

CIBC Jamaica Limited

Chairman's Review

FOR THE SIX MONTHS ENDED APRIL 30,2000

Consolidated net income for the six months ending April 30,2000 was \$93.4 million, an increase of \$26.7 million over the first half result in 1999.

Net Interest Income totalled \$506.5 million, a 7% improvement over the prior year which was fueled by a 8.6% increase in loans and Government of Jamaica Repurchase Agreements. Excluding the impact of the gain on the J\$ devaluation, Other Income showed an increase over the prior year of 9.5%.

Good expense management is being exercised, with expenses held to a year-over-year increase of 8%, in line with the prevailing inflation rate.

The Company achieved an average return on equity of 17.9%, compared to 14.2% over the comparable period in 1999. Earnings per share totalled 48.3 cents for the six months ending April 30,2000 compared to 34.5 cents in the prior year.

The impact of the J\$ devaluation on first half results is not anticipated to be repeated. Notwithstanding, we expect strong core results over the remaining fiscal year.

The Directors have declared an interim dividend of 8.0 cents (1999 - 8.0 cents) per share, payable on July 25,2000 to shareholders whose names are registered in the books of the Company at the close of business on June 19, 2000.

CONSOLIDATED BALANCE SHEET J(\$'000)

As at April 30, 2000.

Assets	Unaudited April 30, 2000	Unaudited April 30, 1999	Audited October 31, 1999
Cash resources	5,962,467	3,288,791	5,340,129
Securities	1,646,872	3,030,050	1,721,852
Loans	4,829,738	4,439,414	5,083,006
Net investment in leases	37,074	43,879	39,714
Fixed assets	494,526	507,900	525,490
Other assets	706,550	1,090,247	991,151
	<u>13,677,227</u>	<u>12,400,281</u>	<u>13,701,342</u>
 Liabilities			
Total deposits	12,008,492	10,609,364	11,763,526
Other liabilities	572,948	807,410	935,460
	<u>12,581,441</u>	<u>11,416,774</u>	<u>12,698,986</u>
 Equity			
Share capital & reserves	873,880	714,071	860,385
Retained earnings	221,907	269,436	141,971
	<u>1,095,787</u>	<u>983,507</u>	<u>1,002,356</u>
	<u>13,677,227</u>	<u>12,400,281</u>	<u>13,701,342</u>

CONSOLIDATED STATEMENT OF INCOME (J\$'000)

	Unaudited Six Months April 30, 2000	Unaudited Six Months April 30, 1999	Audited Year October 31, 1999
Total interest income	962,576	870,921	1,849,364
Total interest expenses	<u>(456,041)</u>	<u>(398,953)</u>	<u>(875,130)</u>

Net interest income	506,535	471,968	974,234
Non-interest income	228,798	175,698	454,152
	<u>735,333</u>	<u>647,666</u>	<u>1,428,386</u>
Non-interest expenses	563,610	522,047	1,115,261
Provision for credit losses	49,804	42,796	76,630
	<u>613,414</u>	<u>564,844</u>	<u>1,191,891</u>
Net income before taxation and exceptional items	121,919	82,822	236,495
Exceptional items	-	-	(71,795)
Taxation	<u>(28,488)</u>	<u>(16,131)</u>	<u>(40,493)</u>
Net Income	<u>93,431</u>	<u>66,691</u>	<u>124,207</u>
Average number of common shares outstanding (000's)	193,333	193,333	193,333
Net income per common share in cents	48.3	34.5	64.2

CIBC JAMAICA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (J\$'000)

Audited	Unaudited		October
	Six Months	Six Months	
Year	April 30,2000	April 30,1999	
31,1999			
Cash flows from (used in) operating activities			
Net income before taxation and exceptional items	121,919	82,822	
236,495			
Provision for credit losses	49,804	42,796	
76,630			

Depreciation	57,519	36,351
<u>80,084</u>		
Operating income before changes	229,242	161,970
393,209		
In operating assets and liabilities		
(Increase) in securities, net of disposals	74,980	(1,621,577)
344,901		
Increase in loans and leases, net of repayments	203,464	611,283
(720,258)		
Increase in other assets and liabilities, net	(54,647.83)	57,240.91
189,838		
Increase in deposits, net of withdrawals	244,966	1,627,983
2,782,145		
Cash generated from (used in) operating activities	698,004	836,900
2,989,835		
Corporate taxes paid	(25,912)	(24,522)
(49,329)		
Net cash from (used in) operating activities	672,092	812,378
<u>2,940,506</u>		
Cash flows from (used in) financing activities		
Dividends paid	(23,200)	(23,200)
<u>(38,667)</u>		
Net cash from (used in) financing activities	(23,200)	(23,200)
<u>(38,667)</u>		
Cash flows used in investing activities		
Increase in fixed assets, net	(26,555)	(241,925)
303,248		

Net cash used in investing activities 303,248	26,555	241,925
Net increase (decrease) in cash and cash equivalents 2,598,591	622,337	547,253
Cash and cash equivalents, beginning of year <u>2,741,538</u>	<u>5,340,129</u>	<u>2,741,538</u>
Cash and cash equivalents, end of period <u>5,340,129</u>	<u>5,962,466</u>	<u>3,288,791</u>

CHANGES IN SHAREHOLDERS' EQUITY

	Number of Shares ('000)	Share Capital J\$ '000	Retained Earnings J\$ '000
Balance at October 31, 1998	193,333	96,667	202,745
Net income for the period			66,691
Transfer from retained earnings			
Dividends			
Balance at April 30, 1999	193,333	96,667	269,436
Balance at October 31, 1999	193,333	96,667	141,971
Net income for the period			93,431
Transfer from retained earnings			(13,495)
Dividends			
Balance at April 30, 2000	193,333	96,667	221,907
