarily include due-on-sale clauses giving the Association the right to declare the loan immediately due and payable in the event that, among other things, the borrower sells or otherwise disposes of the property subject to the mortgage and the loan is not repaid. The Association may enforce due-on-sale clauses in its mortgage contracts for the purpose of increasing its loan portfolio yield.

Construction and Land Lending

Historically, the Association has invested a significant proportion of its loan portfolio in construction and land loans. Prompted by increased residential development (predominately subdivisions) in the northern suburbs of Kansas City, on July 1, 1987, the Association opened a loan production office in Liberty, Missouri, a suburb community located northeast of Kansas City. Substantially all of the Association's construction and land loans are secured by residential properties located in the northern suburbs of Kansas City and are originated, monitored, and serviced by the Liberty office. Earl T. Frazier, who joined the Association in 1981, manages the Liberty office in close consultation with the senior management and Board of Directors. Prior to joining the Association, Mr. Frazier was a real estate agent and, prior thereto, a residential home builder. See "Executive Officers of the Company and the Association who are not Directors."

The Association originates five basic types of construction and land loans:

1. "Speculative" construction loans are made to home builders for the construction principally of one- to four-family residences and residential development projects and, to a lesser extent, commercial buildings and multi-family residences. Speculative construction loans generally do not have a sale contract or permanent loan in place for the finished home, and the purchasers for the finished homes may be identified either during or following the construction period.

2. "Contract" construction loans are made to builders who have a signed contract to build a new home.

3. "Construction--permanent" loans are made to individuals who have contracted with a builder to construct their personal residence.

4. "Conventional" land loans are made to individuals typically to finance agricultural land, building lots, and unimproved land.

5. "Land acquisition and development" loans ("land A&D loans") are made to real estate developers and individuals for the acquisition of land upon which the purchaser can then build and for the acquisition of unimproved land upon which the purchaser makes improvements necessary to build upon or to sell as improved lots.

The table below presents information on the Association's construction and land loans at September 30, 1996:

<TABLE>
<CAPTION>

	Outstanding Loan Balance/(1)/	Percent of Total
	(Dollars in Millions)	
<S>	<C>	<C>
Speculative	$26.7	52.15%
Contract	5.1	9.96
Construction/permanent	9.8	19.14
Total construction	41.6	81.25
Conventional land	5.4	10.55
Land A&D	4.2	8.20
Total land	9.6	18.75
Total construction and land	$51.2	100.00%

</TABLE>

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(1) Includes loans in process.

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At September 30, 1996, the Association's $41.6 million of construction loans and $9.6 million of land loans represented 23.7% and 5.5%, respectively, of total loans receivable. At the same time, the Association's $26.7 million of speculative construction loans and $4.2 million of land A&D loans represented 15.2% and 2.4%, respectively, of total loans receivable.

Construction and land A&D lending affords the Association the opportunity to achieve higher interest rates and fees with shorter terms to maturity than does its single-family permanent mortgage lending. Construction and land A&D lending, however, is generally considered to involve a higher degree of risk than single-family permanent mortgage lending due to (i) the concentration of principal among relatively few borrowers and development projects, (ii) the increased difficulty at the time the loan is made of estimating building costs and the selling price of the residence to be built, (iii) the increased difficulty and costs of monitoring the loan, (iv) the higher degree of sensitivity to increases in market rates of interest, and (v) the increased difficulty of working out problem loans. Speculative construction loans have the added risk associated with identifying an end-purchaser for the finished home. The Association has sought to address these risks by developing and adhering to underwriting policies, disbursement procedures, and monitoring practices.

The Association seeks to make construction loans to those builders with which it has a long-standing history of satisfactory performance. New builders typically borrow from the Association in limited amounts and may borrow additional amounts based on proven experience with the Association. At September 30, 1996, the Association had 7 borrowers for which speculative construction and land A&D loans outstanding totaled more than $1.0 million. Each

of the foregoing builders with speculative construction and land A&D loans totaling more than $1.0 million have been customers of the Association for more than three years.

While substantially all of the Association's construction and land A&D loans are secured by properties located in the northern suburbs of Kansas City, the Association also seeks to diversify its construction and land A&D lending risks among several development projects. At September 30, 1996, the Association had speculative construction and land A&D loans secured by properties in 63 developments of which 6 represented an exposure to a single development of more than $1.0 million.

One- to Four-Family Construction Loans. Loans for the construction of one- to four-family residences are generally made for terms of six to 12 months. The Association's loan policy includes maximum loan-to-value ratios of up to 85% that vary by amount and type (i.e., speculative versus contract) of construction loan. The Board of Directors may increase or decrease the maximum loan-to-value ratio depending on borrower strength, economic conditions and other factors. Prior to preliminary approval of a construction loan application, Association personnel inspect the site, review the existing or proposed improvements, identify the market for the proposed project, analyze the pro forma data and assumptions on the project, and satisfy themselves with the experience and expertise of the builder. After preliminary approval has been given, the application is processed. Processing includes obtaining credit reports, financial statements and tax returns on the borrowers and guarantors, an independent appraisal of the project, and any other expert reports necessary to evaluate the proposed project. The Association requires builders to designate Cameron Savings as the beneficiary of a life insurance policy equal to the lesser of $50,000 or 50% of the loan balance, though the Board of Directors may require additional amounts or make other similar arrangements. Although individual loan officers can make conditional loan commitments, all construction loans must be approved by the Loan Committee or Board of Directors.

With few exceptions, the Association requires that construction loan proceeds be disbursed in increments as construction progresses. To control the disbursement process, the Association requires that builders and their subcontractors and vendors submit invoices to the Association for payment. In disbursing construction loan funds, the Association uses proprietary software, for which the Association charges a per-loan fee, that tracks actual disbursements compared to estimated costs by category of expense and provides certain tax reports for the borrower. The Association uses this information, along with periodic on-site inspections by Association personnel, to monitor the progress of the project. In the event of cost overruns, depending on the circumstances (i.e., whether due to "add-ons" not included in the original plans or due to unanticipated changes in building costs) the Association may seek to require the borrower to deposit funds with the Association for additional disbursements, increase the loan amount on the basis of an increased appraisal and disburse additional loan proceeds consistent with the original loan-to-value ratio, or become more active in the monitoring and progress of the project.

The Association regularly monitors the accuracy of assumptions made in its construction loan business over time. In particular, the Association tracks

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the accuracy of its independent appraisers by comparing actual selling prices with the appraised value estimated in connection with the loan approval. Additionally, the Association tracks the performance of its builder

customers by comparing actual costs with those estimated in the loan application. The Association believes that this experience mitigates some of the risks inherent in its construction lending.

Commercial and Multi-family Construction Loans. Occasionally, the Association originates loans for the construction of commercial buildings and multi-family residences on terms similar to those on one- to four-family construction loans. At September 30, 1996, the Association had 8 such loans outstanding totalling $1.5 million.

Land and Development Loans. At September 30, 1996, the Association had total land loans of $9.6 million. In making land loans, the Association follows similar underwriting policies as for construction loans and, to the extent applicable (i.e., if the loan is to develop land for future building rather than simply to acquire raw land), similar disbursement procedures. The Association originates land loans with similar terms and at similar rates as construction loans, except that the initial term on conventional land loans is typically five to ten years (not to exceed 20 years) as opposed to the term of up to 12 months that is typical of construction loans. Land A&D loans are interest-only loans, payable semi-annually, with provisions for principal reductions as lots are sold.

Multi-Family and Commercial Real Estate Lending

Cameron Savings also originates loans secured by multi-family and commercial real estate. At September 30, 1996, $2.9 million, or 1.7%, of the Association's loan portfolio consisted of multi-family loans and $4.3 million, or 2.5%, of the Association's loan portfolio consisted of commercial real estate loans.

Multi-family and commercial real estate loans originated by the Association may be either fixed- or adjustable-rate loans with terms to maturity and amortization schedules of up to 20 years. Rates on such ARM loans generally adjust annually to specified spreads over the one-year U.S. Treasury securities index adjusted to a constant maturity of one year, subject to annual and life-of-loan interest rate caps. Multi-family and commercial real estate loans are written in amounts of up to 80% of the lesser of the appraised value of the property or the sales price.

The Association's commercial real estate portfolio consists of loans on a variety of non-residential properties including small shopping centers, nursing homes, small office buildings and churches. Multi-family loans generally are secured by seven- to 36-unit apartment buildings. Appraisals on properties which secure multi-family and commercial real estate loans are performed by an independent appraiser designated by the Association before the loan is made. All appraisals on multi-family and commercial real estate loans are reviewed by the Association's management. In underwriting such loans, the Association primarily considers the cash flows generated by the real estate to support the debt service, the financial resources and income level of the borrower and the Association's experience with the borrower. In addition, the Association's underwriting procedures require verification of the borrower's credit history, an analysis of the borrower's income, financial statements and banking relationships, a review of the borrower's property management experience and references, and a review of the property, including cash flow projections and historical operating results. The Association seeks to ensure that the property securing the loans will generate sufficient cash flow to adequately cover

operating expenses and debt service payments. The Association generally requires a debt service coverage ratio of 120% or more.

At September 30, 1996, the Association's largest multi-family or commercial real estate loan of $793,000 was secured by seven 4-unit apartment buildings located in Clay County, Missouri.

Multi-family and commercial real estate lending affords the Association an opportunity to receive interest at rates higher than those generally available from one- to four-family residential lending. Nevertheless, loans secured by such properties are generally larger, more difficult to evaluate and monitor and, therefore generally, involve a greater degree of risk than one- to four-family residential mortgage loans. Because payments on loans secured by commercial real estate and multi-family properties are often dependent on the successful operation or management of the properties, repayment of such loans may be subject to adverse conditions in the real estate market or the economy. If the cash flow from the project is reduced, the borrower's ability to repay the loan might be impaired. The Association has attempted to minimize these

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risks by lending primarily to the ultimate user of the property or on existing income-producing properties.

Consumer Lending

The Association originates a variety of consumer loans, including home equity loans, automobile loans, education loans, home improvement loans, loans secured by deposit accounts, and other types of secured and unsecured loans. At September 30, 1996, the Association had $8.3 million, or 4.7% of its loans receivable, in outstanding consumer loans. The Association has recently focused on the expansion of its consumer lending portfolio as a result of the variety of products that can be offered, the higher yields that can be obtained and the stronger consumer demand for such products. In addition, management believes that offering consumer loan products helps to expand the Association's customer base and creates stronger ties to its existing customer base. Consumer loan balances typically range from $1,000 to $50,000 and are generally repaid over periods ranging from one to ten years. Unsecured consumer loans generally do not exceed $10,000 and typically are repayable in monthly installment payments within five years. The Association's consumer loans are primarily secured by second mortgages on residential real estate, automobiles, recreational vehicles or boats. The Association's focus in consumer lending has been the origination of home equity and improvement loans and auto loans. At September 30, 1996 the Association had $3.6 million or 43.1% of its consumer loan portfolio in home equity and home improvement loans and $3.4 million in auto loans, or 40.3% of the consumer loan portfolio. Approximately 3.2% of the consumer loans were unsecured at September 30, 1996.

Consumer loans generally have shorter terms and higher interest rates than first lien mortgage loans because they generally involve more credit risk than mortgage loans as a result of the type and nature of the collateral and, in certain cases, the absence of collateral. Consumer loans generally are dependent on the borrower's continuing financial stability and thus are more likely to be affected by adverse personal circumstances. Despite the risks inherent in consumer lending, the Association's consumer loans delinquent greater than 90 days as a percentage of total consumer loans was .67% at September 30, 1996.

The underwriting standards generally employed by the Association for consumer loans include a determination of the applicant's payment history on other debts and an assessment of the borrower's ability to meet the payments on the proposed loan as well as existing obligations. In addition to the creditworthiness of the applicant, the underwriting process also includes a comparison of the value of the security in relation to the proposed loan amount. Upon receipt of a completed consumer loan application from the prospective borrower, a credit report is obtained, income and other information is verified and, if necessary, additional financial information is requested.

The Association's underwriting procedures for home equity loans include a comprehensive review of the loan application, which require a clean credit rating and verification of stated income and other financial information. The combined loan-to-value ratio, including prior mortgage liens, also is a determining factor in the underwriting process. Generally, the combined loan-to-value ratio, including prior mortgage liens, may not exceed 80% of the underlying security property.

Loan Fees

In addition to earning interest on loans, the Association also receives income from loan origination fees and fees related to late payments, loan modifications, and miscellaneous activities related to loans. Income from these activities varies from period to period with the volume and type of loans originated.

The Association generally receives loan origination and/or commitment fees when originating loans. Fees are generally up to 2% of the principal amount of residential mortgage loans. In accordance with SFAS No. 91, the Association defers loan origination and commitment fees and certain direct loan origination costs, with the net amount amortized as an adjustment of the loan's yield. The Association amortizes these amounts, using the level-yield method, over the contractual life of these loans. Net deferred amounts are recorded in income when the underlying loans are sold or paid in full. See Note 2 of Notes to Consolidated Financial Statements.

Originations, Purchases and Sales of Loans

The Association originates real estate loans through marketing efforts, the Association's customer base and walk-in customers. Mortgage loan originations come from direct solicitation by the Association's loan officers and branch managers, and from real estate brokers, builders, depositors and walk-in customers. Loan applications are taken and processed by loan representatives, while underwriting and document preparation functions are performed at the Cameron Savings home office and Liberty loan production office. When all necessary documents are obtained, the loan, depending on its size and

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type, may be approved by any three members of the loan committee or the Board of Directors.

While the Association originates both adjustable-rate and fixed-rate loans, its ability to originate loans is dependent upon the relative customer demand for loans in its market. In fiscal 1996, the Association originated $99.6 million of loans, compared to $67.9 million and $57.6 million in fiscal 1995 and 1994, respectively. During recent years, the Association's

construction loan originations have been strong, totaling $57.0 million, $43.6 million, and $35.0 million, or 57.2%, 64.2%, and 60.8%, of total loan originations in fiscal 1996, 1995 and 1994, respectively.

Cameron Savings generally sells its 30-year fixed-rate one- to four-family residential mortgage loans, without recourse, to secondary market purchasers. Sales of whole loans generally are beneficial to the Association since these sales may generate income at the time of sale, provide funds for additional lending and other investments and increase liquidity. When loans are sold, the Association typically does not retain the responsibility for servicing the loans. At origination, all of the Association's mortgage loans are immediately classified as either held for investment or held for sale. During fiscal 1996, conventional mortgage loans originated and sold into the secondary market totaled $1.5 million.

While the Association has purchased whole loans or loan participations from time to time, such purchases have been infrequent. In 1996, the Association purchased eight loans for a total of $882,000. Any such purchases are made consistent with the Association's underwriting standards. Most of the Association's purchased loans are secured by property located in Missouri.

In addition, the Association may purchase mortgage-backed securities to complement its mortgage lending activities. However, during fiscal 1996, 1995 and 1994 the Association did not purchase any mortgage-backed securities.

Loan commitments are issued as soon as possible upon completion of the underwriting process, and mortgage loans are closed as soon as all title clearance and other required procedures have been completed. At September 30, 1996, there were outstanding first mortgage loan commitments totaling $6.7 million. At that date, the Association also had $41.6 million of construction loans of which approximately $19.5 million had not yet been disbursed.

The following table shows the loan origination, purchase, sale and repayment activities of the Association for the periods indicated.

<TABLE>
<CAPTION>

	Year Ended September 30,		
	1996	1995	1994
	(Dollars In Thousands)		
Originations by type:			
Adjustable rate:			
<S>	<C>	<C>	<C>
Real estate - one- to four-family	$21,063	$15,226	$11,577
- multi-family	1,679	201	285
- commercial	1,085	277	1,100
- land	2,079	743	420
- construction	9,901	4,678	5,611
Non-real estate - consumer	1,278	668	680
Total adjustable-rate	37,085	21,793	19,673
Fixed rate:			
Real estate - one- to four-family	4,262	3,489	3,903
- commercial	100	---	---
- land	5,348	734	2,143
- construction	47,089	38,909	29,435
Non-real estate - consumer	5,735	3,010	2,477
Total fixed-rate	62,534	46,142	37,958
Total loan originations	99,619	67,935	57,631

Purchases:

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Real estate - one- to four-family	882	26	---
- land	--	---	373
Total loan purchases	882	26	373
Mortgage-backed securities	--	---	---
Total purchases	882	26	373
Sales and Repayments:			
Real estate - one- to four-family	1,531	1,102	2,556
Total loan sales	1,531	1,102	2,556
Principal repayments	67,496	48,508	47,140
Total sales and repayments	69,027	49,610	49,696
Increase in other items:			
Loans in process	(6,249)	(2,420)	(4,005)
Deferred fees and discounts	(162)	(54)	(106)
Allowance for loan losses	(359)	(118)	(239)
Net increase	$24,704	$15,759	$3,958

</TABLE>

Asset Quality

Delinquency Procedures. When a borrower fails to make a required payment on a first mortgage loan, the Association attempts to cause the delinquency to be cured by contacting the borrower by mail or telephone when the loan is 20 days delinquent. A second late notice is sent after the loan is 30 days delinquent in addition to verbal contact with the borrower.

In the event the loan payment is past due for 90 days or more, the Association performs an in-depth review of the loan's status, the condition of the property and circumstances of the borrower. Based upon the results of the review, the Association may negotiate and accept a repayment program with the borrower or, when deemed necessary, initiate foreclosure proceedings. If foreclosed on, real property is sold at a public sale and the Association may bid on the property to protect its interest. A decision as to whether and when to initiate foreclosure proceedings is made by the loan service officer with the approval of the President and is based on such factors as the amount of the outstanding loan in relation to the original indebtedness, the extent of delinquency and the borrower's ability and willingness to cooperate in curing the delinquencies.

The following table sets forth the Association's loan delinquencies by type, by amount and by percentage of type at September 30, 1996.

<TABLE>
<CAPTION>

	Loans Delinquent For								
	60-89 Days			90 Days and Over			Total Delinquent Loans		
	Number	Amount	Percent of Loan Category	Number	Amount	Percent of Loan Category	Number	Amount	Percent of Loan Category
	(Dollars in Thousands)								
Real Estate:									
One- to four-family	18	$656	0.60%	30	$1,291	1.18%	48	$1,947	1.78%
Commercial-multifamily	--	--	--	--	--	--	--	--	--
Land	--	--	--	--	--	--	--	--	--
Construction	2	197	0.47	1	131	0.31	3	328	0.78
Consumer	6	48	0.58	12	56	0.67	18	104	1.25
Total	26	$901	0.51%	43	$1,478	0.84%	69	$2,379	1.35%

</TABLE>

Non-Performing Assets. Real estate acquired in settlement of loans is classified as real estate owned until it is sold. When property is acquired, it is initially recorded at the lower of estimated fair value, less estimated costs to sell, or cost. If, subsequent to foreclosure, the fair value of the real estate acquired through foreclosure is determined to have declined based upon periodic evaluations by management, valuation allowances are established through

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a charge to income. Costs relating to the development or improvement of real estate owned are capitalized to the extent of fair market value.

The following table sets forth the amounts and categories of the Association's non-performing assets. Loans are placed on non-accrual status when the collection of principal and/or interest is not probable; however, in no event is interest accrued on loans for which interest is more than 90 days delinquent. Foreclosed assets include assets acquired in settlement of loans.

<TABLE>
<CAPTION>

	September 30,		
	1996	1995	1994
		(Dollars in Thousands)	
<S>	<C>	<C>	<C>
Non-accruing loans:			
One- to four-family	$638	$349	$471
Multi-family	---	---	---
Commercial	---	5	7
Land	---	---	---
Construction	131	206	---
Consumer	---	---	---
Total non-accruing loans	769	560	478
Accruing loans delinquent 90 days or more:/(2)/			
One- to four-family	653	716	671
Multi-family	---	---	---
Commercial	---	---	---
Land	---	---	---
Construction	---	---	---
Consumer	56	59	76
Total accruing loans delinquent more than 90 days	709	775	747
Total non-performing loans	1,478	1,335	1,225
Foreclosed assets:			
One- to four-family	70	---	---
Multi-family	---	---	---
Commercial	---	---	---
Land	---	---	---
Construction	---	---	---
Consumer	---	---	---
Total	70	---	---
Total non-performing assets	$1,548	$1,335	$1,225
Total classified assets/(1)/	$7,729	$3,903	$4,243
Total non-performing loans as a percentage of total loans receivable	0.84%	0.92%	0.97%
Total non-performing assets as a percentage of total assets	0.83%	0.77%	0.85%
Total classified assets/(1)/ as a percentage of total assets.	4.15%	2.25%	2.93%
Interest income that would have been recorded on non-performing loans if current/(3)/	$ 40	$ 15	$ 46
Interest income on non-performing loans included in net income/(4)/	$ 40	$ 19	$ 41

</TABLE>

----

(1) Includes assets designated special mention.
(2) These loans are delinquent 90 days or more as to principal but not as to interest. This can occur when the Association receives a partial payment from a borrower which is first applied to interest due.
(3) This represents the additional interest income that would have been collected had the loans been current.
(4) This represents the interest income actually collected on the loans.

Other Loans of Concern. In addition to the non-performing loans and foreclosed assets set forth in the preceding table, as of September 30, 1996, there was also an aggregate of $6.2 million in net book value of loans classified by the Association with respect to which known

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information about the possible credit problems of the borrowers or the cash flows of the secured properties have caused management to have some doubts as to the ability of the borrowers to comply with present loan repayment terms and which may result in the future inclusion of such items in the non-performing asset categories. At September 30, 1996, other loans of concern consisted primarily of speculative construction and one- to four-family residential loans, and there were no other loans of concern in excess of $250,000. Management has considered the Association's non-performing and "of concern" assets in establishing its allowance for loan losses.

Classification of Assets. Federal regulations require that each savings institution classify its own assets on a regular basis. In addition, in connection with examinations of savings institutions, OTS and FDIC examiners have authority to identify problem assets and, if appropriate, require them to be classified. There are three classifications for problem assets: Substandard, Doubtful and Loss. Substandard assets have one or more defined weaknesses and are characterized by the distinct possibility that the savings institution will sustain some loss if the deficiencies are not corrected. Doubtful assets have the weaknesses of Substandard assets, with the additional characteristics that the weaknesses make collection or liquidation in full on the basis of currently existing facts, conditions and values questionable, and there is a high probability of loss. An asset classified Loss is considered uncollectible and of such little value that continuance as an asset of the institution is not warranted. Assets classified as Substandard or Doubtful require the institution to establish prudent general allowances for loan losses. If an asset or portion thereof is classified as Loss, the institution must either establish specific allowances for loan losses in the amount of 100% of the portion of the asset classified Loss, or charge-off such amount. If an institution does not agree with an examiner's classification of an asset, it may appeal this determination to the District Director of the OTS. Assets which do not currently expose the savings institution to sufficient risk to warrant classification in one of the aforementioned categories but possess weaknesses deserving management's close attention, are required to be designated Special Mention.

