UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549 - 1004
FORM 10-Q

(Mark One)

/x/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1994

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-4075

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

Delaware	95-1913457
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9200 Oakdale Avenue, Chatsworth, California	91311
(Address of principal executive offices)	(Zip Code)

(818) 775-3411
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

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 filing requirements for the past 90 days. Yes x No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of April 30, 1994: 132,980,459

GREAT WESTERN FINANCIAL CORPORATION

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GREAT WESTERN FINANCIAL CORPORATION

PART I - FINANCIAL INFORMATION

PERSONS FOR WHOM THE INFORMATION IS TO BE GIVEN

The accompanying financial information is filed for the Registrant, Great Western Financial Corporation, and its subsidiaries comprising a savings bank and companies engaged in consumer lending, mortgage banking, securities operations and certain other financial services ("GWFC" or "the Company").

PRESENTATION OF FINANCIAL INFORMATION

The financial information has been prepared in conformity with the accounting principles or practices reflected in the financial statements included in the Annual Report filed with the Commission for the year ended December 31, 1993. The information further reflects all adjustments which are, in the opinion of management, of a normal recurring nature and necessary for a fair presentation of the results for the interim periods.

Item 1. Financial Statements

GREAT WESTERN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL CONDITION

<TABLE>
<CAPTION>

(Dollars in thousands)	March 31 1994	December 31 1993	March 31 1993
<S>	<C>	<C>	<C>
ASSETS			
Cash and securities			
Cash	$ 551,821	$ 758,581	$ 498,338
Certificates of deposit and federal funds	300,125	217,125	125
Securities available for sale (fair value $499,680, $871,074 and $634,653)	499,680	871,074	623,381
	1,351,626	1,846,780	1,121,844
Mortgage-backed securities held to maturity (fair value $609,114 and $605,512)	628,465	618,574	-
Mortgage-backed securities available for sale (fair value $2,376,905, $2,570,822 and $3,039,470)	2,376,905	2,570,822	2,972,592
	3,005,370	3,189,396	2,972,592
Loans receivable, less reserve for estimated losses	30,058,312	30,162,401	30,687,652
Loans receivable available for sale	402,652	499,002	452,684
	30,460,964	30,661,403	31,140,336

Real estate available for sale or development, net	326,924	434,077	759,616
Interest receivable	217,353	214,990	225,279
Investment in Federal Home Loan Banks	308,320	307,352	310,421
Premises and equipment, at cost, less accumulated depreciation	621,318	623,691	615,234
Other assets	714,625	638,983	457,480
Intangibles arising from acquisitions	419,924	431,688	312,465
	$37,426,424	$38,348,360	$37,915,267
LIABILITIES			
Customer accounts	$31,066,156	$31,531,563	$29,078,171
Short-term borrowings	470,059	676,483	1,677,242
Other borrowings	2,541,964	2,802,858	3,782,969
Other liabilities and accrued expenses	682,000	729,229	699,116
Taxes on income, principally deferred	243,076	184,826	210,966
STOCKHOLDERS' EQUITY	2,423,169	2,423,401	2,466,803
	$37,426,424	$38,348,360	$37,915,267

</TABLE>
[FN]
Unaudited

GREAT WESTERN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS

<TABLE>
<CAPTION>

(Dollars in thousands, except per share)	Three Months Ended March 31 1994	1993
<S>	<C>	<C>
INTEREST INCOME		
Real estate loans	$481,509	$520,248
Mortgage-backed securities	44,641	50,797
Consumer loans	90,841	101,472
Securities	6,614	7,868
Other	6,387	7,414
	629,992	687,799
INTEREST EXPENSE		
Customer accounts	232,139	254,574
Borrowings		
Short-term	5,765	11,407
Long-term	57,844	72,225
	295,748	338,206
NET INTEREST INCOME	334,244	349,593
Provision for loan losses	51,800	62,500
Net interest income after provision for loan losses	282,444	287,093
Other operating income		
Real estate services		
Loan fees	7,811	9,350
Mortgage banking		
Gain on mortgage sales	2,288	5,036
Servicing	13,688	13,084
Real estate operations	(8,644)	(8,883)
Provision for real estate losses	(3,000)	(25,500)
	12,143	(6,913)
Retail banking		
Banking fees	32,930	24,452
Securities operations	10,576	8,940
	43,506	33,392
Net gain on securities and investments	2,262	194

Net insurance operations	6,424	5,969
Other	1,486	1,310
Total other operating income	65,821	33,952
Operating and administrative expenses		
Salaries and related personnel	121,908	121,551
Premises and occupancy	51,562	44,816
FDIC insurance premium	19,147	15,736
Amortization of intangibles	11,764	8,937
Other	59,709	57,194
	264,090	248,234
EARNINGS BEFORE TAXES	84,175	72,811
Taxes on income	34,700	27,600
NET EARNINGS	$ 49,475	$ 45,211
Average common shares outstanding		
Without dilution	133,356,647	131,602,482
Fully diluted	139,698,559	137,944,394
Earnings per share based on average common shares outstanding		
Primary	$.32	$.30
Fully diluted	.32	.30
Cash dividend per share	.23	.23

</TABLE>
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Unaudited

GREAT WESTERN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

(Dollars in thousands)	Three Months Ended March 31 1994	1993
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net earnings	$ 49,475	$ 45,211
Noncash adjustments to net earnings:		
Provision for loan losses	51,800	62,500
Provision for real estate losses	3,000	25,500
Depreciation and amortization	30,818	27,165
Income taxes	74,678	11,167
Capitalized interest	(2,258)	(6,628)
Net change in accrued interest	(21,083)	(5,684)
Other	(104,036)	(69,393)
	82,394	89,838
Sales and repayments of loans receivable available for sale	716,257	510,708
Originations and purchases of loans receivable available for sale	(619,907)	(564,146)
	96,350	(53,438)
Net cash provided by operating activities	178,744	36,400
FINANCING ACTIVITIES		
Customer accounts		
Net increase (decrease) in transaction accounts	254,124	(116,780)
Net (decrease) in term accounts	(719,531)	(1,747,036)
	(465,407)	(1,863,816)
Customer account acquisitions, net	-	33,322
Borrowings		
Proceeds from new long-term debt	-	1,200,000
Repayments of long-term debt	(260,894)	(364,398)

Net change in short-term debt	(206,424)	473,557
	(467,318)	1,309,159
Other financing activity		
Proceeds from issuance of common stock	6,230	7,226
Cash dividends paid	(36,772)	(36,346)
	(30,542)	(29,120)
Net cash (used in) financing activities	(963,267)	(550,455)

/TABLE

GREAT WESTERN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

	Three Months Ended March 31	
(Dollars in thousands)	1994	1993
<S>	<C>	<C>
INVESTING ACTIVITIES		
Investment securities		
Proceeds from maturities	$ 490,718	$ 75,559
Purchases of securities	(123,204)	(75,034)
	367,514	525
Lending		
Loans originated for investment	(1,540,250)	(1,679,581)
Purchases of mortgage-backed securities	(50,313)	(129,308)
Payments	1,765,120	1,769,355
Repurchases	(20,276)	(44,856)
Other	14,973	8,552
	169,254	(75,838)
Other investing activity		
Purchases and sales of premises and equipment, net	(13,034)	(36,330)
Sales of real estate	144,587	91,366
Acquisition and disposition of assets, net	-	34
Other	(7,558)	(3,818)
	123,995	51,252
Net cash provided by (used in) investing activities	660,763	(24,061)
Net (decrease) in cash and cash equivalents	(123,760)	(538,116)
Cash and cash equivalents at beginning of period	975,706	1,036,579
Cash and cash equivalents at end of period	$ 851,946	$ 498,463
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Cash paid for		
Interest on deposits	$ 233,277	$ 255,987
Interest on borrowings	81,191	92,343
Income taxes	10,380	16,423
Noncash investing activities		
Loans transferred to foreclosed real estate	$ 93,586	$ 200,828
Loans originated to facilitate the sale of real estate	18,749	30,084

</TABLE>
[FN]
Unaudited

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1994

Great Western Financial Corporation reported net earnings of $49.5 million, or $.32 per share, in the 1994 first quarter compared with earnings of $45.2 million, or $.30 per share, in the 1993 first quarter.

Provisions for loan losses during the 1994 first quarter were $51.8 million compared with $62.5 million in the comparable period of 1993. Provisions for real estate losses were $3 million in the 1994 first quarter compared with $25.5 million in the first quarter a year earlier. The decrease in loan and real estate loss provisions reflects a slower rate of deterioration in the real estate market. The January 17, 1994 Northridge earthquake increased loan delinquencies in the first quarter and is expected to result in losses in the real estate loan portfolio in the range of $25 million to $30 million, which will be covered by existing loan loss reserves.

<TABLE>
<CAPTION>

HIGHLIGHTS (Dollars in thousands, except per share)

For the three months ended March 31	1994	1993
<S>	<C>	<C>
Net interest income	$ 334,244	$ 349,593
Net earnings	49,475	45,211
Fully diluted earnings per common share	$.32	$.30
New loan volume	2,178,906	2,273,811
Retail deposits acquired, net	-	33,322
(Decrease) in customer accounts	(465,407)	(1,830,494)
Mortgage sales	671,366	454,655
Average net interest margin		
Yield on earning assets	7.10%	7.73%
Cost of funds	3.44	3.89
Yield on earning assets, less cost of funds	3.66%	3.84%
At March 31		
Total assets	$37,426,424	$37,915,267
Stockholders' equity	2,423,169	2,466,803
Stockholders' equity per common share	$16.01	$16.55

</TABLE>

The Company's core business remains viable and is benefiting from the low interest-rate environment. Net interest income for the first quarter 1994 declined to $334 million compared with $350 million for the same period a year ago. While interest earning asset levels were relatively stable, the net interest margin decreased compared with a year ago. The Company's funding benefit relative to the cost of funds index for financial institutions comprising the 11th District Federal Home Loan Bank of San Francisco ("COFI") was lower in the 1994 first quarter resulting in a contraction of the net interest margin.

