U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40 - F

[Check One]

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

þ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the fiscal year ended October 31, 2005 **Commission File Number: 1 - 14678**

CANADIAN IMPERIAL BANK OF COMMERCE

(Exact name of registrant as specified in its charter)

Canada	**6029**	**13-1942440**
(province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Commerce Court
Toronto, Ontario
Canada, M5L 1A2
(416) 980-2211
(Address and telephone number of registrant's principal executive offices)

Michael G. Capatides
Executive Vice-President and General Counsel
425 Lexington Avenue – 3rd Floor
New York, New York, 10017
(212) 667-8301
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common Shares	New York Stock Exchange
Index-Linked Notes due January 30, 2009 (Linked to the Dow Jones Industrial Average sm)	American Stock Exchange
Index-Linked Notes due March 31, 2009 (Linked to the S&P 500® Index)	American Stock Exchange
Principal Protected CIBC Optimizer Notes due January 30, 2009 Linked to a Basket of Ten U.S. Stocks	American Stock Exchange
Principal Protected CIBC Optimizer Notes due April 30, 2009 Linked to a Basket of Ten U.S. Stocks	American Stock Exchange
Principal Protected CIBC Optimizer Notes due June 30, 2009 Linked to a Basket of Ten U.S. Stocks	American Stock Exchange
Principal Protected CIBC Optimizer Notes due March 5, 2009 Linked to a Basket of Ten U.S. Stocks	American Stock Exchange
Principal Protected CIBC Optimizer Notes due March 31, 2009 Linked to a Basket of Ten U.S. Stocks	American Stock Exchange
Index-Linked Notes due August 1, 2011 (Linked to the NASDAQ 100 Index®)	American Stock Exchange
Index-Linked Notes due August 31, 2011 (Linked to the Dow Jones Industrial Average sm)	American Stock Exchange
S&P 500® Index-Linked Callable Notes due July 30, 2010	American Stock Exchange
Index-Linked Notes due June 30, 2011 (Linked to the S&P 500® Index)	American Stock Exchange
CIBC Yield Generator Notes SM due December 22, 2010	American Stock Exchange
Index-Linked Notes due December 31, 2008 (Linked to the S&P 500® Index)	American Stock Exchange
CIBC Yield Generator Notes SM due February 14, 2011	American Stock Exchange
Principal Protected Notes due September 18, 2008 (Based on the Value of a Global Basket of Three Equity Indices)	American Stock Exchange
CIBC Yield Generator Notes SM due March 31, 2011	American Stock Exchange
2.00% Principal Protected Index-Linked Notes due April 29, 2010 (Linked to the Dow Jones Industrial Averagesm)	American Stock Exchange
CIBC Yield Generator Notes SM due May 13, 2010	American Stock Exchange
Principal Protected Index-Linked Notes due June 15, 2010 (Linked to the S&P 500® Index)	American Stock Exchange
CIBC Premium Yield Generator Notes SM due June 30, 2011	American Stock Exchange
Principal Protected “Performance Allocation” Notes due July 29, 2010 (Based on the Value of a Global Basket of Three Equity Indices)	American Stock Exchange
CIBC Premium Yield Generator Notes SM due August 31, 2011	American Stock Exchange
CIBC Premium Yield Generator Notes SM due September 28, 2007	American Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Not Applicable
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

Debt Securities
(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

þ Annual Information Form þ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Common Shares	334,007,626
Class A Preferred Shares:	
Series 18	12,000,000
Series 19	8,000,000
Series 23	16,000,000
Series 24	16,000,000
Series 25	16,000,000
Series 26	10,000,000
Series 27	12,000,000
Series 28	17,658
Series 29	13,232,342
Series 30	16,000,000

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the Registrant in connection with such Rule.

Yes o No þ

Indicate by each mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes þ No o

UNDERTAKING

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to the securities in relation to which the obligation to file an annual report on Form 40-F arises.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F, and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: December 12, 2005

CANADIAN IMPERIAL BANK OF COMMERCE

By: /s/ Gerald T. McCaughey
Gerald T. McCaughey
President and Chief Executive Officer

By: /s/ Tom D. Woods
Tom D. Woods
Senior Executive Vice President and Chief Financial Officer

EXHIBITS

(Information to be filed on this Form pursuant to General Instruction (references are to paragraphs to General Instructions))