On the basis of management's review of its assets, at September 30, 1996, on a net basis, the Association had classified $2.3 million as Substandard, $4,000 as Doubtful, $0 as Loss and $5.4 million as Special Mention.

Classified assets at September 30, 1996 were $7.7 million, an increase of $3.3 million over September 30, 1995. The majority of the increase was in the "special mention" category. In an attempt to insure that internal controls monitor all situations of possible concern, the Association's classification policy was changed to classify all speculative construction loans not repaid within the original one year term as special mention. These loans may not be paid off during the initial one year due to delays in starting construction, weather delays during construction, the inability of the new buyer to close the purchase within the original term, or the property remaining unsold near the original maturity date. Prior to maturity, the original loan is modified to reflect a new maturity date one year later than the original maturity date. All of the speculative construction loans were performing in accordance with the loan documents as modified, including the payment of required interest payments. Such loans are not classified as nonperforming since they are performing in accordance with current loan requirements. Speculative construction loans classified as "special mention" at September 30, 1996 were $4.2

million compared to none at September 30, 1995. Two of the loans at September 30, 1996 were delinquent 30 days interest and none were delinquent 60 days or more.

Allowance for Loan Losses. The allowance for estimated loan losses is established through a provision for losses based on management's evaluation of the risk inherent in its loan portfolio and changes in the nature and volume of its loan activity. Such evaluation, which includes a review of all loans of which full collectibility may not be reasonably assured, considers the estimated net realizable value of the underlying collateral, economic conditions, historical loan loss experience and other factors that warrant recognition in providing for an adequate allowance for loan losses.

Real estate properties acquired through foreclosure are recorded at the lower of estimated fair value, less estimated costs to sell, or cost. If fair value at the date of foreclosure is lower than the balance of the related loan, the difference will be charged-off to the allowance for loan losses at the time of transfer. Valuations are periodically updated by management and if the value declines, a specific provision for losses on such property is established by a charge to operations.

While management believes that it uses the best information available to determine the allowance for loan losses, unforeseen market conditions could

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result in adjustments to the allowance for loan losses, and net earnings could be significantly affected, if circumstances differ substantially from the assumptions used in making the final determination.

Future additions to the Association's allowance will be the result of periodic loan, property and collateral reviews and thus cannot be predicted in advance. In addition, federal regulatory agencies, as an integral part of the examination process, periodically review the Association's allowance for loan losses. Such agencies may require the Association to recognize additions to the allowance level based upon their judgment of the information available to them at the time of their examination. At September 30, 1996, the Association had a total allowance for loan losses of $1.4 million representing 91.5% of total non-performing loans.

The following table sets forth an analysis of the Association's allowance for loan losses.

<TABLE>
<CAPTION>

	Year Ended September 30,		
	1996	1995	1994
	(Dollars in Thousands)		
<S>	<C>	<C>	<C>
Balance at beginning of year	$994	$876	$637
Charge-offs:			
One- to four-family	---	---	(6)
Multi-family	---	---	---
Commercial	---	---	---
Land	---	---	---
Construction	---	---	---
Consumer	(9)	(2)	(7)
Total charge-offs	(9)	(2)	(13)
Recoveries:			
One- to four-family	---	---	---
Multi-family	---	---	---
Commercial	---	---	---
Land	---	---	---
Construction	---	---	---
Consumer	---	---	---
Total recoveries	---	---	---
Net charge-offs	(9)	(2)	(13)
Additions charged to operations	368	120	252
Balance at end of year	$1,353	$994	$876
Ratio of net charge-offs during the year to average loans outstanding during the year	0.006%	.002%	.012%
Ratio of allowance for loan losses to non-performing loans at end of year	91.54%	74.46%	71.51%
Ratio of allowance for loan losses to total loans receivable at end of year	0.77%	0.69%	0.69%

</TABLE>

The distribution of the Association's allowance for loan losses at the dates indicated is summarized in the following table. The portion of the allowance allocated to each loan category does not necessarily represent the total available for losses within that category since the total allowance is applicable to the entire loan portfolio.

<TABLE>
<CAPTION>

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	At September 30,								
	1996			1995			1994		
	Amount of Loan Loss Allowance	Loan Amounts by Category	Percent of Loans in Each Category to Total Loans	Amount of Loan Loss Allowance	Loan Amounts by Category	Percent of Loans in Each Category to Total Loans	Amount of Loan Loss Allowance	Loan Amounts by Category	Percent of Loans in Each Category to Total Loans
	(Dollars In Thousands)								
One- to four-family.......	$299	$109,292	62.06%	$255	$95,040	65.71%	$229	$ 89,197	67.48%
Multi-family.............	22	2,908	1.65	16	3,181	2.20	19	3,865	3.06
Commercial	33	4,322	2.45	28	3,759	2.60	36	3,807	3.01
Land	235	9,605	5.46	79	4,106	2.84	111	3,950	3.13
Construction.............	577	41,646	23.65	503	32,956	22.79	403	25,233	19.98
Consumer..................	187	8,330	4.73	113	5,587	3.86	78	4,226	3.34
Total................	$1,353	$176,103	100.00%	$994	$144,629	100.00%	$876	$126,278	100.00%

</TABLE>

Investment Activities

General. Cameron Savings must maintain minimum levels of investments that qualify as liquid assets under OTS regulations. Liquidity may increase or decrease depending upon the availability of funds and comparative yields on investments in relation to the return on loans. Historically, the Association has maintained liquid assets at levels above the minimum requirements imposed by the OTS regulations and at levels believed adequate to meet the requirements of normal operations, including potential deposit outflows. Cash flow projections are regularly reviewed and updated to assure that adequate liquidity is maintained. At September 30, 1996, and 1995, the Association's regulatory liquidity ratio (liquid assets as a percentage of net withdrawable savings deposits and current borrowings) was 6.43%, and 18.63%, respectively.

The Association has the authority to invest in various types of liquid assets, including U.S. Treasury obligations, securities of various federal and state agencies, certain certificates of deposit of insured banks and savings institutions, certain bankers' acceptances, repurchase agreements and federal funds. Subject to various restrictions, the Association may also invest its assets in commercial paper, investment grade corporate debt securities and mutual funds whose assets conform to the investments that a savings institution is otherwise authorized to make directly.

Generally, the investment policy of the Association is to invest funds among various categories of investments and maturities based upon the Association's asset/liability management policies, investment quality and marketability, liquidity needs and performance objectives.

Investment Securities. At September 30, 1996, the Company's certificates of deposit in other financial institutions totaled $2.5 million, or 1.3%, of total assets and investment securities totaled $18.3 million, or 9.82% of total assets. As of such date, the Company also had a $1.3 million investment in FHLB stock, satisfying its requirement for membership in the FHLB of Des Moines. It is the Company's general policy to purchase securities which are U.S. Government securities or federal or state agency obligations or other issues that are rated investment grade or have credit enhancements, except for certain municipal bonds purchased by the Association. The Company's investment portfolio includes $9.3 million of federal agency obligations, of which $242,000 provide for periodic interest rate increases during their remaining terms.

The following table sets forth the composition of the Company's investment portfolio at the dates indicated.

<TABLE>
<CAPTION>

	At September 30,					
	1996		1995		1994	
	Book Value	% of Total	Book Value	% of Total	Book Value	% of Total
	(Dollars in Thousands)					
Investment securities:						

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U.S. Government securities.........................	$ 7,428	29.26%	$10,833	27.62%	$ 504	1.76%
Federal agency obligations.........................	9,254	36.44	14,873	37.76	13,195	46.21
Municipal bonds....................................	1,615	6.36	717	1.82	777	2.72
Mutual funds and equity securities/(1)/...........	---	---	---	---	1,832	6.41
Subtotal.......................................	18,297	72.06	26,473	67.20%	16,308	57.10
FHLB stock...	1,259	4.96	1,235	3.13	1,235	4.32
Total investment securities and FHLB stock................................	$19,556	77.02	$27,708	70.33%	$17,543	61.42%
Average remaining life of investment securities, excluding FHLB stock and equity securities.........	2.5 years		2.1 years		3.2 years	
Other interest-earning assets:						
Cash equivalents..................................	$ 3,333	13.13%	$ 3,082	7.82%	$ 796	2.79%
Certificates of deposit in other financial institutions.....................................	2,500	9.85	8,611	21.85	10,221	35.79
Total investment portfolio......................	$25,389	100.00%	$39,401	100.00%	$28,560	100.00%

</TABLE>
/(1)/ Comprised primarily of a mutual fund investing in government and agency obligations maturing in less than three years, which was sold in 1995.

The composition and maturities of the investment securities portfolio, excluding FHLB stock and equity securities, are indicated in the following table.

<TABLE>
<CAPTION>

	At September 30, 1996					
	Less Than 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years	Total Investment Securities	
	Book Value	Book Value	Book Value	Book Value	Book Value	Fair Value
	(Dollars in Thousands)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Government securities............	$3,488	$3,940	$--	$--	$7,428	$7,483
Federal agency obligations............	500	8,254	500	--	9,254	9,129
Municipal bonds.......................	217	902	496	--	1,615	1,637
Total investment securities...........	$4,205	$13,906	$996	$--	$18,297	$18,249
Weighted average yield................	6.44%	6.14%	5.93%	--	6.20%	

</TABLE>

Mortgage-Backed Securities. From time to time, the Association purchases mortgage-backed securities to supplement residential loan production. The type of securities purchased is based upon the Association's asset/liability management strategy and balance sheet objectives. The balance of all mortgage-backed securities at September 30, 1996 was $13,000. The Company has not and does not intend to invest in high-risk mortgage derivative securities. The Company may determine to increase its investment in mortgage-backed securities in order to supplement loan origination activity.

While mortgage-backed securities carry a reduced credit risk as compared to whole loans, such securities remain subject to the risk that a fluctuating interest rate environment, along with other factors such as the geographic distribution of the underlying mortgage loans, may alter the prepayment rate of such mortgage loans and so affect both the prepayment speed, and value, of such securities.

Effective February 10, 1992, the OTS adopted the Federal Financial Institutions Examination Council "Statement of Policy on Securities Activities" through its Thrift Bulletin 52 (the "Bulletin"). The Bulletin requires depository institutions to establish prudent policies and strategies for securities transactions, describes securities trading and sales practices that are unsuitable when conducted in an investment portfolio and sets forth certain factors that must be considered when evaluating whether the reporting of an institution's investments is consistent with its intent and ability to holder such investments. The Bulletin also establishes a framework for identifying when certain mortgage derivative products are high-risk mortgage securities that must

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be reported in a "trading" or "held for sale" account. Purchases of high-risk mortgage securities prior to the effective date of the Bulletin generally will be reviewed in accordance with previously-existing OTS supervisory policies. The Association believes that it currently holds and reports its securities and loans in a manner consistent with the Bulletin. The Association also holds no assets which management believes qualify as high-risk mortgage securities, as defined in the Bulletin.

Sources of Funds

General. Deposit accounts have traditionally been the principal source of the Association's funds for use in lending and for other general business purposes. In addition to deposits, the Association derives funds from loan repayments, cash flows generated from operations and FHLB advances. Scheduled loan payments are a relatively stable source of funds, while deposit inflows and outflows and the related cost of such funds have varied. The Association borrowed $12.25 million from the FHLB of Des Moines during fiscal 1996 to supplement funding for loan originations.

Deposits. The Association offers a variety of accounts, including money market accounts, passbook savings accounts, interest and non-interest-bearing NOW accounts and certificates of deposit accounts. Account terms vary, with principal differences being the minimum balance required, the time period funds must remain on deposit, fixed versus variable interest rates and the interest rate. Maturity terms, service fees and withdrawal penalties are established by the Association on a periodic basis. Determinations of savings rates are predicated on funding and liquidity requirements, U.S. Treasury rates, competition and established Association goals. As part of its asset/liability management efforts, the Association has emphasized long-term certificates of deposit with terms of up to ten years. At September 30, 1996, the Association had $17.7 million of certificates of deposit with remaining maturities in excess of five years. The Association has successfully marketed a "Wildcard" certificate of deposit, which is an Individual Retirement Account certificate that varies as to rate each quarter based on the coupon equivalent of the most recent 52 week Treasury Bill auction prior to the start of a calendar quarter. The minimum rate is 5% and the maximum rate is 10%. At September 30, 1996, the Association had $12.0 million of "Wildcard" certificates outstanding.

The Association's deposits are obtained primarily from the areas in which its branch offices are located, and the Association relies primarily on customer service, marketing programs and long-standing relationships with customers to attract and retain these deposits. Various types of advertising and promotion to attract and retain deposit accounts also are used. The Association does not currently solicit or currently accept brokered deposits. The Association has been competitive in the types of accounts and interest rates it has offered on its deposit products. The Association intends to continue its efforts to attract deposits as a primary source of funds for supporting its lending and investing activities. The Association advertises via radio, direct mail and in local newspapers.

The flow of deposits is influenced significantly by general economic conditions, changes in money market and prevailing interest rates and competition. The variety of deposit accounts offered by the Association has allowed it to be competitive in obtaining funds and to respond with flexibility to changes in consumer demands. The Association has become more susceptible to short-term fluctuations in deposit flows, as customers have become more interest rate conscious. The Association manages the pricing of its deposits in keeping with its asset/liability management, liquidity and growth objectives. Based on its experience, the Association believes that its savings and interest and non-interest-bearing checking accounts are relatively stable sources of deposits. However, the ability of the Association to attract and maintain certificates

of deposit, and the rates paid on these deposits, has been and will continue to be significantly affected by market conditions.

In setting rates, Cameron Savings regularly evaluates (i) its internal cost of funds, (ii) the rates offered by competing institutions, (iii) its investment and lending opportunities and (iv) its liquidity position. In order to decrease the volatility of its deposits, Cameron Savings imposes penalties on early withdrawal on its certificates of deposit.

The following table sets forth the savings flows at the Association during the years indicated.

<TABLE>
<CAPTION>

Year Ended September 30,

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	1996	1995	1994
	(Dollars in Thousands)		
<S>	<C>	<C>	<C>
Opening balance	$121,280	$123,110	$122,378
Deposits..................................	100,960	134,651	98,372
Withdrawals...............................	103,883	141,254	101,730
Interest credited.........................	4,751	4,773	4,090
Ending balance............................	$123,108	$121,280	$123,110
Net increase (decrease)...................	$1.828	$(1,830)	$ 732
Percent increase (decrease)...............	1.5%	(1.5)%	.6%

</TABLE>

The following table sets forth the dollar amount of savings deposits in the various types of deposit programs offered by the Association at the dates indicated.

<TABLE>
<CAPTION>

	At September 30,					
	1996		1995		1994	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
	(Dollars in Thousands)					
Transactions and Savings Deposits:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Passbook accounts 3.25...........................	$11,179	9.1%	$ 10,415	8.6%	$ 15,389	12.5%
NOW accounts 0.00 - 2.75.........................	5,294	4.3	5,322	4.4	5,051	4.1
Money market accounts 3.00.......................	7,494	6.1	8,091	6.7	11,252	9.1
Total non-certificates...........................	23,967	19.5	23,828	19.7	31,692	25.7
Certificates:						
2.00 - 3.99%.....................................	4	---	52	---	7,146	5.8
4.00 - 5.99%.....................................	63,866	51.9	52,769	43.5	50,263	40.9
6.00 - 7.99%.....................................	33,182	27.0	42,365	34.9	29,178	23.7
8.00 - 9.99%.....................................	2,089	1.7	2,266	1.9	4,829	3.9
10.00% and over..................................	---	---	---	---	2	---
Total certificates...............................	99,141	80.5	97,452	80.3	91,418	74.3
Total deposits...................................	$123,108	100.00%	$121,280	100.0%	$123,110	100.0%

</TABLE>

The following table shows rate and maturity information for the Association's certificates of deposit at September 30, 1996.

<TABLE>
<CAPTION>

	2.00- 3.99%	4.00- 4.99%	5.00- 5.99%	6.00- 6.99%	7.00- 7.99%	8.00% or greater	Total	Percent of Total
	(Dollars in Thousands)							
Certificate accounts maturing in quarter ending:								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
December 31, 1996..........	$4	$609	$14,254	$981	$11	$57	$15,916	16.05%
March 31, 1997.............	--	315	16,347	188	185	26	17,061	17.21%
June 30, 1997..............	--	228	6,764	322	11	25	7,350	7.41%

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September 30, 1997.........	--	72	7,263	366	1,516	3	9,220	9.30%
December 31, 1997..........	--	56	3,300	1,471	104	44	4,975	5.02%
March 31, 1998.............	--	--	6,149	1,790	27	--	7,966	8.04%
June 30, 1998..............	--	--	1,575	326	14	--	1,915	1.93%
September 30, 1998.........	--	--	1,642	1,189	444	--	3,275	3.30%
December 31, 1998..........	--	--	1,151	177	233	--	1,561	1.57%
March 31, 1999.............	--	--	1,407	232	28	66	1,733	1.75%
June 30, 1999..............	--	--	430	1,052	--	--	1,482	1.49%
September 30, 1999.........	--	--	282	1,052	20	253	1,607	1.62%
Thereafter.................	--	--	2,022	16,647	4,796	1,615	25,080	25.31%
Total...................	$ 4	$1,280	$62,586	$25,793	$7,389	$2,089	$99,141	100.00%
Percent of total........	--%	1.29%	63.13%	26.02%	7.45%	2.11%	100.00%	

</TABLE>

The following table indicates the amount of the Association's certificates of deposit and other deposits by time remaining until maturity at September 30, 1996.

<TABLE>
<CAPTION>

	Maturity				
	3 Months or Less	Over 3 to 6 Months	Over 6 to 12 Months	Over 12 months	Total
	(Dollars In thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
Certificates of deposit less than $100,000.......	$14,407	$15,666	$15,527	$44,084	$89,684
Certificates of deposit of $100,000 or more......	556	1,229	841	5,494	8,120
Public funds /1/................................	953	166	202	16	1,337
Total certificates of deposit...................	$15,916	$17,061	$16,570	$49,594	$99,141

</TABLE>

/1/ Deposits from governmental and other public entities, including deposits greater than $100,000.

Borrowings. The Association has the ability to use advances from FHLB of Des Moines to supplement its deposits when the rates are favorable. As a member of the FHLB of Des

Moines, the Association is required to own capital stock and is authorized to apply for advances. Each FHLB credit program has its own interest rate, which may be fixed or variable, and includes a range of maturities. The FHLB of Des Moines may prescribe the acceptable uses to which these advances may be put, as well as limitations on the size of the advances and repayment provisions.

The Association borrowed $12.5 million under FHLB advances during 1996 to fund loan originations and meet short term cash needs. Outstanding balances at September 30, 1996 were $12.5 million.

The following tables set forth the maximum month-end balance and average balance of FHLB advances for the periods indicated, as well as the amount of such advances and the weighted average interest rate at the dates indicated.

<TABLE>
<CAPTION>

	Years Ended September 30,	
	1996	1995
	(In Thousands)	
<S>	<C>	<C>
Maximum Balance		
FHLB advances	$12,250	$2,000

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Average Balance

FHLB advances	$3,192	$19

<CAPTION>

	Years Ended September 30,	
	1996	1995
	(In Thousands)	
FHLB advances	$12,250	--
Weighted average interest rate	6.09%	--%

</TABLE>

During the last several years, loan originations have exceeded savings inflows, loan repayments and cash provided by operations. Prior to fiscal year 1996, the excess resulted in reductions in the investment securities portfolio and the Association's total liquidity. See "Regulation-Liquidity". To maintain liquidity above the required minimum, it is anticipated that FHLB advances will continue to supplement projected savings inflows and loan repayments to fund continued loan demand.

Subsidiaries

Federal associations generally may invest up to 2% of their assets in service corporations, plus an additional 1% of assets for community purposes. In addition, federal associations may invest up to 50% of their total capital in conforming loans to their service corporations in which they own more than 10% of the capital stock. In addition, federal associations are permitted to invest an unlimited amount in operating subsidiaries engaged solely in activities which a federal association may engage in directly.

At September 30, 1996, Cameron Savings had one service corporation. The Service Corporation was established in 1975 for the purpose of offering credit life, disability and accident insurance to its customers. At September 30, 1996, the Association's investment in the Service Corporation was $351,000.

REGULATION

General

Cameron Savings is a federally chartered savings and loan association, the deposits of which are federally insured and backed by the full faith and credit of the United States Government. Accordingly, Cameron Savings is subject to broad federal regulation and oversight extending to all its operations. Cameron Savings is a member of the FHLB of Des Moines and is subject to certain limited regulation by the Board of Governors of the Federal Reserve System ("Federal Reserve Board"). As the savings and loan holding company of the Association, the Company also is subject to federal regulation and oversight. The purpose of the regulation of the Company and other holding companies is to protect subsidiary savings associations. Cameron Savings is a member of the Savings Association Insurance Fund ("SAIF") and the deposits of Cameron Savings are insured by the FDIC. As a result, the FDIC has certain regulatory and examination authority over Cameron Savings.

Certain of these regulatory requirements and restrictions are discussed below or elsewhere in this document.

Congress is considering legislation that would consolidate the supervision and regulation of all U.S. financial institutions in one administrative body, expand the powers of financial institutions, and provide regulatory relief to financial institutions. It cannot be predicted with certainty whether or when this legislation will be enacted, or the extent to which the Association or the Company would be affected thereby.

Federal Regulation of Savings Associations

The OTS has extensive authority over the operations of savings associations. As part of this authority, Cameron Savings is required to file periodic reports with the OTS and is subject to periodic examinations by the OTS and the FDIC. The last regular OTS examination of Cameron Savings and Cameron Financial Corp. was as of June 13, 1996. When these examinations are conducted by the OTS and the FDIC, the examiners may require Cameron Savings to provide for higher general or specific loan loss reserves. All savings associations are subject to a semi-annual assessment, based upon the savings association's total assets, to fund the operations of the OTS. The Association's OTS assessment for the fiscal year ended September 30, 1996, was $49,000.

