

CIBC WEST INDIES HOLDINGS LIMITED 1999

Chairman's Review

For the Year ended October 31, 1999

Consolidated net income of the Group increased by 27% during 1999 to \$95.0 million. This increase was due mainly to the acquisition of retail banking operations of CIBC in the Cayman Islands which was effected on February 1, 1999 through the purchase of a 51% interest in CIBC Bank and Trust Company (Cayman) Limited (CIBC Cayman)

The Group achieved earnings per share of 17.1 cents before unusual items in 1999 (16.7 cents after unusual items) compared to 17.0 cents earned in 1998. Return on equity totalled 21.8% in 1999 compared to 19.5% in 1998

Total assets increased by 78%, primarily as a result of the purchase of the Cayman operation. Excluding the impact of this acquisition, net assets grew by 13%, with strong growth being registered in both Jamaica and The Bahamas.

During the year, the Group effected a restructuring program in Jamaica which resulted in restructuring costs of \$2.2 million, which have been reflected as an unusual item in the Group's financial statements. This will result in improved efficiency in future years, and forms a part of the Group's region-wide focus on cost reduction.

The directors have approved a 1999 final dividend of 4.0 cents per share, bringing the total dividend payout in 1999 to 8 cents (1998 - 8 cents). The final dividend will be paid on January 10, 2000 to shareholders of record as at the close of business on December 20, 1999.

I am happy to report that the Group's computer systems have been certified as Y2K

compliant. As previously reported, the Group recently implemented a fully compliant Integrated Banking System which will form the platform for our initiatives in process reengineering and other operating efficiencies in the year ahead.

We will also be opening a number of new branches in the coming year.

Given the benefits expected for these initiatives, and the expectation that our regional economies will remain stable during 2000, performance of the Group in fiscal 2000 should continue to produce attractive returns.

CONSOLIDATED INCOME STATEMENT (HIGHLIGHTS)

For the year ended October 31, 1999

(Bds \$'000)

	1999	1998
Income before unusual items, taxation and minority interest	\$130,760	\$95,686
Taxation	<u>4,028</u>	<u>12,980</u>
Income before extraordinary items and minority interest	126,732	82,706
Unusual item - restructuring costs	-2,171	-
Minority Interest	<u>(29,536)</u>	<u>(7,690)</u>
Net Income	<u>\$95,025</u>	<u>\$75,016</u>
Earnings per share - before unusual item	\$0.171	-
Earnings per share	\$0.167	\$0.170
Return on assets	2.05%	2.28%
Return on equity	21.8%	19.5%
Dividend - cents	8.0	8.0
Dividend payout ratio	44.3%	47.0%

CONSOLIDATED BALANCE SHEET (HIGHLIGHTS)

As at October 31, 1999

(Bds \$'000)

	1999	1998
Total assets	6,956,906	3,898,129
Total liabilities	6,297,654	3,460,610
Shareholders' equity	488,954	397,690
Minority interest	170,298	39,829