The following summarizes the contribution to pretax income from the Company's principal business units:

<TABLE>
<CAPTION>

	Three Months Ended March 31	
(Dollars in thousands)	1994	1993
<S>	<C>	<C>
Banking operations	$59,102	$50,937
Consumer finance group	25,073	21,874
Pretax earnings	84,175	72,811

Taxes on income	34,700	27,600
Net earnings	$49,475	$45,211

</TABLE>

INTEREST EARNING ASSETS

Interest earning assets comprise real estate loans and mortgage-backed securities ("mortgages"), consumer finance loans and marketable securities. The composition of interest earning assets at March 31, 1994 and March 31, 1993 follows:

<TABLE>
<CAPTION>

	March 31			
	1994		1993	
(Dollars in millions)	Amount	%	Amount	%
Loans receivable				
Real estate				
Residential				
Single-family	$25,567	73%	$25,644	72%
Apartments	1,781	5	2,017	6
Commercial	1,543	4	1,852	5
Other	7	-	10	-
Consumer finance	1,824	5	1,688	5
Bank card	-	-	235	-
Other	389	1	376	1
	31,111	88	31,822	89
Mortgage-backed securities	3,012	9	2,981	8
Securities	740	2	565	2
Investment in FHLB stock	308	1	310	1
	$35,171	100%	$35,678	100%

</TABLE>

Interest earning assets decreased slightly during the 1994 first quarter compared with the 1993 first quarter. Commercial real estate loans continued to decrease as a result of the Company's decision in 1987 to discontinue commercial real estate lending except to finance the sale of foreclosed properties.

The Adjustable Rate Mortgage ("ARM") for single-family residential properties ("SFRs") is the primary lending product held for investment. Many loans in the portfolio are indexed to COFI. In 1991, the Company began originating an ARM product which is indexed to the Federal Cost of Funds Index ("FCOFI"). This index is a combination of the average interest rate on the combined marketable treasury bills and the average interest rate on the combined marketable treasury notes. The FCOFI ARM has similar provisions to the COFI ARM product as to interest rate caps and payment changes. At March 31, 1994, ARMs comprised 92.9% of the mortgage portfolio. A significant portion of the ARM portfolio is subject to lifetime interest-rate caps and floors. At March 31, 1994, $8.8 billion of ARM loans with an average yield of 7%, had reached their floor rate. Without the floor, the average yield on those loans would have been 6.19%.

Total new loans for the 1994 first quarter were $2.2 billion compared with $2.3 billion in the same period of 1993. New real estate loan volume was $1.7 billion in the first quarter of 1994 compared with $1.8 billion in the first quarter of 1993.

The composition of real estate loan originations by quarter follows:

<TABLE>
<CAPTION>

Three Months Ended

	March 31 1994	December 31 1993	March 31 1993
<S>	<C>	<C>	<C>
ARM			
COFI	52%	47%	47%
FCOFI	2	2	18
T-Bill	8	5	2
Other	3	3	3
Total ARM	65	57	70
Fixed rate	35	43	30
	100%	100%	100%
Refinances, included above	63%	68%	59%

</TABLE>

Fixed-rate lending, originated exclusively for sale, is influenced by the interest-rate environment. Refinance activity comprised 63% of real estate loan originations during the first quarter of 1994 compared with 59% for the same period a year ago. The portfolio of fixed-rate loans designated as available for sale has been recorded at the lower of cost or market. The Company purchases short-term hedge contracts for the commitment period to protect against rate fluctuations on its commitments to fund fixed-rate loans originated for sale. Hedge contracts are recorded at cost.

Real estate loans held for investment are primarily ARMs. During the first quarter 1994, ARMs comprised 65% of total real estate loan originations compared with 70% in the same period of 1993 and 57% for the fourth quarter of 1993. COFI ARMs were the primary adjustable rate offering in 1994 and 1993. The ARM differential over the appropriate indices on new ARMs was 2.54% in the first quarter 1994 compared with 2.40% a year ago. The ARM differential on the total ARM real estate loan portfolio was 2.41% at March 31, 1994 and 2.39% at March 31, 1993. Currently, interest rates on new real estate loans favor adjustable rate products, which may enable the Company to generate asset growth in 1994.

The cost of funds for Great Western Bank, a Federal Savings Bank ("GWB") relative to COFI and FCOFI is shown as follows:

<TABLE>
<CAPTION>

	GWB Cost of Funds	COFI	FCOFI	GWB Cost of Funds Less Than COFI	GWB Cost of Funds Less Than FCOFI
<S>	<C>	<C>	<C>	<C>	<C>
March 31, 1994	3.197%	3.629%	4.928%	.432%	1.731%
December 31, 1993	3.319	3.879	4.892	.560	1.573
March 31, 1993	3.654	4.245	5.222	.591	1.568

</TABLE>

The contractual maturities of all loans receivable and mortgage-backed securities as of March 31, 1994 follow:

<TABLE>
<CAPTION>

	Real Estate Loans		Mortgage-Backed Securities			
(Dollars in millions)	ARM	Fixed Rate	ARM	Fixed Rate	Consumer	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>

One year or less	$ 564	$ 49	$ 32	$340	$ 820	$ 1,805
Over one to two years	624	56	33	234	544	1,491
Over two to three years	769	59	36	89	377	1,330
Over three to five years	1,623	135	78	58	153	2,047
Over five to ten years	3,514	461	238	147	188	4,548
Over ten to fifteen years	4,231	195	320	89	123	4,958
Over fifteen years	16,281	337	1,297	21	8	17,944
	$27,606	$1,292	$2,034	$978	$2,213	$34,123

</TABLE>

INTEREST BEARING LIABILITIES

The composition of interest bearing liabilities at March 31, 1994 and March 31, 1993 follows:

<TABLE>
<CAPTION>

	March 31			
	1994		1993	
(Dollars in millions)	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>
Customer accounts				
Retail accounts				
Term	$16,925	50%	$15,893	46%
Transaction	13,661	40	12,538	36
Wholesale accounts	480	1	647	2
	31,066	91	29,078	84
Borrowings				
FHLB	281	1	1,285	4
Other	2,731	8	4,175	12
	3,012	9	5,460	16
Total interest bearing liabilities	$34,078	100%	$34,538	100%

</TABLE>

Borrowings totaled $3 billion at March 31, 1994, $3.5 billion at December 31, 1993 and $5.5 billion at March 31, 1993. As a percentage of interest bearing liabilities, borrowings totaled 9% at March 31, 1994 and 16% at March 31, 1993. Borrowings have decreased over these periods as a result of customer deposit acquisitions and have not been a significant factor in funding new lending. In the fourth quarter of 1993, GWB acquired $4.1 billion in deposits of HomeFed Bank, F.A. ("HomeFed") from the Resolution Trust Corporation.

The following table shows the components of the change in customer account balances:

<TABLE>
<CAPTION>

	Three Months Ended March 31	
(Dollars in millions)	1994	1993
<S>	<C>	<C>
Transaction		
Demand accounts	$ 179.6	$ 7.7
Money market and other transaction accounts	103.9	(124.5)
Certificates of deposit	(640.7)	(1,711.0)

Wholesale accounts	(108.2)	(36.0)
	(465.4)	(1,863.8)
Acquisitions of deposits, net	-	33.3
	$(465.4)	$(1,830.5)

</TABLE>

The Company concentrates its retail deposit-gathering activity in two states: California and Florida.

Net certificate of deposit account withdrawals have occurred during each of the past nine quarters due to reduced rates offered, as ARM originations have not been at levels where asset growth could occur.

A summary of customer certificates of deposit by interest rate and maturity as of March 31, 1994 follows:

<TABLE>
<CAPTION>

(Dollars in millions)	Within 90 Days	90 Days to 180 Days	180 Days to One Year	One Year to Two Years	Two Years to Three Years	Three Years and Over	March 31 1994	December 31 1993	March 31 1993
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Under 4%	$4,168	$3,226	$2,328	$1,114	$ 173	$ 36	$11,045	$10,998	$ 8,781
4 to 6%	296	894	1,004	994	175	1,076	4,439	4,789	4,929
6 to 8%	73	32	52	154	696	453	1,460	1,619	2,135
Over 8%	83	22	7	196	4	5	317	575	540
	$4,620	$4,174	$3,391	$2,458	$1,048	$1,570	$17,261	$17,981	$16,385
$100,000 accounts included above	$ 628	$ 200	$ 86	$ 49	$ 1	$ 7	$ 971	$ 1,060	$ 1,227

/TABLE

NET INTEREST MARGIN AND NET INTEREST INCOME

While average interest earning assets have remained relatively stable during the past year, the interest margin has decreased as interest rates have begun to rise. Net interest income decreased slightly to $334 million in the first quarter 1994 compared with $350 million in the first quarter 1993. The Company's net interest margin, the difference between the yield on interest earning assets (interest on mortgages, consumer loans and securities) and the cost of funds (interest on customer accounts and borrowings) was 3.97% at March 31, 1994 compared with 4.10% a year ago. The average net interest margin for the 1994 first quarter was 3.66% compared with 3.84% in the 1993 first quarter. The repricing lag on FCOFI and COFI ARMs added approximately 9 basis points in the first quarter of both 1994 and 1993 to the average net interest margin. For the fourth quarter 1993, the repricing lag accounted for approximately 5 basis points of the average net interest margin.

The following table of net interest income displays the average monthly balances, interest income and expense and average rates by asset and liability component for the periods indicated:

<TABLE>
<CAPTION>

	Three Months Ended March 31					
	1994			1993		
(Dollars in millions)	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest earning assets						
Securities	$ 1,149	$ 13	4.52%	$ 966	$ 15	6.33%

Mortgage-backed securities	3,114	45	5.74	3,062	51	6.64
Loans receivable						
Real estate	29,015	481	6.64	29,246	520	7.12
Consumer	2,212	91	16.42	2,323	102	17.47
Total interest earning assets	35,490	630	7.10	35,597	688	7.73
Other assets	2,303			2,528		
Total assets	$37,793			$38,125		
Interest bearing liabilities						
Customer accounts						
Term accounts	$17,610	169	3.85	$17,222	188	4.36
Transaction accounts	13,542	63	1.85	12,788	67	2.09
	31,152	232	2.98	30,010	255	3.39
Borrowings						
FHLB	287	5	6.68	717	9	4.92
Other	2,990	59	7.87	4,018	74	7.45
Total interest bearing liabilities	34,429	296	3.44	34,745	338	3.89
Other liabilities	933			928		
Stockholders' equity	2,431			2,452		
Total liabilities and equity	$37,793			$38,125		
Interest rate spread			3.66%			3.84%
Effective yield summary						
Interest income/earning assets	$35,490	$630	7.10%	$35,597	$688	7.73%
Interest expense/earning assets	35,490	296	3.33	35,597	338	3.80
Net yield on earning assets		$334	3.77%		$350	3.93%

/TABLE

The average balance of loans receivable above includes nonaccrual loans and therefore the interest income and average rate, as presented, are affected by the loss of interest on such loans. Interest foregone on nonaccrual loans that were nonperforming totaled $15.9 million for the quarter ended March 31, 1994 compared with $24.7 million for the quarter ended March 31, 1993.

