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THE BECKER WARBURG PARIBAS GROUP
INCORPORATED

ATTACHMENT 1

THE BECKER WARBURG PARIBAS GROUP INCORPORATED AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF OCTOBER 26, 1979, AND OCTOBER 27, 1978

THE BECKER WARBURG PARIBAS GROUP INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED OCTOBER 26, 1979, AND OCTOBER 27, 1978

(000 omitted)

	1979	1978
REVENUES:		
Commissions and floor brokerage	$ 59,499	$ 53,539
Trading profits and underwriting (Note 3)	75,428	45,674
Fees, interest, dividends and other	74,031	48,680
Gain on investment securities	3,946	2,127
	$212,904	$150,020
EXPENSES:		
Employee compensation and benefits	$ 77,401	$ 60,721
Floor brokerage and clearance fees	14,574	11,911
Interest (Note 3)	65,415	39,936
Other	42,652	36,465
	$200,042	$149,033
Income before taxes on income	$ 12,862	$ 987
INCOME TAX PROVISION (BENEFIT) (Note 5)	4,369	(238)
NET INCOME	$ 8,493	$ 1,225

The accompanying notes are an integral part of these statements.

THE BECKER WARBURG PARIBAS GROUP INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

OCTOBER 26, 1979, AND OCTOBER 27, 1978

(000 omitted)

A S S E T S	1979	1978
Cash	$ 12,068	$ 15,950
Deposits with clearing organizations	$ 9,304	$ 7,664
Cash and U. S. Government obligations segregated under Federal and other regulations	$ 10,351	$ -
Money market instruments and trading securities, at market (Notes 2, 3 and 12)-		
Commercial paper	$ 371,183	$ 393,295
Certificates of deposit	308,720	281,246
U. S. Government obligations	179,580	154,949
Corporate securities	90,975	79,868
Bankers' acceptances	36,261	27,795
Municipal securities	4,497	15,360
	$ 991,216	$ 952,513
Money market instruments and trading securities purchased under agreements to resell (Notes 2, 3 and 12)	$1,257,607	$ 607,948
Receivables from customers, less reserve of $479,000 in 1979 and $423,000 in 1978	303,248	322,458
Receivables from brokers and dealers	171,832	123,745
Accrued interest, syndicate settlements, dividends, floor brokerage and other receivables	43,276	23,652
Investment securities, at estimated fair value--cost $4,921,000 in 1979 and $4,023,000 in 1978	10,885	7,501
Exchange memberships, at adjusted cost--market $5,810,000 in 1979 and $3,099,000 in 1978	3,106	1,242
Equipment and leasehold improvements, at cost, less accumulated depreciation and amortization of $6,570,000 in 1979 and $5,289,000 in 1978	7,409	5,032
Other assets	775	179
	$2,821,077	$2,067,884

The accompanying notes are an integral part of these statements.

LIABILITIES AND STOCKHOLDERS' EQUITY	1979	1978
Money market instruments and trading securities sold under agreements to repurchase (Notes 3 and 12)	$1,636,958	$1,148,801
Bank loans (Note 2)	257,258	321,570
Money market instruments and trading securities sold, not yet purchased, at market	418,584	215,711
Payables to customers	227,537	179,236
Payables to brokers and dealers	127,026	84,676
Accounts payable and accrued liabilities	85,350	42,076
	$2,752,713	$1,992,070
Term loans (Note 6)	$ 12,000	$ 10,000
Liabilities subordinated to the claims of general creditors-		
Senior term loans (Note 6)	$ 7,500	$ 5,000
Other (Note 7)	5,806	24,880
Total subordinated liabilities	$ 13,306	$ 29,880
Stockholders' equity-		
Common stock (Note 8)	$ 275	$ 288
Additional paid-in capital	11,249	13,676
Retained earnings	62,657	51,133
	$ 74,181	$ 65,097
Less-		
Treasury stock, at cost	28,145	26,251
Notes due from stockholders (Note 10)	2,978	2,912
Total stockholders' equity	$ 43,058	$ 35,934
	$2,821,077	$2,067,884

THE BECKER WARBURG PARIBAS GROUP INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED OCTOBER 26, 1979, AND OCTOBER 27, 1978

(000 omitted)

	Common Stock	Additional Paid-in Capital
BALANCE, beginning of year	$288	$13,676
Net income	-	-
Proceeds from-		
Sales of treasury stock	-	524
Collection on notes due from stockholders	-	-
Cost of treasury stock purchased	-	-
Additions to notes due from stockholders	-	-
Termination of escrow share agreement (Note 9)	(13)	(2,951)
BALANCE, end of year	$275	$11,249

The accompanying notes are an integral part of these statements.