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The OTS also has extensive enforcement authority over all savings institutions and their holding companies, including associations and the Company. This enforcement authority includes, among other things, the ability to assess civil money penalties, to issue cease-and-desist or removal orders and to initiate injunctive actions. In general, these enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices. Other actions

or inactions may provide the basis for enforcement action, including misleading or untimely reports filed with the OTS. Except under certain circumstances, public disclosure of final enforcement actions by the OTS is required.

In addition, the investment, lending and branching authority of Cameron Savings is prescribed by federal laws and it is prohibited from engaging in any activities not permitted by such laws. For instance, no savings institution may invest in non-investment grade corporate debt securities. In addition, the permissible level of investment by federal associations in loans secured by non-residential real property may not exceed 400% of total capital, except with approval of the OTS. Federal savings associations are also generally authorized to branch nationwide. The Association is in compliance with the noted restrictions.

The Association's general permissible lending limit for loans-to-one-borrower is equal to the greater of $500,000 or 15% of unimpaired capital and surplus (except for loans fully secured by certain readily marketable collateral, in which case this limit is increased to 25% of unimpaired capital and surplus). At September 30, 1996, Cameron Savings' lending limit under this restriction was $5.1 million. The Association is in compliance with the loans-to-one-borrower limit.

The OTS, as well as the other federal banking agencies, has adopted guidelines establishing safety and soundness standards on such matters as loan underwriting and documentation, internal controls and audit systems, interest rate risk exposure and compensation and other employee benefits. Any institution which fails to comply with these standards must submit a compliance plan. A failure to submit a plan or to comply with an approved plan will subject the institution to further enforcement action. The OTS and the other federal banking agencies have also proposed additional guidelines on asset quality and earnings standards. No assurance can be given as to whether or in what form the proposed regulations will be adopted.

Insurance of Accounts and Regulation by the FDIC

Cameron Savings is a member of the SAIF, which is administered by the FDIC. Deposits are insured up to applicable limits by the FDIC and such insurance is backed by the full faith and credit of the U.S. Government. As insurer, the FDIC imposes deposit insurance premiums and is authorized to conduct examinations of and to require reporting by FDIC-insured institutions. It also may prohibit any FDIC-insured institution from engaging in any activity the FDIC determines by regulation or order to pose a serious risk to the FDIC. The FDIC also has the authority to initiate enforcement actions against savings and loan associations, after giving the OTS an opportunity to take such action, and may terminate the deposit insurance if it determines that the institution has engaged or is engaging in unsafe or unsound practices or is in an unsafe or unsound condition.

The FDIC's deposit insurance premiums are assessed through a risk-based system under which all insured depository institutions are placed into one of nine categories and assessed insurance premiums, ranging from .67% to .23% of deposits, based upon their level of capital and supervisory evaluation. Under the system, institutions classified as well capitalized (i.e., a core capital ratio of at least 5%, a ratio of core capital to risk-weighted assets of at least 6% and a risk-based capital ratio of at least 10%) and considered healthy would pay the lowest

premium while institutions that are less than adequately capitalized (i.e., core or core capital to risk-based capital ratios of less than 4% or a risk-based capital ratio of less than 8%) and considered of substantial supervisory concern pay the highest premium. Risk classification of all insured institutions will be made by the FDIC for each semi-annual assessment period.

The FDIC is authorized to increase assessment rates, on a semi-annual basis, if it determines that the reserve ratio of the SAIF will be less than the designated reserve ratio of 1.25% of SAIF insured deposits. In setting these increased assessments, the FDIC must seek to restore the reserve ratio to that designated reserve level, or such higher reserve ratio as established by the FDIC. The FDIC may also impose special assessments on SAIF members to repay amounts borrowed from the United States Treasury or for any other reason deemed necessary by the FDIC.

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In September 1996, Congress enacted legislation to recapitalize the SAIF by a one-time assessment on all SAIF-insured deposits held as of March 31, 1995. The assessment was 65.7 basis points per $100 in deposits, payable on November 27, 1996. For the Association, the assessment amounted to $800,000 (or $509,000 when adjusted for taxes), based on the Association's deposits on March 31, 1995. In addition, beginning January 1, 1997, pursuant to the legislation, interest payments on FICO bonds issued in the late 1980's by the Financing Corporation to recapitalize the now defunct Federal Savings and Loan Insurance Corporation will be paid jointly by BIF-insured institutions and SAIF-insured institutions. The FICO assessment will be 1.29 basis points per $100 in BIF deposits and 6.44 basis points per $100 in SAIF deposits. Beginning January 1, 2000, the FICO interest payments will be paid pro rata by banks and thrifts based on deposits (approximately 2.4 basis points per $100 in deposits). The BIF and SAIF will be merged on January 1, 1999, provided the bank and saving association charters are merged by that date. In that event, pro rata FICO sharing will begin on January 1, 1999.

While the legislation has reduced the disparity between premiums paid on BIF deposits and SAIF deposits, and has relieved the thrift industry of a portion of the contingent liability represented by the FICO bonds, the premium disparity between SAIF-insured institutions, such as the Association, and BIF-insured institutions will continue until at least January 1, 1999. Under the legislation, the Association anticipates that its ongoing annual SAIF premiums will be approximately $80,000.

Regulatory Capital Requirements

Federally insured savings associations, such as the Association, are required to maintain a minimum level of regulatory capital. The OTS has established capital standards, including a tangible capital requirement, a leverage ratio (or core capital) requirement and a risk-based capital requirement applicable to such savings associations. These capital requirements must be generally as stringent as the comparable capital requirements for national banks. The OTS is also authorized to impose capital requirements in excess of these standards on individual associations on a case-by-case basis.

The capital regulations require tangible capital of at least 1.5% of adjusted total assets (as defined by regulation). Tangible capital generally includes common stockholders' equity including retained earnings, and certain noncumulative perpetual preferred stock and related

earnings. In addition, all intangible assets, other than a limited amount of purchased mortgage servicing rights, must be deducted from tangible capital for calculating compliance with the requirement. Further, the valuation allowance applicable to the write-down of investments and mortgage-backed securities in accordance with SFAS No. 115 is excluded from the regulatory capital calculation. At September 30, 1996, the Association had no intangible assets or unrealized loss, net of tax under SFAS No. 115.

The OTS regulations establish special capitalization requirements for savings associations that own subsidiaries. In determining compliance with the capital requirements, all subsidiaries engaged solely in activities permissible for national banks or engaged in certain other activities solely as agent for its customers are "includable" subsidiaries that are consolidated for capital purposes in proportion to the association's level of ownership. For excludable subsidiaries the debt and equity investments in such subsidiaries are deducted from assets and capital.

At September 30, 1996, the Association had tangible capital of $32.9 million, or 18.9% of adjusted total assets, which is approximately $30.3 million above the minimum requirement of 1.5% of adjusted total assets in effect on that date.

The capital standards also require core capital of at least 3% of adjusted total assets. Core capital generally consists of tangible capital plus certain intangible assets, including a limited amount of purchased credit card relationships. As a result of the prompt corrective action provisions discussed below, however, a savings association must maintain a core capital ratio of at least 4% to be considered adequately capitalized unless its supervisory condition is such to allow it to maintain a 3% ratio. At September 30, 1996, Cameron Savings had no intangible assets which were subject to these tests.

At September 30, 1996, Cameron Savings had core capital equal to $32.9 million, or 18.9% of adjusted total assets, which is $27.7 million above the minimum leverage ratio requirement of 3% as in effect on that date.

The OTS risk-based requirement requires savings associations to have total capital of at least 8% of risk-weighted assets. Total capital consists of core capital, as defined above, and supplementary capital. Supplementary capital consists of certain permanent and maturing capital instruments that do not

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qualify as core capital and general valuation loan and lease loss allowances up to a maximum of 1.25% of risk-weighted assets. Supplementary capital may be used to satisfy the risk-based requirement only to the extent of core capital. The OTS is also authorized to require a savings association to maintain an additional amount of total capital to account for concentration of credit risk and the risk of non-traditional activities. At September 30, 1996, Cameron Savings had no capital instruments that qualify as supplementary capital and $1.3 million of general loss reserves, which was less than 1.25% of risk-weighted assets.

Certain exclusions from capital and assets are required to be made for the purpose of calculating total capital. Such exclusions consist of equity investments (as defined by regulation) and that portion of land loans and nonresidential construction loans in excess of an 80% loan-to-value ratio and reciprocal holdings of qualifying capital instruments. The Association had exclusions from capital and assets at September 30, 1996 of $1.1 million.

In determining the amount of risk-weighted assets, all assets, including certain off-balance sheet items, will be multiplied by a risk weight, ranging from 0% to 100%, based on the risk inherent in the type of asset. For example, the OTS has assigned a risk weight of 50% for prudently underwritten permanent one- to four-family first lien mortgage loans not more than 90 days delinquent and having a loan to value ratio of not more than 80% at origination unless insured to such ratio by an insurer approved by the FNMA or FHLMC.

The OTS has adopted a final rule that requires every savings association with more than normal interest rate risk exposure to deduct from its total capital, for purposes of determining compliance with such requirement, an amount equal to 50% of its interest-rate risk exposure multiplied by the present value of its assets. This exposure is a measure of the potential decline in the net portfolio value of a savings association, greater than 2% of the present value of its assets, based upon a hypothetical 200 basis point increase or decrease in interest rates (whichever results in a greater decline). Net portfolio value is the present value of expected cash flows from assets, liabilities and off-balance sheet contracts. The rule provides for a two quarter lag between calculating interest rate risk and recognizing any deduction from capital. The rule will not become effective until the OTS evaluates the process by which savings associations may appeal an interest rate risk deduction determination. It is uncertain as to when this evaluation may be completed. Any savings association with less than $300 million in assets and a total risk weighted capital ratio in excess of 12% is exempt from this requirement unless the OTS determines otherwise.

On September 30, 1996, Cameron Savings had total capital of $33.1 million (including $32.9 million in core capital and $1.3 million in qualifying supplementary capital) and risk- weighted assets of $117.3 million (including $2.3 million in converted off-balance sheet assets); or total capital of 28.3% of risk-weighted assets. This amount was $23.8 million above the 8% requirement in effect on that date.

Pursuant to FDICIA, the federal banking agencies, including the OTS, have also proposed regulations authorizing the agencies to require a depository institution to maintain additional total capital to account for concentration of credit risk and the risk of non-traditional activities. No assurance can be given as to the final form of any such regulation.

The OTS and the FDIC are authorized and, under certain circumstances required, to take certain actions against savings associations that fail to meet their capital requirements. The OTS is generally required to take action to restrict the activities of an "undercapitalized association" (generally defined to be one with less than either a 4% core capital ratio, a 4% Tier 1 risked-based capital ratio or an 8% risk-based capital ratio). Any such association must submit a capital restoration plan and until such plan is approved by the OTS may not increase its assets, acquire another institution, establish a branch or engage in any new activities, and generally may not make capital distributions. The OTS is authorized to impose the additional restrictions that are applicable to significantly undercapitalized associations.

As a condition to the approval of the capital restoration plan, any company controlling an undercapitalized association must agree that it will enter into a limited capital maintenance guarantee with respect to the institution's achievement of its capital requirements.

Any savings association that fails to comply with its capital plan or is "significantly undercapitalized" (i.e., Tier 1 risk-based or core capital ratios of less than 3% or a risk-based capital ratio of less than 6%) must be made subject to one or more of additional specified actions and operating

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restrictions which may cover all aspects of its operations and include a forced merger or acquisition of the association. An association that becomes "critically undercapitalized" (i.e., a tangible capital ratio of 2% or less) is subject to further mandatory restrictions on its activities in addition to those applicable to significantly undercapitalized associations. In addition, the OTS must appoint a receiver (or conservator with the concurrence of the FDIC) for a savings association, with certain limited exceptions, within 90 days after it becomes critically undercapitalized. Any undercapitalized association is also subject to the general enforcement authority of the OTS and the FDIC, including the appointment of a conservator or a receiver.

The OTS is also generally authorized to reclassify an association into a lower capital category and impose the restrictions applicable to such category if the institution is engaged in unsafe or unsound practices or is in an unsafe or unsound condition.

The imposition by the OTS or the FDIC of any of these measures on Cameron Savings may have a substantial adverse effect on the Association's operations and profitability. Holding Company shareholders do not have preemptive rights, and therefore, if the Holding Company is directed by the OTS or the FDIC to issue additional shares of Common Stock, such issuance may result in the dilution in the percentage of ownership of the Holding Company.

Limitations on Dividends and Other Capital Distributions

OTS regulations impose various restrictions or requirements on associations with respect to their ability to pay dividends or make other distributions of capital. OTS regulations prohibit an association from declaring or paying any dividends or from repurchasing any of its stock if, as a result, the regulatory capital of the association would be reduced below the amount required to be maintained for the liquidation account established in connection with its mutual to stock conversion.

The OTS utilizes a three-tiered approach to permit associations, based on their capital level and supervisory condition, to make capital distributions which include dividends, stock redemptions or repurchases, cash-out mergers and other transactions charged to the capital account (see "--Regulatory Capital Requirements").

Generally, Tier 1 associations, which are associations that before and after the proposed distribution meet their fully phased-in capital requirements, may make capital distributions during any calendar year equal to the greater of 100% of net income for the year-to-date plus 50% of the amount by which the lesser of the association's tangible, core or risk-based capital exceeds its fully phased-in capital requirement for such capital component, as measured at the beginning of the calendar year, or the amount authorized for a Tier 2 association. However, a Tier 1 association deemed to be in need of more than normal supervision by the OTS may be downgraded to a Tier 2 or Tier 3 association as a result of such a determination. The Association meets the requirements for a Tier 1 association and has not been notified of a need for more than normal supervision. Tier 2 associations, which are associations that before and

after the proposed distribution meet their current minimum capital requirements, may make capital distributions of up to 75% of net income over the most recent four quarter period.

Tier 3 associations (which are associations that do not meet current minimum capital requirements) that propose to make any capital distribution and Tier 2 associations that propose to make a capital distribution in excess of the noted safe harbor level must obtain OTS approval prior to making such distribution. Tier 2 associations proposing to make a capital distribution within the safe harbor provisions and Tier 1 associations proposing to make any capital distribution need only submit written notice to the OTS 30 days prior to such distribution. As a subsidiary of the Company, the Association will also be required to give the OTS 30 days' notice prior to declaring any dividend on its stock. The OTS may object to the distribution during that 30-day period based on safety and soundness concerns. See "- Regulatory Capital Requirements."

The OTS has proposed regulations that would revise the current capital distribution restrictions. The proposal eliminates the current tiered structure and the safe-harbor percentage limitations. Under the proposal a savings association may make a capital distribution without notice to the OTS (unless it is a subsidiary of a holding company) provided that it has a CAMEL 1 or 2 rating, is not in troubled condition (as defined by regulation) and would remain adequately capitalized (as defined in the OTS prompt corrective action regulations) following the proposed distribution. Savings associations that would remain adequately capitalized following the proposed distribution but do not meet the other noted requirements must notify the OTS 30 days prior to declaring a capital distribution. The OTS stated it will generally regard as permissible that amount of capital distributions that do not exceed 50% of the

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institution's excess regulatory capital plus net income to date during the calendar year. A savings association may not make a capital distribution without prior approval of the OTS and the FDIC if it is undercapitalized before, or as a result of, such a distribution. As under the current rule, the OTS may object to a capital distribution if it would constitute an unsafe or unsound practice. No assurance may be given as to whether or in what form the regulations may be adopted. The Association qualifies for Tier 1 and has declared and paid dividends of $2,248,000 to Cameron Financial Corporation during fiscal 1996.

Liquidity

All savings associations, including Cameron Savings, are required to maintain an average daily balance of liquid assets equal to a certain percentage of the sum of its average daily balance of net withdrawable deposit accounts and borrowings payable in one year or less. For a discussion of what the Bank includes in liquid assets, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources." This liquid asset ratio requirement may vary from time to time (between 4% and 10%) depending upon economic conditions and savings flows of all savings associations. At the present time, the minimum liquid asset ratio is 5%.

In addition, short-term liquid assets (e.g., cash, certain time deposits, certain bankers acceptances and short-term United States Treasury obligations) currently must constitute at least 1% of the association's average daily balance of net withdrawable deposit accounts and current borrowings. Penalties may be imposed upon associations for violations of either liquid asset

ratio requirement. At September 30, 1996, Cameron Savings was in compliance with both requirements, with an overall liquid asset ratio of 6.43% and a short-term liquid assets ratio of 3.64%.

Accounting

An OTS policy statement applicable to all savings associations clarifies and re-emphasizes that the investment activities of a savings association must be in compliance with approved and documented investment policies and strategies, and must be accounted for in accordance with GAAP. Under the policy statement, management must support its classification of and accounting for loans and securities (i.e., whether held for investment, sale or trading) with appropriate documentation. Cameron Savings is in compliance with these amended rules.

The OTS has adopted an amendment to its accounting regulations, which may be made more stringent than GAAP by the OTS, to require that transactions be reported in a manner that best reflects their underlying economic substance and inherent risk and that financial reports must incorporate any other accounting regulations or orders prescribed by the OTS.

Qualified Thrift Lender Test

All savings associations, including Cameron Savings, are required to meet a qualified thrift lender ("QTL") test to avoid certain restrictions on their operations. This test requires a savings association to have at least 65% of its portfolio assets (as defined by regulation) in qualified thrift investments on a monthly average for nine out of every 12 months on a rolling basis. Such assets primarily consist of residential housing related loans and investments. At September 30, 1996, the Association met the test and has always met the test since its effectiveness.

Any savings association that fails to meet the QTL test must convert to a national bank charter, unless it requalifies as a QTL and thereafter remains a QTL. If an association does not requalify and converts to a national bank charter, it must remain SAIF-insured until the FDIC permits it to transfer to the BIF. If such an association has not yet requalified or converted to a national bank, its new investments and activities are limited to those permissible for both a savings association and a national bank, and it is limited to national bank branching rights in its home state. In addition, the association is immediately ineligible to receive any new FHLB borrowings and is subject to national bank limits for payment of dividends. If such association has not requalified or converted to a national bank within three years after the failure, it must divest of all investments and cease all activities not permissible for a national bank. In addition, it must repay promptly any outstanding FHLB borrowings, which may result in prepayment penalties. If any association that fails the QTL test is controlled by a holding company, then within one year after the failure, the holding company must register as a bank holding company and become subject to all restrictions on bank holding companies. See "- Holding Company Regulation."

Community Reinvestment Act

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Under the Community Reinvestment Act ("CRA"), every FDIC insured institution has a continuing and affirmative obligation consistent with safe and sound banking practices to help meet the credit needs of its entire community, including low and moderate income neighborhoods. The CRA does not establish specific lending requirements or programs for financial institutions nor does it limit an institution's discretion to develop the types of products and services that it believes are best suited to its particular community, consistent with the CRA. The CRA requires the OTS, in connection with the examination of Cameron Savings, to assess the institution's record of meeting the credit needs of its community and to take such record into account in its evaluation of certain applications, such as a merger or the establishment of a branch, by Cameron Savings. An unsatisfactory rating may be used as the basis for the denial of an application by the OTS.

The federal banking agencies, including the OTS, have recently revised the CRA regulations and the methodology for determining an institution's compliance with the CRA. Due to the heightened attention being given to the CRA in the past few years, the Association may be required to devote additional funds for investment and lending in its local community. The Association was examined for CRA compliance in January 1995 and received a rating of satisfactory.

Transactions with Affiliates

Generally, transactions between a savings association or its subsidiaries and its affiliates are required to be on terms as favorable to the association as transactions with non-affiliates. In addition, certain of these transactions, such as loans to an affiliate, are restricted to a percentage of the association's capital. Affiliates of the Association include the Holding Company and any company which is under common control with the Association. In addition, a savings association may not lend to any affiliate engaged in activities not permissible for a bank holding company or acquire the securities of most affiliates. The Association's subsidiaries are not deemed affiliates, however; the OTS has the discretion to treat subsidiaries of savings associations as affiliates on a case by case basis.

Certain transactions with directors, officers or controlling persons are also subject to conflict of interest regulations enforced by the OTS. These conflict of interest regulations and other statutes also impose restrictions on loans to such persons and their related interests. Among other things, such loans must be made on terms substantially the same as for loans to unaffiliated individuals.

Holding Company Regulation

The Company is a unitary savings and loan holding company subject to regulatory oversight by the OTS. As such, the Company is required to register and file reports with the OTS and is subject to regulation and examination by the OTS. In addition, the OTS has enforcement authority over holding companies and their non-savings association subsidiaries which also permits the OTS to restrict or prohibit activities that are determined to be a serious risk to the subsidiary savings association.

As a unitary savings and loan holding company, the Company generally is not subject to activity restrictions. If the Company acquires control of another savings association as a separate subsidiary, it would become a multiple savings and loan holding company, and the activities of the Company and any of its subsidiaries (other than the Association or any other SAIF-insured savings association) would become subject to such restrictions unless such other associations each qualify as a QTL and were acquired in a supervisory acquisition.

If Cameron Savings fails the QTL test, the Company must obtain the approval of the OTS prior to continuing after such failure, directly or through its other subsidiaries, any business activity other than those approved for multiple savings and loan holding companies or their subsidiaries. In addition, within one year of such failure the Company must register as, and will become subject to, the restrictions applicable to bank holding companies. The activities authorized for a bank holding company are more limited than are the activities authorized for a unitary or multiple savings and loan holding company. See "--Qualified Thrift Lender Test."

The Company must obtain approval from the OTS before acquiring control of any other SAIF-insured association. Such acquisitions are generally prohibited if they result in a multiple savings and loan holding company controlling savings associations in more than one state. However, such interstate acquisitions are permitted based on specific state authorization or

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in a supervisory acquisition of a failing savings association.

Federal Securities Law

The stock of the Company is registered with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company is subject to the information, proxy solicitation, insider trading restrictions and other requirements of the SEC under the Exchange Act.

Company stock held by persons who are affiliates (generally officers, directors and principal stockholders) of the Company may not be resold without registration or unless sold in accordance with certain resale restrictions. If the Company meets specified current public information requirements, each affiliate of the Company is able to sell in the public market, without registration, a limited number of shares in any three-month period.

Federal Reserve System

The Federal Reserve Board requires all depository institutions to maintain non-interest bearing reserves at specified levels against their transaction accounts (primarily checking, NOW and Super NOW checking accounts). At September 30, 1996, Cameron Savings was in compliance with these reserve requirements. The balances maintained to meet the reserve requirements imposed by the Federal Reserve Board may be used to satisfy liquidity requirements that may be imposed by the OTS. See "--Liquidity."