ASSET LIABILITY MANAGEMENT

The Company monitors its asset and liability structure and interest-rate/ maturity risks on a regular basis. In this process, consideration is given to interest-rate trends and funding requirements. ARMs comprised approximately 96% of the real estate loan portfolio at March 31, 1994 and 94% at March 31, 1993.

At March 31, 1994, mortgages totaling $2.6 billion were available for sale, primarily mortgage-backed securities. Real estate loans available for sale are valued at the lower of cost or market, generally on an individual loan basis. As of March 31, 1994, $205 million of real estate loans, primarily fixed-rate loans, were designated as available for sale. Gains of $2.3 million in the real estate loan portfolio were realized in the first quarter of 1994. Unrealized holding gains on real estate loans available for sale totaled $6 million at March 31, 1994.

Mortgage-backed securities and other securities available for sale are carried at fair value. At March 31, 1994, mortgage-backed securities available for sale included $450 million of fixed-rate loans and nearly $1.9 billion of ARMs. There were no realized gains or losses in the first quarter of 1994. Unrealized holding losses were $4 million at March 31, 1994. Unrealized holding gains were $31 million at December 31, 1993 and $67 million at March 31, 1993.

Marketable securities available for sale at March 31, 1994 had an amortized cost of $496 million and a market value of $500 million. Gains realized during the 1994 first quarter totaled $477,000. Unrealized holding gains in marketable securities were $3.3 million at March 31, 1994, $7.2 million at December 31, 1993 and $11.3 million at March 31, 1993.

Real estate available for sale is recorded at the lower of cost or fair value.

The following table shows that the portfolio of short-term assets exceeded liabilities maturing or subject to interest adjustment within one year by $3.4 billion at March 31, 1994 compared with $3.1 billion at December 31, 1993 and $4.5 billion at March 31, 1993. In the current low interest rate environment, the Company is better protected against rising rates with an excess of interest earning assets maturing or repricing within one year.

<TABLE>
<CAPTION>

March 31, 1994 (Dollars in millions)	Rate	Balance	% of Total	Within 1 Year	1-5 Years	5-15 Years	Over 15 Years
				Maturity/Rate Sensitivity			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest earning assets							
Securities	5.00%	$ 740	2	$ 740	$ -	$ -	$ -
Mortgage-backed securities	6.04	3,012	9	2,505	486	-	21
Investment in FHLB stock	4.21	308	1	-	-	-	308
Loans receivable							
Real estate							
Adjustable rate	6.81	27,606	78	25,738	1,868	-	-
Fixed rate							
Short-term	8.77	516	2	242	272	2	-
Long-term	8.71	776	2	388	384	3	1
Consumer	16.22	2,213	6	535	1,330	269	79
	7.35	35,171	100	30,148	4,340	274	409
Interest bearing liabilities							
Customer accounts							
Regular savings	1.93	2,282	7	2,282	-	-	-
Checking and limited access	1.69	11,379	33	11,379	-	-	-
Wholesale transactions	-	144	-	144	-	-	-
Term accounts	3.99	17,261	51	12,184	5,052	25	-
	2.98	31,066	91	25,989	5,052	25	-
Borrowings							
FHLB	6.57	281	1	260	21	-	-
Other	7.59	2,731	8	584	1,424	672	51
Impact of interest-rate swaps	-	-	-	(109)	109	-	-
	3.38	34,078	100	26,724	6,606	697	51
Excess of interest earning assets over interest bearing liabilities at March 31, 1994	3.97%	$ 1,093		$ 3,424	$(2,266)	$(423)	$358
Excess of interest earning assets over interest bearing liabilities at December 31, 1993	3.76%	$ 840		$ 3,105	$(1,833)	$(764)	$332
Excess of interest earning assets over interest bearing liabilities at March 31, 1993	4.10%	$ 1,140		$ 4,466	$(3,050)	$(630)	$354

</TABLE>

<TABLE>
<CAPTION>

	March 31 1994	March 31 1993
<S>	<C>	<C>

Calculation of adjusted margin		
Unadjusted margin	3.97%	4.10%
Benefit of net interest earning assets	.11	.11
	----	----
Adjusted margin	4.08%	4.21%
	====	====

/TABLE

ASSET QUALITY

The Company regularly reviews its assets to determine that each category is reasonably valued. In this review process it monitors the loss exposure relating to nonperforming assets, assets adversely classified for regulatory purposes, the delinquency trend and market environment to identify potential problems.

Loss reserves have been provided, where necessary in management's judgment, for interest earning assets, including residential loans and consumer loans. Valuation reserves for consumer loans are provided based upon a percentage of the loans outstanding in relation to the loss experience within the loan categories.

The California real estate markets did not improve significantly in 1993 or the first three months of 1994. The economic climate, particularly in California has not been favorable. Continuing deterioration in market values has persisted in both single-family residential and income producing properties. Single-family loan values have deteriorated because of continued high unemployment rates as well as the weak economy and its effects upon the residential market. A variety of indicators suggest an improvement in California's economic outlook.

The Company assesses the status of general loss reserves on real estate loans based upon its current loss experience as applied to the loan portfolio including loans that are delinquent or adversely classified because of declining collateral values. Because of the current recessionary environment, the Company's general loan loss reserves remain relatively high to give effect to current trends in this environment in valuing its loan portfolio.

There appear to be regional differences in economic performance within California and among property types which are attributable to the rolling recessionary environment and its wide range effect on different economic activities within California.

The economic factors affecting the office space market appear to be somewhat more favorable in Northern California than in Southern California. In particular, the vacancy rate at December 31, 1993 and December 31, 1992 was 12% in the San Francisco area. In the Los Angeles area, the vacancy rate was 20% at December 31, 1993 and December 31, 1992. The highest vacancy rate existed in San Diego County where it was 21% at December 31, 1993 compared with 23% at December 31, 1992.

In the industrial space market, Northern and Southern California vacancy rates appear to be more comparable. In the San Francisco and Los Angeles areas, vacancy rates were 11% at December 31, 1993. A year ago, the vacancy rates were 12% in the San Francisco area and 11% in the Los Angeles area. Unlike the office space market, San Diego County's industrial space market had the lowest vacancy rate consisting of 4% at December 31, 1993 and 3% at December 31, 1992.

In the single-family market, regional differences also exist in the economic performance of Northern, Central and Southern California. For example, the median metropolitan area sales price of existing single-family homes in the San Jose area decreased from the fourth quarter of 1992 to the fourth quarter of 1993 by 1%. During the same period, the median sales price declined 6% in the Los Angeles area and 3% in the San Diego area.

As a monitoring device the Company reviews the trends of loans delinquent for periods of less than ninety days on a monthly (and within-month) basis. The following summarizes loans delinquent for periods from thirty to eighty-nine days:

<TABLE>

<CAPTION>

(Dollars in millions)	March 31 1994	December 31 1993	March 31 1993
<S>	<C>	<C>	<C>
30-59 days delinquent			
SFR loans	$343.0	$190.9	$242.8
Other	46.4	19.0	48.0
60-89 days delinquent			
SFR loans	175.3	105.2	109.7
Other	21.4	8.8	31.4

</TABLE>

Delinquencies in the thirty to eighty-nine day categories have increased during the first three months of 1994. Much of the 1994 first quarter increase is believed to be related to the Northridge earthquake in January and to the forbearance offered to customers who suffered damages from the earthquake. Two and three payment delinquencies on SFRs in the earthquake affected areas totaled $142 million and $73 million, respectively, at March 31, 1994. The effect on nonperforming assets will not be evident until later in the second quarter when the period of forbearance expires. Foreclosures continue to occur at relatively high levels.

Loans delinquent over thirty days, together with restructured loans, have been included in the process to determine estimated losses. The effects of various loan characteristics such as geographic concentrations, loan purpose, negative amortization and loan to value ratios ("LTV") are considered in this review process.

The following table shows the trend in single-family residential delinquencies (two or more payments delinquent) to the growth in the related portfolio.

<TABLE>
<CAPTION>

	March 31 1994	December 31 1993	March 31 1993
<S>	<C>	<C>	<C>
SFR loans as a percent of total real estate loans	88.5%	88.3%	86.9%
SFR delinquency as a percent of total single-family residential loans	4.4	3.2	4.6

</TABLE>

The Company's real estate loan portfolio included approximately $3.4 billion of uninsured single-family mortgage loans at March 31, 1994, compared with $4.3 billion a year ago, which were originated with terms where the LTV exceeded 80% (but not in excess of 90%). During the first quarter 1994, losses totaled $3.7 million, or .30% (annualized), on the higher LTV mortgages. For the year 1993, losses totaled $44.8 million, or .81% of such loans, compared with $10.1 million, or .15%, for 1992. The Company began to purchase mortgage insurance on all new single-family residential mortgages originated with LTVs in excess of 80% in 1990. Therefore, this portfolio of uninsured loans is becoming more seasoned.

The recorded investment in loans for which impairment has been recognized in accordance with Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan" and the reserve for estimated losses related to such loans follows:

<TABLE>
<CAPTION>

March 31	
1994	1993

(Dollars in thousands)	Loan Balance	Reserve for Estimated Losses	Loan Balance	Reserve for Estimated Losses
<S>	<C>	<C>	<C>	<C>
Real estate loans				
Residential				
Single-family	$ 43,864	$ 5,796	$ 39,690	$ 2,557
Apartments	113,895	17,249	188,630	2,559
Commercial				
Offices	47,926	9,112	99,467	8,574
Retail	28,624	3,623	55,981	2,021
Hotel/motel	107,992	5,085	152,417	-
Industrial	16,676	1,989	93,036	115
Other	5,570	1,018	16,843	808
	$364,547	$ 43,872	$646,064	$16,634

</TABLE>

Single-family residential mortgage loans are generally evaluated for impairment as homogeneous pools of loans. Certain situations may arise leading to single-family residential mortgage loans being evaluated for impairment on an individual basis.