1979				1978
Retained Earnings	Treasury Stock	Notes Due From Stockholders	Total Stockholders' Equity	Total Stockholders' Equity
$51,133	$(26,251)	$(2,912)	$35,934	$41,130
8,493	-	-	8,493	1,225
-	962	-	1,486	916
-	-	59	59	466
-	(2,856)	-	(2,856)	(7,572)
-	-	(125)	(125)	(231)
3,031	-	-	67	-
$62,657	$(28,145)	$(2,978)	$43,058	$35,934

THE BECKER WARBURG PARIBAS GROUP INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL CONDITION

FOR THE YEARS ENDED OCTOBER 26, 1979, AND OCTOBER 27, 1978

(000 omitted)

	1979	1978
FUNDS PROVIDED BY:		
Net income	$ 8,493	$ 1,225
Add (deduct)- Items not requiring the outlay of funds-		
Unrealized change in carrying value of investment securities	(2,487)	(2,151)
Deferred income tax provision	3,082	1,972
Depreciation and amortization	1,433	1,225
Provided from operations	$ 10,521	$ 2,271
Sale of treasury stock	1,486	916
Collections of stockholders' notes	59	466
Termination of escrow share agreement	67	-
Increases in-		
Money market instruments and trading securities sold under agreements to repurchase	488,157	215,121
Money market instruments and trading securities sold, not yet purchased	202,873	-
Bank loans	-	129,470
Payables to customers	48,301	71,901
Payables to brokers and dealers	42,350	27,212
Accounts payable and accrued liabilities	40,192	4,514
Term loans	2,000	7,000
Other subordinated liabilities	-	3,548
Decreases in-		
Cash	3,882	-
Money market instruments and trading securities	-	40,367
Receivables from customers	19,210	-
Other assets	-	724
	$859,098	$503,510

The accompanying notes are an integral part of these statements.

	1979	1978
FUNDS APPLIED TO:		
Purchases of treasury stock	$ 2,856	$ 7,572
Additions to stockholders' notes	125	231
Purchases of equipment and leasehold improvements, net	3,810	437
Purchases of investment securities	897	17
Decreases in-		
Money market instruments and trading securities sold, not yet purchased	-	41,491
Bank loans	64,312	-
Liabilities subordinated to the claims of general creditors	16,574	-
Increases in-		
Money market instruments and trading securities purchased under agreements to resell	649,659	263,686
Receivables from customers	-	119,297
Receivables from brokers and dealers	48,087	58,214
Accrued interest, syndicate settlements, dividends, floor brokerage and other receivables	19,624	9,688
Cash	-	1,896
Cash and U. S. Government obligations segregated under Federal and other regulations	10,351	-
Deposits with clearing organizations	1,640	805
Exchange memberships	1,864	176
Money market instruments and trading securities	38,703	-
Other assets	596	-
	$859,098	$503,510

THE BECKER WARBURG PARIBAS GROUP INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 26, 1979, AND OCTOBER 27, 1978

(1) ACCOUNTING POLICIES:

(a) The consolidated financial statements include the accounts of The Becker Warburg Paribas Group Incorporated and its subsidiaries (the Company). All material intercompany accounts and transactions are eliminated.

(b) Money market instruments and trading securities are valued at market.

(c) Investment securities generally represent long-term investments in securities which are carried at estimated fair value as determined by management. Investment securities amounting to $8,863,000 as of October 26, 1979, and $5,219,000 as of October 27, 1978, were not readily marketable. In the determination of estimated fair value, the following guidelines were observed:

(i) Marketable securities are valued at the quoted market price or at quoted market less an appropriate discount when it is determined that the public market cannot absorb the entire position at the quoted market price.

(ii) Restricted securities are valued at the quoted market price of their marketable equivalents, less an appropriate discount.

(iii) When an objective measure of fair value is not readily obtainable due to nonmarketability, estimated fair value is measured by bona fide sales of the same securities or similar securities of the same issuer, application of an earnings multiple or other significant factors.

(d) Money market instrument and security transactions and related revenues and expenses are recorded in the accounts on settlement date. Provision is made for net unrealized losses on contractual commitments.

(2) BANK LOANS:

Bank loans include collateral loans of $221,275,000 and other loans of $35,983,000.

