

CIBC WEST INDIES HOLDINGS LIMITED 1999

CHAIRMAN'S REVIEW

FOR THE NINE MONTHS ENDED JULY 31, 1999

Consolidated net income for the nine months ended July 31, 1999 totalled \$67.0 million compared to \$53.2 million for the corresponding period in 1998. This represents an increase of 25.8% and is due mainly to the acquisition of the retail banking operations of CIBC in the Cayman Islands which was effected February 1, 1999, through the purchase of a 51% interest in CIBC Bank and Trust Company (Cayman) Limited. As a consequence, the Group achieved a return on equity of 2.1 %, compared to the prior year's return of 18.8%. This acquisition was reported in my review covering the previous quarter.

Earnings per share totalled 12.1 cents for the year to date which is equivalent to the level earned in the corresponding period of 1998.

Excluding the results of the recently acquired Cayman Islands' retail banking operations, Group profit remained comparable to that of the prior year. This has been achieved in spite of an increase in the provision for loan losses.

Our new building at Warrens, Barbados is now fully functional. This impressive structure will be known as the CIBC Centre. The concept of this building is primarily to provide customers with "one-stop" banking services catering to the diverse needs of our many customer segments. As such, the CIBC Centre will accommodate our commercial banking centre, a private banking unit, a capital markets and specialized financial services unit, a loans sales centre and an electronic banking service centre.

We expect that our financial returns for fiscal 1999 will reflect the trends established in the first three quarters.

CONSOLIDATED INCOME STATEMENT (HIGHLIGHTS)

(Bds \$'000)

	Unaudited 9 months to July 31, 1999	Unaudited 9 months to July 31, 1998	Audited 12 months to Oct 31, 1998
Income before extraordinary items, taxation and minority interest	97,564	68,782	95,686
Taxation	6,548	9,168	12,980
Income before extraordinary items and minority interest	91,016	59,614	82,706
Minority Interest	(23,986)	(6,353)	(7,690)
Net Income	<u>67,030</u>	<u>53,261</u>	<u>75,016</u>
Earnings per share	\$0.121	\$0.121	\$0.170
Return on assets	2.14%	2.24%	2.28%
Return on equity	<u>22.1%</u>	<u>18.8%</u>	19.5%
Dividend - cents			8.0
Dividend payout ratio			47.0%

CONSOLIDATED BALANCE SHEET (HIGHLIGHTS)

(Bds \$'000)

	Unaudited as at July 31, 1999	Unaudited as at July 31, 1998	Audited as at Oct 31, 1998
Total assets	7,148,167	3,775,655	3,898,129
Total liabilities	6,495,146	3,338,508	3,460,610
Shareholders' equity	485,981	396,136	397,690
Minority interest	167,040	41,011	39,829