Exhibit	Description of Exhibit
B.3(a)	Annual Information Form
B.3(b)	Audited annual financial statements for the year ended October 31, 2005 excerpted from pages 94-151 of CIBC's 2005 Annual Accountability Report including Auditors' Reports with respect to annual financial statements as of October 31, 2005 and 2004 and for the years ended October 31, 2005, 2004 and 2003 and internal controls as of October 31, 2005, under standards of the Public Company Accounting Oversight Board (United States)
B.3(c)	Management's discussion and analysis excerpted from pages 37-93 of CIBC's 2005 Annual Accountability Report
B.3(d)	Other Pages of Annual Report incorporated in Annual Information Form
B.6(a)(1)	Certifications required by Rule 13a-14(a)
B.6(a)(2)	Certifications required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code
B.6(b)	Conclusions Regarding the Effectiveness of the Registrant's Disclosure Controls and Procedures (contained in Exhibit B.3(c))
B.6(c)	Management's annual report on internal control over financial reporting (contained in Exhibit B.3(c))
B.6(d)	Report of the registered public accounting firm (contained in Exhibit B.3(b))
B.6(e)	Changes in internal control over financial reporting (contained in Exhibit B.3(c))
B.7	None
B.8	Disclosure regarding audit committee financial expert
B.9	Disclosure regarding code of ethics
B.10	Principal Accountant Fees and Services (contained in Exhibit B.3(d))
B.11	Disclosure regarding off-balance sheet arrangements (contained in Exhibit B.3(c))
B.12	Tabular disclosure of contractual obligations (contained in Exhibit B.3(c))
B.14	Identification of the Audit Committee (contained in Exhibit B.3(a))
D.9	Consent of Independent Registered Public Accounting Firm

Exhibit B.3(a): Annual Information Form



Canadian Imperial Bank of Commerce

ANNUAL INFORMATION FORM

December 1, 2005

TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS		2
INFORMATION INCORPORATED BY REFERENCE		3
CORPORATE STRUCTURE		3
	Name, Address and Incorporation	3
	Intercorporate Relationships	4
GENERAL DEVELOPMENT OF THE BUSINESS		4
	Three Year History	4
	Trends	6
DESCRIPTION OF THE BUSINESS		6
	The CIBC Organization	6
	Services Provided	6
	Competitive Conditions	6
	Employees	7
	Social and Environmental Policies	7
	Risk Factors	7
SELECTED CONSOLIDATED FINANCIAL INFORMATION		7
	Annual Information	7
	Dividends	7
MANAGEMENT'S DISCUSSION AND ANALYSIS		8
CAPITAL STRUCTURE		8
	Ratings	8
MARKET FOR SECURITIES		9
	Trading Prices and Volume	10
	Prior Sales	11
DIRECTORS AND OFFICERS		11
	Directors and Board Committees	11
	Executive Officers	12
	Shareholdings of Directors and Executive Officers	12
	Corporate Cease Trade Orders or Bankruptcies	12
	Penalties or Sanctions	13
	Personal Bankruptcies	13
	Conflicts of Interest	13
LEGAL PROCEEDINGS		14
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS		14
TRANSFER AGENT AND REGISTRAR		14
MATERIAL CONTRACTS		14
EXPERTS		14
AUDIT COMMITTEE		15
ADDITIONAL INFORMATION		17
Appendix A	Rating Definitions	18
Appendix B	Audit Committee Mandate	20
Appendix C	Policy on the Scope of Services of the Shareholders' Auditors	29

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

From time to time, CIBC makes written or oral forward-looking statements within the meaning of certain securities laws, including in this Annual Information Form, in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission and in other communications. These statements include, but are not limited to, statements about the operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook of CIBC for 2006 and subsequent periods. Forward-looking statements are typically identified by the words "believe," "expect," "anticipate," "intend," "estimate" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." By their nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond CIBC's control, affect the operations, performance and results of CIBC and its business lines, and could cause actual results to differ materially from the expectations expressed in any of CIBC's forward-looking statements. These factors include: legislative or regulatory developments in the jurisdictions where CIBC operates, including developments in Canadian laws regulating financial institutions and U.S. regulatory changes affecting foreign companies listed on a U.S. exchange; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions; the resolution of legal proceedings and related matters; the effect of applying future accounting changes; changes in tax laws; political conditions and developments; the possible effect on CIBC's business of international conflicts and the war on terror; acts of God; reliance on third parties to provide components of CIBC's business infrastructure; the accuracy and completeness of information provided to CIBC by clients and counterparties; intensifying competition from established competitors and new entrants in the financial services industry; technological change; global capital market activity; interest rate fluctuations; currency value fluctuations; general economic conditions worldwide, as well as in Canada, the U.S. and other countries where CIBC has operations; changes in market rates and prices which may adversely affect the value of financial products; CIBC's success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels; changes in client spending and saving habits; and CIBC's ability to anticipate and manage the risks associated with these factors. This list is not exhaustive of the factors that may affect any of CIBC's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on CIBC's forward-looking statements. CIBC does not undertake to update any forward-looking statement that is contained in this Annual Information Form or in other communications.

INFORMATION INCORPORATED BY REFERENCE

Certain disclosure in this annual information form (AIF) is derived and incorporated by reference from CIBC's 2005 Annual Accountability Report for the year ended October 31, 2005 (2005 AAR). The table below identifies pages from the 2005 AAR which are incorporated by reference into this AIF.