Collateral-

Collateral loans represent short-term borrowings made at the rate of interest to brokers and dealers in effect from time to time and are payable on demand. Such short-term borrowings are collateralized by customer-owned securities and firm-owned money market instruments and trading securities. Substantially all money market instruments and trading securities owned by the Company or purchased under agreements to resell which are not covered by repurchase agreements (see Note 3) have been pledged to secure bank loans or securities borrowed.

Other-

Other loans represent primarily short-term borrowings obtained from banks on an unsecured basis. These loans include (a) a borrowing of $18 million, the proceeds of which were used to repay the capital note of the Company (see Note 9), bearing interest at the rate of 13-1/4% and due on December 21, 1979, and (b) a borrowing of $10 million bearing interest at 2% above the lending bank's prime rate and payable on demand. In addition, the Company has a borrowing of $5 million from S. G. Warburg & Co. Ltd. (Warburg) (see Note 9). This borrowing is payable on demand and bears interest at the rate of 1% as long as the funds remain on deposit with Warburg.

(3) REPURCHASE AND RESALE AGREEMENTS:

Repurchase and resale agreements are collateralized financing transactions and are carried at the contract amounts at which the money market instruments or trading securities will be subsequently repurchased or resold. Interest costs and revenues associated with repurchase and resale transactions are included in trading profits and underwriting in consolidated income. Interest costs of $118,829,000 in 1979 and $64,796,000 in 1978 associated with repurchase transactions were offset against such trading profits.

(4) PENSION PLAN:

The Company has a noncontributory pension plan covering substantially all employees. Total pension expense for 1979 was $1,231,000 and for 1978 was $1,162,000, which included normal cost plus amortization of prior-service costs over a 40-year period. As of the date of the latest actuarial valuation, the vested benefits under the plan were funded.

(5) TAXES ON INCOME:

The income tax provision (benefit) includes the following components for 1979 and 1978 (000 omitted):

	Federal	State and Local	Total
1979-			
Current	$ 385	$ 902	$ 1,287
Deferred	2,657	425	3,082
	$ 3,042	$1,327	$ 4,369
1978-			
Current	$(1,856)	$ (354)	$(2,210)
Deferred	1,819	153	1,972
	$ (37)	$ (201)	$ (238)

The deduction for dividends received, tax-exempt interest income on municipal securities, application of the long-term capital gain rate and available investment tax credits cause the effective income tax rate to be lower than the "expected" income tax rate. Deferred income taxes are provided when there are timing differences in recording items for financial reporting and tax purposes. These timing differences relate primarily to the deferral of certain investment tax credits and unrealized gains on trading and investment securities.

(6) TERM LOANS OF SUBSIDIARIES:

A senior term loan of $10 million represents a borrowing from a bank by AGB-WPB Incorporated (AGB-WPB), bears interest at 130% of the lending bank's prime rate plus 3/8 of 1%, and is senior to all indebtedness of AGB-WPB. The note is repayable in four equal semiannual installments commencing June 30, 1981. The note is collateralized by $15 million of subordinated notes issued to AGB-WPB by two of its subsidiaries.

A term loan of $2 million represents an unsecured borrowing from a bank by AGBC Incorporated (AGBC) and bears interest at the rate of 1% above the lending bank's prime rate. The note is repayable in three annual installments as follows: $650,000 on March 1, 1982, $650,000 on March 1, 1983, and $700,000 on March 1, 1984.

Senior subordinated term loans of $7.5 million represent borrowings from banks by A. G. Becker Incorporated (AGB) and are payable in eight equal semiannual installments of $555,000 beginning December 31, 1981, through June 30, 1985, and additional payments of

$1,500,000 and $1,560,000 on December 31, 1985, and June 30, 1986, respectively. The senior subordinated term loans bear interest at 1-3/4% above the lending banks' prime rate and are senior to all other subordinated borrowings of AGB.

(7) OTHER LIABILITIES SUBORDINATED TO THE CLAIMS OF GENERAL CREDITORS:

Other subordinated liabilities consist of the following (000 omitted):

	1979	1978
Capital note	$ -	$18,000
Junior subordinated debentures	5,264	5,846
Cash subordination agreements	542	1,034
	$5,806	$24,880

The capital note was repaid in July, 1979, as required under the terms of the Amalgamation Agreement (see Note 9).

Junior subordinated debentures generally arise from the purchase by the Company of a stockholder's shares when the individual ceases to be a stockholder (see Note 10) and bear interest at rates varying from 7.5% to 11.5%.

Cash subordination agreements bear interest at 8% and are payable in annual installments. Cash subordination agreements mature at various dates through 1983. Under the terms of the cash subordination agreements, either the Company or the lender may terminate the agreement upon giving six months' prior written notice.