A change in the fair value of an impaired loan is reported as an increase or reduction to the provision for loan losses.

Certain loans meet the criteria of troubled debt restructurings ("TDRs") as defined in Statement of Financial Accounting Standards No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings." TDRs totaled $246 mil-lion at March 31, 1994 compared with $406 million at March 31, 1993. In the second quarter of 1993, Federal Banking Regulators issued a joint release regarding credit availability. Based on this release, TDRs which meet certain conditions of repayment and performance have not been included in nonperforming assets. At March 31, 1994, $43 million of TDRs were classified as performing assets.

Real estate available for sale is recorded at the lower of cost or fair value and is included in a periodic review of assets to determine whether, in management's judgment, there has been any deterioration in value. Real estate held for development, also subject to the same review process, is carried at the lower of cost or net realizable value. Properties where future development is uncertain are carried at the lower of cost or fair value. Real estate is also included in the general reserve evaluation. Many foreclosed real estate properties are operating profitably after provisions for interest and depreciation and are performing assets.

Nonperforming assets include loans which are delinquent ninety days or more, TDRs which do not meet certain performance criteria and certain real estate acquired through foreclosure. The following table indicates the amount of the Company's nonperforming assets and the ratio of nonperforming assets to total assets:

<TABLE>
<CAPTION>

	March 31 1994		December 31 1993		March 31 1993	
(Dollars in millions)	Amount	%	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Loans receivable						
Real estate						
Residential						
Single-family	$ 599	1.57%	$ 522	1.34%	$ 836	2.16%
Apartments	87	.23	70	.18	188	.48
Commercial	218	.57	225	.58	394	1.02
Consumer finance	20	.05	20	.05	21	.05
Bank card	-	-	-	-	6	.02

Other	2	.01	2	-	2	-
	926	2.43	839	2.15	1,447	3.73
Real estate acquired through foreclosure	199	.52	293	.75	556	1.44
Total nonperforming assets	$1,125	2.95%	$1,132	2.90%	$2,003	5.17%

</TABLE>

The geographic distribution of the real estate loan and real estate portfolios as of March 31, 1994 follows:

<TABLE>
<CAPTION>

(Dollars in millions)	Total	California	Florida	Washington	Arizona	Oklahoma/ Texas	Maryland/ Virginia	Georgia	Other
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Real estate loans									
Residential									
Single-family	$25,567	$18,777	$1,729	$905	$340	$557	$314	$427	$2,518
Apartments	1,781	1,421	90	7	65	33	-	57	108
Commercial									
Offices	438	399	9	4	8	3	1	4	10
Retail	278	231	22	9	2	-	3	4	7
Hotel/motel	280	138	5	-	3	2	92	-	40
Industrial	327	271	14	4	7	16	-	4	11
Other	227	162	22	6	13	1	1	2	20
	28,898	21,399	1,891	935	438	612	411	498	2,714
Real estate available for sale, net									
Real estate acquired through foreclosure	221	186	22	2	1	1	-	-	9
Other	48	30	3	15	-	-	-	-	-
Property development	86	86	-	-	-	-	-	-	-
	355	302	25	17	1	1	-	-	9
Total real estate loans and real estate	$29,253	$21,701	$1,916	$952	$439	$613	$411	$498	$2,723
Percent of total	100.0%	74.2%	6.5%	3.3%	1.5%	2.1%	1.4%	1.7%	9.3%

</TABLE>

The geographic distribution of nonperforming real estate loans and foreclosed real estate at March 31, 1994 follows:

<TABLE>
<CAPTION>

(Dollars in millions)	Total	California	Florida	Washington	Arizona	Oklahoma/ Texas	Maryland/ Virginia	Georgia	Other
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Real estate loans									
Residential									
Single-family	$ 599	$512	$ 26	$ 7	$ 3	$ 7	$ 4	$ 5	$ 35
Apartments	87	68	1	1	-	13	-	-	4
Commercial									
Offices	42	39	2	-	-	-	1	-	-
Retail	25	20	-	5	-	-	-	-	-
Hotel/motel	127	35	-	-	-	-	92	-	-
Industrial	16	14	1	-	-	1	-	-	-
Other	8	2	2	1	3	-	-	-	-
	904	690	32	14	6	21	97	5	39
Real estate									
Residential									
Single-family	91	78	3	1	1	-	-	-	8

Apartments	35	34	-	-	-	1	-	-	-
Commercial									
Offices	31	21	9	1	-	-	-	-	-
Retail	8	8	-	-	-	-	-	-	-
Hotel/motel	10	8	2	-	-	-	-	-	-
Industrial	11	10	1	-	-	-	-	-	-
Other	13	11	1	-	-	-	-	-	1
	199	170	16	2	1	1	-	-	9
Total nonperforming real estate loans and real estate	$1,103	$860	$ 48	$ 16	$ 7	$ 22	$ 97	$ 5	$ 48
Percent of total	100.0%	78.0%	4.4%	1.4%	.6%	2.0%	8.8%	.4%	4.4%

/TABLE

A comparison of the California real estate loan and foreclosed real estate portfolios and nonperforming real estate loans and real estate by region as of March 31, 1994 follows:

<TABLE>
<CAPTION>

	California			Northern California		
(Dollars in millions)	Portfolio	Nonperforming	%	Portfolio	Nonperforming	%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Real estate loans						
Residential						
Single-family	$18,777	$512	2.7	$5,388	$ 96	1.8
Apartments	1,421	68	4.8	174	2	1.1
Commercial						
Offices	399	39	9.8	76	7	9.2
Retail	231	20	8.7	53	1	1.9
Hotel/motel	138	35	25.4	43	-	-
Industrial	271	14	5.2	37	2	5.4
Other	162	2	1.2	40	-	-
	21,399	690	3.2	5,811	108	1.9
Real estate						
Residential						
Single-family	78	78	100.0	10	10	100.0
Apartments	35	34	97.1	2	2	100.0
Commercial						
Offices	24	21	87.5	7	7	100.0
Retail	17	8	47.1	1	1	100.0
Hotel/motel	8	8	100.0	2	2	100.0
Industrial	12	10	83.3	1	-	-
Other	12	11	91.7	1	1	100.0
	186	170	91.4	24	23	95.8
Total real estate loans and real estate	$21,585	$860	4.0	$5,835	$131	2.2

/TABLE

<TABLE>
<CAPTION>

	Central California			Southern California		
(Dollars in millions)	Portfolio	Nonperforming	%	Portfolio	Nonperforming	%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Real estate loans						
Residential						
Single-family	$1,575	$24	1.5	$11,814	$392	3.3
Apartments	264	13	4.9	983	53	5.4
Commercial						

Offices	43	3	7.0	280	29	10.4
Retail	30	-	-	148	19	12.8
Hotel/motel	27	2	7.4	68	33	48.5
Industrial	16	-	-	218	12	5.5
Other	21	-	-	101	2	2.0
	1,976	42	2.1	13,612	540	4.0
Real estate						
Residential						
Single-family	6	6	100.0	62	62	100.0
Apartments	3	3	100.0	30	29	96.7
Commercial						
Offices	2	2	100.0	15	12	80.0
Retail	8	-	-	8	7	87.5
Hotel/motel	-	-	-	6	6	100.0
Industrial	1	1	100.0	10	9	90.0
Other	-	-	-	11	10	90.9
	20	12	60.0	142	135	95.1
Total real estate loans and real estate	$1,996	$54	2.7	$13,754	$675	4.9

</TABLE>

Nonperforming real estate loans and real estate decreased by $7 million during the first quarter of 1994. Total nonperforming single-family residential properties decreased $3 million in the first quarter of 1994, while single-family residential properties in California increased $5 million. The loss on single-family foreclosures sold in the first quarter of 1994 was 20.1% of the loan balances at foreclosure. Nonperforming commercial and apartment properties declined $4 million in the first quarter of 1994.

In an effort to reduce nonperforming assets, the Company completed four bulk asset sales in the second half of 1993 totaling $659 million. In the first quarter of 1994, bulk sales of foreclosed single-family properties totaled $84.6 million. Auction sales have also been utilized to accelerate the disposition of foreclosed properties.

The Company provides a reserve for uncollected interest which is essentially based upon loans delinquent ninety days or more or in foreclosure. These loans are considered in "nonaccrual" status.

A summary of loan loss provisions, charge-offs and recoveries by loan type follows:

<TABLE>
<CAPTION>

	At or For The Three Months Ended March 31	
(Dollars in thousands)	1994	1993
<S>	<C>	<C>
Beginning balance	$502,269	$492,871
Provision for loss		
Real estate loans		
SFR	25,000	40,000
Other	14,993	4,500
Consumer finance	9,300	9,800
Bank card	-	5,178
Other	2,507	3,022

	51,800	62,500
Charge-offs		
Real estate loans		
SFR	(39,931)	(30,024)
Other	(6,889)	(9,795)
Consumer finance	(12,654)	(12,899)
Bank card	-	(6,568)
Other	(376)	(286)
	(59,850)	(59,572)
Recoveries		
Real estate loans		
SFR	174	254
Other	337	579
Consumer finance	4,046	3,788
Bank card	-	460
Other	95	305
	4,652	5,386
Net charge-offs		
Real estate loans		
SFR	(39,757)	(29,770)
Other	(6,552)	(9,216)
Consumer finance	(8,608)	(9,111)
Bank card	-	(6,108)
Other	(281)	19
	(55,198)	(54,186)
Ending balance	$498,871	$501,185
Ratio of net charge-offs (annualized) to average loans		
Real estate loans		
SFR	.62%	.47%
Other	.78	.97
Consumer finance	1.88	2.14
Bank card	-	9.96
Other	.29	(.02)
	.71%	.69%

/TABLE

The following table presents the Company's reserve for estimated losses and the reserve as a percent of the respective loans receivable portfolios:

<TABLE>
<CAPTION>

	March 31			
	1994		1993	
(Dollars in millions)	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>
Real estate loans				
SFR	$197	.77%	$174	.68%
Commercial and other	233	6.99	244	6.28
Consumer finance	51	2.77	47	2.80
Bank card	-	-	24	10.36
Other	18	4.64	12	3.09
Total	$499	1.60%	$501	1.57%

</TABLE>

A summary of real estate reserve activity by real estate type follows:

(Dollars in millions)	At or For The Three Months Ended March 31 1994	1993
Beginning balance		
SFR	$ 5	$ 5
Commercial and other	119	114
	124	119
Provision for losses		
SFR	3	11
Commercial and other	-	15
	3	26
Net charge-offs		
SFR	(4)	(2)
Commercial and other	(5)	(12)
	(9)	(14)
Ending balance		
SFR	4	14
Commercial and other	114	117
	$118	$131

OPERATIONS

Net interest income totaled $334 million in the first quarter 1994 compared with $350 million in the first quarter 1993. Interest earning assets decreased slightly while margins remained relatively level. The Company continues to experience a high level of nonaccrual loans in the portfolio which results in lower interest income. The following table shows the components of the change in net interest income between periods.