AIF Item	2005 AAR – Page Reference
CORPORATE STRUCTURE	
Intercorporate Relationships	152
GENERAL DEVELOPMENT OF THE BUSINESS	
Trends	37-84
NARRATIVE DESCRIPTION OF THE BUSINESS	
The CIBC Organization	10-15, 37-62
Social and Environmental Policies	16-35
Risk Factors	63-80
SELECTED CONSOLIDATED FINANCIAL INFORMATION	
Annual Information	153-163
DIVIDENDS	118-120
MANAGEMENT'S DISCUSSION AND ANALYSIS	37-93
CAPITAL STRUCTURE	118-121
DIRECTORS AND BOARD COMMITTEES	165-168
LEGAL PROCEEDINGS	48-49,141
TRANSFER AGENT AND REGISTRAR	191
AUDIT COMMITTEE	168

Unless otherwise specified, this AIF presents information as at October 31, 2005.

CORPORATE STRUCTURE

Name, Address and Incorporation

Canadian Imperial Bank of Commerce (CIBC) is a diversified financial institution governed by the *Bank Act* (Canada) (Bank Act). CIBC was formed through the amalgamation of The Canadian Bank of Commerce and Imperial Bank of Canada in 1961. The Canadian Bank of Commerce was originally incorporated as Bank of Canada by special act of the legislature of the Province of Canada in 1858. Subsequently, the name was changed to The Canadian Bank of Commerce and it opened for business under that name in 1867. Imperial Bank of Canada was incorporated in 1875 by special act of the Parliament of Canada and commenced operations in that year. The address of the registered and head office of CIBC is Commerce Court, Toronto, Ontario, Canada, M5L 1A2.

Intercorporate Relationships

Information about the intercorporate relationships among CIBC and its principal subsidiaries is provided on page 152 of the 2005 AAR.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

CIBC entered 2003 with a commitment to four clear business strategies: improving productivity, reducing risk, changing its business mix, and growing core businesses. With mandated risk reductions in its wholesale business complete, litigation risk significantly reduced, and having achieved its desired change in business mix, CIBC refocused its business strategies during 2005. The key priorities moving forward are to maintain business strength, improve productivity and restore balance sheet strength.

Business mix[1]:

At the end of 2004, primarily as a result of significant reductions in wholesale economic capital, CIBC had achieved its 2002 objective to change its mix of economic capital to 70% retail/30% wholesale. A new objective was established to manage economic capital within a range of 65%-75% retail/25%-35% wholesale. CIBC's business mix at the end of 2005 is within its stated objective.

Business strength:

CIBC Retail Markets, which now comprises CIBC's retail and wealth businesses, has produced solid results over the last three years. CIBC's cards business leads the industry in purchase volumes and outstanding balances. The CIBC Aerogold VISA card continues to be the industry leader in a mature and intensely competitive marketplace. CIBC has grown its cards business and increased Aerogold card outstandings approximately 4-5% annually over the past three years. However, absolute increases have not kept pace with double-digit industry growth rates over this period, as the Aerogold franchise has matured and CIBC has been actively slowing growth in cards to bring down its loan loss rate for this business, which is now below 4% after having peaked at higher levels. CIBC's residential mortgages business is in a strong #2 position, having been successful in segmenting the marketplace and the introduction of new products to the market at the right time. Our growth in residential mortgages has outpaced the market, with balances increasing 10.5% annually, on average, over the past three years. CIBC's deposits business is one of strength and stability, with average consumer deposits growing steadily over the past three years from approximately $24 billion to over $31 billion. In mutual funds, balances are up from approximately $33 billion at the end of 2002 to over $43 billion at the end of 2005. Imperial service, created six years ago to provide personalized advice to the top 15% of branch banking clients, has increased its number of licensed investment advisors and investment specialists to 1,070. Funds managed per advisor is up 18.5%, since the end of 2002. CIBC Wood Gundy is the #2 full-service brokerage in Canada, as measured in assets, having grown assets under administration from $83 billion to over $109 billion over the past three years.

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[1] For additional information, see the Non-GAAP financial measures section in the 2005 Management's Discussion and Analysis on page 42 of the 2005 AAR.

In the area of consumer credit, CIBC's loan losses remain higher than the industry. Over the past three years, CIBC has focused on reducing risk and capital in its wholesale operations. During this period, the bank's personal lending policies, particularly for unsecured loans and lines of credit, were more aggressive than its industry peers, which led to higher market share at the expense of higher loan losses than the industry. CIBC is actively addressing this problem. CIBC refined the credit adjudication process on underperforming products, and increased emphasis on secured lending to bring the proportion of secured loans in line with industry levels.