(8) COMMON STOCK:

The classes of $.05 par value common stock, each of which is divided into a series of voting and nonvoting stock, are described as follows:

	Shares			
			Outstanding	
Description	Authorized	Issued	1979	1978
Class A-				
Voting	5,200,000	4,379,134	1,775,315	1,739,756
Nonvoting	1,300,000	234,056	162,331	173,948
Class B-				
Voting	5,200,000	572,694	572,694	565,638
Nonvoting	1,300,000	49,656	49,656	48,950
Class C-				
Voting	-	-	-	417,416
Nonvoting	-	-	-	34,634

All share amounts have been adjusted for a two-for-one split effective January 24, 1979. As of June 29, 1979, all Class C stock was converted to Class A stock (see Note 9).

(9) AMALGAMATION AGREEMENT:

The Company is party to an Amalgamation Agreement (Agreement) with S. G. Warburg & Co. Ltd. (Warburg), Paribas International (Paribas) and Warburg-Paribas, Inc. (W-P). W-P is jointly owned by Warburg and Paribas. Pursuant to the Agreement, 276,692 Class A voting shares and 27,670 Class A nonvoting shares were placed into escrow pending the resolution of certain claims of the Company. In connection with the resolution of these claims, the Company received $725,000 in 1979 which is included in other income. Pursuant to the Agreement, the escrow was terminated and the Company distributed 27,946 Class A voting shares and 2,740 Class A nonvoting shares and retired the remainder. At the same time, W-P purchased 7,056 Class B voting shares and 706 Class B nonvoting shares.

During June, 1979, earnings allocated to Class A and Class B shares since the date of the Agreement aggregated $20 million. As a result, all Class C stock was converted to Class A stock and the $18 million capital note to W-P was repaid. The Company entered into a short-term borrowing to obtain the funds to repay the capital note (see Note 2).

The Agreement further provides that, subject to certain conditions, including shareholder approval of a proposed amendment, W-P will acquire additional voting shares which will effectively bring its ownership to 40% of the Company's equity. In addition, W-P will purchase a 25-year, 12% subordinated debenture in the amount of approximately $9.4 million. The proceeds resulting from these acquisitions by W-P will be used to reduce the aforementioned short-term borrowing. Under certain conditions, W-P may acquire additional shares of the Company.

(10) STOCKHOLDER AGREEMENTS:

Under various agreements, the Company sells stock to its officers at net asset value, as defined. These agreements provide for the purchase by the Company of a stockholder's shares when the individual ceases to be a stockholder. Certain officers who have been designated by the Board of Directors as employed in a "senior managerial capacity" have purchased stock under management share agreements. These management share agreements, which are subject to certain conditions other than those agreements governing the regular sale of the Company's stock, provide for payment of 10% in cash and a 15-year note. The balances on these notes mature in varying amounts in the years 1980 through 1993. At October 26, 1979, notes outstanding resulting from the sale of 375,099 shares of Class A common stock paid interest at rates varying from 5% to 8%.

(11) NET CAPITAL REQUIREMENTS:

Certain of the Company's domestic subsidiaries are subject to the Uniform Net Capital Rule promulgated by the Securities and Exchange Commission. As a member of the New York Stock Exchange, Inc., AGB is also subject to the Exchange's Growth and Business Reduction Capital Requirements.

(12) COMMITMENTS:

In the normal course of business, certain subsidiaries of the Company enter into underwriting and delayed delivery commitments. Transactions relating to such commitments, which were open at October 26, 1979, and subsequently settled, had no material effect on the consolidated financial condition of the Company as of that date.

AGB enters into forward commitments involving the purchase and sale of mortgage-backed securities (primarily GNMA). At October 26, 1979, open purchase and sale forward commitments were $742 million and $787 million, respectively. In addition, open standby commitments under which the Company may sell or be required to purchase such securities were $54 million and $83 million, respectively. In the opinion of management, these forward and standby commitments will settle in the normal course of business.

At October 26, 1979, certain subsidiaries of the Company had entered into "matched repurchase" agreements at contract amounts aggregating $325 million which are not reflected in the accompanying consolidated financial statements. A matched repurchase agreement consists of a purchase of money market instruments and trading securities with an agreement to resell at a specific future date and a sale of the same instrument with an agreement to repurchase at the same future date. The principal amount of the contract price of the purchase-resale and the sale-repurchase is equal in amount.