Savings associations are authorized to borrow from the Federal Reserve Bank "discount window," but Federal Reserve Board regulations require associations to exhaust other reasonable alternative sources of funds, including FHLB borrowings, before borrowing from the Federal Reserve Bank.

Federal Home Loan Bank System

Cameron Savings is a member of the FHLB of Des Moines, which is one of 12 regional FHLBs, that administers the home financing credit function of savings associations. Each FHLB serves as a reserve or central bank for its members within its assigned region. It is funded primarily from proceeds derived from the sale of consolidated obligations of the FHLB System. It makes loans to members (i.e., advances) in accordance with policies and procedures, established by the board of directors of the FHLB, which are subject to the oversight of the Federal Housing Finance Board. All advances from the FHLB are required to be fully secured by sufficient collateral as determined by the FHLB. In addition, all long-term advances are required to provide funds for residential home financing.

As a member, Cameron Savings is required to purchase and maintain stock in the FHLB of Des Moines. At September 30, 1996, Cameron Savings had $1.3 million in FHLB stock, which was in compliance with this requirement. In past years, Cameron Savings has received substantial dividends on its FHLB stock. Over the past five fiscal years such dividends have averaged 8.03% and were 7.26% for fiscal year 1996.

Under federal law the FHLBs are required to provide funds for the resolution of troubled savings associations and to contribute to low- and moderately priced housing programs through direct loans or interest subsidies on advances targeted for community investment and low- and moderate-income housing projects. These contributions have affected adversely the level of FHLB dividends paid and could continue to do so in the future. These contributions could also have an adverse effect on the value of FHLB stock in the future. A reduction in value of Cameron Savings' FHLB stock may result in a corresponding reduction in Cameron Savings' capital.

For the year ended September 30, 1996, dividends paid by the FHLB of Des Moines to the Association totaled $91,000, which equaled the amount of dividends received in fiscal year 1995.

Federal and State Taxation

Federal Taxation. Savings associations such as the Association that meet certain definitional tests relating to the composition of assets and other conditions prescribed by the Internal Revenue Code (the "Code") are permitted to establish reserves for bad debts and to make annual additions thereto which may, within specified formula limits, be taken as a deduction in computing taxable income for federal income tax purposes. The amount of the bad debt reserve deduction for "non-qualifying loans" is computed under the experience method. For tax years beginning before December 31, 1995, the amount of the bad debt reserve deduction for "qualifying real property loans" (generally loans secured

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by improved real estate) may be computed under either the experience method or the percentage of taxable income method (based on an annual election). If a saving association elected the latter method, it could claim, each year, a deduction based on a percentage of taxable income, without regard to actual bad debt experience.

Under the experience method, the bad debt reserve deduction is an amount determined under a formula based generally upon the bad debts actually sustained by the savings and loan association over a period of years.

Under recently enacted legislation, the percentage of taxable income method has been repealed for years beginning after December 31, 1995, and "large" associations, i.e., the quarterly average of the association's total assets or of the consolidated group of which it is a member, exceeds $500 million for the year, may no longer be entitled to use the experience method of computing additions to their bad debt reserve. A "large" association must use the direct write-off method for deducting bad debts, under which charge-offs are deducted and recoveries are taken into taxable income as incurred. If the Association is not a "large" association, the Association will continue to be permitted to use the experience method. The Association will be required to recapture (i.e., take into income) over a six-year period its applicable excess reserves, i.e, the balance of its reserves for losses on qualifying loans and nonqualifying loans, as of the close of the last tax year beginning before January 1, 1996, over the greater of (a) the balance of such reserves as of December 31, 1987 (pre-1988 reserves) or (b) in the case of a bank which is not a "large" association, an amount that would have been the balance of such reserves as of the close of the last tax year beginning before January 1, 1996, had the bank always computed the additions to its reserves using the experience method. Postponement of the recapture is possible for a two-year period if an association meets a minimum level of mortgage lending for 1996 and 1997. As of September 30, 1996, the Association's bad debt reserve subject to recapture over a six-year period totaled approximately $288,000. The Association has established a deferred tax liability of approximately $96,000 for this recapture.

If an association ceases to qualify as a "bank" (as defined in Code Section 581) or converts to a credit union, the pre-1988 reserves and the supplemental reserve are restored to income ratably over a six-year period, beginning in the tax year the association no longer qualifies as a bank. The balance of the pre-1988 reserves are also subject to recapture in the case of certain excess distributions to (including distributions on liquidation and dissolution), or redemptions of, shareholders.

In addition to the regular income tax, corporations, including savings associations such as the Association, generally are subject to a minimum tax. An alternative minimum tax is imposed at a minimum tax rate of 20% on alternative minimum taxable income, which is the sum of a corporation's regular taxable income (with certain adjustments) and tax preference items, less any available exemption. The alternative minimum tax is imposed to the extent it exceeds the corporation's regular income tax and net operating losses can offset no more than 90% of alternative minimum taxable income. For taxable years beginning after 1986 and before 1996, corporations, including savings associations such as the Association, are also subject to an environmental tax equal to 0.12% of the excess of alternative minimum taxable income for the taxable year (determined without regard to net operating losses and the deduction for the environmental tax) over $2 million.

To the extent earnings appropriated to a savings association's bad debt reserves for "qualifying real property loans" and deducted for federal income tax purposes exceed the allowable amount of such reserves computed under the experience method and to the extent of the Association's supplemental reserves for losses on loans ("Excess"), such Excess may not, without adverse tax consequences, be utilized for the payment of cash dividends or other distributions to a shareholder (including distributions on redemption, dissolution or liquidation) or for any other purpose (except to absorb bad debt losses). As of September 30, 1996, the Association's excess for tax purposes totaled approximately $4.6 million.

The Association and its subsidiaries file consolidated federal income tax returns on a fiscal year basis using the accrual method of accounting. The Company files consolidated federal income tax returns with the Association and its subsidiaries. Savings associations, such as the Association, that file federal income tax returns as part of a consolidated group are required by applicable Treasury regulations to reduce their taxable income for purposes of computing the percentage bad debt deduction for losses attributable to activities of the non-savings association members of the consolidated group that are functionally related to the activities of the savings association member.

The Association and its consolidated subsidiaries have been audited by the IRS with respect to consolidated federal income tax returns through September 30, 1981. With respect to years examined by the IRS, either all

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deficiencies have been satisfied or sufficient reserves have been established to satisfy asserted deficiencies. In the opinion of management, any examination of still open returns (including returns of subsidiaries and predecessors of, or entities merged into, the Association) would not result in a deficiency which could have a material adverse effect on the financial statements of the Association and its consolidated subsidiaries.

Missouri Taxation. The State of Missouri has a corporate income tax; however, savings and loan institutions are exempt from such tax. Missouri-based thrift institutions, such as the Association, are subject to a special financial institutions tax, based on net income without regard to net operating loss carryforwards, at the rate of 7% of net income as defined in the Missouri statutes. This tax is a prospective tax for the privilege of the Association exercising its corporate franchise within the state, based on its net income for the preceding year. The tax is in lieu of all other state taxes on thrifts, except taxes on real estate, tangible personal property

owned by the taxpayer and held for lease or rental to others, certain payroll taxes, and sales and use taxes.

Delaware Taxation. As a Delaware holding company, the Company is exempted from Delaware corporate income tax but is required to file an annual report with and pay an annual fee to the State of Delaware. The Company is also subject to an annual franchise tax imposed by the State of Delaware.

Competition

Savings institutions generally face strong competition both in originating real estate loans and in attracting deposits. Competition in originating loans comes primarily from other savings institutions, commercial banks and mortgage bankers who also make loans secured by real estate located in the Association's market area. The Association competes for loans principally on the basis of the interest rates and loan fees it charges, the types of loans it originates and the quality of services it provides to borrowers.

The Association faces substantial competition in attracting deposits from other savings institutions, commercial banks, securities firms, money market and mutual funds, credit unions and other investment vehicles. The ability of the Association to attract and retain deposits depends on its ability to provide an investment opportunity that satisfies the requirements of investors as to rate of return, liquidity, risk, convenient locations and other factors. The Association competes for these deposits by offering a variety of deposit accounts at competitive rates, convenient business hours and a customer-oriented staff.

Employees

At September 30, 1996, the Association and its subsidiary had a total of 44 full-time employees and 4 part-time employees. None of the Association's employees is represented by any collective bargaining group. Management considers its employee relations to be good.

Executive Officers of the Company and the Association who are not Directors

Ronald W. Hill. Mr. Hill, age 47, is the Vice President and Treasurer of Cameron Savings, responsible for the supervision of the accounting department, reporting to the regulatory authorities, and managing the Association's liquidity position. Mr. Hill joined the Association in 1981 as Controller and was promoted to his current position in 1988.

Stephen Hayward. Mr. Hayward, age 34, is currently the Director of Lending of the Association. As such, he is responsible for the supervision of all lending operations of the Association, including loan applications and loan closings. Mr. Hayward joined the Association in 1991 as Internal Auditor and Compliance Officer. Prior to joining the Association, Mr. Hayward was a Manager with the accounting firm of KPMG Peat Marwick LLP in Kansas City, Missouri.

Earl Frazier. Mr. Frazier, age 61, is currently the manager of the loan production office in Liberty, Missouri. In that capacity, Mr. Frazier is responsible for overseeing the lending

operations, including the origination of construction and land loans. Mr. Frazier joined the Association in 1981 as a loan officer. Prior to joining the Association, Mr. Frazier was a real estate agent and, prior thereto, a residential home builder.

Item 2. Description of Property

The Association operates from three full-service facilities and one

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loan production office. The Association's main office and adjoining consumer loan office are owned entirely by Cameron Savings. The two branch locations as well as the Association's loan production office are leased. Construction of the new home office building on North Walnut Street in Cameron commenced in November, 1995, with completion scheduled for March, 1997. Estimated construction costs are $4.25 million.

On November 15, 1996, the Company signed a contract to purchase approximately four acres of land in Liberty, Missouri for use as a future branch office. It is the Association's intent to convert the current loan production office to a full service branch office. Application for the change has not yet been submitted to OTS for approval. The cost of the land is $850,000. Although no formal estimates have been prepared at this time, construction costs are estimated at $1.0 million. Completion of the office could occur in late 1997 or early 1998. The Company intends to use approximately one acre for the branch facility and the remainder as investment property.

The following table sets forth certain information with respect to the offices of the Association and its subsidiary at September 30, 1996.

<TABLE>
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Location	Date Acquired	Title	Approximate Square Footage	Net Book Value as of September 30, 1996
Main Office 123 East Third Street Cameron, MO	1959	Owned	14,091	$ 9,000
309 North Main Street Cameron, MO	1977	Owned	4,040	61,000
Branch Offices 115 East Fourth Street Maryville, MO	1994	Leased (expires 2003)	1,311	N/A
702 State Street Mound City, MO	1992	Leased (expires 1998)/(1)/	900	N/A
Loan Production Office 101 Clayview Drive Liberty, MO	1992	Leased (expires 1997)/(2)/	2,296	N/A
Future Main Office 1304 North Walnut Street/(3)/ Cameron, MO	1993	Owned	3.9 Acres	2,678,000

</TABLE>

/1/ Subject to option to extend for three years.
/2/ Subject to option to extend for five years.
/3/ Acquired as the future site of the Main Office/Customer Convenience Center.

The Association's accounting and record-keeping activities are maintained on an on-line basis with an independent service bureau.

Item 3. Legal Proceedings

The Company is involved as plaintiff or defendant in various legal actions arising in the normal course of business. While the ultimate outcome of these proceedings cannot be predicted with certainty, it is the opinion of management, after consultation with counsel representing the Company in the proceedings, that the resolution of these proceedings should not have a material effect on the Company's financial statements.

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders, through the

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solicitation of proxies or otherwise, during the quarter ended September 30, 1996.

PART II

Item 5. Market for the Registrant's Common Stock and Related Security Holder Matters

Page 43 of the attached 1996 Annual Report to Shareholders is herein incorporated by reference.

Item 6. Selected Financial Data

Pages 3 to 4 of the attached 1996 Annual Report to Shareholders are herein incorporated by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Pages 5 through 18 of the attached 1996 Annual Report to Shareholders are herein incorporated by reference.

Item 8. Financial Statements and Supplementary Data

Pages 19 through 42 of the attached 1996 Annual Report to Shareholders are herein incorporated by reference.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There has been no Current Report on Form 8-K filed within 24 months prior to the date of the most recent financial statements reporting a change of accountants and/or reporting disagreements on any matter of accounting principle or financial statement disclosure.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information concerning Directors of the Registrant is incorporated herein by reference from the Corporation's definitive Proxy Statement for the Annual Meeting of Shareholders scheduled to be held on January 27, 1997, except for information contained under the heading

"Report of the Compensation Committee" and "Comparative Stock Performance Graph", a copy of which will be filed not later than 120 days after the close of the fiscal year.

Item 11. Executive Compensation

Information concerning executive compensation is incorporated herein by reference from the Corporation's definitive Proxy Statement for the Annual Meeting of Shareholders scheduled to be held on January 27, 1997, except for information contained under the heading "Report of the Compensation Committee" and "Comparative Stock Performance Graph", a copy of which will be filed not later than 120 days after the close of the fiscal year.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information concerning security ownership of certain beneficial owners and management is incorporated herein by reference from the Corporation's definitive Proxy Statement for the Annual Meeting of Shareholders scheduled to be held on January 27, 1997, except for information contained under the heading "Report of the Compensation Committee" and "Comparative Stock Performance Graph", a copy of which will be filed not later than 120 days after the close of the fiscal year.

Item 13. Certain Relationships and Related Transactions

Information concerning certain relationships and transactions is incorporated herein by reference from the Corporation's definitive Proxy

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Statement for the Annual Meeting of Shareholders scheduled to be held on January 27, 1997, except for information contained under the heading "Report of the Compensation Committee" and "Comparative Stock Performance Graph", a copy of which will be filed not later than 120 days after the close of the fiscal year.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) (1) Financial Statements:

The following information appearing in the Registrant's Annual Report to Shareholders for the year ended September 30, 1996, is incorporated by reference in this Form 10-K Annual Report as Exhibit 13.

Annual Report Section	Pages in Annual Report
Report of Independent Auditors	19
Consolidated Balance Sheets at September 30, 1996 and 1995	20
Consolidated Statements of Earnings for the Years ended September 30, 1996, 1995 and 1994	21
Consolidated Statements of Stockholders' Equity for the Years ended September 30, 1996, 1995 and 1994	22
Consolidated Statements of Cash Flows for the Years ended September 30, 1996, 1995 and 1994	23-24
Notes to Consolidated Financial Statements	25-42

(a) (2) Financial Statement Schedules:

All financial statement schedules have been omitted as the information is not required under the related instructions or is inapplicable.

(a) (3) Exhibits:

Regulation S-K Exhibit Number	Document	Reference to Prior Filing or Exhibit Number Attached Hereto	Sequential Page Number Where Attached Exhibits Are Located in this Form 10-K Report
2	Plan of acquisition, reorganization, arrangement, liquidation or succession	None	Not applicable
3	Certificate of Incorporation and Bylaws	*	Not applicable
4	Instruments defining the rights of security holders, including indentures	*	Not applicable
9	Voting trust agreement	None	Not applicable
10.1	Severance Agreements of David G. Just and Ronald Hill	*	Not applicable
10.2	Employee Stock Ownership Plan	*	Not applicable
10.3	1995 Stock Option and Incentive Plan	**	Not applicable
10.4	Recognition and Retention Plan	**	Not applicable

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10.5	Deferred Fee Agreement	*	Not applicable
10.6	Director Emeritus Agreement	*	Not applicable
11	Statement re: computation of per share earnings	None	Not applicable
12	Statement re: computation or ratios	Not required	Not applicable
13	Annual Report to Security Holders	13	Page 53
16	Letter re: change in certifying accountant	None	Not applicable
18	Letter re: change in accounting principles	None	Not applicable
21	Subsidiaries of Registrant	22	Page 98

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Regulation S-K Exhibit Number	Document	Reference to Prior Filing or Exhibit Number Attached Hereto	Sequential Page Number Where Attached Exhibits Are Located in this Form 10-K Report
<S>	<C>	<C>	<C>
22	Published report regarding matters submitted to vote of security holders	None	Not applicable
23	Consent of experts and counsel	None	Not applicable
24	Power of Attorney	Not Required	Not applicable
27	Financial Data Schedule	27	Page 99
28	Information from reports furnished to State insurance regulatory authorities	None	Not applicable
99	Additional exhibits	None	Not applicable

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* Filed on December 23, 1994, as exhibits to the Registrant's Form S-1 registration statement (Registration No. 33-87900), pursuant to the Securities Act of 1933. All of such previously filed documents are hereby incorporated herein by reference in accordance with Item 601 of Regulation S-K.

** Filed December 27, 1995, as exhibits to the Registrant's Form 10-K Annual Report for the fiscal year ended September 30, 1995. All of such previously filed documents are hereby incorporated herein by reference in accordance with Item 601 of Regulation S-K.

(b) Reports on Form 8-K:

No current reports on Form 8-K were filed by the Company during the three months ended September 30, 1996.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAMERON FINANCIAL CORPORATION

Date: December 26, 1996   By: /s/David G. Just

David G. Just
(Duly Authorized Representative)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the

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Registrant and in the capacities and on the dates indicated.

By: /s/David G. Just	By: /s/Herschel Pickett
David G. Just, President Chief Executive Officer and Director	Herschel Pickett Chairman of the Board
Date: December 26, 1996	Date: December 26, 1996
By: /s/Kennith R. Baker	By: /s/George E. Hill
Kennith R. Baker, Secretary and Director	George E. Hill, Director
Date: December 26, 1996	Date: December 26, 1996
By: /s/Harold D. Lee	By: /s/William F. Barker
Harold D. Lee, Director	William F. Barker, Director
Date: December 26, 1996	Date: December 26, 1996
By: /s/Jon N. Crouch	By: /s/Ronald W. Hill
Jon N. Crouch, Director	Ronald W. Hill, Vice President, Treasurer, and Chief Financial Officer (Principal Financial and Accounting Officer)
Date: December 26, 1996	Date: December 26, 1996

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CAMERON FINANCIAL CORPORATION ANNUAL REPORT TO STOCKHOLDERS.

EXHIBIT 13

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CFC CAMERON FINANCIAL CORPORATION
Holding Company for The Cameron Savings & Loan Association, F.A.

December 30, 1996

To Our Stockholders:

The Board of Directors, management and staff of Cameron Financial Corporation and its wholly-owned subsidiary, The Cameron Savings & Loan Association, F.A., are pleased to present our second Annual Report.

The fiscal year ended September 30, 1996, our first full year as a public company, was one of solid performance. Although net earnings for the year were $2.1 million, down from $2.3 million for fiscal 1995, the Association expensed $800,000 as a special assessment to recapitalize the Savings Association Insurance Fund (SAIF). The result of the special assessment will be lower SAIF premiums in the future. Loans receivable net increased by $24.7 million, with increases in residential, construction and consumer loans. Cameron Financial will continue to focus on planned and controlled growth, emphasizing mortgage and consumer lending and developing new products and services for our customers.

Construction of our new home office in Cameron is schedule for completion in March 1997. The new facility will provide the additional space needed for the customer services and growth planned by your Board of Directors and management. Land has been contracted for purchase in Liberty, Missouri for the construction of a new building and the conversion of the loan origination office to a full service branch.

Your Board and management remain committed to building strong stockholder value. We continue to be a financial institution that emphasizes family financial relationships, and we are committed to our customers and to the communities we serve.

Thank you for your investment in Cameron Financial Corporation. We are looking forward to a long and prosperous relationship.

Sincerely,

/s/ David G. Just

David G. Just
President

[LOGO OF RECYCLED PAPER APEARS HERE]

123 East 3rd Street
P.O. Box 555
CAMERON, MO 64429
(816)632-2154

[LOGO OF BOY INK APPEARS HERE]

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GENERAL INFORMATION

Cameron Financial Corporation (the "Company") is a Delaware Corporation which is the holding company for The Cameron Savings & Loan Association, F.A. (the "Association"). The Company was organized by the Association for the purpose of acquiring all of the capital stock of the Association in connection with the conversion of the Association from mutual to stock form, which was completed on March 31, 1995 (the "Conversion"). The only significant assets of the Company are the capital stock of the Association, the Company's loan to an employee stock ownership plan, and investment securities in United States government and agency obligations. The business of the Company initially consists of the business of the Association.

The Association, which was originally chartered in 1887 as a Missouri-chartered mutual savings and loan association, is headquartered in Cameron, Missouri. The Association amended its mutual charter to become a federal mutual savings and loan association in 1994. Its deposits are insured up to the maximum allowable amount by the Federal Deposit Insurance Corporation (FDIC). The Association serves the financial needs of its customers throughout northwestern Missouri through its main office located at 123 East Third Street, Cameron, Missouri, two branch offices located in Maryville and Mound City, Missouri, and one loan production office located in Liberty, Missouri.

The Association has been, and intends to continue to be, a community-oriented financial institution offering financial services to meet the needs of the market area it serves. The Association attracts deposits from the general public and uses such funds together with FHLB advances to originate loans secured by first mortgages on owner-occupied one- to four-family residences and construction loans in its market area. To a lesser extent, the Association originates land, commercial real estate, multifamily and consumer loans in its market area.