In 2005, CIBC adopted a new reporting structure that combined CIBC Retail Markets and CIBC Wealth Management into one strategic business line, CIBC Retail Markets, to reflect a new organizational structure that was established to align our products, services and distribution channels to their relevant customer segments. As a result of the reorganization, CIBC now has two strategic business lines: CIBC Retail Markets which services retail customers and CIBC World Markets which services wholesale customers. These strategic business lines are supported by Corporate and Other.

In 2002, CIBC set a new direction for CIBC World Markets, consistent with CIBC's overall goal to reduce risk and earnings volatility. The business has made strong progress in many areas. By the end of 2004, two of the goals set in 2002 were achieved, a full year ahead of the target date of the end of 2005: (1) Total wholesale economic capital was reduced to $2.6 billion vs. a target of $4 billion; (2) large corporate credit economic capital was reduced to $0.8 billion, in line with CIBC's target.[2] In early 2005, CIBC achieved a third goal set in 2002 of reducing the book value of its merchant banking portfolio below $2.5 billion by the end of 2006. A new target was set to further reduce the carrying value to $1.5 billion by the end of 2006, which was also achieved before the end of 2005.

In Canada, CIBC World Markets has been the leading equity underwriter for each of the past three years. In 2005, the Canadian franchise was also the leader in income trust deals and retail structured products offerings. The U.S. business has been refocused, with investment concentrated on businesses that have good economic returns such as real estate finance, merchant banking, debt capital markets and equity-structured products.

Improving Productivity:

CIBC's medium term objective through 2003 and 2004 was for revenue growth to exceed expense growth and a ratio of non-interest expenses to revenue (efficiency ratio) of 60%. Throughout this period, a number of initiatives, including large investments in our branch network, higher spending on governance, the costs of complying with Basel II, and the consolidation of our New York premises, resulted in CIBC's efficiency ratio remaining higher than 60%, but more importantly, higher than the industry average.

CIBC is committed to improving its productivity. CIBC's objective is to have an efficiency ratio that is at the median or better among the bank's Canadian peers. To meet this strategic objective, CIBC set a tactical goal during 2005 to reduce our expenses by $250 million by the end of 2006.

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2 For additional information, see the Non-GAAP financial measures section in the 2005 Management's Discussion and Analysis on page 42 of the 2005 AAR.

About half of the targeted reduction is expected to come from lower project spending next year. 2005 project spend was greater than the bank's historical norms.

There is a cost focus in other areas as well, including discretionary spending and opportunities for efficiencies in CIBC's organizational structure. The bank announced it would realize annual direct and indirect savings of over $100 million from organizational changes, resulting from reducing layers of management and overlapping accountabilities within head office executive staff.

Balance Sheet Strength:

CIBC believes that a solid capital position is essential to maintaining business growth and prudently managing the bank's risk profile. The Enron-related litigation provision reduced CIBCs Tier 1 capital ratio to 7.5%, below its stated objective of 8.5% but above the regulatory minimum requirement of 7.0%. CIBC's Tier 1 Capital Ratio returned to its stated minimum objective of 8.5% in the fourth quarter of 2005, one quarter earlier than the stated objective of the first quarter of 2006.

The 2005 annual Management's Discussion and Analysis on pages 37 to 93 of the 2005 AAR contains further details on the general development of CIBC's businesses.

Trends

Information about the trends, commitments, events and uncertainties presently known to CIBC's management and reasonably expected to have a material effect on CIBC's business is provided throughout Management's Discussion and Analysis on pages 37 to 84 of the 2005 AAR.

DESCRIPTION OF THE BUSINESS

The CIBC Organization

CIBC's two strategic business lines are CIBC Retail Markets, and CIBC World Markets. These business units are supported by five functional groups: Administration; Corporate Development; Finance; Technology and Operations and Treasury and Risk Management. Information about CIBC's business lines and functional groups is provided on pages 37 to 62 of the 2005 AAR.

Services Provided

CIBC is a diversified financial institution, offering an extensive range of financial products and services to clients in Canada. In the United States and in certain other countries, CIBC offers a limited range of products to certain clients. A more complete description of services provided can be found in the 2005 AAR on pages 53 (CIBC Retail Markets), and 56 (CIBC World Markets).

Competitive Conditions

Canada's financial services sector faces intense competition as many of the barriers to entry have been eliminated over the past few years allowing various types of financial institutions to compete in arenas that were previously prohibited. As well, federal laws and regulations have eased to allow foreign banks to operate in Canada and non-financial institutions to establish banking subsidiaries. Finally, the technological advancements have boosted product innovation and encouraged the advent of specialty competitors. CIBC is a major competitor in this

landscape, as the third largest chartered bank in Canada in terms of total assets as at year-end 2004 and fifth of the big six banks in market capitalization as at November 11, 2005.

CIBC benefits from strength in both its retail and wholesale operations. Retail strength is evident in the credit card business, successful mortgage offerings and a forte in full-service brokerage. On the wholesale side, CIBC World Markets maintains its leadership position in equity underwriting, income trust deals and a large, diverse and flexible service platform.