The Company leases office space and equipment. Under noncancelable agreements expiring at various dates through fiscal 1989, all leases are accounted for as operating leases. Certain leases on office space contain escalation clauses providing for increased rentals.

Minimum rental commitments, which have not been reduced by minimum sublease rentals of $4,272,000 due in future years under noncancelable sublease arrangements, are listed below:

Fiscal year ending-	
1980	$ 5,037,000
1981	4,714,000
1982	4,614,000
1983	4,265,000
1984	3,776,000
Subsequent to 1984	11,053,000
	$33,459,000

Rent expense for 1979 and 1978 was $7,212,000 and $6,972,000, respectively. The Company terminated and sold a space lease in 1978 for $1,228,000, which is included as other income in consolidated income.

(13) CONTINGENT LIABILITIES:

The Company is responsible for certain contingent liabilities arising out of litigation in which the former A. G. Becker & Co. Incorporated (the predecessor to the Company) was named a defendant. The Company is also a defendant in other litigation. This litigation includes 5 class actions relating to alleged securities law violations. Class actions such as these are frequently instituted on behalf of a large number of plaintiffs, often name many securities dealers as defendants and typically seek large amounts in damages. In the present opinion of management, after considering the advice of legal counsel, these actions will have no material adverse effect on the Company's consolidated financial condition.

The Company was contingently liable as of October 26, 1979, in the amount of $40 million under irrevocable letter of credit agreements used in lieu of margin deposits. These agreements are generally made for periods of six months to one year and bear interest at a rate of 1/4% per annum.

(14) OTHER MATTERS:

The Company has entered into a partnership with Synecorp Management, Inc. (SMI) and a third company, under terms by which the Company may contribute up to $4 million to the capital of the partnership and may extend up to $2 million in interest-free loans to SMI for its capital contributions, provided that the total amount contributed or loaned outstanding at any one time does not exceed $4 million. In connection therewith, the Company has contributed $1,366,000 and loaned $716,000 as of October 26, 1979. Any loans to SMI are to be repaid by March 31, 1983, or sooner, when certain funds become available to SMI.

Ira T. Wender, President and a Director of the Company, owns a minority interest in SMI. The Company has entered into an agreement with Mr. Wender for an irrevocable option to purchase a percentage of Mr. Wender's interest in SMI. The purchase price will be based on the value of the interest as of December 31, 1981.

ATTACHMENT 2

THE BECKER WARBURG PARIBAS GROUP INCORPORATED
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(000's)

Assets	October 26, 1979	October 27, 1978	October 28, 1977	October 29, 1976	October 31, 1975
Cash	$ 12,068	$ 15,950	$ 14,054	$ 9,091	$ 12,034
Cash and U.S. Government securities segregated under Federal and other regulations	$ 10,351	-	-	-	-
Money market instruments and trading securities, at market -					
Commercial Paper	$ 371,183	$ 393,295	$ 311,152	$ 388,755	$ 464,479
U.S. Government Obligations	179,580	154,949	73,315	316,577	233,398
Certificates of Deposit	308,720	281,246	440,888	125,500	51,609
Bankers' Acceptances	36,261	27,795	92,865	105,395	141,856
Corporate securities	90,975	79,868	70,234	28,502	23,619
Municipal securities	4,497	15,360	4,426	18,193	8,393
	$ 991,216	$ 952,513	$ 992,880	$ 982,922	$ 923,354
Money market instruments and trading securities purchased under agreement to resell	$1,257,607	$ 607,948	$ 344,262	$ 212,799	$ 126,692
Receivables from customers less reserve	303,248	322,458	203,161	146,698	127,684
Receivables from brokers and dealers	171,832	123,745	65,531	48,007	45,795
Other receivables	52,580	31,316	20,823	16,372	17,448
Investment securities, at estimated fair value	10,885	7,501	5,333	4,509	4,151
Exchange Memberships (at adjusted cost)	3,106	1,242	1,066	1,756	1,656
Equipment and leasehold improvements, at cost, less accumulated depreciation and amortization	7,409	5,032	5,820	3,709	2,637
Other assets	775	179	903	1,073	1,173
	$2,821,077	$2,067,884	$1,653,833	$1,426,936	$1,262,624