SELECTED CONSOLIDATED FINANCIAL
AND OTHER DATA OF THE COMPANY

Set forth below are selected consolidated financial and other data of the Company. The financial data is derived in part from, and should be read in conjunction with, the Consolidated Financial Statements and Notes thereto presented elsewhere in this Annual Report.
<TABLE>
<CAPTION>

	At September 30,				
	1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>
	(In thousands)				
Selected Financial Condition Data:					
Total assets	$ 186,346	$ 173,077	$144,821	$142,334	$137,427
Loans receivable, net	154,444	129,740	113,981	110,023	112,863
Mortgage-backed securities	13	17	20	29	32
Investment securities	18,297	26,473	16,309	11,850	6,088
Cash and cash equivalents	3,783	3,315	1,072	1,584	1,648
Certificates of deposit in other financial institutions	2,500	8,611	10,221	16,054	13,822
Savings deposits	123,108	121,280	123,110	122,378	119,508
FHLB advances	12,250	-	-	-	-
Total stockholders' equity	46,815	48,727	19,267	17,740	15,491

	Year Ended September 30,				
	1996	1995	1994	1993	1992
	(In thousands, except share information)				
Selected Operations Data:					
Total interest income	$ 13,921	$ 12,289	$ 10,662	$ 11,100	$ 12,016
Total interest expense	6,679	6,317	5,710	6,203	7,388

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Net interest income	7,242	5,972	4,952	4,897	4,628
Provision for loan losses	368	120	252	9	76
Net interest income after provision for loan losses	6,874	5,852	4,700	4,888	4,552
Loan and deposit service charges	130	131	136	140	158
(Loss) gain on sales of investment securities	-	(4)	7	-	-
Other income	92	100	43	46	37
Total noninterest income	222	227	186	186	195
Total noninterest expense	3,772	2,503	2,443	1,942	2,079
Earnings before income taxes and cumulative effect of a change in accounting principle	3,324	3,576	2,443	3,132	2,668
Income taxes	1,214	1,272	894	1,180	1,021
Cumulative effect of a change in accounting for income taxes (1)	-	-	-	289	-
Net earnings	$ 2,110	$ 2,304	$ 1,549	$ 2,241	$ 1,647
Net earnings per share	0.77	0.83	-	-	-
Average common shares outstanding	2,740,759	2,784,906	-	-	-

(Footnotes on the following page)

</TABLE>

<TABLE>
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	At or For the Year Ended September 30,				
	1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>
Selected Financial Ratios and Other Data (1):					
Performance Ratios:					
Return on assets (ratio of earnings before cumulative effect of a change in accounting principle to average total assets)	1.20%	1.45%	1.08%	1.39%	1.20%
Return on equity (ratio of earnings before cumulative effect of a change in accounting principle to average equity)	4.43	6.62	8.26	11.62	11.20
Interest rate spread (2):					
Average during period	2.78	2.71	2.89	2.92	2.79
End of period	2.71	2.35	2.67	2.55	2.82
Net interest margin (3)	4.23	3.84	3.50	3.54	3.45
Dividend payout ratio	36.36	8.43	-	-	-
Ratio of noninterest expense to average total assets (4)	2.14	1.57	1.70	1.39	1.5
Ratio of noninterest income to average total assets	0.13	0.14	0.13	0.13	0.14
Ratio of average interest-earning assets to average interest-bearing liabilities	137.06	127.79	115.12	113.88	111.97
Quality Ratios:					
Nonperforming loans to total loans receivable at end of period	0.84	0.92	0.97	2.03	2.25
Allowance for loan losses to nonperforming loans	91.54	74.46	71.51	26.64	23.99
Allowance for loan losses to total loans receivable	0.77	0.69	0.69	0.54	0.54
Nonperforming assets to total assets at end of period	0.83	0.77	0.85	1.86	2.35
Classified assets to total assets (5)	4.15	2.26	2.93	5.14	5.39

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Ratio of net charge-offs to average loans receivable	.006	.002	0.01	0.02	-
Capital Ratios (6):					
Equity to total assets at end of period	25.12	28.15	13.30	12.46	11.27
Average equity to average assets	27.06	21.96	13.06	11.99	10.76
Other Data:					
Number of full-service offices	3	3	3	3	3
Number of loan production offices	1	1	1	1	1
Real estate loan originations (in thousands)	$92,606	$64,257	$54,474	$41,748	$44,664

</TABLE>

(1) The Association adopted Statement of Financial Accounting Standards ("SFAS") No. 109 during the year ended September 30, 1993.
(2) Interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average rate on interest-bearing liabilities.
(3) Net interest margin represents net interest income as a percentage of average interest-earning assets.
(4) Without the SAIF assessment of $800,000, noninterest expense would have been $2,972,000 for 1996 or 1.69% of average total assets.
(5) Includes assets designated as Special Mention.
(6) For a discussion of the Association's regulatory capital ratios, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

Cameron Financial Corporation ("Cameron Financial" and, with its subsidiary, the "Company") was formed in December 1994 by The Cameron Savings & Loan Association, F.A., (the "Association") to become the holding company of the Association. The acquisition of the Association by Cameron Financial was consummated on March 31, 1995 in connection with the Association's conversion from the mutual to the stock form (the "Conversion"). All references to the Company prior to March 31, 1995, except where otherwise indicated, are to the Association and its subsidiary on a consolidated basis.

The Company's results of operation depend primarily on its level of net interest income, which is the difference between interest earned on interest-earning assets, consisting primarily of mortgage loans and investments, and the interest paid on interest-bearing liabilities, consisting primarily of deposits and Federal Home Loan Bank (FHLB) advances. Net interest income is a function of the Company's "interest rate spread," which is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities, as well as a function of the average balance of interest-earning assets as compared to interest-bearing liabilities. The interest rate spread is affected by regulatory, economic and competitive factors that influence interest rates, loan demand and deposit flows. The Company, like other financial institutions, is subject to interest-rate risk to the degree that its interest-earning assets mature or reprice at different times, or on a different basis, than its interest-bearing liabilities. The Company's operating results are also affected by the amount of its noninterest income, including loan fees and service charges and other income, which includes commissions from sales of insurance by the Association's service corporation. Noninterest expense consists principally of employee compensation, occupancy expense, data processing, federal deposit insurance premiums, advertising, real estate owned operations and other operating expenses. The Company's operating results are significantly affected by general economic and competitive conditions, in particular, the changes in market interest rates, government policies and actions by regulatory authorities.

Financial Condition

Total assets increased $13.2 million, or 7.63%, to $186.3 million at September 30, 1996 from $173.1 million at September 30, 1995. The increase was primarily funded by an increase in FHLB advances of $12.3 million and a savings deposit increase of $1.8 million. These funds, and a $13.8 million decrease in investment securities, cash and cash equivalents and certificates of deposit in other financial institutions, were used to finance a $24.7 million increase in

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net loans receivable.

Net loans receivable increased by $24.7 million, or 19.04%, to $154.4 million at September 30, 1996 from $129.7 million at September 30, 1995 due primarily to the $14.3 million increase in one- to four-family permanent lending, the $5.5 million increase in land loans, and the $2.4 million increase in short-term construction lending, net of loans in process.

Investment securities, certificates of deposit in other financial institutions and cash equivalents decreased $13.8 million, or 35.9%, to $24.6 million at September 30, 1996 from $38.4 million at September 30, 1995. This decrease primarily represents the maturity of investment securities and certificates and reinvestment of the proceeds in loans.

Deposits increased $1.8 million, or 1.48%, to $123.1 million at September 30, 1996 from $121.3 million at September 30, 1995. FHLB advances increased to $12.3 million at September 30, 1996 from none at September 30, 1995. During the last several years, loan originations have exceeded savings inflows, loan repayments and cash provided by operations. Prior to fiscal year 1996, the excess resulted in reductions in the investment securities portfolio and total liquidity. It is anticipated that FHLB advances will continue to supplement projected savings inflows and loan repayments to fund continued loan demand.

Total equity decreased $1.9 million, to $46.8 million at September 30, 1996 from $48.7 million at September 30, 1995. Earnings for the year provided a $2.1 million increase, which was offset by the purchase of 177,248 shares of treasury stock for $3.9 million, declaration of dividends of $752,000 and the adoption of the Recognition and Retention Plan (RRP) and amortization of RRP and unearned ESOP shares.

The Association's capital exceeds all of the capital requirements imposed by FIRREA. OTS regulations provide that an institution that exceeds all capital requirements before and after a proposed capital distribution and, like the Association, has not been notified of a need for more than normal supervision could, after prior notice but without approval by the OTS, make capital distributions during the calendar year of up to 100% of its net income to date during the calendar year plus the amount that would reduce by one-half its "surplus capital ratio" (the excess capital over its capital requirements) at the beginning of the calendar year. Any additional capital distributions would require prior regulatory approval.

The Association declared and paid a dividend of $2,248,000 to Cameron Financial in fiscal year 1996 and has notified OTS of it plans to declare an additional $47,000 dividend to Cameron Financial in mid-December 1996. Those dividends approximate the Association's net income from July 1, 1995 through September 30, 1996.

Results of Operations

The Company's results of operations depend primarily on the level of its net interest income and noninterest income and its control of operating expenses. Net interest income depends upon the volume of interest-earning assets and interest-bearing liabilities and the interest rates earned or paid on them.

The Company's noninterest income consists primarily of fees charged on transaction accounts and fees charged for delinquent payments received on mortgage and consumer loans. In addition, noninterest income is derived from the activities of the Association's wholly-owned subsidiary, which engages in the sale of various insurance products.

The schedule on the following page presents, for the periods indicated, the total dollar amount of interest income from average interest-earning assets and the resultant yields, as well as the total dollar amount of interest expense on average interest-bearing liabilities and resultant rates. The average yields include loan fees which are considered adjustments to yields. The amount of interest income resulting from the recognition of loan fees was $397,000, $321,000 and $275,000 for the years ended September 30, 1996, 1995 and 1994, respectively. No tax-equivalent adjustments have been made. All average balances are monthly average balances. Management does not believe that the use of monthly balances instead of daily balances has caused a material difference in the information presented. Nonaccruing loans have been included as loans carrying a zero yield.

<TABLE>
<CAPTION>

	Years Ended September 30,	
	1996	1995

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	Average Outstanding Balance	Interest Earned/ Paid	Yield/ Rate	Average Outstanding Balance	Interest Earned/ Paid	Yield/ Rate
	(Dollars in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest-earning assets:						
Loans receivable (1)	$ 141,896	$ 12,181	8.58%	$ 122,970	$ 10,472	8.52%
Mortgage-backed securities	15	2	13.33	18	2	11.11
Investment securities	21,955	1,319	6.01	20,771	1,190	5.73
Certificates of deposit	3,525	225	6.38	8,278	484	5.85
Other interest-bearing deposits	2,572	103	4.00	2,063	50	2.42
Federal Home Loan Bank (FHLB) stock	1,254	91	7.26	1,235	91	7.37
Total interest-earning assets (1)	171,217	13,921	8.13	155,335	12,289	7.91
Noninterest earning assets	4,954			3,855		
Total average assets	$ 176,171			$ 159,190		
Interest-bearing liabilities:						
Passbook accounts	$ 10,710	348	3.25	$ 12,458	426	3.42
NOW and money market accounts	12,915	364	2.82	14,758	418	2.83
Certificates	98,102	5,780	5.89	94,031	5,454	5.80
FHLB advances	3,192	187	5.86	308	19	6.17
Total interest-bearing liabilities	124,919	6,679	5.35	121,555	6,317	5.20
Noninterest bearing liabilities	3,587			2,675		
Total average liabilities	$ 128,506			$ 124,230		
Net interest income		$ 7,242			$ 5,972	
Net interest rate spread (2)			2.78%			2.71%
Net interest-earning assets	$ 46,298			$ 33,780		
Net interest margin (3)			4.23%			3.84%
Average interest-earning assets to average interest-bearing liabilities		137.06%				127.79%

	1994		
	Average Outstanding Balance	Interest Earned/ Paid	Yield/ Rate
	(Dollars in thousands)		
Interest-earning assets:			
Loans receivable (1)	$ 111,277	$ 9,339	8.36%
Mortgage-backed securities	24	2	8.33
Investment securities	15,158	724	4.78
Certificates of deposit	12,219	486	3.98
Other interest-bearing deposits	1,211	9	0.74
Federal Home Loan Bank (FHLB) stock	1,235	102	8.26
Total interest-earning assets (1)	141,594	10,662	7.53
Noninterest earning assets	2,013		
Total average assets	$ 143,607		
Interest-bearing liabilities:			
Passbook accounts	$ 16,393	534	3.26
NOW and money market accounts	17,106	493	2.88
Certificates	89,496	4,683	5.23
FHLB advances	-	-	0.00
Total interest-bearing liabilities	122,995	5,710	4.64

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Noninterest bearing liabilities	1,863		
Total average liabilities	$ 124,858		
Net interest income		$ 4,952	
Net interest rate spread (2)			2.89%
Net interest-earning assets	$ 18,599		
Net interest margin (3)			3.50%
Average interest-earning assets to average interest-bearing liabilities		115.12%	

</TABLE>

(1) Calculated net of deferred loan fees and discounts, loans in process and loss reserves.

(2) Net interest rate spread represents the difference between the average yield on interest-earning assets and the average rate on interest-bearing liabilities.

(3) Net interest margin represents net interest income divided by average interest-earning assets.

The following schedule presents the weighted average yields earned on loans, investments and other interest-earning assets, and the weighted average rates paid on deposits and FHLB advances and the resultant interest rate spreads at the dates indicated:

<TABLE>
<CAPTION>

	At September 30,		
	1996	1995	1994
Weighted average yield on:			
<S>	<C>	<C>	<C>
Loans receivable	8.48%	8.32%	8.01%
Mortgage-backed securities	10.48	10.59	10.57
Investment securities	6.20	5.88	5.02
Certificates of deposit in other financial institutions	5.85	6.37	4.71
Other interest-bearing deposits	3.69	4.23	1.00
FHLB stock	7.25	7.00	8.50
Combined weighted average yield on interest-earning assets	8.11	7.76	7.40
Weighted average rate paid on:			
Passbook accounts	3.25	3.25	3.25
NOW and money market accounts	2.84	2.84	2.88
Certificates	5.89	5.99	5.32
FHLB advances	6.09	-	-
Combined weighted average rate paid on interest-bearing liabilities	5.40	5.41	4.73
Spread	2.71%	2.35%	2.67%

</TABLE>

Rate/Volume Analysis

The following schedule presents the dollar amount of changes in interest income and interest expense for major components of interest-earning assets and interest-bearing liabilities. It distinguishes between the changes due to changes in outstanding balances and those due to changes in interest rates. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in volume (i.e., changes in volume multiplied by prior interest rate) and (ii) changes in rate (i.e., changes in rate multiplied by prior volume). For purposes of this table, changes attributable to both rate and volume, which cannot be segregated, have

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been allocated proportionately to the changes due to volume and the changes due to rate.

<TABLE>
<CAPTION>

	Year Ended September 30,					
	1996 vs. 1995			1995 vs. 1994		
	Increase (Decrease) Due to		Total Increase (Decrease)	Increase (Decrease) Due to		Total Increase (Decrease)
	Volume	Rate		Volume	Rate	
Interest-earning assets:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Loans receivable	$1,634	$ 75	$1,709	$ 951	$182	$1,133
Mortgage-backed securities	-	-	-	-	-	-
Investment securities	70	59	129	303	163	466
Certificates of deposit in other financial institutions	(308)	49	(259)	(157)	155	(2)
Other interest-bearing deposits	14	39	53	11	30	41
FHLB stock	1	(1)	-	-	(11)	(11)
Total interest-earning assets	1,411	221	1,632	1,108	519	1,627
Interest-bearing liabilities:						
Passbook accounts	(58)	(20)	(78)	(135)	27	(108)
NOW and money market accounts	(53)	(1)	(54)	(66)	(9)	(75)
Certificates	240	86	326	245	526	771
FHLB advances	169	(1)	168	19	-	19
Total interest-bearing liabilities	298	64	362	63	544	607
Net interest income	$1,113	$157	$1,270	$1,045	$(25)	$1,020

</TABLE>

Comparison of Operating Results for the Years Ended September 30, 1996 and September 30, 1995

General. Net earnings for the year ended September 30, 1996 decreased by $194,000, or 8.42%, to $2.1 million, or $0.77 per share, from $2.3 million, or $0.83 per share, for the year ended September 30, 1995. The decrease was primarily due to the combined effects of a $1.3 million increase in net interest income and a $58,000 decrease in income taxes offset by a $248,000 increase in the provision for loan loss, a $5,000 decrease in noninterest income and a $1.3 million increase in noninterest expense. For the years ended September 30, 1996 and 1995, the returns on average assets were 1.20% and 1.45%, respectively, while the returns on average equity were 4.43% and 6.62%, respectively.

A provision in the Omnibus Appropriations Bill passed by Congress and signed by President Clinton on September 30, 1996 included an anticipated special assessment to recapitalize the Savings Association Insurance Fund (SAIF). The 65.7 cents per $100 of qualifying accounts as of March 31, 1995 created a pre-tax expense of $800,000 to the Association. Without the SAIF assessment, net income would have been $2.6 million, return on average assets would have been 1.49%, return on average equity would have been 5.49% and earnings per share would have been $.96 for the fiscal year ended September 30, 1996.

The recapitalization of SAIF is anticipated to reduce the future deposit insurance premiums from 23 cents per $100 of deposits to 6.4 cents per $100 of deposits. The 6.4 cent premium is projected for the years 1997 through 1999, then decreasing further to 2.4 cents from 2000 until 2017, assuming a merger of SAIF and the Bank Insurance Fund (BIF).

Net Interest Income. For the year ended September 30, 1996, net interest income increased by $1.3 million to $7.2 million from $6.0 million for 1995. This reflects an increase of $1.6 million in interest income to $13.9 million from $12.3 million and an increase of $362,000 in interest expense to $6.7 million from $6.3 million. The increase in interest income was primarily due to an increase in total interest-earning assets and a change in asset mix with a higher percentage of loans as compared to investment securities. The increase in interest expense was due to increased interest-bearing liabilities and increased rates paid.

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Interest Income. Interest income for the year ended September 30, 1996 increased $1.6 million to $13.9 million from $12.3 million for the year ended September 30, 1995. The $15.9 million increase in average interest-earning assets resulted in an increase in interest income of $1.4 million. The increase in average yield on interest-earning assets provided $221,000 additional interest income in fiscal 1996.

Interest income on loans increased $1.7 million, or 16.32%, to $12.2 million from $10.5 million for the year ended September 30, 1995. Interest income on investment securities, certificates of deposit and other interest-bearing deposits decreased $77,000, or 4.24%, to $1.6 million from $1.7 million for the year ended September 30, 1995. Interest income on loans increased due to increased average balances and increased yields on those balances. Decreases in average balances of investment securities, certificates of deposit and other interest-bearing deposits offset increased yields on those items. This was the result of the changing mix of assets with higher concentration of assets in loans.

Interest Expense. Interest expense for the year ended September 30, 1996 increased $362,000 to $6.7 million from $6.3 million for the year ended September 30, 1995. The increase was due to increased average balances outstanding on interest-bearing liabilities and an increase in the average rate paid on certificates of deposit. Depositors continued their transfer of funds from passbook and checking accounts to higher rate certificates. Average balances in certificates of

deposit increased $4.1 million to $98.1 million for the year ended September 30, 1996 from $94.0 million for the prior fiscal year. Average noncertificate balances decreased $3.6 million to $23.6 million from $27.2 million for the prior fiscal year. Interest expense on FHLB advances increased to $187,000 for the year ended September 30, 1996 from $19,000 for the prior year. The Association borrowed $12.3 million in fiscal 1996 compared to $2.0 million for part of fiscal 1995.

Provision for Loan Losses. The Association maintains a program for establishing general loan loss reserves by classifying various components of the loan portfolio by potential risk. Management reviews the composition of the loan portfolio monthly and adjusts the valuation allowance. In addition, the Internal Auditor reviews the general valuation allowance on a quarterly basis and reports the findings to the Board of Directors. During the year ended September 30, 1996, the Association charged $368,000 against earnings as a provision for loan losses compared to $120,000 for the year ended September 30, 1995. This resulted in an allowance for loan losses of $1.4 million, or 0.77% of total loans receivable at September 30, 1996, compared to $994,000, or 0.69% of total loans receivable at September 30, 1995. The ratio increased during fiscal 1996 due to increased land and development loans, consumer loans, construction loans and one- to four-family loans. Land and development loans increased to $9.6 million from $4.1 million, consumer loans increased to $8.3 million from $5.6 million, construction loans increased to $41.6 million from $33.0 million, and one- to four-family loans increased to $109.3 million from $95.0 million. Net charge-offs totaled $9,000 and $2,000 in 1996 and 1995, respectively. While the Association has not experienced any significant charge-offs in the past three years, the allowance for loan losses has been increased to recognize the changing composition of the Association's loan portfolio and the risk associated with different types of loans.

The Association had $2.3 million in loans classified as substandard, doubtful or loss at September 30, 1996, compared to $1.8 million at September 30, 1995.

Management will continue to monitor its allowances for loan losses and make future additions to the allowance through provision for loan losses as economic conditions dictate. Although the Association maintains its allowance for loan losses at a level which it considers to be adequate to provide for potential losses, there can be no assurance that future losses will not exceed estimated amounts or that additional provisions for loan losses will not be required in future periods.

Noninterest Income. For the year ended September 30, 1996, noninterest income was $222,000 compared to $227,000 for the year ended September 30, 1995. Loan service charges, which consist primarily of late charges on loans receivable, were $61,000 and $58,000 for fiscal 1996 and 1995, respectively. The increase is primarily due to the increase in the number of loans outstanding. Service charges on transaction accounts were $55,000 and $58,000 for fiscal 1996 and 1995, respectively. The decrease is due to fewer NOW accounts and a corresponding decline in the service charges associated with the maintenance of such accounts. Commissions from insurance sales by the Association's service corporation were $22,000 and $24,000 for fiscal 1996 and 1995. Gains on the sale of loans originated for sale were $17,000 and $19,000 for fiscal 1996 and 1995, respectively. There were no gains or losses on sales of equity securities in fiscal 1996 compared to a net loss of $4,000 in fiscal 1995. A patronage dividend of $40,000 was received in 1996 from a cooperative service bureau

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compared to $52,000 in 1995.

Noninterest Expense. Noninterest expense increased $1.3 million, or 50.7%, to $3.8 million for the year ended September 30, 1996 from $2.5 million for the year ended September 30, 1995. Compensation, payroll taxes and fringe benefits expense increased $220,000 in fiscal 1996 compared to 1995. Expenses associated with the RRP adopted January 29, 1996 were $186,000. There was no related expense in 1995. ESOP expenses increased $122,000 for fiscal 1996 to

$425,000. The increase was due to more shares allocated and a higher average monthly price in 1996 compared to 1995. Cash compensation increased $89,000 in fiscal 1996 to $1.24 million from $1.15 million in 1995. The increase was due to more employees, raises to existing employees and an increase in incentive bonuses. Payroll taxes and other fringe benefits increased $19,000 due to increased compensation. In accordance with SFAS No. 91, the Association defers certain direct loan origination and modification costs and amortizes these costs as an adjustment to yield. The Association has deferred $100,000 more in compensation costs for fiscal 1996 than 1995. In fiscal 1995, the Association accrued bonus expense of $94,000. There was no related expense in fiscal 1996. Occupancy expense increased $22,000 in fiscal 1996 to $209,000 from $187,000 in 1995. The increase was primarily due to increased depreciation on new equipment during the year. Federal insurance premiums increased $799,000 to $1.1 million from $283,000 for 1995. The increase was primarily due to the special SAIF assessment. Other operating expenses increased to $585,000 for fiscal 1996 from $390,000 in fiscal 1995. The increase was primarily due to increased expenses as a publicly-owned stock institution.