Competition is reflected not only in the products and services offered and pricing but also in the distribution strategies and technology employed to gain competitive advantage. Increased competition is also evident in the drive for operating efficiencies that may be enhanced through acquisitions and divestitures. CIBC is committed to reaching its publicly stated goals that are aligned with these facets of competition. This determination and commitment ensures that CIBC continues to be a forceful competitor for many years to come.

Consolidation is underway in the financial services industry in North America. It is anticipated that this consolidation could significantly change the competitive landscape in the years ahead.

Employees

At October 31, 2005, CIBC had a regular workforce headcount of 37,308.

Social and Environmental Policies

A description of CIBC's social and environmental policies, along with the steps taken to implement them, is provided on pages 16 to 35 of the 2005 AAR.

Risk Factors

A description of risk factors related to CIBC and its business, and the steps taken to manage those risks, is provided on pages 63 to 80 of the 2005 AAR.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Annual Information (Canadian GAAP)

Selected consolidated financial information for the three most recently completed financial years of CIBC is provided on pages 153 to 163 of the 2005 AAR and is incorporated by reference.

DIVIDENDS

The cash dividends declared and paid per share for each class of CIBC shares can be found on pages 118 to 120 of the 2005 AAR and is incorporated by reference.

CIBC is prohibited by the Bank Act from declaring or paying any dividends on its preferred shares or common shares if there are reasonable grounds for believing that CIBC is, or the payment would cause CIBC to be, in contravention of any capital adequacy and liquidity regulation or any direction to CIBC made by the Office of the Superintendent of Financial Institutions (OSFI) regarding CIBC's capital or liquidity. In addition, under the Bank Act, a bank is prohibited from declaring or paying a dividend in any financial year without the approval of

OSFI if, on the day the dividend is declared, the total of all dividends declared by CIBC in that year would exceed the aggregate of CIBC's net income up to that day in that year and of its retained net income for the preceding two financial years. CIBC obtained approval from OSFI for dividends paid on October 28, 2005 and for dividends to be paid on January 28, 2006 in order to satisfy this requirement.

CIBC's ability to pay common share dividends is also restricted by the terms of the outstanding preferred shares which provide that CIBC may not pay dividends on its common shares at any time without the approval of holders of the outstanding preferred shares unless all dividends to which preferred shareholders are then entitled have been declared and paid or set apart for payment.

CIBC has a common share dividend policy of maintaining a balance between the distribution of profits to shareholders and the need to retain earnings consistent with capital strength and supporting growth in its businesses. In the context of this overall policy, CIBC seeks to create a pattern of stable growth in dividends per common share and has established a long-term average payout ratio of earnings attributable to common shareholders of 40-50%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of CIBC for the year ended October 31, 2005 is provided on pages 37 to 93 of the 2005 AAR.

CAPITAL STRUCTURE

A description of CIBC's capital structure is provided on pages 118 to 121 of the 2005 AAR.

Ratings

The table below provides the ratings for CIBC's Class A Preferred shares and debt securities:

	DBRS	MOODY'S	STANDARD & POOR'S	FITCH
PREFERRED SHARES	Pfd-2 (high)	—	P-1 (low) A-	—
SENIOR DEBT	A (high)	Aa3	A+	AA-
SUBORDINATED DEBT	A	A1	A	A+
SHORT-TERM DEBT	R-1 (mid)	P-1	A-1	F1+

The ratings should not be construed as a recommendation to buy, sell, or hold CIBC securities. Ratings may be revised or withdrawn at any time by the rating agencies.

A definition of the categories of each rating as at October 31, 2005 has been obtained from the respective rating organization's website and is outlined in Appendix A.

MARKET FOR SECURITIES[3]

CIBC maintains a listing of its common shares on the Toronto Stock Exchange and the New York Stock Exchange. CIBC maintains a listing of its preferred shares (except Series 28) on the Toronto Stock Exchange.

The following subordinated debt securities issued by CIBC are listed on the London Stock Exchange, but did not trade on that exchange during the year ended October 31, 2005:

- § US Dollar Floating Rate Debentures Notes due July 2084 with interest at 6-month US$ LIBOR plus 0.25%;
- § US Dollar Floating Rate Subordinated Capital Debentures due August 2085 with interest at 6-month US$ LIBOR plus 0.125%.

The following subordinated debt security issued by CIBC World Markets plc (a wholly-owned subsidiary of CIBC) is listed on the Luxembourg Stock Exchange, but did not trade on that exchange during the year ended October 31, 2005:

- § US Dollar Floating Rate Subordinated Notes due August 14, 2012 with interest at 3-month US$ LIBOR plus 0.35% until August 14, 2007, and 3-month US$ LIBOR plus 1.35% thereafter.

3 From time to time securities of CIBC may be listed on other stock exchanges or quotation systems by investors, brokers or others without the consent or involvement of CIBC. This section does not include debt instruments that are considered deposits.