(Dollars in millions)	Three Months Ended March 31 1994 vs 1993	1993 vs 1992
Interest on mortgage-backed securities		
Rate (1)	$ (7)	$ (13)
Volume (2)	1	(9)
Rate/Volume (3)	-	2
	(6)	(20)
Interest on real estate loans		
Rate (1)	(35)	(116)
Volume (2)	(4)	(4)
Rate/Volume (3)	-	1
	(39)	(119)
Income on consumer loans		
Rate (1)	(6)	(3)
Volume (2)	(5)	(3)
Rate/Volume (3)	-	-
	(11)	(6)

Income on securities and investments		
Rate (1)	(4)	-
Volume (2)	3	(4)
Rate/Volume (3)	(1)	-
	(2)	(4)
Interest earning assets		
Rate	(52)	(132)
Volume	(5)	(20)
Rate/Volume	(1)	3
	(58)	(149)
Customer accounts		
Rate (1)	(31)	(113)
Volume (2)	9	(13)
Rate/Volume (3)	(1)	4
	(23)	(122)
Borrowings		
Rate (1)	8	(13)
Volume (2)	(25)	(2)
Rate/Volume (3)	(2)	-
	(19)	(15)
Interest bearing liabilities		
Rate	(23)	(126)
Volume	(16)	(15)
Rate/Volume	(3)	4
	(42)	(137)
Change in net interest income	$(16)	$ (12)

</TABLE>

(1) The rate variance reflects the change in the average rate multiplied by the average balance outstanding during the prior period.

(2) The volume variance reflects the change in the average balance outstanding multiplied by the average rate during the prior period.

(3) The rate/volume variance reflects the change in the average rate multiplied by the change in the average balance outstanding.

(4) Nonaccrual loans and amortized deferred loan fees are included in the interest income calculations.

Real estate services income totaled $12.1 million for the three months ended March 31, 1994 compared with a net loss of $6.9 million for the three months ended March 31, 1993. This increase in income was primarily attributed to lower loss provisions on real estate. Gains on mortgage sales decreased as a result of fixed-rate mortgage sales totaling $671 million in the first three months of 1994, at a gain of .62% of mortgage sales compared with $455 million in the first three months of last year at a gain of 1.12% of mortgage sales. Servicing income increased as the net servicing spread was 42 basis points of the servicing portfolio at March 31, 1994 or 2 basis points higher than a year ago. Loans serviced for others totaled $12.2 billion at March 31, 1994 compared with $12.9 billion one year earlier.

Retail banking fee and commission income increased from $33.4 million in the three months ended March 31, 1993 to $43.5 million in the three months ended March 31, 1994. Securities operations income and retail banking fees both increased because of expanding activity. Banking fees increased because of higher transaction balances and deposits acquired in acquisitions. The Company has also expanded mutual fund activity which comprises commissions and other income from mutual fund operations. Net revenue from these operations totaled $10.6 million in the three months ended March 31, 1994 compared with $8.9 mil-lion in the same period of 1993. The Company managed mutual funds with assets aggregating $3.3 billion at March 31, 1994 compared with $2.5 billion at March 31, 1993.

The increase in operating and administrative expenses for the three months ended March 31, 1994, compared with the same period in 1993 resulted, in part, from the inclusion of approximately $15 million in expenses related to the HomeFed acquisition completed in December 1993 and from approximately $3 million for repairs of earthquake damage to facilities. During the fourth quarter of 1993, the Company recorded a $30 million restructuring charge, primarily associated with the cost-reduction program at the Company's administrative headquarters. Approximately $9.8 million was charged against these reserves in the first quarter of 1994, principally employee separation expenses and associated costs. Operating expenses increased 6% between the first quarters of 1994 and 1993 and increased 5% between the same periods of 1993 and 1992. The operating ratios were as follows:

<TABLE>
<CAPTION>

<S>	Three Months Ended March 31 1994 <C>	1993 <C>
Operating and administrative expenses (annualized)		
As a percent of average assets		
Corporate	2.80%	2.60%
Banking operations	2.56	2.34
As a percent of average assets and assets serviced for others		
Corporate	2.11	1.94
Banking operations	1.91	1.72
As a percent of average retail deposits		
Banking operations	3.01	2.90
As a percent of revenue		
Corporate	65.52	60.69
Banking operations	68.67	62.16

</TABLE>

The Company expects to eliminate approximately 1,000 jobs by the end of 1994, or 25 percent of the administrative work force. Approximately 500 of these reductions were realized by year-end 1993 from a job-hiring freeze imposed in late summer of 1993. The cost-reduction program, which was designed to increase profits and improve efficiency, will be phased in throughout 1994. Reductions in nonpersonnel related costs will also contribute to the overall savings through renegotiation of existing vendor contracts and elimination of other administrative expenses. Anticipated savings in 1995 and beyond will exceed $100 million annually, a portion of which will be realized in 1994.

Net earnings (annualized) as a percentage of average assets were .52% for the first quarter 1994 compared with .47% for the same 1993 period. The annualized return on average equity was 8.14% for the three month period ending March 31, 1994 compared with 7.37% for the same period a year ago.

The Company's effective tax rate was 41.2% in the first quarter of 1994 and 37.9% in the same period of 1993. The lower rate in 1993 is attributed to a favorable settlement of certain tax issues and the reversal of certain tax liabilities no longer required.

CAPITAL RESOURCES AND LIQUIDITY

Capital (stockholders' equity) was $2.4 billion at March 31, 1994 versus $2.5 billion at March 31, 1993. At the end of the 1994 first quarter the ratio of capital to total assets remained unchanged from a year ago at 6.5%.

GWB is subject to certain capital requirements under applicable regulations and meets all such requirements. At March 31, 1994, GWB's capital was $2.6 billion, including subordinated notes of $429 million.

The following ratios, as of the most recent quarter end, compare GWB with the fully phased-in capital requirements under regulations issued by the Office of Thrift Supervision ("OTS"):

(Dollars in millions)	Actual Amount	Actual %	OTS Benchmark Amount	OTS Benchmark %	Capital Excess
Leverage/tangible ratio	$1,864	5.34	$1,047	3.00	$817
Risk-based ratio	2,509	11.84	1,695	8.00	814

The OTS has amended its risk-based capital rules to incorporate interest-rate risk requirements. Effective July 1, 1994, a savings association is required to hold additional capital if it is projected to experience a 2% decline in "net portfolio value" in the event interest rates increase or decrease by two percentage points. Additional capital required is equal to one-half of the amount by which any decline in net portfolio value exceeds 2% of the savings association's total net portfolio value.

The OTS has proposed to amend its capital rule on the leverage ratio requirement to reflect amendments made by the Office of the Comptroller of the Currency ("OCC") to the capital requirements for national banks. The proposal would establish a 3% leverage ratio (defined as the ratio of core capital to adjusted total assets) for savings associations in the strongest financial and managerial condition. All other savings associations would be required to main- tain leverage ratios of at least 4%. Only savings associations rated composite 1 under the OTS MACRO rating system will be permitted to operate at or near the regulatory minimum leverage ratio of 3%. For all other savings associations, the minimum core capital leverage ratio will be 3% plus at least an additional 100 to 200 basis points.

In determining the amount of additional capital, the OTS will assess both the quality of risk management systems and the level of overall risk in each individual savings association through the supervisory process on a case-by-case basis. The OTS' supervisory judgment on a savings association's capital adequacy, both in terms of risk-based capital and the minimum leverage ratio, will continue to be based upon an assessment of the relevant factors present in each institution.

Savings associations that do not pass the minimum capital standards established under the new core capital leverage ratio requirements will be required to submit capital plans detailing steps to be taken to reach compliance.

GWB currently meets these proposed requirements.

As of March 31, 1994, real estate loan commitments totaled $749 million compared with $777 million at December 31, 1993 and $814 million at March 31 a year ago. These commitments included $610 million of ARMs and $139 million at fixed rates at March 31, 1994. The high percentage of ARM commitments is indicative that the fully adjusted interest rate on ARMs is more than 200 basis points lower than the rates offered on 30-year fixed-rate loans. The Company has several sources for raising funds for lending among which are mortgage repay-ments, mortgage sales, customer deposits, Federal Home Loan Bank borrowings and other borrowings.

The following table presents the debt ratings of the Company and GWB at March 31, 1994:

	Standard & Poor's GWFC	Standard & Poor's GWB	Moody's Investors Service GWFC	Moody's Investors Service GWB

	----	---	----	---
<S>	<C>	<C>	<C>	<C>
Unsecured short-term debt		A-2		P-2
Senior term debt	BBB+	A-	Baa2	A3
Subordinated term debt		BBB+		Baa1
Preferred stock	BBB-		Baa3	

</TABLE>

The origination and sale of real estate loans is dependent upon general market conditions. In an active real estate market loan originations increase. In such periods mortgage sales are usually increased to fund a portion of origi-nations and to control asset growth. However, in some periods mortgage sales occur to fund customer account outflows and repay borrowings which result in asset shrinkage. Mortgage sales also occur to limit interest-rate risk and for restructuring purposes.

As presented in the Consolidated Condensed Statement of Cash Flows the sources of liquidity vary between quarters. The primary sources of funds in the first quarter of 1994 were principal payments on mortgages held for investment of $1.8 billion and sales and repayments of loans available for sale of $716 million. New loans originated for investment required $1.5 billion, net customer account withdrawals totaled $465 million, and repayments of borrowings required $467 million. Operating activities provided $179 million in the current quarter.