Income Taxes. Income taxes decreased to $1.2 million for fiscal 1996 from $1.3 million in fiscal 1995. The decrease was due to a decrease in taxable income for 1996 as compared to 1995.

Comparison of Operating Results for the Years Ended September 30, 1995 and September 30, 1994

General. Net earnings for the year ended September 30, 1995 increased by $755,000, or 48.7%, to $2.3 million from $1.5 million for the year ended September 30, 1994. The increase was primarily due to the combined effects of a $1.0 million increase in net interest income, a $132,000 decrease in the provision for loan losses, a $41,000 increase in noninterest income, offset by a $60,000 increase in noninterest expense, and a $378,000 increase in income taxes. For the years ended September 30, 1995 and 1994, the returns on average assets were 1.45% and 1.08%, respectively, while the returns on average equity were 6.62% and 8.26%, respectively.

Net Interest Income. For the year ended September 30, 1995, net interest income increased by $1.0 million to $6.0 million from $5.0 million for 1994. This reflects an increase of $1.6 million in interest income to $12.3 million from $10.7 million and an increase of $607,000 in interest expense to $6.3 million from $5.7 million. The increase in interest income was primarily due to an increase in the ratio of average interest-earning assets to average interest-bearing liabilities to 127.8% in 1995 from 115.1% in 1994. The increase in the ratio was due primarily to the deployment of the $29.4 million of net proceeds from the Company's stock conversion. The average net interest rate spread declined to 2.71% for the year ended September 30, 1995 from 2.89% for the year ended September 30, 1994. The decline is attributed to the average yield on interest-bearing liabilities increasing more rapidly than the yield on interest-earning assets during the year ended September 30, 1995. In addition, the net proceeds of the conversion were invested in short-term assets with yields that were below yields on existing assets of the Association.

Interest Income. Interest income for the year ended September 30, 1995 increased $1.6 million to $12.3 million from $10.7 million for the year ended September 30, 1994. The $13.7 million increase in average interest-earning assets resulted in an increase in interest income of $1.1 million in fiscal 1995. The increase in average yield on interest-earning assets provided $519,000 additional interest income in fiscal 1995.

The primary reason for interest income increasing was interest on loans receivable increasing by $1.1 million, or 12.13%, to $10.5 million for the year ended September 30, 1995 from $9.3 million for the year ended September 30, 1994, and interest on investment securities increasing by $466,000, or 64.36%, to $1.2 million for the year ended September 30, 1995 from $724,000 for the year ended September 30, 1994. Interest income increases from both loans and investments were due to volume increases, from investment of the proceeds from the stock conversion, and increases in the respective average yields in 1995 compared with 1994.

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Interest Expense. Interest expense for the year ended September 30, 1995 increased $607,000 to $6.3 million from $5.7 million for the year ended September 30, 1994. The increase was primarily due to the weighted average interest rate on interest-bearing liabilities increasing to 5.20% in 1995 from 4.64% in 1994. With general interest rates increasing from April 1994 through December 1994, depositors transferred funds from passbook and checking accounts to higher rate certificates. Average balances in certificates of deposits increased $4.5 million to $94.0 million for the year ended September 30, 1995 from $89.5 million for the year ended September 30, 1994. Average noncertificate balances decreased $6.3 million to $27.2 million for the year ended September 30, 1995 from $33.5 million for the year ended September 30, 1994. The Association borrowed up to $2.0 million from the FHLB of Des Moines in January 1995 to meet short-term cash needs, on which $19,000 interest was paid. Those advances were repaid in full during March 1995. There were no FHLB advances during fiscal 1994.

Provision for Loan Losses. The Association maintains a program for establishing general loan loss reserves by classifying various components of the loan portfolio by potential risk. Management reviews the composition of the loan portfolio monthly and adjusts the valuation allowances. Quarterly, the Internal Auditor/Compliance Officer reviews the general valuation allowances for adequacy and reports the findings to the Board of Directors. During the fiscal year ended September 30, 1995, the Association charged $120,000 against earnings as a provision for loan losses compared to a provision of $252,000 for the year ended September 30, 1994. This resulted in an allowance for loan losses of $994,000, or .69% of total loans receivable at September 30, 1995, compared to $876,000, or .69% of total loans receivable at September 30, 1994. The allowance for loan losses as a percentage of nonperforming loans increased to 74.5% at September 30, 1995 from 71.5% at September 30, 1994. The ratio increased during fiscal 1995 due to increased construction lending which is assigned a higher risk factor. Total construction loans increased to $33.0 million at September 30, 1995 compared to $25.2 million at September 30, 1994. The fiscal 1995 net charge-offs against general valuation allowances totaled $2,000 and the net charge-offs for fiscal 1994 were $13,000. While the Association has not experienced any significant charge-offs in the past three years, the decision was made to increase the allowance for loan losses based on a more refined evaluation process which, in management's view, more fully recognizes the changing composition of the Association's loan portfolio and the inherent risk associated with different types of loans.

The Association had $1.8 million in loans classified as substandard, doubtful or loss at both September 30, 1995 and 1994.

Management will continue to monitor its allowance for loan losses and make future additions to the allowance through the provision for loan losses as economic conditions dictate. Although the Association maintains its allowance for loan losses at a level which it considers to be adequate to provide for potential losses, there can be no assurance that future losses will not exceed estimated amounts or that additional provisions for loan losses will not be required in future periods.

Noninterest Income. For the year ended September 30, 1995, noninterest income was $227,000 compared with $186,000 for the year ended September 30, 1994. Included in noninterest income is loan service charges which consist primarily of late charges on loans receivable of $58,000 and $60,000 for fiscal 1995 and 1994, respectively, and service charges on transaction accounts of $58,000 and $65,000 for fiscal 1995 and 1994, respectively. The respective decreases occurred largely as a result of a decline in delinquencies and late fees as well as a decline in the number of NOW accounts and a corresponding decline in the service charges associated with the maintenance of such accounts. Commissions from insurance sales by the Association's service corporation of $24,000 and $20,000 for fiscal 1995 and 1994 and gains on the sale of loans originated for sale of $20,000 and $18,000 for fiscal 1995 and 1994 are included as other income. During 1995, gains versus losses on the sales of equity securities netted a loss of $4,000 compared to a profit of $7,000 during 1994. A patronage dividend of $52,000 was received in 1995 from a cooperative service bureau, which compares with $1,000 during 1994.

Noninterest Expense. Noninterest expense increased by $60,000, or 2.5%, to $2.5 million for the year ended September 30, 1995 from $2.4 million for the year ended September 30, 1994. Compensation, payroll taxes and fringe benefits expense increased $70,000 in fiscal 1995 over fiscal 1994. ESOP expense for 1995 was $302,000, an increase of $243,000 over the $59,000 pension plan expense for 1994. The Association also accrued employee bonuses of $94,000 during 1995, which had previously been expensed when paid. Adoption by the Association in fiscal 1994 of a supplemental retirement plan for members of the board, created an initial one-time charge of $380,000 reflecting past service costs. Federal insurance premiums remained consistent at $283,000 for 1995 compared with $282,000 for 1994. All other operating expenses combined increased $11,000 to $786,000 in fiscal 1995 from $775,000 in fiscal 1994.

Income Taxes. Income taxes increased by $378,000 to $1.3 million during the

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year ended September 30, 1995 from $894,000 for the year ended September 30, 1994, primarily due to an increase in income before income taxes. The effective tax rates were 35.6% and 36.6% for fiscal 1995 and 1994.

Interest Rate Sensitivity

Net Portfolio Value. Since 1982, the Association has measured its interest rate sensitivity by computing the gap between the assets and liabilities which were expected to mature or reprice within certain periods based on historically gathered assumptions regarding loan prepayment and deposit decay rates. In addition, the Association has during recent years computed the amounts by which the net present value of the Association's cash flows from assets, liabilities and off-balance sheet items, if any (the institution's net portfolio value, or "NPV"), would change in the event of a range of assumed changes in market interest rates. These computations estimate the effect on the Association's NPV of instantaneous and permanent 1% to 4% increases and decreases in market interest rates. The Board of Directors has established maximum increases and decreases in NPV. The following schedule indicates the Board limits and the estimates of projected changes in NPV in the event of 1%, 2%, 3% and 4% instantaneous and permanent increases and decreases in market interest rates, respectively. The changes in portfolio value are provided from an OTS report of the Association at September 30, 1996.

<TABLE>
<CAPTION>

Change in Market Interest Rate	Board Limit	At September 30, 1996 Percent Change in Net Portfolio Value
<S>	<C>	<C>
+4%	-40%	-21.0%
+3	-30	-15.0
+2	-20	-9.0
+1	-10	-3.0
-	-	-
-1	-5	1.0
-2	-5	-1.0
-3	-5	-2.0
-4	-5	-2.0

</TABLE>

Computations of prospective effects of hypothetical interest rate changes are based on numerous assumptions, including relative levels of market interest rates, loan prepayments and deposit run-offs, and should not be relied upon as indicative of actual results. Further, the computations do not contemplate any actions the Association may undertake in response to changes in interest rates.

Certain shortcomings are inherent in the method of analysis presented in both the computation of NPV and in an analysis of the maturing and repricing of interest-earning assets and interest-bearing liabilities. Although certain assets and liabilities may have similar maturities or periods within which they will reprice, they may react differently to changes in market interest rates. The interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market interest rates, while interest rates on other types may lag behind changes in market rates. Additionally, adjustable-rate mortgages have features which restrict changes in interest rates on a short-term basis and over the life of the asset. The proportion of adjustable-rate loans could be reduced in future periods if market interest rates would decrease and remain at lower levels for a sustained period, due to increased refinance activity. Further, in the event of a change in interest rates, prepayment and early withdrawal levels would likely deviate significantly from those assumed in the table. Finally, the ability of many borrowers to service their adjustable-rate debt may decrease in the event of a sustained interest rate increase.

Liquidity and Capital Resources

The Association's primary sources of funds are deposits, repayments on and sales of loans, FHLB advances, the maturity of investment securities and interest income. Although maturity and scheduled amortization of loans are relatively predictable sources of funds, deposit flows and prepayments on loans are influenced significantly by general interest rates, economic conditions and competition.

The primary investing activity of the Association is the origination of loans to be held for investment. For the fiscal years ended September 30, 1996 and 1995, the Association originated loans for portfolio in the amounts of $98.1 million and $66.8 million, respectively. Purchases of loans during these periods totaled $882,000 and $26,000, respectively. The Association also originates loans for sale. For the fiscal years ended September 30, 1996 and 1995, the

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Association originated $1.5 million and $1.1 million, respectively, of mortgage loans for sale. For the fiscal years ended September 30, 1996 and 1995, these activities were funded primarily by principal repayments of $67.5 million and $48.5 million, respectively, proceeds from the sale of loans of $1.5 million and $1.1 million, respectively, and FHLB advances of $12.3 million in fiscal 1996.

The Association is required to maintain minimum levels of liquid assets under OTS regulations. Savings institutions are required to maintain an average daily balance of liquid assets (including cash, certain time deposits, certain bankers' acceptances, certain corporate debt securities and highly rated commercial paper, securities of certain mutual funds and specified U. S. government, state or federal agency obligations) of not less than 5.0% of its average daily balance of net withdrawal accounts plus short-term borrowings. It is the Association's policy to maintain its liquidity portfolio in excess of regulatory requirements. The Association's eligible liquidity ratios were 6.43% and 18.63%, respectively, at September 30, 1996 and 1995.

The Company's most liquid assets are cash and cash equivalents, which include short-term investments. The levels of these assets are dependent on the operating, financing, lending and investing activities during any given period. At September 30, 1996 and 1995, cash and cash equivalents were $3.8 million and $3.3 million, respectively. The increase in cash and cash equivalents in 1996 compared to 1995 results primarily from sources of cash receipts and the use of cash to fund loans and investments. The principal components of cash provided during the fiscal year ended September 30, 1996 were FHLB advances and maturing investments. Additional sources of cash include loan repayments, sales of loans and deposit activity.

Liquidity management for the Company is both an ongoing and long-term function of the asset/liability management strategy. Excess Association funds generally are invested in overnight deposits at the FHLB of Des Moines. Should the Association require funds beyond its ability to generate them internally, additional sources of funds are available through FHLB of Des Moines advances. During fiscal 1996, the Association borrowed $12.3 million in FHLB advances. The Association borrowed $2.0 million in FHLB advances to meet cash flow needs in January 1995, repaying those advances in full during March 1995. During the last several years, loan originations have exceeded savings inflows, loan repayments and cash provided by operations. Prior to fiscal year 1996, the excess resulted in reductions in the investment securities portfolio and total liquidity. To maintain liquidity above the required minimum, it is anticipated that FHLB advances will continue to supplement projected savings inflows and loan repayments to fund continued loan demand.

At September 30, 1996, the Association had outstanding loan commitments of $6.7 million, unused lines of credit of $1.5 million, and undisbursed loan funds in process of approximately $19.5 million. Construction of the new home office building in Cameron continues. Completion is expected in March 1997. Estimated construction costs are $4.2 million, of which approximately $2.1 million has been disbursed. In November 1996, the Association commenced a plan to purchase a parcel of land for $850,000 in Liberty, Missouri for the purpose of building a branch location and development and sale of the adjoining lots. It is expected that the construction costs of the new branch will be $1.0 million with completion expected in December 1997. The Association anticipates it will have sufficient funds available to meet its current loan commitments, including loan applications received and in process prior to the issuance of firm commitments and building costs. Certificates of deposit which are scheduled to mature in one year or less at September 30, 1996 were $49.5 million. Management believes that a significant portion of such deposits will remain with the Association.

At September 30, 1996, the Association had tangible capital of $32.9 million, or 18.9% of total adjusted assets, which is approximately $30.3 million above the minimum requirement of 1.5% of adjusted total assets in effect on that date. The Association had core capital of $32.9 million, or 18.9% of adjusted total assets, which is $27.7 million above the minimum leverage ratio of 3.0% in effect on that date. The Association had total risk-based capital of $33.1 million and total risk-weighted assets of $117.3 million, or total capital of 28.3% of risk-weighted assets. This was $23.8 million above the 8.0% requirement in effect on that date.

The deposits of savings associations such as the Association are presently insured by the SAIF which along with the BIF is one of the two insurance funds administered by the FDIC. On September 30, 1996, President Clinton signed into law the fiscal year 1997 Omnibus Appropriations Bill which included the Deposit Insurance Funds Act of 1996. Provisions of the bill included a one-time assessment on SAIF-insured deposits. The Association's assessment of $800,000 was recorded in the 1996 consolidated financial statements. Following the recapitalization, SAIF premiums will be reduced to the same level as for BIF deposits.

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Separately, Financing Corporation (FICO) bond payments will be shared by SAIF and BIF-insured financial institutions with SAIF-insured institutions paying 80% of the annual cost and BIF-insured institutions paying 20% of the annual cost through December 31, 1999, after which assessments will be paid on a pro rata basis. Until then, the FICO assessment will be 1.3 basis points for banks versus 6.4 basis points for thrifts per $100 of deposits. Previously, the minimum combined SAIF and FICO assessments for thrifts had been 23 basis points. Although the special one-time assessment significantly increased noninterest expense for the current year, the anticipated reduction in the premium schedule will reduce the Association's federal insurance premiums for future periods.

Recent Accounting Developments

SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of," is effective for the fiscal year beginning October 1, 1996. The statement requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized if the sum of the expected future cash flow is less than the carrying amount of the asset. Management does not expect the implementation of SFAS No. 121 to have a material impact on the Company's consolidated financial position or results of operations.

SFAS No. 122, "Accounting for Mortgage Servicing Rights," will be effective for the Company for the year beginning October 1, 1996 and generally requires entities that sell or securitize loans and retain the mortgage servicing rights to allocate the total costs of the mortgage loans to the mortgage servicing right and the loan based on their relative fair value. Costs allocated to mortgage servicing rights should be recognized as a separate asset and amortized over the period of estimated net servicing income and evaluated for impairment based on fair value. The adoption of this statement is not expected to have a material effect on the consolidated financial statements.

SFAS No. 123, "Accounting for Stock-based Compensation," established optional financial accounting and reporting standards for stock-based employee compensation plans. These plans include all arrangements by which employees receive shares of stock or other equity investments of the employer or the employer incurs liabilities to employees in amounts based on the price of the employers stock. This statement also applies to transactions in which an entity issues its equity instruments to acquire goods or services from nonemployees. This statement is effective for fiscal years beginning after December 15, 1995. The Company does not expect to adopt the optional accounting method.

SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," supersedes SFAS No. 122 and will be effective for all transfers and servicing of financial assets and extinguishments of liabilities occurring after December 31, 1996. This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities based on consistent application of a financial-components approach that focuses on control. It distinguishes transfers of financial assets that are sales from transfers that are secured borrowings.

Under the financial-components approach, after a transfer of financial assets, an entity recognizes all financial and servicing assets it controls and liabilities it has incurred and derecognizes financial assets it no longer controls and liabilities that have been extinguished. The financial-components approach focuses on the assets and liabilities that exist after the transfer. Many of these assets and liabilities are components of financial assets that existed prior to the transfer. If a transfer does not meet the criteria for a sale, the transfer is accounted for as a secured borrowing with pledge of collateral. Management does not expect the implementation of SFAS No. 125 to have a material impact on the Company's consolidated financial position or results of operations.

Impact of Inflation and Changing Prices

The audited Consolidated Financial Statements and Notes thereto presented herein have been prepared in accordance with generally accepted accounting principles. These principles generally require the measurement of financial position and operating results in terms of historical dollars, without considering changes in the relative purchasing power of money over time due to inflation.

The primary assets and liabilities of the Company and savings institutions such as the Association are monetary in nature. As a result, interest rates have a more significant impact on the Association's performance than the effects of general levels of inflation. Interest rates, however, do not necessarily move in the same direction or with the same magnitude as the prices of goods and services, since such prices are affected by inflation. In a period of rapidly

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rising interest rates, the liquidity and maturity structure of the Association's assets and liabilities are critical to the maintenance of acceptable performance levels.

The principal effect of inflation, as distinct from levels of interest rates, on the Association's earnings is in the area of noninterest expense. Expense items such as employee compensation and benefits, occupancy and equipment costs may be subject to increases as a result of inflation. An additional effect of inflation is the possible increase in the dollar value of the collateral securing loans made by the Association. The Association is unable to determine the extent, if any, to which the properties securing its loans have appreciated in dollar value due to inflation.

[LOGO OF KPMG PEAT MARWICK LLP APPEARS HERE]

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Cameron Financial Corporation:

We have audited the accompanying consolidated balance sheets of Cameron Financial Corporation and subsidiary (the Company) as of September 30, 1996 and 1995 and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the years in the three-year period ended September 30, 1996. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cameron Financial Corporation and subsidiary as of September 30, 1996 and 1995 and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 1996, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Kansas City, Missouri
November 22, 1996

CAMERON FINANCIAL CORPORATION AND SUBSIDIARY

Consolidated Balance Sheets

September 30, 1996 and 1995

<TABLE>
<CAPTION>

Assets	1996	1995
<S>	<C>	<C>
Cash and cash equivalents	$ 3,783,000	3,315,000
Certificates of deposit in other financial institutions	2,500,000	8,611,000
Investment securities held-to-maturity (estimated fair value of $18,249,000 in 1996 and $26,497,000 in 1995) (note 3)	18,297,000	26,473,000
Mortgage-backed securities held-to-maturity	13,000	17,000
Loans receivable, net (notes 4 and 8)	154,444,000	129,740,000
Accrued interest receivable:		
Loans and mortgage-backed securities	1,090,000	847,000
Investment securities	206,000	397,000
Certificates of deposit	--	3,000

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Office properties and equipment, net (note 6)	2,874,000	699,000
Stock in Federal Home Loan Bank (FHLB) of Des Moines, at cost	1,259,000	1,235,000
Deferred income taxes (note 9)	611,000	208,000
Other assets (notes 5 and 10)	1,269,000	1,532,000
	$ 186,346,000	173,077,000

<CAPTION>

Liabilities and Stockholders' Equity

Liabilities <S>	<C>	<C>
Savings deposits (note 7)	$ 123,108,000	121,280,000
Borrowings from the FHLB (note 8)	12,250,000	--
Advance payments by borrowers for property taxes and insurance	1,729,000	1,628,000
Accrued interest payable on savings deposits	141,000	155,000
Accrued expense and other liabilities	1,989,000	997,000
Current income taxes payable	314,000	290,000
Total liabilities	139,531,000	124,350,000
Stockholders' equity (notes 1 and 2):		
Serial preferred stock, $0.1 par; 2,000,000 shares authorized; none issued or outstanding	--	--
Common stock, $.01 par; 10,000,000 shares authorized; 3,026,928 shares issued	30,000	30,000
Additional paid-in-capital	29,622,000	29,476,000
Retained earnings, substantially restricted (note 9)	22,756,000	21,398,000
Unearned employee benefits (note 10)	(3,082,000)	(2,177,000)
Treasury stock; 177,248 shares of common stock at cost	(2,511,000)	--
Total stockholders' equity	46,815,000	48,727,000
Commitments (notes 4 and 12)		
	$ 186,346,000	173,077,000

</TABLE>

See accompanying notes to consolidated financial statements.