Trading Prices and Volume

	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05
Common Shares												
High	$ 74.45	$ 74.00	$ 72.59	$ 71.15	$ 73.60	$ 74.77	$ 76.23	$ 77.73	$ 81.16	$ 81.20	$ 74.46	$ 72.99
Low	$ 70.25	$ 69.00	$ 67.66	$ 68.06	$ 69.05	$ 72.51	$ 71.95	$ 72.12	$ 75.60	$ 68.56	$ 70.00	$ 70.03
Vol ('000)	19344	21081	39120	20298	22922	17156	18444	28620	18125	44018	27769	19428
Pref. Series 18												
High	$ 26.88	$ 27.10	$ 27.02	$ 26.68	$ 26.58	$ 26.15	$ 26.45	$ 26.59	$ 26.47	$ 26.20	$ 26.48	$ 26.40
Low	$ 26.13	$ 26.52	$ 26.27	$ 26.00	$ 25.55	$ 25.44	$ 25.76	$ 25.61	$ 25.30	$ 24.76	$ 25.88	$ 25.81
Vol ('000)	148	83	84	109	102	96	88	99	82	210	128	111
Pref. Series 19												
High	$ 27.88	$ 27.97	$ 27.93	$ 27.94	$ 27.70	$ 27.25	$ 27.95	$ 28.10	$ 27.67	$ 27.65	$ 27.87	$ 27.46
Low	27.25	$ 27.65	$ 27.49	$ 27.60	$ 26.50	$ 26.50	$ 27.05	$ 26.90	$ 27.25	$ 27.43	$ 27.26	$ 27.25
Vol ('000)	131	409	536	44	431	419	81	1078	113	434	1739	31
Pref. Series 20 (US$)												
High	$ 26.35	$ 26.25	$ 26.05	$ 26.10	$ 26.09	$ 26.05	$ 25.95	$ 26.00	$ 25.85	$ 25.95	$ 26.35	$ 25.55
Low	$ 26.00	$ 25.75	$ 25.75	$ 25.71	$ 25.65	$ 25.70	$ 25.70	$ 25.35	$ 25.51	$ 25.61	$ 25.25	$ 25.35
Vol ('000)	124	373	35	34	188	31	48	49	10	281	341	82*
Pref. Series 21												
High	$ 27.40	$ 27.45	$ 27.23	$ 26.95	$ 27.18	$ 26.59	$ 26.58	$ 26.50	$ 26.05	$ 25.98		
Low	$ 26.56	$ 26.10	$ 26.30	$ 25.66	$ 26.27	$ 26.21	$ 26.21	$ 25.94	$ 25.94	$ 25.98		
Vol ('000)	31	523	25	239	290	21	15	75	134	1*		
Pref. Series 22 (US$)												
High	$ 26.90	$ 27.25	$ 27.00	$ 26.80	$ 26.64	$ 26.55	$ 26.40	$ 26.50	$ 26.00			
Low	$ 26.60	$ 26.41	$ 26.08	$ 26.22	$ 26.10	$ 26.20	$ 26.20	$ 25.95	$ 25.95			
Vol ('000)	113	47	40	38	18	29	17	68	65*			
Pref. Series 23												
High	$ 28.25	$ 28.55	$ 28.24	$ 28.27	$ 27.94	$ 27.70	$ 28.10	$ 28.05	$ 27.94	$ 27.80	$ 27.81	$ 27.58
Low	$ 27.79	$ 27.90	$ 27.89	$ 27.65	$ 27.00	$ 26.90	$ 27.30	$ 27.45	$ 27.70	$ 27.25	$ 27.20	$ 27.40
Vol ('000)	903	43	1153	647	356	225	488	2919	261	510	674	157
Pref. Series 24												
High	$ 27.25	$ 27.76	$ 27.45	$ 27.69	$ 26.84	$ 27.25	$ 26.93	$ 27.34	$ 26.80	$ 26.99	$ 26.89	$ 26.69
Low	$ 26.61	$ 27.06	$ 27.06	$ 26.86	$ 26.10	$ 26.18	$ 26.45	$ 26.50	$ 26.51	$ 26.20	$ 26.29	$ 26.12
Vol ('000)	238	1133	226	443	1711	176	195	193	142	167	208	156
Pref. Series 25												
High	$ 27.50	$ 27.66	$ 27.50	$ 27.68	$ 26.87	$ 26.76	$ 26.92	$ 27.39	$ 26.95	$ 26.90	$ 26.99	$ 26.59
Low	$ 26.69	$ 27.05	$ 27.00	$ 26.71	$ 26.02	$ 26.22	$ 26.46	$ 26.60	$ 26.56	$ 26.35	$ 26.35	$ 26.26
Vol ('000)	202	1165	895	264	1673	128	216	134	136	152	153	100
Pref. Series 26												
High	$ 27.15	$ 27.25	$ 27.00	$ 27.08	$ 26.55	$ 26.45	$ 26.80	$ 27.11	$ 26.87	$ 26.80	$ 26.79	$ 26.47
Low	$ 26.30	$ 26.83	$ 26.59	$ 26.55	$ 25.50	$ 26.15	$ 26.21	$ 26.37	$ 26.37	$ 26.16	$ 26.15	$ 26.04
Vol ('000)	152	82	108	198	492	298	93	109	74	141	73	81
Pref. Series 27												
High	$ 27.00	$ 27.39	$ 27.12	$ 27.20	$ 26.57	$ 26.20	$ 26.45	$ 27.07	$ 26.77	$ 26.64	$ 26.83	$ 26.50
Low	$ 26.35	$ 26.66	$ 26.49	$ 26.20	$ 25.75	$ 25.75	$ 25.86	$ 26.32	$ 26.31	$ 26.20	$ 26.15	$ 26.13
Vol ('000)	135	137	161	137	173	77	127	120	126	127	70	138