The Company continued to maintain liquidity balances each period in excess of funding and legal requirements. Cash and securities totaled $1.4 billion at March 31, 1994 and $1.1 billion at March 31, 1993.

DIVIDENDS

Quarterly cash dividends have been paid since 1977. At its April 1994 meeting, the Board of Directors declared a quarterly cash dividend of $.23 per common share payable in May 1994. The quarterly cash dividend has been paid at this level since the second quarter of 1992.

In the first quarter of 1994 the regular quarterly dividend on the $129 million 8 3/4% cumulative convertible preferred stock, issued in May 1991, and the regular quarterly dividend on the $165 million 8.3% cumulative preferred stock, issued in September 1992, were paid.

The Dividend Reinvestment and Stock Purchase Plan permits a 3% discount on stock purchased with reinvested dividends. During the first quarter 1994 reinvested dividends totaled $4.7 million.

Effective March 31, 1994, Bryant Financial Corporation ("Bryant"), a property development subsidiary, became a wholly-owned direct subsidiary of the Company. This realignment was in the form of a dividend from GWB to GWFC in the amount of Bryant's book value of $38 million.

The principal source of operating income of the Company on an unconsolidated basis is dividends from GWB and Aristar, Inc ("Aristar"). In the first quarter of 1994 cash dividends received from GWB and Aristar totaled $37.8 million and $6.3 million, respectively. GWB is subject to the regulations of the OTS and FDIC. The OTS regulations impose limitations upon "capital distributions" by savings associations, including cash dividends. The regulations established a three-tiered system: Tier 1 includes savings associations with capital at least equal to their fully phased-in capital requirement which have not been notified that they are in need of more than normal supervision; Tier 2 includes savings associations with capital above their minimum capital requirement but less than their fully phased-in requirement; and Tier 3 includes savings associations with capital below their minimum capital requirement. Tier 1 associations may, after prior notice but without approval of the OTS, make capital distributions up to the higher of (1) 100% of their net income during the calendar year plus the amount that would reduce by one half their "surplus capital ratio" (the excess over their fully phased-in capital requirement) at the beginning of

the calendar year or (2) 75% of their net income over the most recent four-quarter period. Tier 2 associations may, after prior notice but without approval of the OTS, make capital distributions of up to 25% to 75% of their net income over the most recent four-quarter period depending upon their current risk-based capital position. Tier 3 associations may not make capital distributions without prior approval. An association subject to more stringent restrictions imposed by agreement may apply to remove the more stringent restrictions.

The Company believes that GWB is a Tier 1 association. Notwithstanding the foregoing, the regulatory authorities have broad discretion to prohibit any payment of dividends and take other actions if they determine that the payment of such dividends would constitute an unsafe or unsound practice. Among the circumstances posing such risk would be a capital distribution by a Tier 1 or Tier 2 association whose capital is decreasing because of substantial losses.

AVERAGE SHARES OUTSTANDING

The average common shares outstanding, based upon daily amounts used in the calculation of earnings per share, are shown below:

	Three Months Ended March 31	
	1994	1993
Primary	133,356,647	131,602,482
Fully diluted	139,698,559	137,944,394

PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's Annual Meeting of Shareholders was held on April 26, 1994. 117,990,775 shares of GWFC common stock were represented at the Annual Meeting in person or by proxy.

Shareholders voted in favor of the election of four nominees for director. The voting results for each nominee were as follows:

Nominee	Votes in Favor of Election	Votes Withheld
John V. Giovenco	117,637,093	353,682
Firmin A. Gryp	117,637,579	353,196
James F. Montgomery	117,646,316	344,459
Alberta E. Siegel	117,625,747	365,028

In addition, the term of office of the following directors continued after the meeting:

Dr. David Alexander
H. Frederick Christie
Stephen E. Frank
Enrique Hernandez, Jr.
John F. Maher
Charles D. Miller
Willis B. Wood, Jr.

Shareholders voted to approve the Great Western Financial Corporation

Annual Incentive Compensation Plan for Executive Officers. 106,185,831 shares were voted in favor of the proposal, 11,405,107 shares were voted against the proposal, and 336,470 shares abstained. There were no broker nonvotes on the matter.

ITEM 5. OTHER INFORMATION

The calculation of the Company's ratio of earnings to fixed charges as of the dates indicated follows:

<TABLE>
<CAPTION>

(Dollars in thousands)	Three Months Ended March 31, 1994	Twelve Months Ended December 31, 1993	Three Months Ended March 31, 1993
<S>	<C>	<C>	<C>
Earnings			
Net earnings	$ 49,475	$ 62,047	$ 45,211
Taxes on income	34,700	30,000	27,600
Earnings before taxes	$ 84,175	$ 92,047	$ 72,811
Interest expense			
Customer accounts	$232,139	$ 939,081	$254,574
Borrowings	74,792	370,761	92,652
Total	$306,931	$1,309,842	$347,226
Rent expense			
Total	$ 14,916	$ 53,638	$ 12,483
1/3 thereof	4,972	17,879	4,161
Capitalized interest	$ 110	$ 777	$ 42
Preferred stock dividends	$ 6,254	$ 25,015	$ 6,254
Ratio of earnings to fixed charges and preferred stock dividends			
Excluding customer accounts			
Earnings before fixed charges	$163,939	$ 480,687	$169,624
Fixed charges	90,514	426,526	106,927
Ratio	1.81	1.13	1.59
Including customer accounts			
Earnings before fixed charges	$396,078	$1,419,768	$424,198
Fixed charges	322,653	1,365,607	361,501
Ratio	1.23	1.04	1.17
Ratio of earnings to fixed charges			
Excluding customer accounts			
Earnings before fixed charges	$163,939	$ 480,687	$169,624
Fixed charges	79,874	389,417	96,855
Ratio	2.05	1.23	1.75
Including customer accounts			
Earnings before fixed charges	$396,078	$1,419,768	$424,198
Fixed charges	312,013	1,328,498	351,429

Ratio	1.27	1.07	1.21

/TABLE

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K
- - --

a. Exhibits

4.1 The Company has outstanding certain long-term debt as set forth in Note 13 of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993. The Company agrees to furnish copies of the instruments representing its long-term debt to the Securities and Exchange Commission (the "SEC") upon request.

10.1 General provisions applicable to Performance Restricted Stock Awards granted under the Great Western Financial Corporation 1988 Stock Option and Incentive Plan, as amended (March 1994).

11.1 Statement re computation of per share earnings.

b. Reports on Form 8-K
- - -------------------

A report on Form 8-K/A dated February 15, 1994, event date December 3, 1993, was filed with the Securities and Exchange Commission providing pro forma financial statements for the acquisition by GWB of HomeFed Bank, F.A.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GREAT WESTERN FINANCIAL CORPORATION
- - -----------------------------------
Registrant

/s/ Carl F. Geuther
- - ------------------------------------
Carl F. Geuther
Executive Vice President and Chief
Financial Officer

/s/ Jesse L. King
- - -------------------------------------
Jesse L. King
Senior Vice President
Controller

DATE: May 11, 1994

GREAT WESTERN FINANCIAL CORPORATION

EXHIBIT INDEX

March 31, 1994

EXHIBIT 10.1

GENERAL PROVISIONS APPLICABLE TO PERFORMANCE RESTRICTED STOCK AWARDS GRANTED UNDER THE GREAT WESTERN FINANCIAL CORPORATION 1988 STOCK OPTION AND INCENTIVE PLAN, AS AMENDED

(MARCH 1994)

The specific purposes of performance-based Restricted Stock Awards authorized under the Great Western Financial Corporation 1988 Stock Option and Incentive Plan, as amended (the "Plan") is to encourage and reward high levels of performance of the Company as measured by returns to shareholders and to thereby align participant interests more closely with those of shareholders. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Plan or the Award Agreement, as the case may be.

These General Provisions supplement the provisions of Award Agreements contemplated by the Plan and shall apply to any Restricted Stock Award granted under Section 4.3 of the Plan when incorporated by reference in the Award Agreement.

1. OWNERSHIP RIGHTS OF RESTRICTED STOCK.

(a) RESTRICTIONS ON TRANSFER. Prior to the time they become vested, neither the shares of Restricted Stock comprising the Award nor any interest therein, amount payable in respect thereof, nor Restricted Property (as defined in Section 8) subject thereto, may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily, other than by will or the laws of descent and distribution.

(b) DIVIDENDS; VOTING RIGHTS. After the Award Date, the Employee Participant (sometimes, "EMPLOYEE" herein) shall be entitled to cash dividends and voting rights with respect to the shares of Restricted Stock subject to the Award even though such shares are not vested, provided that such rights shall terminate immediately as to any shares of Restricted Stock which are forfeited. Any securities or other property receivable or received by the Employee as a result of any non-cash dividend or other distribution (other than a Stock Dividend), conversion or exchange of or with respect to the Restricted Stock will be subject to the restrictions and risks of forfeiture set forth in these General Provisions to the same extent as the shares of Restricted Stock to which such securities or other property relate. For purposes of these General Provisions, "STOCK DIVIDEND" means only a dividend in and of shares of common stock of the Corporation representing less than 25% of the outstanding shares of its Common Stock prior to the dividend.

(c) CERTIFICATES. The Corporation shall issue a certificate or certificates for the shares of Restricted Stock subject to the Award, registered in the name of the Employee, which certificate(s) shall upon redelivery thereof to the Corporation pursuant to subsection (d) below be held by the Corporation until the restrictions on such shares shall have lapsed and the shares shall thereby have become vested or the shares represented thereby are forfeited hereunder. The certificate(s) representing shares forfeited hereunder shall be cancelled. The certificate(s) representing restricted shares shall bear a legend referring to the Award Agreement and restrictions and limitations on such shares.