CAMERON FINANCIAL CORPORATION AND SUBSIDIARY

Consolidated Statements of Earnings

Years ended September 30

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
Interest income:			
Loans	$ 12,181,000	10,472,000	9,339,000
Investment securities	1,319,000	1,190,000	724,000
Mortgage-backed securities	2,000	2,000	2,000
Certificates of deposit and other	419,000	625,000	597,000
Total interest income	13,921,000	12,289,000	10,662,000
Interest expense:			
Savings deposits (note 7)	6,492,000	6,298,000	5,710,000
Borrowed money	187,000	19,000	-
Total interest expense	6,679,000	6,317,000	5,710,000
Net interest income	7,242,000	5,972,000	4,952,000
Provision for loan losses (note 4)	368,000	120,000	252,000
Net interest income after provision for loan losses	6,874,000	5,852,000	4,700,000
Noninterest income:			
Loan and deposit service charges	130,000	131,000	136,000

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(Loss) gain on sale of investment securities	-	(4,000)	7,000
Other income	92,000	100,000	43,000
Total noninterest income	222,000	227,000	186,000
Noninterest expense:			
Compensation, payroll taxes and fringe benefits (note 10)	1,665,000	1,445,000	1,375,000
Occupancy expense	209,000	187,000	160,000
Data processing	151,000	129,000	120,000
Federal deposit insurance premiums (note 11)	1,082,000	283,000	282,000
Advertising	81,000	67,000	56,000
Loss (income) on real estate owned, net	(1,000)	2,000	(6,000)
Other operating expenses	585,000	390,000	456,000
Total noninterest expense	3,772,000	2,503,000	2,443,000
Earnings before income taxes	3,324,000	3,576,000	2,443,000
Income taxes (note 8)	1,214,000	1,272,000	894,000
Net earnings	$ 2,110,000	2,304,000	1,549,000
Net earnings per share (note 2)	$ 0.77	0.83	-
Average common shares outstanding	$ 2,740,759	2,784,906	-

</TABLE>

See accompanying notes to consolidated financial statements.

CAMERON FINANCIAL CORPORATION AND SUBSIDIARY

Consolidated Statements of Stockholders' Equity

Years ended September 30

<TABLE>
<CAPTION>

<S>	Common stock <C>	Additional paid-in capital <C>	Retained earnings <C>	Net unrealized loss on marketable equity securities <C>
Balance at September 30, 1993	$ --	--	17,742,000	(2,000)
Net earnings	--	--	1,549,000	--
Change in gain (loss) on marketable equity securities	--	--	--	(22,000)
Balance at September 30, 1994	--	--	19,291,000	(24,000)
October 1, 1994 adoption of SFAS No. 115	--	--	--	24,000
Sale of common stock, net of offering cost of $821,000	30,000	29,418,000	--	--
Unearned ESOP shares	--	--	--	--
Net earnings	--	--	2,304,000	--
Dividend declared ($.07 per share)	--	--	(197,000)	--
Allocation of ESOP shares	--	58,000	--	--
Change in gain (loss) on available for sale securities	--	--	--	--
Balance at September 30, 1995	30,000	29,476,000	21,398,000	--
January 29, 1996 adoption of Recognition and Retention Plan (RRP) (note 10)	1,000	1,398,000	--	--
Amortization of RRP, net of forfeitures	--	--	--	--
Net earnings	--	--	2,110,000	--
Dividend declared ($.28) per share)	--	--	(752,000)	--
Allocation of ESOP shares	--	124,000	--	--
Purchase of treasury stock	--	--	--	--
Retirement of treasury stock	(1,000)	(1,376,000)	--	--
Balance at September 30, 1996	$ 30,000	29,622,000	22,756,000	--

<CAPTION>

	Net gain (loss) on	Unearned

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	available-for-sale securities	employee benefits	Treasury stock	Total
<S>	<C>	<C>	<C>	<C>
Balance at September 30, 1993	$ --	--	--	17,740,000
Net earnings	--	--	--	1,549,000
Change in gain (loss) on marketable equity securities	--	--	--	(22,000)
Balance at September 30, 1994	--	--	--	19,267,000
October 1, 1994 adoption of SFAS No. 115	2,000	--	--	26,000
Sale of common stock, net of offering cost of $821,000	--	--	--	29,448,000
Unearned ESOP shares	--	(2,422,000)	--	(2,422,000)
Net earnings	--	--	--	2,304,000
Dividend declared ($.07 per share)	--	--	--	(197,000)
Allocation of ESOP shares	--	245,000	--	303,000
Change in gain (loss) on available for sale securities	(2,000)	--	--	(2,000)
Balance at September 30, 1995	--	(2,177,000)	--	48,727,000
January 29, 1996 adoption of Recognition and Retention Plan (RRP) (note 10)	--	(1,399,000)		
Amortization of RRP, net of forfeitures	--	193,000	(7,000)	186,000
Net earnings	--	--	--	2,110,000
Dividend declared ($.28) per share)	--	--	--	(752,000)
Allocation of ESOP shares	--	301,000	--	425,000
Purchase of treasury stock	--	--	(3,881,000)	(3,881,000)
Retirement of treasury stock	--	--	1,377,000	--
Balance at September 30, 1996	$ --	(3,082,000)	(2,511,000)	46,815,000

</TABLE>

See accompanying notes to consolidated financial statements.

CAMERON FINANCIAL CORPORATION AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years ended September 30

<TABLE>
<CAPTION>

	1996	1995	1994
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net earnings	$ 2,110,000	2,304,000	1,549,000
Adjustments to reconcile net earnings to cash provided by operating activities:			
Depreciation and amortization	50,000	7,000	50,000
Provision for loan losses	368,000	120,000	252,000
Provision for losses on real estate owned	-	-	1,000
Amortization of RRP and allocation of ESOP shares	611,000	303,000	-
Deferred income taxes	(403,000)	64,000	(183,000)
(Gain) loss on sales of real estate owned	(3,000)	1,000	(22,000)
Loss on sale of fixed assets	-	1,000	-
Loss (gain) on sales of investment securities	-	4,000	(7,000)
Stock dividend received on FHLB stock	(24,000)	-	-
Amortization of deferred loan fees	(397,000)	(321,000)	(275,000)
Proceeds from sales of loans held for sale	1,549,000	1,121,000	2,574,000
Origination of loans held for sale	(1,450,000)	(1,184,000)	(2,556,000)
Gain on sale of loans held for sale	(17,000)	(19,000)	(18,000)
Changes in assets and liabilities:			
Accrued interest receivable	(49,000)	(307,000)	(72,000)
Other assets	333,000	(118,000)	(15,000)
Accrued interest payable	(14,000)	29,000	13,000
Accrued expenses and other liabilities	1,003,000	118,000	287,000
Current income taxes payable	24,000	133,000	(37,000)
Cash provided by operating activities	3,691,000	2,256,000	1,541,000
Cash flows from investing activities:			
Net increase in loans receivable	(23,938,000)	(15,451,000)	(3,431,000)
Purchase of loans receivable	(882,000)	(26,000)	(373,000)
Mortgage-backed securities principal repayments	4,000	3,000	9,000
Maturities of investment securities held-to-maturity	12,751,000	2,560,000	2,555,000
Purchase of investment securities held-to-maturity	(4,541,000)	(14,528,000)	(7,088,000)
Proceeds from sale of investment securities available-for-sale	-	1,870,000	-
Proceeds from the sale of marketable equity securities	-	-	57,000
Net decrease in certificates of deposit in other financial institutions	991,000	5,050,000	894,000

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Net proceeds from sales of real estate owned	2,000	-	227,000
Purchase of life insurance policies	-	(1,270,000)	-
Additions and improvements to real estate owned	(7,000)	-	(76,000)
Purchase of office properties and equipment	(2,259,000)	(126,000)	(462,000)
Net cash used in investing activities	$ (17,879,000)	(21,918,000)	(7,688,000)

(Continued)

</TABLE>

CAMERON FINANCIAL CORPORATION AND SUBSIDIARY

Consolidated Statements of Cash Flows, Continued

<TABLE>
<CAPTION>

	1996	1995	1994
Cash flows from financing activities:			
Proceeds from sale of common stock, net of costs of issuance	$ -	27,026,000	-
Net increase (decrease) in NOW, passbook and money market demand amounts	139,000	(7,864,000)	(1,090,000)
Net increase in certificate accounts	1,689,000	6,034,000	1,822,000
Net increase (decrease) in advance payments by borrowers for taxes and insurance	101,000	149,000	(36,000)
Proceeds from Federal Home Loan Bank advances	12,250,000	2,500,000	-
Repayment of Federal Home Loan Bank advances	-	(2,500,000)	-
Dividends paid	(762,000)	-	-
Purchase of treasury stock	(3,881,000)	-	-
Net cash provided by financing activities	9,536,000	25,345,000	696,000
Net (decrease) increase in cash	(4,652,000)	5,683,000	(5,451,000)
Cash and cash equivalents at beginning of year	10,935,000	5,525,000	10,703,000
Cash and cash equivalents at end of year	$ 6,283,000	10,935,000	5,252,000
Supplemental disclosure of cash flow information:			
Cash paid during the year for income taxes	$ 1,594,000	1,061,000	1,114,000
Cash paid during the year for interest	$ 6,505,000	6,268,000	5,697,000
Supplemental schedule of noncash investing and financing activities:			
Conversion of loans to real estate owned	$ 121,000	63,000	127,000
Conversion of real estate owned to loans	$ 59,000	63,000	257,000
Dividends declared and payable	$ 186,000	197,000	-
Issuance of unearned ESOP	$ -	2,422,000	-
Issuance of unearned RRP shares	$ 1,399,000	-	-

</TABLE>

See accompanying notes to consolidated financial statements.

CAMERON FINANCIAL CORPORATION AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 1996 and 1995

(1) Conversion and Acquisition of the Association by the Company

Cameron Financial Corporation (the Company) was incorporated in December 1994 for the purpose of becoming the savings and loan holding company of The Cameron Savings & Loan Association, F.A. (the Association) in connection with the Association's conversion from a federally chartered mutual savings and loan to a federally chartered stock savings and loan. Pursuant to its Plan of Conversion, on March 31, 1995, the Company issued and sold 3,026,928 shares of its common stock, in a subscription and community offering to the Association's

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depositors and borrowers, the Company's employee stock ownership plan, and the general public. Total proceeds of the offering, net of costs and funding the ESOP, were approximately $27,026,000. The Company utilized $14,724,000 of the net proceeds to acquire all of the common stock issued by the Association in connection with its conversion. The remaining proceeds were retained by the Company and invested in government and agency securities.

The acquisition of the Association by the Company was accounted for in a manner similar to the pooling-of-interests method. Accordingly, the accounting basis of the assets, liabilities and equity accounts of the Association remained the same as prior to the conversion and acquisition and were not adjusted to their fair values, and no purchase accounting adjustments were recorded. All intercompany accounts and transactions are eliminated in consolidation.

In order to grant priority to eligible account holders in the event of future liquidation, the Association, at the time of conversion established a liquidation account in the amount equal to the Association's capital as of September 30, 1994 ($19,291,000). In the event of the future liquidation of the Association, eligible account holders and supplemental eligible account holders who continue to maintain their deposit accounts shall be entitled to receive a distribution from the liquidation account. The total amount of the liquidation account will be decreased as the balance of the eligible account holders and supplemental eligible account holders is reduced subsequent to the conversion, based on an annual determination of such balances. The Association may not declare or pay a cash dividend to the Company on, or repurchase any of its common stock if the effect thereof would cause the retained earnings of the Association to be reduced below the amount required for the liquidation account. Except for such restrictions, the existence of the liquidation account does not restrict the use or application of the Association's retained earnings.

(Continued)

(2) Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

For purposes of the statements of cash flows, all short-term investments with a maturity of three months or less at date of purchase are considered cash equivalents. Cash and cash equivalents reflected on the balance sheet include interest earning deposits of $3,333,000 and $3,082,000 at September 30, 1996 and 1995, respectively.

(b) Investment Securities

The Company and the Association classify their investment securities as held-to-maturity, available-for-sale or trading. Held-to-maturity securities are recorded at amortized cost adjusted for amortization of premiums and accretion of discounts that are recognized in income using the interest method over the period to maturity. Available-for-sale and trading securities are recorded at fair value. Adjustments to record available-for-sale securities at fair value are reflected, net of tax, in equity. At September 30, 1996 and 1995, all of the Company's and Association's investment and mortgage-backed securities are classified as held-to-maturity.

Gain or loss on the sale of securities is recognized using the specific identification method.

(c) Provisions for Losses on Loans and Interest Receivable

Provision for losses on loans receivable are based upon management's estimate of the amount required to maintain an adequate allowance for losses, relative to the risks in the loan portfolio. The estimate is based on reviews of the portfolio, including assessment of the carrying value of the loans to the estimated net realizable value of the related underlying collateral, considering past loss experience, current economic conditions and such other factors which, in the opinion of management, deserve current recognition. The Association is

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subject to the regulations of certain federal agencies and undergoes periodic examinations by those regulatory authorities. As an integral part of those examinations, the various regulatory agencies periodically review the Association's allowance for loan losses. Such agencies may require the Association to recognize changes to the allowance based on their judgments about information available to them at the time of their examination.

Accrual of interest income on loans is discontinued for those loans with interest more than ninety days delinquent or sooner if management believes collectibility of the interest is not probable. Management's assessment of collectibility is primarily based on a comparison of the estimated value of underlying collateral to the related loan and accrued interest receivable balances.

(Continued)

The Association adopted Statements of Financial Accounting Standards (SFAS) No. 114, "Accounting by Creditors for Impairment of a Loan," and SFAS No. 118, "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures," on October 1, 1995. SFAS No. 114, as amended by SFAS No. 118, defines the recognition criteria for loan impairment and the measurement methods for certain impaired loans and loans for which terms have been modified in troubled-debt restructurings (a restructured loan). Specifically, a loan is considered impaired when it is probable a creditor will be unable to collect all amounts due - both principal and interest - according to the contractual terms of the loan agreement. When measuring impairment, the expected future cash flows of an impaired loan are required to be discounted at the loan's effective interest rate. Alternatively, impairment can be measured by reference to an observable market price, if one exists, or the fair value of the collateral for a collateral-dependent loan. Regardless of the historical measurement method used, SFAS No. 114 requires a creditor to measure impairment based on the fair value of the collateral when the creditor determines foreclosure is probable. Additionally, impairment of a restructured loan is measured by discounting the total expected future cash flows at the loan's effective rate of interest as stated in the original loan agreement.

The Association applies the recognition criteria of SFAS No. 114 to multifamily real estate loans, commercial real estate loans and restructured loans. Smaller balance, homogeneous loans, including one-to-four-family residential and construction loans and consumer loans, are collectively evaluated for impairment. SFAS No. 118 amended SFAS No. 114 to allow a creditor to use existing methods for recognizing interest income on impaired loans. The Association has elected to continue to use its existing nonaccrual methods for recognizing interest on impaired loans. The adoption of SFAS No. 114 and SFAS No. 118 resulted in no adjustment to the allowance for loan losses and did not affect the Association's policies regarding charge-offs or recoveries.

(d) Deferred Loan Fees and Costs

Mortgage loan origination fees and direct mortgage loan origination costs are deferred and the net fee or cost is recognized in earnings using the interest method over the contractual life of the loan. Direct loan origination costs for other loans are expensed, as such costs are not material in amount.

(e) Loans Held for Sale

Mortgage loans originated and intended for sale in the secondary market are carried at the lower of cost or fair value. Net unrealized losses are recognized through a valuation allowance by charges to income. At September 30, 1996, there were no loans held for sale. At September 30, 1995, loans held for sale totaled $82,000. There was no valuation allowance at September 30, 1995.

(Continued)

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(f) Real Estate Owned

Real estate owned includes real estate acquired through, or in lieu of, loan foreclosure and is carried at the lower of cost or estimated fair value less estimated cost to sell. Revenue and expenses from operations and the provision for losses on real estate owned are included in income (loss) on real estate owned in the accompanying consolidated statements of earnings.

(g) Office Properties and Equipment

Office properties and equipment are recorded at cost, less accumulated depreciation. Depreciation is provided on office properties and equipment using the straight-line method over the estimated useful lives of the related assets.

(h) Stock in Federal Home Loan Bank (FHLB)

The Association is a member of the FHLB system. As a member, the Association is required to purchase and hold stock in the FHLB of Des Moines in an amount equal to the greater of (a) 1% of unpaid residential loans at the beginning of each year, (b) 5% of FHLB advances, or (c) .3% of total assets. The Association's investment in such stock is recorded at cost.

(i) Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(j) Earnings Per Share

Earnings per share is based upon the weighted average common and common equivalent shares outstanding, less treasury shares and unallocated ESOP shares. Stock options and the shares awarded under the RRP (see note 10) are regarded as common stock equivalents and are therefore considered in both primary and fully diluted earnings per share calculations. Common stock equivalents are computed using the treasury stock method.

For 1995, earnings per share is based upon the total number of common shares outstanding after the conversion and acquisition described above and are presented as if those shares had been outstanding for the entire year. The 1995 computation does not reflect the pro forma effect of any investment income that would have been earned if the net proceeds from conversion had been received at the beginning of the year.

(Continued)

(k) Use of Estimates

Management of the Association has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

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(l) New Account Pronouncements

SFAS No. 122, "Accounting for Mortgage Servicing Rights," will be adopted October 1, 1996 and generally requires entities that sell or securitize loans and retain the mortgage servicing rights to allocate the total cost of the mortgage loans to the mortgage servicing rights and the loan based on their relative fair value. Costs allocated to mortgage servicing rights should be recognized as a separate asset and amortized over the period of estimated net servicing income and evaluated for impairment based on fair value.

SFAS No. 123, "Accounting for Stock-Based Compensation," will be adopted by the Company during the fiscal year ending September 30, 1997. This statement establishes financial accounting and reporting standards for stock-based employee compensation plans. These plans include all arrangements by which employees receive shares of stock or other equity investments of the employer or the employer incurs liabilities to employees in amounts based on the price of the employer's stock. This statement also applies to transactions in which an entity issues its equity instruments to acquire goods and services from nonemployees.

SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," supersedes SFAS No. 122 and will be effective for all transfers and servicing of financial assets and extinguishments of liabilities occurring after December 31, 1996. This statement provides accounting and reporting standards for transfers and servicing of financial assets and extinguishments of liabilities based on consistent application of a financial-components approach that focuses on control. It distinguishes transfers of financial assets that are sales from transfers that are secured borrowings.

Under the financial-components approach, after a transfer of financial assets, an entity recognizes all financial and servicing assets it controls and liabilities it has incurred and derecognizes financial assets it no longer controls and liabilities that have been extinguished. The financial-components approach focuses on the assets and liabilities that exist after the transfer. Many of these assets and liabilities are components of financial assets that existed prior to the transfer. If a transfer does not meet the criteria for a sale, the transfer is accounted for as a secured borrowing with pledge of collateral.

Management believes adoption of SFAS Nos. 122, 123 and 125 will not have a material effect on the financial position or results of operations, nor will adoption require additional capital resources.

(Continued)

(3) Investment Securities

A summary, by maturity dates, of investment securities held-to-maturity at September 30, 1996 follows:

<TABLE>
<CAPTION>

<S>	Amortized cost <C>	Gross unrealized gains <C>	Gross unrealized losses <C>	Estimated fair value <C>
United States government and agency obligations maturing in less than one year	$ 3,988,000	16,000	(1,000)	4,003,000
United States government and agency obligations maturing after one year but within five years	12,194,000	41,000	(122,000)	12,113,000
United States government and agency obligations maturing after five years but within ten years	500,000	-	(4,000)	496,000
	16,682,000	57,000	(127,000)	16,612,000

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Privately issued bonds maturing in:				
2001	615,000	41,000	-	656,000
2005	1,000,000	-	(19,000)	981,000
	1,615,000	41,000	(19,000)	1,637,000
Total	$ 18,297,000	$ 98,000	(146,000)	18,249,000

</TABLE>

A summary, by maturity dates, of investment securities held-to-maturity at September 30, 1995 follows:

<TABLE>
<CAPTION>

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
United States government and agency obligations maturing in less than one year	$ 7,389,000	10,000	(23,000)	7,376,000
United States government and agency obligations maturing after one year but within five years	17,867,000	152,000	(132,000)	17,887,000
United States government and agency obligations maturing after five years but within ten years	500,000	-	(2,000)	498,000
	25,756,000	162,000	(157,000)	25,761,000
Privately issued bonds maturing in:				
1996	103,000	-	-	103,000
2001	614,000	19,000	-	633,000
	717,000	19,000	-	736,000
Total	$ 26,473,000	$ 181,000	(157,000)	26,497,000

</TABLE>

(Continued)

Proceeds from the sale of investment securities for the years ended September 30, 1995 and 1994 totaled $1,870,000 and $57,000, respectively, and resulted in gross realized losses of $53,000 and $0 and gross realized gains of $49,000 and $7,000, respectively. There were no sales of investment securities in the year ended September 30, 1996.

(4) Loans Receivable

Loans receivable at September 30 are summarized as follows:

<TABLE>
<CAPTION>

	1996	1995
Residential real estate loans:		
One to four family	$109,292,000	94,958,000
Multifamily	2,908,000	3,181,000
Held for sale	-	82,000
Construction loans, primarily single family	41,646,000	32,956,000
Land	9,605,000	4,106,000
Commercial real estate	4,322,000	3,759,000
Consumer loans	8,330,000	5,587,000
Total loans receivable	176,103,000	144,629,000
Less:		
Loans in process	19,502,000	13,253,000

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Deferred loans fees, net	804,000	642,000
Allowance for loan losses	1,353,000	994,000
	$154,444,000	129,740,000

</TABLE>

The Association grants residential and commercial real estate, and other consumer and commercial loans primarily in its lending territory, Clinton County, Missouri and contiguous counties. Although the Association has a diversified loan portfolio, a substantial portion of its borrowers' ability to repay their loans is dependent upon economic conditions in the Association's lending territory.

The Association makes contractual commitments to extend credit which are subject to the Association's credit monitoring procedures. At September 30, 1996, the Association was committed to originate loans receivable aggregating approximately $6,693,000, including fixed-rate loan commitments of approximately $3,385,000, with interest rates ranging from 7.375% to 8.750%. At September 30, 1996, commitments to sell loans were $140,000. There were no commitments to buy loans.

At September 30, 1996 and 1995, the Association had loans of $715,000 and $946,000, respectively, to various directors, officers and their families. During 1996, $222,000 of new loans were made and repayments totaled $453,000. These loans are made subject to the same interest rates and underwriting standards used to originate loans to other borrowers of the Association.

(Continued)

The following is a summary of activity in the allowance for loan losses for the years ended September 30:

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
Balance at beginning of year	$ 994,000	876,000	637,000
Provision for loan losses	368,000	120,000	252,000
Charge-offs	(9,000)	(2,000)	(13,000)
Balance at end of year	$1,353,000	994,000	876,000

</TABLE>

Loans delinquent ninety days or more at September 30, 1996 and 1995 were approximately $1,478,000 and $1,335,000, respectively, including nonaccrual loans of approximately $769,000 and $560,000, respectively. Interest that would have been recognized on nonaccrual loans under their original terms but for which an allowance has been established amounted to $40,000 and $15,000 at September 30, 1996 and 1995, respectively. The amount that was included in income on such loans was $40,000 and $19,000 for the years ended September 30, 1996 and 1995, respectively.