Liabilities and Stockholders' Equity	October 26, 1979	October 27, 1978	October 28, 1977	October 29, 1976	October 31, 1975
Money market instruments and trading securities sold under agreements to repurchase	$1,636,958	$1,148,801	$ 933,680	$ 784,273	$ 709,752
Loans -					
Secured by firm and customer securities	221,275	321,570	192,100	381,272	258,752
Other	35,983	-	-	-	-
Securities sold, not yet purchased at market	418,584	215,711	257,202	38,760	39,048
Payables to brokers and dealers	127,026	84,676	57,464	38,932	44,740
Payables to customers	227,537	179,236	107,335	81,572	102,307
Accounts payable and accrued liabilities	85,350	42,076	35,590	36,303	47,282
	$2,752,713	$1,992,070	$1,583,371	$1,361,112	$1,201,881
Term loans	$ 12,000	$ 10,000	$ 3,000	-	-
Senior subordinated term loans of subsidiary	$ 7,500	$ 5,000	$ 5,000	$ 3,700	3,000
Liabilities subordinated to the claims of general creditors	$ 5,806	$ 24,880	$ 21,332	$ 20,399	$ 23,513
Stockholders' equity -					
Common stock	$ 275	$ 288	$ 288	$ 273	$ 273
Additional paid-in capital	11,249	13,676	13,376	7,638	6,808
Retained earnings	62,657	51,133	49,908	53,613	46,386
	$ 74,181	$ 65,097	$ 63,572	$ 61,824	$ 53,467
Less -					
Treasury stock, at cost	28,145	26,251	19,295	17,455	16,866
Notes due from stockholders	2,978	2,912	3,147	2,644	2,371
Total stockholders' equity	$ 43,058	$ 35,934	$ 41,130	$ 41,725	$ 34,230
	$2,821,077	$2,067,884	$1,652,533	$1,426,636	$1,262,624

ATTACHMENT 3

THE BECKER WARBURG PARIBAS GROUP INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED OCTOBER 1975-79
(000 Omitted)

	1979	1978	1977	1976	1975
Revenues:					
Commissions and floor brokerage	$ 59,499	$ 53,539	$ 42,886	$ 52,797	$ 63,843
Trading profits and underwriting	75,427	45,674	40,702	55,209	54,932
Fees, interest and dividends and other	74,031	48,680	34,831	27,368	17,383
Gain on investment securities	3,946	2,127	1,915	1,323	888
	$ 212,903	$150,020	$ 120,334	$ 136,697	$ 137,046
Expenses:					
Employee compensation and benefits	$ 77,401	$ 60,721	$ 52,750	$ 55,372	$ 47,094
Floor brokerage and clearance fees	14,574	11,911	8,264	11,210	20,646
Interest	65,414	39,936	23,253	23,020	25,911
Other	42,652	36,465	34,945	31,522	27,048
	$ 200,041	$149,033	$ 119,212	$ 121,124	$ 120,699
Income before taxes on income	$ 12,862	$ 987	$ 1,122	$ 15,573	$ 16,347
Income tax (provision) benefit	(4,369)	238	(185)	(8,046)	(9,330)
NET INCOME	$ 8,493	$ 1,225	$ 937	$ 7,527	$ 7,017

ATTACHMENT 4

The Becker Warburg Paribas Group Incorporated

Capitalization

The following table sets forth the consolidated capitalization of The Becker Warburg Paribas Group Incorporated (BWP) and subsidiaries as of October 26, 1979 and its pro-forma capitalization after giving effect to 1) maximum acceptance of Second Tender Offer and evening-up subscription at 50% as provided by Amalgamation Agreement and 2) the pro-forma capitalization of BWP and BWP Holdings Incorporated if there is maximum acceptance of the Second Tender Offer and an evening-up subscription at 40% as provided by proposed amendments to the Amalgamation Agreement.

(000's Omitted)