(d) CERTIFICATES TO BE HELD BY CORPORATION; POWER OF ATTORNEY. Concurrently with the execution and delivery of the Award Agreement, upon delivery to the Employee of the certificate(s) representing shares awarded to such Employee, the Employee shall redeliver such certificate(s) to the Corporation, together with a stock power or stock powers, in blank, with respect to such certificate(s), to be held by the Corporation pursuant to the terms hereof. The Employee, by acceptance of the Award, shall be deemed to appoint the Corporation and each of its authorized representatives as the Employee's attorney(s)-in-fact to effect any transfer of unvested forfeited shares (or shares otherwise reacquired by the Corporation hereunder) to the Corporation as may be required pursuant to the Plan, these General Provisions or the Award Agreement and to execute such documents as the Corporation or such representatives deem necessary or advisable in connection with any such transfer.

2. VESTING; LAPSE OF RESTRICTIONS.

(a) VESTING. The Award shall vest, and restrictions (other than those set forth in Section 10 (Compliance)) shall lapse, on the close of business on the day before the 10th anniversary of the Award Date, PROVIDED that the Employee remains then employed by the Company, unless (i) the Award has earlier vested or has been accelerated, as provided in Section 3(c) (Certain Events), Section 4 (Retirement), Section 5 (Disability or Death), Section 6 (Acceleration for Performance) or Section 8 (Adjustments), or has been otherwise accelerated pursuant to the Plan, or (ii) the Administrator has taken other action with respect to the Award pursuant to Section 6.3 of the Plan.

(b) DELIVERY OF CERTIFICATES. Promptly after the lapse or other release of restrictions, a certificate or certificates evidencing the number of shares of Common Stock as to which the restrictions have lapsed or been released or such lesser number as may be permitted pursuant to Section 11 (Tax Withholding) shall be delivered to the Employee or other person entitled under the Plan to receive the shares. The Employee or such other person shall deliver to the Corporation any representations or other documents or assurances required pursuant to Section 10 (Compliance). The shares so delivered shall no longer be restricted shares hereunder.

(c) MAXIMUM VESTING. The maximum number of restricted shares that may vest on any occasion or event shall not exceed the number of shares that then remain restricted hereunder.

3. EFEECT OF TERMINATION OF EMPLOYMENT.

(a) FORFEITURE AFTER CERTAIN EVENTS. Except as provided in Section 3(c) (Termination Without Cause after Certain Events), Section 4 (Retirement) and Section 5 (Disability or Death), the Employee's shares of Restricted Stock shall be forfeited to the extent such shares have not become vested upon the date an Employee Participant is no longer employed by the Company for any reason, whether with or without cause, voluntarily or involuntarily. If an entity ceases to be a Subsidiary, such action shall be deemed to be a termination of employment of all employees of that entity, but the Administrator may make provision in such circumstances for accelerated vesting of some or all of the remaining restricted shares under any Awards held by such Employees, effective immediately prior to such event.

(b) RETURN OF SHARES. Upon the occurrence of any forfeiture of shares of Restricted Stock hereunder, such unvested, forfeited shares shall, without payment of any consideration by the Corporation for such transfer, be automatically transferred to the Corporation, without any other action by the Employee, or the Employee's Beneficiary or Personal Representative, as the case may be. The Corporation may exercise its powers under Section 1(d) and take any other action necessary or advisable to evidence such transfer. The Employee, or the Employee's Beneficiary or Personal Representative, as the case may be, shall deliver any additional documents of transfer that the Corporation may request to confirm the transfer of such unvested, forfeited shares to the Corporation.

(c) TERMINATION WITHOUT CAUSE FOLLOWING CERTAIN EVENTS. If following an Event described in Section 7.19 of the Plan, the Employee's employment by the Company is involuntarily terminated by the Company other than for cause, as determined by the Administrator in its sole and absolute discretion, then any portion of his or her Award that has not previously vested shall thereupon vest, subject to the provisions of Section 9.

4. EFFECT OF RETIREMENT. If the Employee retires in accordance with the terms of and under the Great Western Retirement Plan or the Company's policies, as from time to time in effect, and if the Administrator determines that such an event has occurred and approves the acceleration of vesting (subject to the provisions of Section 9), the Award shall vest to the following extent as of the date of such approval: (x) 15% of the original Award, multiplied by the number of anniversaries of the Award Date elapsed since the Award Date, minus (y) the percentage of the Award previously vested for performance pursuant to Section 6. Any remaining restricted shares under the Award thereupon shall be forfeited, unless the Administrator provides at such time for additional vesting (subject to the provisions of Section 9) in the circumstances. The Administrator will make its decision regarding such matters no later than 30 days after the date of termination.

5. EFFECT OF DISABILITY OR DEATH. If the Employee incurs a Disability or dies while employed by the Company, the Employee's Award shall vest to the following extent: (x) 20% of the original Award, multiplied by the number of anniversaries of the Award Date elapsed since the Award Date, minus (y) the percentage of the Award previously vested for Performance. Any restricted shares remaining under the Award shall be forfeited, except to the extent that the Administrator prior to the date of vesting (or within 30 days after the date of death, as the case may be) provides that some or all of any remaining restricted shares shall also vest on or as of such date.

6. ACCELERATION FOR PERFORMANCE.

(a) GENERAL; DEFINED TERMS. After the third anniversary of the Award Date, the Administrator shall determine the performance of the Corporation and each member of the applicable Peer Group over the Applicable Performance Period in accordance with the provisions of subsection (b). The performance of the Corporation shall then be ranked on a percentile basis in accordance with the provisions of subsection (c). If and to the extent the Corporation's performance results in a percentile ranking of 50% or more, all or part of the Employee's Award as of the applicable Determination Date shall be subject to accelerated vesting as of such date in accordance with the provisions of subsection (d). To the extent that an Award is not subject to accelerated vesting as of any particular Determination Date by reason of performance, the Award shall remain eligible for accelerated vesting as of each subsequent Determination Date (prior to the forfeiture or other vesting of the Award) based upon the Corporation's performance during each such subsequent Applicable Performance Period.

Terms used in this Section 6 have the following meanings, subject to the Administrator's authority hereunder and under the Plan.

"APPLICABLE PERFORMANCE PERIOD" shall mean the three-year period commencing January 1, 1992 and ending December 31, 1994, or any full three-year period ending on each June 30 and December 31 thereafter within the term of the Award, as the case may be.

"DETERMINATION DATE" shall mean the date as of which the Administrator makes its determination of Total Shareholder Return of the Corporation and of the other companies in the Peer Group for the Applicable Performance Period and other decisions essential to the calculation of the extent (if any) to which Restricted Stock Awards governed by these General Provisions shall vest.

"FAIR MARKET VALUE" shall mean Fair Market Value (as defined in the Plan) except that Common Stock (as used in such definition) shall mean the common stock of the Corporation or the applicable member of the Peer Group, as the case may be.

"PEER GROUP" shall mean the not more than 40 nor less than 20 (excluding the Corporation) financial institutions and/or financial services companies designated by the Administrator as the Peer Group for the Applicable Performance Period, initially those 32 institutions listed on Schedule 1, in all cases subject to the provisions of Section 15 hereof.

"TOTAL SHAREHOLDER RETURN" refers to the compound annual rate of return over the Applicable Performance Period for the Corporation and each other company in the Peer Group from changes in the trading price of each company's common stock and any dividends and other distributions paid by the company on its common stock during the Applicable Performance Period, calculated by (a) assuming that one share of each company's common stock is purchased on the first day of the Applicable Performance Period at a price equal the average Fair Market Value for the 30 trading days immediately prior thereto, (b) assuming that additional shares (or portions of shares) of such company's common stock are purchased with any dividends paid on the initial share and on shares accumulated through the assumed reinvestment of dividends and other distributions, with such purchase being made on the dividend or distribution payment date at a price equal to the Fair Market Value of such company's common stock on that date, (c) calculating the aggregate number of shares of each company's common stock that would be accumulated over the Applicable Performance Period, (d) multiplying this number by the average Fair Market Value of such company's common stock for the 30 trading days immediately prior to the last day of the Applicable Performance Period, and (e) determining the annual compound rate of growth over the Applicable Performance Period between the assumed purchase price set forth in clause (a) and the value resulting from the computation in clause (d).

(b) PERFORMANCE MEASURE AND DETERMINATION. The measurement of performance of the Corporation and each member of the Peer Group shall be based upon the Total Shareholder Return for the Corporation and each member of the Peer Group.

(c) PERCENTILE RNAKING. After the Total Shareholder Return of the Corporation and each member of the Peer Group has been determined, the Administrator shall determine the percentile ranking in Total Shareholder Return of the Corporation relative to all other companies in the applicable Peer Group for the Applicable Performance Period in accordance with Schedule 2 hereto.

(d) VESTING PERCENTAGES. The number of shares of Restricted Stock subject to accelerated vesting by virtue of performance as of any Determination Date shall be determined by multiplying (x) the acceleration percentage that corresponds to the Corporation's percentile ranking for the Applicable Performance Period in the following table, times (y) the number of shares subject to the original Award.

<TABLE>
<CAPTION>

Percentile Ranking Versus Peer Group	Percent of Award That Accelerates

<S>	<C>
Below 50th	0%
At or above 50th but less than 60th	25%
At or above 60th but less than 70th	50%
At or above 70th but less than 80th	75%
At or above 80th	100%

</TABLE>

7. CONTINUANCE OF EMPLOYMENT. The grant of an Award shall NOT confer upon the Employee any right with respect to the continuation of his or her employment by the Corporation or any Subsidiary or alter or interfere in any way with the right of the Corporation or of any Subsidiary at any time to terminate such employment or to change the compensation of the Employee or other terms of his or her employment; and neither shall these terms alter or in any way affect the rights of the Company or the Employee under any other written employment agreement between them, except as expressly provided herein.

8. ADJUSTMENTS UPON SPECIFIED EVENTS. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 6.2 of the Plan (other than a Stock Dividend), the Administrator shall make adjustments if appropriate in the number and kind of securities that may become vested under an Award. If any adjustment shall be made under Section 6.2 of the Plan or an Event described in Section 7.19(ii) of the Plan shall occur and the shares of Restricted Stock are not fully vested upon such Event or prior thereto, the restrictions applicable to such shares of Restricted Stock shall continue in effect with respect to any consideration or other securities (the "RESTRICTED PROPERTY"), other than a Stock Dividend, received in respect of such Restricted Stock. Such Restricted Property shall vest at such times and in such proportion as the shares of Restricted Stock to which the Restricted Property is attributable vest, or would have vested pursuant to the terms hereof if such shares of Restricted Stock had remained outstanding. To the extent that the Restricted Property includes any cash, such cash shall be invested, pursuant to policies established by the Administrator, in interest bearing, FDIC-insured (subject to applicable insurance limits) deposits of Great Western Bank or another depository institution selected by the Administrator, the earnings on which shall be added to and become a part of the Restricted Property.

