

FEDERAL RESERVE SYSTEM

Canadian Imperial Bank of Commerce  
Toronto, Canada

The CIBC World Markets Corporation  
Toronto, Canada

CIBC World Markets Inc.  
Toronto, Canada

CIBC Delaware Holdings Inc.  
New York, New York

Order Approving the Acquisition of a Savings Association

Canadian Imperial Bank of Commerce (“CIBC”), The CIBC World Markets Corporation (“World Markets Corp.”), CIBC World Markets Inc. (“World Markets Inc.”), and CIBC Delaware Holdings Inc. (“Holdings”) (collectively, “Notificants”), all bank holding companies within the meaning of the Bank Holding Company Act (“BHC Act”), have requested the Board’s approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.24 of the Board’s Regulation Y to acquire all the common stock of St. Anthony Bancorp, Inc. (“St. Anthony”), and St. Anthony’s wholly owned subsidiary, St. Anthony Bank, A Federal Savings Bank (“Thrift”), both of Cicero, Illinois.

Notice of the proposals, affording interested persons an opportunity to comment, has been published (65 Federal Register 4975 (2000)). The time for filing comments has expired, and the Board has considered the notices and all comments received in light of the factors set forth in section 4 of the BHC Act.

CIBC, with consolidated assets of \$185 billion, is the largest banking organization headquartered in Canada. CIBC owns a subsidiary depository

institution in Florida, which controls deposits of less than \$1 million,<sup>1</sup> and CIBC also operates a state-licensed branch in Chicago, Illinois; agencies in New York, New York; Atlanta, Georgia; and Los Angeles and Menlo Park, California; and a representative office in Houston, Texas. CIBC engages in a broad range of permissible nonbanking activities in the United States through subsidiaries, including a subsidiary engaged in underwriting and dealing in, to a limited extent, debt and equity securities.

St. Anthony, with total consolidated assets of \$28.3 million, is the 591st largest depository organization in Illinois, controlling less than 1 percent of total deposits of insured depository institutions in the state (“state deposits”).<sup>2</sup>

The Board previously has determined by regulation that the operation of a savings association by a bank holding company is closely related to banking for purposes of section 4(c)(8) of the BHC Act.<sup>3</sup> The Board requires that savings associations acquired by bank holding companies conform their direct and indirect activities to those permissible for bank holding companies under section 4 of the BHC Act. St. Anthony does not currently engage in any activities impermissible for bank holding companies.

#### Competitive Considerations

In order to approve the proposal, the Board is also required by section 4(j)(2)(A) of the BHC Act to determine that the acquisition of St. Anthony by CIBC “can reasonably be expected to produce benefits to the public . . . that

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<sup>1</sup> Asset data for CIBC are as of April 30, 1999, and use exchange rates then in effect, ranking data are as of October 31, 1998, and deposit data are as of December 31, 1999.

<sup>2</sup> Asset data for St. Anthony are as of September 30, 1999, and ranking data are as of June 30, 1999.

<sup>3</sup> 12 C.F.R. 225.28(b)(4).

outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.”<sup>4</sup> As part of its review of these factors, the Board has considered carefully the competitive effects of the proposal in light of all the facts of record.<sup>5</sup> CIBC and St. Anthony do not compete directly in any relevant banking market. Based on all the facts of record, the Board concludes that consummation of the proposal would not result in a monopoly or in any significantly adverse effects on competition or on the concentration of banking resources in any relevant banking market.

#### Convenience and Needs Considerations

In acting on notices to acquire a savings association, the Board reviews the records of performance of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) (“CRA”).<sup>6</sup> The only insured depository institution controlled by CIBC is CIBC National Bank, Maitland, Florida (“CIBC NB”). CIBC NB commenced operations in October 1999, and has not yet received a CRA performance rating from its primary federal supervisor, the Office of the Comptroller of the Currency. The Board has, however, reviewed the record of performance under the CRA of Canadian Imperial Bank of Commerce (New York) (“CIBC(NY)”), a New York state bank subsidiary of CIBC that was operated by CIBC from 1951 until it was voluntarily dissolved in 1996. The performance of CIBC(NY) under the CRA was last reviewed by the Federal Deposit Insurance Corporation on March 14, 1994, and rated

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<sup>4</sup> 12 U.S.C. § 1843(j)(2)(A).

<sup>5</sup> See First Hawaiian, Inc., 79 Federal Reserve Bulletin 966 (1993).

<sup>6</sup> See, e.g., Banc One Corporation, 83 Federal Reserve Bulletin 602 (1997).

“outstanding.”<sup>7</sup> Thrift received a “satisfactory” rating in its most recent CRA evaluation by the Office of Thrift Supervision, dated August 18, 1998.

Based on all the facts of record, including CIBC’s past record of performance under the CRA, the Board concludes that convenience and needs considerations are consistent with approval of the proposal.

#### Financial, Managerial, and Supervisory Considerations

In connection with its review of the public interest factors under section 4 of the BHC Act, and in light of all the facts of record, the Board also has carefully reviewed the financial and managerial resources of CIBC and St. Anthony and their respective subsidiaries and the effect the transaction would have on such resources.<sup>8</sup> The Board has reviewed, among other things, confidential reports of examination and other supervisory information received from the primary federal supervisors of the organizations. Based on all the facts of record, including commitments made by CIBC, the Board concludes that the financial and managerial resources of the organizations involved in the proposal are consistent with approval.

The record indicates that consummation of the proposal would result in benefits to consumers and businesses. The proposal would enable CIBC to provide Thrift’s customers with access to a broad array of products and services throughout an expanded service area. Additionally, there are public benefits to be derived from permitting capital markets to operate so that bank holding companies may make potentially profitable investments in nonbanking companies and from

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<sup>7</sup> Between the dissolution of CIBC(NY) and the establishment of CIBC NB, none of the operations of CIBC or its subsidiaries have been subject to the CRA, though CIBC also operated Canadian Imperial Bank of Commerce California, a California state bank, from 1929 until it was voluntarily dissolved in 1991.

<sup>8</sup> See 12 C.F.R. 225.26.

permitting banking organizations to allocate their resources in the manner they believe is most efficient when, as in this case, those investments are consistent with the relevant considerations under the BHC Act. Based on all the facts of record, the Board has determined that consummation of this proposal can reasonably be expected to produce public benefits that would outweigh any likely adverse effects under the proper incident to banking standard of section 4(j)(2) of the BHC Act.

### Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the notice should be, and hereby is, approved. The Board's approval of the proposal is specifically conditioned on compliance by Notificants with the commitments made in connection with this notice, and on the Board's receiving access to information on the activities or operations of CIBC and any of its affiliates that the Board determines to be appropriate to determine and enforce compliance by CIBC and its affiliates with applicable federal statutes. The Board's approval is also subject to all the conditions set forth in this order and in Regulation Y, including those in sections 225.7 and 225.25(c) (12 C.F.R. 225.7 and 225.25(c)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. These commitments and conditions relied on by the Board in reaching this decision shall be deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

This transaction may not be consummated later than three months after the effective date of this order, unless such period is extended for

good cause by the Board or the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors,<sup>9</sup> effective April 12, 2000.

(signed)

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Robert deV. Frierson  
Associate Secretary of the Board

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<sup>9</sup> Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley and Gramlich. Absent and not voting: Governor Meyer.