		BWP Pro-Forma				
		Maximum Acceptance Of Second Tender And Evening-Up Subscription At 50% As Provided By Amalgamation Agreement		Maximum Acceptance Of Second Tender And Evening-Up Subscription At 40% As Provided By Proposed Amendments To Amalgamation Agreement		BWP Holdings Incorporated Pro-Forma Beginning Capitalization As Of October 26, 1979 (Note 6)
	BWP As Of October 26, 1979	Adjustments (Note 5)	As Adjusted	Adjustments (Note 6)	As Adjusted	
Short-term borrowings	$1,894,216	$(16,440) (d)	$1,877,776	$(16,440)	$1,877,776	$1,877,776
Term loans (Note 1)	$ 12,000	$ -	$ 12,000	$ -	$ 12,000	$ 12,000
Liabilities subordinated to claims of general creditors -						
Senior term loans (Note 2)	$ 7,500	$ -	$ 7,500	$ -	$ 7,500	$ 7,500
Other (Note 3)	5,806	-	5,806	-	5,806	5,806
12% Subordinated Debenture due 2005 of BWP Holdings Incorporated	-	-	-	9,428 (b)	9,428	9,428 (b)
	$ 13,306	$ -	$ 13,306	$ 9,428	$ 22,734	$ 22,734
Warburg-Paribas, Inc. Common Stock interest in BWP Holdings Incorporated	$ -	$ -	$ -	162 (c) $ 3,447 (b)	$ 3,609	$ -
Stockholders' Equity						
6% Cumulative Preferred Stock, $.10 Par Value ($.96 liquidating preference per share); authorized 50,000,000 shares, issued and outstanding 46,395,833 shares	$ -	$ -	$ -	$ -	$ -	$ 4,640
6% Cumulative Preferred Stock, $.05 par value ($19.14 liquidating preference per share); authorized 1,500,000 shares, issued and outstanding 931,115 shares	-	-	-	47 (a)	47	-
Common Stock (Note 4)	275	50 (a)(c)	325	(33) (a)	242	145
Additional paid-in capital	11,249	19,311 (a)	30,560	6,339 133 (Note 5a)	17,721	43,370
Retained earnings	62,657	-	62,657	(162) (c)	62,495	406 (d)
	$ 74,181	$ 19,361	$ 93,542	$ 6,324	$ 80,505	$ 53,561
Less -						
Treasury Stock, at cost	28,145	2,921 (b)	31,066	2,921	31,066	513 (e)
Notes due from shareholders	2,978	-	2,978	-	2,978	2,978
Total stockholders' equity	$ 43,058	$ 16,440	$ 59,498 (Note 7)	$ 3,403	$ 46,461 (Note 7)	$ 50,070 (Note 7)

The Becker Warburg Paribas Group Incorporated
Notes to Capitalization
As Of October 26, 1979

(1) Term Loans

A senior term loan of $10 million represents a borrowing from a bank by AGB-WPB Incorporated (AGB-WPB), bears interest at 130% of the lending bank's prime rate plus 3/8 of 1%, and is senior to all indebtedness of AGB-WPB. The note is repayable in four equal semiannual installments commencing June 30, 1981. The note is collateralized by $15 million of subordinated notes issued to AGB-WPB by two of its subsidiaries.

A term loan of $2 million represents an unsecured borrowing from a bank by AGBC Incorporated (AGBC) and bears interest at the rate of 1% above the lending bank's prime rate. The note is repayable in three annual installments as follows: $650,000 on March 1, 1982, $650,000 on March 1, 1983 and $700,000 on March 1, 1984.

(2) Senior Subordinated Term Loans

Senior subordinated term loans of $7.5 million represent borrowings from banks by A. G. Becker Incorporated (AGB) and are payable in eight equal semiannual installments of $555,000 beginning December 31, 1981, through June 30, 1985, and additional payments of $1,500,000 and $1,560,000 on December 31, 1985 and June 30, 1986, respectively. The senior subordinated term loans bear interest at 1-3/4% above the lending banks' prime rate and are senior to all other subordinated borrowings of AGB.

(3) Other Liabilities Subordinated To The Claims of General Creditors

Other subordinated liabilities consist of the following (000 omitted):

Junior subordinated debentures	$5,264
Cash subordination agreements	542
	$5,806

Junior subordinated debentures generally arise from the purchase by the Company of a stockholder's shares when the individual ceases to be a stockholder and bear interest at rates varying from 7.5% to 11.5%.

Cash subordination agreements bear interest at 8% and are payable in annual installments. Cash subordination agreements mature at various dates through 1983. Under the terms of the cash subordination agreements, either the Company or the lender may terminate the agreement upon giving six months' prior written notice.

(4) Common Stock - Prior to Second Tender and Evening-Up

The classes of $.05 par value common stock, each of which is divided into a series of voting and non-voting stock, are described as follows:

	Shares		
Description	Authorized	Issued	Outstanding
Class A -			
Voting	5,200,000	4,379,134	1,775,315
Non-voting	1,300,000	234,056	162,331
Class B -			
Voting	5,200,000	572,694	572,694
Non-voting	1,300,000	49,656	49,656

(5) The adjustments to BWP's capitalization as of October 26, 1979 reflect the effect of a maximum acceptance of the Second Tender and evening-up subscription by Warburg-Paribas, Inc. ("W-P") at 50% as provided in the Amalgamation Agreement:

a) Issuance by BWP of 1,004,609 shares of Voting Class B Stock for approximately $19,228,000 and 7,000 shares of Voting Class A Stock for approximately $133,000.

b) Repurchase from W-P of 188,543 shares of Voting Class B Stock and 11,241 shares of Non-Voting Class B Stock for $2,921,000 resulting from the repurchase of one share of Class B Stock for every four shares of Class A Stock repurchased by BWP since December 27, 1974 up to such maximum amount as defined in the Amalgamation Agreement.

c) Shares outstanding as of October 26, 1979 after giving effect to a) and b) above and W-P's purchase of 229,322 shares from Class A shareholders under the terms of the Second Tender, such shares being exchanged for Class B Shares.