9. LIMINATIONS ON ACCELERATION AND REDUCTION IN BENEFITS IN EVENT OF TAX LIMITATIONS.

(a) LIMITATION ON ACCELERATION. Notwithstanding anything contained herein or in the Plan or the terms of any employment agreement to the contrary, in no event shall the vesting of any share of Restricted Stock be accelerated pursuant to Section 6.3 of the Plan or Section 3(c) hereof or the terms of any employment agreement if the Corporation would not be allowed a federal income tax deduction for such vesting because of Section 280G of the Code and, in such circumstances, the restricted shares not subject to acceleration will continue to vest in accordance with the other provisions hereof.

(b) REDUCTION IN BENEFITS. If the Employee would be entitled to benefits, payments or coverage hereunder and under any other plan, program or agreement which would constitute "parachute payments," then notwithstanding any other provision hereof or of any other existing agreement to the contrary, the Employee Participant may by written notice to the Secretary of the Corporation designate the order in which such "parachute payments" shall be reduced or modified so that the Corporation is not denied federal income tax deductions for any "parachute payments" because of Section 280G of the Code.

(c) DETERMINATION OF LIMITATIONS. The term "parachute payments" shall have the meaning set forth in and be determined in accordance with Section 280G of the Code and regulations issued thereunder. All determinations required by this Section 9, including without limitation the determination of whether any benefit, payment or coverage would constitute a parachute payment, the calculation of the value of any parachute payment and the determination of the extent to which any parachute payment would be nondeductible for federal income tax purposes because of Section 280G of the Code, shall be made by an independent accounting firm (other than the Corporation's outside auditing firm) having nationally recognized expertise in such matters selected by the Administrator. Any such determination by such accounting firm shall be binding on the Corporation and the Employee Participant.

10. COMPLIANCE; APPLICATION OF SECURITIES LAWS.

No shares of Common Stock shall be delivered, no restricted shares shall vest, and (subsequent to vesting) no shares shall be offered for sale by the holder unless and until any then applicable requirements of the Securities and Exchange Commission (the "COMMISSION") or any other regulatory agency having jurisdiction and any exchanges upon which the Common Stock may be listed shall have been fully satisfied. Upon the Corporation's request, the Participant, or any other person entitled to such shares of Common Stock pursuant to the Award, shall provide a written assurance of compliance (or representations reasonably requested by the Corporation to assure such compliance) satisfactory to the Corporation.

The Administrator may impose such additional conditions on the Award or on its acceleration or vesting or on the payment of any related tax or withholding obligation as in its sole discretion may be required or advisable to satisfy any applicable legal or regulatory requirements, including, without limitation, provisions necessary to avoid liability under Section 16 of the Exchange Act or to secure benefits of Rule 16b-3 (or any successor rule) promulgated by the Commission pursuant to the Exchange Act.

11. TAX WITHHOLDING.

The Corporation shall be entitled to require deduction from other compensation payable to the Employee of any sums required by federal, state or local tax law to be withheld with respect to the vesting of any Award, but, in the alternative, (i) the Corporation may require the Employee or other person in whom the Award may vest to advance such sums in cash, or (ii) the Corporation may allow the Employee or other person in whom the Award vests to irrevocably elect, in such manner and at such time or times prior to any applicable Tax Date as may be permitted or required under Section 6.6 of the Plan and rules established by the Administrator, to have the Company withhold and reacquire shares of Restricted Stock at the time of vesting to satisfy any withholding obligations of the Company employing the Employee with respect to such vesting. An election to have shares so held back and reacquired shall be subject to approval of the Administrator and shall not be available if the Employee has made an election pursuant to Section 83(b) of the Code with respect to such Award.

12. DELIVERY OF SHARES. Vested shares and any amounts deliverable pursuant to the Award shall be delivered and paid only to the Employee or the Employee's Beneficiary or Personal Representative, as the case may be.

13. EMPLOYMENT BY SUBSIDIARIES. Employment by any Subsidiary shall be considered as the equivalent of employment by the Corporation for all purposes hereunder.

14. NOTICES. Any notice to be given under the terms of the Plan, these General Provisions or an Award Agreement shall be in writing and addressed to the Corporation at its principal executive office, to the attention of the Corporate Secretary and to the Employee at the address given beneath the Employee's signature to the Award Agreement, or at such other address as either party may thereafter designate in writing to the other.

15. ADMINISTRATION OF AWARDS.

(a) POWERS OF ADMINISTRATION. The Administrator's authority under Article II of the Plan to interpret and make decisions affecting all Awards extends to these General Provisions and all Awards that incorporate them by reference. Without limiting the generality of the foregoing, but subject to the limitations of the Plan, the Administrator shall have the responsibility for carrying out the intents and purposes of these General Provisions and related Restricted Stock Awards and shall have all powers necessary to accomplish those purposes, including, but not by way of limitation, the following: (i) to construe, interpret and administer the General Provisions and Award Agreements; (ii) to make all determinations required by these General Provisions; (iii) to collect and interpret such reported results of and other information regarding Peer Group entities and the Corporation as the Administrator may deem advisable or appropriate, or to utilize such other readily available information as it may deem advisable or appropriate, with respect to determinations made hereunder; (iv) to determine, compute and certify the extent of vesting and the amount of any other benefits payable to Employee Participants hereunder; (v) to delete, add or substitute any member(s) of the Peer Group in such circumstances as the Administrator deems advisable during any Applicable Performance Period or from one Applicable Performance Period to another, if, in the case of a removal, the Administrator determines that any member's circumstances are such, or an event has occurred, that makes it inappropriate or impractical to retain the entity as a member of the Peer Group or, in the case of an addition or substitution, the Administrator determines that the new member is similar in stature, financial performance, financial condition or other qualities to those companies previously included in the Peer Group, provided, however, that if a Peer Group member has initiated or become the subject of a material announced merger, takeover or other change in control proposal that in the opinion of the Administrator has or may have a material effect upon the determination of such member's Total Shareholder Return for any Applicable Performance Period, the Administrator shall remove such member from the Peer Group, subject to reinstatement of such member to the Peer Group if such proposed transaction is not consummated or if in the discretion of the Administrator any price distortion created by such announcement has abated; and (vi) to, in determining the performance of each relevant entity, make such adjustments as it deems appropriate and equitable in its discretion to reflect changes in capitalization and similar corporate changes affecting the Corporation or any Peer Group entity. In making any discretionary changes or other adjustments hereunder or under the Plan, the Administrator need not make the same adjustments or confer the same benefits on all holders of Restricted Stock.

(b) NO LIABILITY OF ADMINISTRATOR. The determination of the Administrator in good faith as to any disputed question or controversy shall be binding and conclusive. In performing its duties, the Administrator shall be entitled to rely on information, opinions, reports or statements prepared or presented by: (i) officers or employees of the Company whom the Administrator believes to be reliable and competent as to such matters; and (ii) counsel (who may be employees of the Company), accountants and other persons as to matters which the Administrator believes to be within such persons' professional or expert competence. The Administrator shall be fully protected with respect to any action taken or omitted by it in good faith pursuant to the advice of such persons. Neither the Company, the Administrator nor any member of the Administrator or the Board of Directors shall be liable to any Employee Participant for any act or omission of any member or for any act or omission on its, his or her own part, excepting only for its, his or her own willful misconduct.

INITIAL PEER GROUP COMPANIES

Savings & Loans	Banks
[C]	[C]
1 Coast Savings Financial	1 Banc One Corp
2 Dime Savings Bank of NY	2 Bank of Boston Corp
3 Firstfed Michigan Corp	3 Bank of New York Co.
4 Golden West Financial Corp	4 Bankamerica (incl. Sec Pac)
5 H. F. Ahmanson	5 Bankers Trust New York Corp
	6 Barnett Banks
	7 Chase Manhattan Corporation
	8 Chemical Banking Corp (incl. Man Han)
	9 Citicorp
	10 Continental Bank Corp
	11 First Bank System
	12 First Chicago Corp
	13 First Fidelity Bancorp
	14 First Interstate Bancorp
	15 First Union Corp
	16 First Wachovia Corp
	17 Fleet/Norstar Financial Corp
	18 J. P. Morgan & Co.
	19 Mellon Bank Corp
	20 MNC Financial
	21 NationsBank Corp (NCNB & C&S/Sovran)
	22 NBD Bancorp
	23 Northwest Bancorp
	24 PNC Financial Corp
	25 Republic NY Corp
	26 Suntrust Banks
	27 Wells Fargo & Co.

SCHEDULE 1

Exhibit 11.1

GREAT WESTERN FINANCIAL CORPORATION

Computation of Net Income Per Common Share
Primary and Fully Diluted

<TABLE>
<CAPTION>

(Dollars in thousands)	Three Months Ended March 31 1994	1993
<S>	<C>	<C>
Net income	$49,475	$45,211
Preferred stock dividends - convertible and nonconvertible	(6,254)	(6,254)
Net income for computing earnings per Common share - primary	43,221	38,957
Preferred stock dividends - convertible	2,830	2,830
Net income for computing earnings per Common share - fully diluted	$46,051	$41,787

</TABLE>

Computation of Average Number of
Common Shares Outstanding on Primary and Fully Diluted Basis
(In thousands, except per share amounts)

<TABLE>
<CAPTION>

(Dollars in thousands)	Three Months Ended March 31 1994	1993
<S>	<C>	<C>
Average number of Common shares outstanding during each period - without dilution	132,779	130,986
Common share equivalents outstanding at the end of each period	578	616
Average number of Common shares and Common share equivalents outstanding during each period on a primary basis	133,357	131,602
Common share equivalents outstanding at the end of each period on a fully		

diluted basis	-	-
Addition from assumed conversion as of the beginning of each period of the convertible preferred stock outstanding at the end of each period	6,342	6,342
	-------	-------
Average number of Common shares outstanding during each period on a fully diluted basis	139,699	137,944
	=======	=======
Net income per Common share		
Primary	$.32	$.30
Fully diluted	.32	.30

</TABLE>