Pref. Series 28						
High	$ 10.80	$ 11.50	$ 11.79	$ 11.25	$ 11.01	$ 10.45
Low	$ 10.05	$ 10.70	$ 11.10	$ 10.95	$ 9.46	$ 9.76
Vol (‘000)	228	69	85	21	32	187**

	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05
Pref. Series 29												
High	$26.20	$27.03	$26.99	$26.85	$26.25	$26.00	$26.20	$26.24	$26.10	$26.10	$26.48	$26.19
Low	$25.35	$25.95	$26.36	$25.75	$24.87	$25.11	$25.25	$25.75	$25.90	$25.65	$25.97	$25.65
Vol (‘000)	1367	1339	1121	380	289	383	171	216	172	274	161	187
Pref. Series 30 ***												
High					$24.15	$24.50	$25.00	$25.75	$25.09	$24.90	$25.15	$24.89
Low					$23.81	$23.85	$24.35	$24.90	$24.60	$24.50	$24.66	$24.26
Vol (‘000)					1483	696	609	3232	455	491	973	270

* Preferred shares were redeemed during the month indicated.

** Delisted on May 1, 2005

*** New Issue on March 10, 2005

Prior Sales

CIBC sold one issue of subordinated debt securities during the year ended October 31, 2005. The issue is not listed or quoted on an exchange:

§ $1.3 billion 3.75% Debentures due September 9, 2015 were issued on September 9, 2005, at a price of 99.81%.

DIRECTORS AND OFFICERS

Directors and Board Committees

Information concerning the directors and board committees of CIBC is found on pages 165 to 168 of the 2005 AAR and is incorporated by reference.

All of the directors have held their business affiliations indicated on page 167 of the 2005 AAR for the past five years with the exception of the following:

(i) Gary F. Colter who was Vice-Chairman, KPMG Canada from 2001 to 2002;

(ii) William A. Etherington who retired as Senior Vice-President and Group Executive, Sales and Distribution, IBM Corporation and Chairman, President and Chief Executive Officer, IBM World Trade Corporation in 2001.

(iii) Margot A. Franssen who was formerly President and Partner, The Body Shop Canada from 1980 to 2004;

(iv) Hon. Gordon D. Giffin who was the United States Ambassador to Canada from 1997 — 2001;

(v) John S. Lacey who was formerly the Chairman of the Board of Directors of Loewen Group Trustee from 1999 to 2002;

(vi) Hon. John P. Manley who was in public service from his election to Parliament in 1988 until 2004. He was appointed to Cabinet in 1993, appointed as Deputy Prime Minister in 2002 and also served as Finance Minister from 2002 to 2003; and

(vii) Cynthia M. Trudell who was Vice President of General Motors, and Chairman and President of Saturn Corporation, a wholly owned subsidiary of General Motors, from 1999 to 2001.

All the directors stand for re-election on an annual basis.

Executive Officers

The following are CIBC's executive officers, their titles and their municipalities of residence, as at December 1, 2005:

Name	Position	Municipality of Residence
McCaughey, G.T. (Gerry)	President and Chief Executive Officer	Toronto
Baxendale, S. (Sonia)	Senior Executive Vice-President, CIBC Retail Markets	Toronto
Dodig, V.G. (Victor)	Executive Vice President, Wealth Management	Toronto
Lalonde, R.A. (Ron)	Senior Executive Vice-President, Chief Administrative Officer	Toronto
McGirr, S.R. (Steve)	Senior Executive Vice-President and Chief Risk Officer, Treasury and Risk Management	Toronto
Shaw, B. (Brian)	Chairman and Chief Executive Officer, CIBC World Markets	Toronto
Venn, R.E. (Richard)	Senior Executive Vice-President, Corporate Development, Managing Director and Deputy Chairman, CIBC World Markets	Toronto
Woeller, M.D. (Mike)	Vice Chair and Chief Information Officer, Technology and Operations	London, Ontario
Woods, T.D. (Tom)	Senior Executive Vice-President and Chief Financial Officer	Toronto

All of the executive officers have held their present business affiliations for more than five years except Victor Dodig who was formerly Managing Director and Chief Executive Officer of UBS Global Asset Management Canada, Toronto, Ontario from 2002 to April 2005, and prior to that, held several senior positions at Merrill Lynch & Co. from 1997 to 2002.