	Shares		
	Class A	Class B	Total
Voting	1,572,381	1,598,694	3,171,075
Non-voting	142,943	57,803	200,746
	1,715,324	1,656,497	3,371,821

d) The net proceeds received by BWP from the transactions affected in a) and b) above of $16,440,000 will be used to reduce short-term borrowings.

(6) The adjustments to BWP's capitalization as of October 26, 1979 reflect the maximum acceptance of the Second Tender and evening-up Subscription at 40% as provided by the proposed amendments to the Amalgamation Agreement:

a) Reflects exchange of 651,888 shares of BWP Class B Stock for 651,888 shares of 6% Cumulative Preferred Stock and the purchase of 279,227 shares of 6% Cumulative Preferred Stock by W-P with a total liquidating preference value of $17,822,000.

b) Reflects organization of BWP Holdings Incorporated ("BWPH") and its issuance to BWP in exchange for assets and assumed liabilities of BWP and cash subscriptions by W-P of -

	Issued To (000's)					
	BWP		W-P		Total	
	Shares	Book Value	Shares	Book Value	Shares	Book Value
Common Stock, $.05 Par Value	1,744,966	$ 5,168	1,163,311	$ 3,447	2,908,277	$ 8,615*
Preferred Stock	46,395,833	44,540	-	-	46,395,833	44,540
Subordinated Debenture	-	-	-	9,428	-	9,428
		$49,708		$12,875		$62,583

*Reflects book value only; does not include $2,520,000 of memo net asset value items at June 29, 1979.

c) Represents W-P's share of BWPH's earnings for the period July to October 26, 1979.

d) Net income for the period July 1 to October 26, 1979.

e) Net redemption by BWP of $410,000 (427,083 shares) of Preferred Stock and $103,000 (29,642 shares) of Common Stock since June 29, 1979, held as Treasury Stock.

(7) Reflects consolidation of BWP Holdings Incorporated ("BWPH") into BWP. See Note 6 for description of organization of BWPH.

A reconciliation of the pro-forma BWP stockholders' equity under the present Agreement to BWP's pro-forma stockholders' equity under the proposed amendment and to the pro-forma capitalization of BWPH is as follows:

	Pro-Forma Capitalization (000's)		
	BWP Present Agreement	BWP Proposed Amendment	BWPH
Stockholders' Equity	$59,498	$46,461	$50,070
W-P's Common Stock Interest in BWPH	-	3,609	-
Subordinated Debenture Issued to W-P	-	9,428	9,428
Total	$59,498	$59,498	$59,498

Comparative Net Asset Value Per Share Data

The following tables represent the historical net asset value per share of the Company at the close of fiscal years 1974-1979 (adjusted for the 2-for-1 stock split which became effective December 27, 1974, the 10% stock dividend which was distributed March 11, 1977 and the 2-for-1 stock split effective January 26, 1979). Table I refers to the net asset value of the former voting, Class A non-voting (1974) and the new Class A Stock (1975-1979) (1). Table II refers to the net asset value of Class C Stock outstanding until June, 1979 when it was converted into Class A Stock (on the basis of .85005 share of Class A Stock for each share of Class C Stock).

	Net Asset Value Per Share (2)	
	I	II
October 25, 1974	$ 9.65	$ 9.65
October 31, 1975	11.91	11.24
October 29, 1976	14.50	13.03
October 28, 1977	14.26	13.06
October 27, 1978	15.30	13.85
October 26, 1979	$19.47-$19.53(3)	-

(1) On December 27, 1974, each share of the then outstanding voting and Class A non-voting stock was exchanged for an equal number of shares of Class A Stock.

(2) The data for 1974, 1975 and 1976 is not adjusted to reflect the 1% cash dividend paid March 10, 1977.

(3) Represents pro-forma net asset value per share at October 26, 1979 based on effect of Second Tender and Warburg-Paribas, Inc.'s evening-up subscription at 50% under Amalgamation Agreement and effect of proposed amendment as of June 29, 1979.