(5) Real Estate Owned

At September 30, 1996 the Association had $70,000 in real estate owned included in other assets in the accompanying balance sheet. At September 30, 1995, the Association had no real estate owned.

(6) Office Properties and Equipment

At September 30, 1996 and 1995, office properties and equipment consisted of the following:

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>
Land	$ 428,000	428,000

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Buildings and improvements	127,000	129,000
Furniture, fixtures and equipment	427,000	263,000
Construction in progress	2,105,000	54,000
	3,087,000	874,000
Less accumulated depreciation	213,000	175,000
	2,874,000	699,000

</TABLE>

The Association is in the process of constructing its new home office building in Cameron, Missouri. Total project costs of the new building is expected to be $4,250,000 with completion expected in March 1997. In November 1996, the Association commenced a plan to purchase a parcel of land for $850,000 in Liberty, Missouri for the purpose of building a branch location and development and sale of the adjoining lots. It is expected that the construction costs of the new branch will be $1,000,000 with completion expected in December 1997. The Association plans to fund the purchase and the construction of both facilities with existing short-term investment securities and cash provided from operations.

(Continued)

(7) Savings Deposits

Savings deposits at September 30, 1996 and 1995 are summarized as follows:

<TABLE>
<CAPTION>

		1996		1995	
	rate	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>	<C>
Balance by interest rate:					
NOW and super NOW accounts	0-2.75%	$ 5,294,000	4.3%	$ 5,322,000	4.4%
Passbook accounts	3.25	11,179,000	9.1	10,415,000	8.6
Money market demand accounts	3.00	7,494,000	6.1	8,091,000	6.7
		23,967,000	19.5	23,828,000	19.7
Certificate accounts	0-3.99%	4,000	- %	52,000	-
	4.00-4.99	1,280,000	1.0	4,884,000	4.0
	5.00-5.99	62,586,000	50.8	47,885,000	39.5
	6.00-6.99	25,793,000	21.0	30,714,000	25.3
	7.00-7.99	7,389,000	6.0	11,651,000	9.6
	8.00-8.99	1,923,000	1.6	2,106,000	1.8
	9.00	166,000	.1	160,000	.1
		99,141,000	80.5	97,452,000	80.3
		$123,108,000	100.0%	$121,280,000	100.0%
Weighted average interest rate on savings deposits at September 30		5.33%		5.41%	

	1996		1995	
	Amount	Percent	Amount	Percent
<S>	<C>	<C>	<C>	<C>
Contractual maturity of certificate accounts:				
Under 12 months	$49,547,000	50.0%	$54,348,000	55.8%
12 to 24 months	18,131,000	18.3	13,534,000	13.9
24 to 36 months	6,383,000	6.4	7,729,000	7.9
36 to 48 months	4,506,000	4.5	4,766,000	4.9
48 to 60 months	2,851,000	2.9	4,036,000	4.1

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Over 60 months	17,723,000	17.9	13,039,000	13.4
	$99,141,000	100.0%	$97,452,000	100.0%

</TABLE>

(Continued)

The components of interest expense on savings deposits are as follows for the years ended September 30:

<TABLE>
<CAPTION>

<S>	1996 <C>	1995 <C>	1994 <C>
NOW, super NOW, passbook and money market	$ 691,000	844,000	1,027,000
Certificate accounts	5,801,000	5,454,000	4,683,000
	$ 6,492,000	6,298,000	5,710,000

</TABLE>

The aggregate amount of certificates of deposit with a minimum denomination of $100,000 was approximately $9,119,000 and $7,524,000 at September 30, 1996 and 1995, respectively. The amount by which individual certificates of deposit exceed $100,000 are not insured by the Federal Deposit Insurance Corporation. The Association has pledged investment securities with an amortized cost of approximately $3,170,000 and $2,920,000 at September 30, 1996 and 1995, respectively, as additional security on savings deposits.

(8) FHLB Advances

The Association had the following debt outstanding from the Federal Home Loan Bank of Des Moines at September 30, 1996:

<TABLE>

<S>	<C>
$2,000,000 advance, interest at 5.64%, due November 1996	$ 2,000,000
$1,000,000 advance, interest at 6.18%, due July 1997	1,000,000
$2,000,000 advance, interest at 5.49%, due February 1998	2,000,000
$2,000,000 advance, interest at 6.21%, due September 1998	2,000,000
$1,000,000 advance, interest at 6.75%, due July 1999	1,000,000
$2,000,000 advance, interest at 6.4%, due September 1999	2,000,000
$1,250,000 advance, interest at 5.79%, due December 2000	1,250,000
$1,000,000 advance, interest at 7.01%, due July 2001	1,000,000
	$12,250,000

</TABLE>

The advances to the FHLB are collateralized by first mortgage loans.

(Continued)

Scheduled maturities of FHLB advances are as follows:

<TABLE>
<CAPTION>

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Year ending September 30,	
1997	$ 3,000,000
1998	4,000,000
1999	3,000,000
2000	-
2001	2,250,000
	$12,250,000

(9) Income Taxes

The components of income tax expense are as follows:

	Federal	State	Total
Year ended September 30, 1996:			
Current	$ 1,440,000	177,000	1,617,000
Deferred	(351,000)	(52,000)	(403,000)
	$ 1,089000	125,000	1,214,000
Year ended September 30, 1995:			
Current	$ 1,088,000	120,000	1,208,000
Deferred	47,000	17,000	64,000
	$ 1,135,000	137,000	1,272,000
Year ended September 30, 1994:			
Current	$ 945,000	132,000	1,077,000
Deferred	(160,000)	(23,000)	(183,000)
	$ 785,000	109,000	894,000

The reasons for the differences between the effective tax rates and the expected federal income tax rate of 34% are as follows:

	Percentage of earnings before income taxes		
	1996	1995	1994
Expected federal income tax rate	34.0%	34.0	34.0
State taxes, net of federal tax benefit	2.3	2.5	2.9
Other, net	.1	(.9)	(.3)
Effective income tax rate	36.4%	35.6	36.6

(Continued)

Temporary differences which give rise to a significant portion of deferred tax assets and liabilities at September 30, 1996 and 1995 are as follows:

	1996	1995
Accrued and prepaid expenses	$ 295,000	-
Accrued compensation	283,000	170,000
Loan origination fees, net of deferred	-	29,000

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costs		
Allowance for loan losses	457,000	319,000
Other	-	15,000
Deferred income tax asset	1,035,000	533,000
Loan origination fees, net of deferred costs	(123,000)	-
FHLB dividends	(186,000)	(176,000)
Accrued and prepaid expenses	-	(62,000)
Federal and state taxes related to reversing temporary differences	(69,000)	(27,000)
Accrued interest on loans originated prior to September 25, 1985	(25,000)	(31,000)
Depreciation of fixed assets	(13,000)	(29,000)
Other	(8,000)	-
Deferred income tax liability	(424,000)	(325,000)
Net deferred income taxes	611,000	208,000

</TABLE>

There was no valuation allowance for deferred tax assets at September 30, 1996 or 1995.

Under the Internal Revenue Code, the Association is allowed to deduct the greater of an experience method bad debt deduction based on actual charge-offs or a statutory bad debt deduction based on a percentage (8%) of taxable income before such deduction. This deduction is an addition to tax bad debt reserves established for the purpose of absorbing losses. The allowable deduction under the percentage of taxable income method is subject to certain statutory limitations, which applied at September 30, 1996, 1995 and 1994. Under the Small Business Job Protection Act (the Act) of 1996, the allowable deduction under the taxable income method was terminated for tax years beginning after 1995 and will not be available to the Association for future years. The Act also provides that federal income tax bad debt reserves in excess of the base year reserves will be included in taxable income over a six year inclusion period. The Association has established a deferred tax liability of approximately $96,000 for this recapture.

Retained earnings of the Association at September 30, 1996 and 1995 includes approximately $4,600,000, for which no provision for federal income tax has been made. This amount represents allocations of income to bad debt deductions for tax purposes only. Reduction of amounts allocated for purposes other than tax bad debt losses will create income for tax purposes only, which will be subject to the then current corporate income tax rate.

(Continued)

(10) Benefit Plans

Pension and Retirement Plans

The Association has a supplemental retirement plan to provide members of the Board of Directors with supplemental retirement, disability and death benefits. The Plan provides benefits for directors or their beneficiaries after they have completed service to the Association. The annual benefits are equal to the number of years of service on the board times $500, paid monthly for ten years following retirement. Expense under the plan for the years ended September 30, 1996, 1995 and 1994 amounted to $29,000, $24,000 and $380,000, respectively. 1994 expense included an accrual for past service costs. The Association purchased life insurance policies to fund its obligations under the plan in October 1994, which are included in other assets.

Employee Stock Ownership Plan (ESOP)

All employees meeting age and service requirements are eligible to participate in an ESOP. Under the terms of the ESOP, contributions are allocated to participants using a formula based upon compensation.

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Participants vest over five years.

In connection with the conversion described in note 1, the ESOP purchased 242,154 shares of Company common stock. The remaining unamortized cost of such shares purchased is reflected as unearned employee benefits in the accompanying consolidated balance sheet. On September 30, 1996 and 1995, 30,605 and 24,366 shares were allocated to participants. The fair value of such shares, $425,000 and $303,000, respectively, was charged to expense. The fair value of the remaining unallocated shares at September 30, 1996 aggregated $2,761,000.

Stock Option and Recognition and Retention Plan

The Board of Directors approved the adoption of a stock option plan and a recognition and retention plan (RRP) in January 1996. Under the stock option plan, options to acquire 302,692 shares of the Company's common stock may be granted to certain officers and directors of the Company or the Association. In January 1996, the Company awarded options to acquire 186,323 shares of stock. The options enable the recipients to purchase stock at an exercise price equal to the fair market value of the stock at the date of the grant ($14.56). The options vest over the five years following the date of grant. No stock options were exercised by recipients during 1996.

Under the RRP, common stock aggregating 121,077 shares may be awarded to certain officers and directors of the Company or the Association. In January 1996, the Company awarded 95,675 shares with a market value of $1,399,000. These shares have been reflected as unearned employee benefits in the accompanying 1996 consolidated balance sheet. Participants vest over five years. As the awards vest, they are reflected as compensation expense. The amortization of the RRP awards during 1996 was $193,000. The unamortized cost of the RRP awards at September 30, 1996 was $1,206,000.

(Continued)

(11) Federal Deposit Insurance Premiums

The deposits of the Association are presently insured by the Savings Association Insurance Fund (SAIF), which together with the Bank Insurance Fund (BIF), are the two insurance funds administered by the FDIC. In the third quarter of 1995, the FDIC lowered the premium schedule for BIF-insured institutions in anticipation of the BIF achieving its statutory reserve ratio. The reduced premium created a significant disparity in deposit insurance expense, causing a competitive advantage for BIF members. Legislation enacted on September 30, 1996 provided for a one-time special assessment of .657% of the Association's SAIF insured deposits at March 31, 1995. The purpose of the assessment is to bring the SAIF to its statutory reserve ratio. Based on the above formula, the Association's SAIF assessment of $800,000 was recorded in the 1996 consolidated financial statements. Although the special one-time assessment significantly increased noninterest expense for the year, the anticipated reduction in the premium schedule will reduce the Association's federal insurance premiums for future periods.

(12) Regulatory Capital Requirements

The Association is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Association's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Association must meet specific capital guidelines that involve quantitative measures of the Association's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Association's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Association to maintain minimum amounts and ratios (set

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forth in the table below) of risk-based capital, as defined in the regulations, to risk-weighted assets, as defined, and of tangible and core capital, as defined, to total assets, as defined. Management believes, as of September 30, 1996, that the Association meets all capital adequacy requirements to which it is subject.

As of August 31, 1996, the most recent notification from the Office of Thrift Supervision (OTS) categorized the Association as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Association must maintain minimum total risk-based, tangible and core capital ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the institution's category.

(Continued)

<TABLE>
<CAPTION>

	Tangible	Core	Risk-based
Regulatory capital	$ 32,928,000	32,928,000	33,161,000
Minimum capital requirement	2,612,000	5,224,000	9,386,000
Regulatory capital in excess of minimum capital requirements	$ 30,316,000	27,704,000	23,775,000
Minimum capital requirement	1.5%	3.0	8.0
The Association's regulatory capital	18.9%	18.9	28.3

</TABLE>

(13) Fair Value of Financial Instruments

SFAS No. 107, "Disclosures About Fair Value of Financial Instruments," and SFAS No. 119, "Disclosures About Derivative Financial Instruments and Fair Value of Financial Instruments," require disclosure of estimated fair values of financial instruments, both assets and liabilities recognized and not recognized in the consolidated financial statements. Fair value estimates have been made as of September 30, 1996 based on then current economic conditions, risk characteristics of the various financial instruments and other subjective factors.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value:

Cash and Cash Equivalents and Certificates of Deposit

The carrying amounts approximate fair value because of the short maturity of these instruments.

Investment Securities and Mortgage-backed Securities

The fair values of investment securities and mortgage-backed securities are estimated based on published bid prices or bid quotations received from securities dealers.

Certificates of Deposit in Other Financial Institutions

The fair values of certificates of deposit are estimated based on the static discounted cash flow approach using rates currently offered for deposits of similar remaining maturities.

Loans Receivable

The fair values of loans receivable are estimated using the option-based approach. Cash flows consist of scheduled principal, interest

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and prepaid principal. Loans with similar characteristics were aggregated for purposes of these calculations.

(Continued)

Accrued Interest

The carrying amount of accrued interest is assumed to be its carrying value because of the short-term nature of these items.

Stock in the FHLB

The carrying amount of such stock is estimated to approximate fair value.

Deposits

The fair values of deposits with no stated maturity are deemed to be equivalent to amounts payable on demand. The fair values of certificates of deposit are estimated based on the static discounted cash flow approach using rates currently offered for deposits of similar remaining maturities.

FHLB Advances

The fair values of FHLB advances are estimated based on discounted values of contractual cash flows using the rates currently available to the Association for advances of similar remaining maturities. The carrying amount of the advances under the line of credit approximates fair value due to the short maturity.

Fair value estimates of the Association's financial instruments as of September 30, 1996 are set forth below:

<TABLE>
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<S>	<C>	Carrying amount	<C> Estimated fair value
Cash and cash equivalents and certificates of deposit	$	6,283,000	6,283,000
Investment securities	$	18,297,000	18,249,000
Mortgage-backed securities	$	13,000	13,000
Loans receivable, net of loans in process	$	154,444,000	156,620,000
Accrued interest receivable	$	1,296,000	1,296,000
Stock in the FHLB	$	1,259,000	1,259,000
Deposits:			
Money market and NOW deposits	$	12,788,000	12,788,000
Passbook accounts		11,179,000	11,179,000
Certificate accounts		99,141,000	98,951,000
Total deposits	$	123,108,000	122,918,000
FHLB Advances	$	12,250,000	12,152,000
Accrued interest payable	$	141,000	141,000

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</TABLE>

(Continued)

CAMERON FINANCIAL CORPORATION AND SUBSIDIARY

Notes to Consolidated Financial Statements

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates do not reflect any premium or discount that could result from offering for sale at one time the Association's entire holdings of a particular financial instrument. Because no market exists for a significant portion of the Association's financial instruments, fair value estimates are based on judgments regarding future loss experience, current economic conditions, risk characteristics of various financial instruments and other factors. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Fair value estimates are based on existing balance sheet financial instruments without attempting to estimate the value of anticipated future business and the value of assets and liabilities that are not considered financial instruments.

(14) Parent Company Condensed Financial Statements

Condensed Balance Sheets
September 30, 1996 and 1995

<TABLE>
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<S>	1996 <C>	1995 <C>
Cash and cash equivalents	$ 2,630,000	2,324,000
Investment securities held-to-maturity	9,443,000	11,370,000
Investment in Association	32,928,000	32,913,000
ESOP loan receivable	1,937,000	2,179,000
Other	97,000	201,000
Total assets	$47,035,000	48,987,000
Dividends payable	$ 199,000	212,000
Other liabilities	21,000	48,000
Total liabilities	220,000	260,000
Stockholders' equity	46,815,000	48,727,000
Total liabilities and stockholders' equity	$47,035,000	48,987,000

</TABLE>

Condensed Income Statements
Year ended September 30, 1996 and
Period from inception (December 19, 1994) to September 30, 1995

<TABLE>

<S>	<C>	<C>
Dividend income	$2,248,000	925,000
Interest income	969,000	508,000
Expense	(510,000)	(147,000)
Income before equity in undistributed earnings of Association	2,707,000	1,286,000
Equity in undistributed (loss) earnings of the Association	(597,000)	215,000
Net income	$2,110,000	1,501,000

</TABLE>

(Continued)

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CAMERON FINANCIAL CORPORATION AND SUBSIDIARY

Notes to Consolidated Financial Statements

Condensed Statements of Cash Flows
Year ended September 30, 1996 and
Period from inception (December 19, 1994) to September 30, 1995

	1996	1995
Cash provided by operations:		
Net earnings	$ 2,110,000	1,501,000
Amortization	(31,000)	(44,000)
Change in other assets	104,000	(186,000)
Change in other liabilities	(30,000)	48,000
Undistributed earnings of subsidiary, net	597,000	(215,000)
Cash provided by operations	2,750,000	1,104,000
Cash used by investing activities:		
Purchase of investment securities held-to-maturity	(2,042,000)	(12,325,000)
Proceeds from ESOP note receivable	241,000	243,000
Purchase of investment in subsidiary	-	(14,724,000)
Maturities of investment securities held-to-maturity	4,000,000	1,000,000
Cash used in investing activities	2,199,000	(25,806,000)
Cash provided by financing activities:		
Proceeds from stock offering, net of conversion costs	-	27,026,000
Purchase of treasury stock	(3,881,000)	-
Dividends paid	(762,00)	-
Cash provided by financing activities	(4,643,000)	27,026,000
Net increase in cash	$ 306,000	2,324,000
Cash and cash equivalents at beginning of period	$ 2,324,000	-
Cash and cash equivalents at end of period	$ 2,630,000	2,324,000

Dividends paid by the Company are primarily provided through Association dividends paid to the Company. At September 30, 1996, the Company had declared dividends of $199,000 which had not been paid as of year-end. During 1996, the Association paid dividends of $2,248,000 to the Company.

CAMERON FINANCIAL CORPORATION

STOCKHOLDER INFORMATION

Annual Meeting

The Annual Meeting of Stockholders will be held at 4:00 p.m., Cameron, Missouri time on January 27, 1997, at the American Legion Hall located on U.S. Highway 69 at the south edge of Cameron, Missouri 64429.

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Stock Listing

Cameron Financial Corporation common stock is traded on the National Association of Securities Dealers, Inc. National Market under the symbol "CMRN."

Price Range of Common Stock

The per share price range of the common stock for each quarter since conversion was as follows:

Fiscal Year 1995	High	Low	Dividends
Third Quarter	$12.13	$10.50	$ -
Fourth Quarter	$15.50	$11.38	$.07
Fiscal Year 1996			
First Quarter	$14.75	$13.50	$.07
Second Quarter	$15.25	$13.75	$.07
Third Quarter	$14.50	$13.50	$.07
Fourth Quarter	$15.25	$13.50	$.07

A $.07 per share dividend was declared by the Board of Directors on September 17, 1996, payable October 28, 1996 to stockholders of record on October 11, 1996. The stock price information set forth in the table above was provided by the National Association of Securities Dealers, Inc., Automated Quotation System.

At December 13, 1996, there were 2,849,280 shares of Cameron Financial Corporation common stock issued and outstanding (including unallocated ESOP shares) and there were 546 registered holders of record.

Shareholders and General Inquiries

David G. Just, President
Cameron Financial Corporation
123 East Third Street
Cameron, Missouri 64429
(816) 632-2154

Transfer Agent

Registrar and Transfer Co.
10 Commerce Drive
Cranford, New Jersey 07016

Annual and Other Reports

A copy of Cameron Financial Corporation's Annual Report on Form 10-K for the year ended September 30, 1996, as filed with the Securities and Exchange Commission, may be obtained without charge by contacting David G. Just, President and Chief Executive Officer, Cameron Financial Corporation, 123 East Third Street, Cameron, Missouri 64429.

CAMERON FINANCIAL CORPORATION

CORPORATE INFORMATION

Company and Association Address

123 East Third Street
Cameron, Missouri 64429

Telephone: (816) 632-2154
Fax: (816) 632-2157

Directors of the Board

Herschel Pickett
Chairman of Cameron Financial Corporation, and The Cameron Savings and Loan Association, F.A., and retired CEO of The Cameron Savings & Loan Association, F.A.

George E. Hill
Retired Western Auto Associate Store owner

Harold D. Lee
Owner, Lee Auto & Tractor NAPA Dealership

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David G. Just
President of Cameron Financial Corporation and
The Cameron Savings & Loan Association, F.A.

Jon N. Crouch
Manager, Cameron Memorial Airport
Owner, Crouch Aviation
Retired Frontier and Continental Airlines Captain

Kennith R. Baker
Agent, State Farm Insurance

William F. Barker, DDS
Owner, Barker Dental Clinic

Cameron Financial Corporation Executive Officers

David G. Just
President and Chief Executive Officer

Ronald W. Hill
Vice President and Treasurer

The Cameron Savings & Loan Association, F.A. Executive Officers

David G. Just
President and Chief Executive Officer

Ronald W. Hill
Vice President and Treasurer

Stephen D. Hayward
Director of Lending

Earl T. Frazier
Manager, Liberty Loan Production Office

Independent Auditors

KPMG Peat Marwick LLP
1000 Walnut, Suite 1600
Post Office Box 13127
Kansas City, Missouri 64199

Special Counsel

Luse, Lehman, Gorman, Pomerenk & Schick, PC
5335 Wisconsin Avenue, N.W.
Suite 400
Washington, D.C. 20015

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EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Parent	Subsidiary	Percentage of Ownership	State of Incorporation or Organization
Cameron Financial Corporation	The Cameron Savings & Loan Association, F.A.	100%	Federal
The Cameron Savings & Loan Association, F.A.	The Cameron Savings and Loan Service Corporation	100%	Missouri

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