Shareholdings of Directors and Executive Officers

To the knowledge of CIBC, as at October 31, 2005, the directors and executive officers of CIBC as a group, beneficially owned, directly or indirectly, or exercised control or direction over less than 1% of the outstanding common shares of CIBC and no director or executive officer of CIBC beneficially owned or controlled voting securities of any subsidiaries of CIBC.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of CIBC, in the last ten years, no director or executive officer of CIBC is or has been a director or executive officer of an issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade order or similar order, or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days, (b) was the subject of an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade order or similar order or an order that denied the issuer access to an exemption under securities legislation, for a period of more than 30 consecutive days or (c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets except for the following:

(i) Mr. Charles Sirois, a director of CIBC, who was acting as chairman of the board of directors of Microcell Telecommunications Inc. when it elected, and was granted protection, to restructure its capital under the Companies' Creditors Arrangement Act (CCAA) in January 2003. In May 2003, Microcell successfully emerged from the CCAA

proceedings and was restructured pursuant to a plan of reorganization and of compromise and arrangement filed in February 2003, adopted by its affected creditors and judicially sanctioned. Mr. Sirois ceased to be a director of Microcell in 2004; and

(ii) Mr. John S. Lacey, a director of CIBC, was asked by a group of shareholders to lead a restructuring of The Loewen Group Inc. (Loewen) and was acting as Chairman of the Board of Loewen when it filed a petition for creditor protection under Chapter 11 of the U.S. Bankruptcy Code and the CCAA in June 1999. In January 2002, Loewen successfully emerged from Chapter 11 and CCAA proceedings as Alderwoods Group Inc. where Mr. Lacey remains as Chairman of the board.

(iii) Mr. Ron Tysoe, a director of CIBC, was a director of Allied Stores Corporation and Federated Department Stores, Inc. when both companies filed for Chapter 11 in January 1990. Mr. Tysoe ceased to be a director of Allied Stores Corporation in 1992 and Federated Department Stores, Inc. in May 2005.

(iv) Hon. John P. Manley, a director of CIBC, was a director of Nortel Networks Corporation and Nortel Networks Limited (collectively, the "Nortel Companies"), when the Ontario Securities Commission (the "OSC") made final an order prohibiting all trading by directors, officers and certain current and former employees of the Nortel Companies on May 31, 2004, by reason of the Nortel Companies having announced the need to restate certain of their previously reported financial results and the resulting delays in filing their interim and annual financial statements for certain periods by the required filing dates under Ontario securities laws. This order was revoked by the OSC on June 21, 2005. Mr. Manley remains as a director of the Nortel Companies.

Penalties or Sanctions

To the knowledge of CIBC, no director or executive officer of CIBC, (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the knowledge of CIBC, in the last ten years, no director or executive officer has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Conflicts of Interest

To the knowledge of CIBC, no director or executive officer of CIBC has an existing or potential material conflict of interest with CIBC or any of its subsidiaries.

LEGAL PROCEEDINGS

A description of legal proceedings to which CIBC is a party is provided under the heading “Contingent Liabilities” on Page 141 of the 2005 AAR.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of CIBC, no director or executive officer of CIBC, or any of their associates has any material interest, directly or indirectly, in any transaction within the three most recently completed financial year that has materially affected or will materially affect CIBC.

TRANSFER AGENT AND REGISTRAR

The addresses for CIBC’s transfer agent and registrar are provided on page 191 of the 2005 AAR.

MATERIAL CONTRACTS

On December 22, 2003, CIBC agreed with the staff of the U.S. Securities and Exchange Commission (SEC) to a settlement resolving the SEC’s investigation regarding certain structured finance transactions between CIBC and Enron. Without admitting or denying any wrongdoing, CIBC consented to an injunction enjoining it from violations of the anti-fraud provisions of U.S. federal securities laws. Under the settlement, CIBC paid a total of US$80 million in disgorgement, penalties and interest, which was provided for in the 2003 consolidated financial statements. This settlement concluded the SEC’s investigation into Enron-related matters with respect to CIBC.

On the same day, CIBC entered into an agreement with the U.S. Department of Justice (DOJ). The DOJ has agreed not to prosecute CIBC for violations of criminal law that, in the DOJ’s view, were committed by CIBC and its employees related to certain structured finance transactions between CIBC and Enron, subject to certain understandings for a three-year period ending December 22, 2006, including: CIBC’s continued cooperation with the DOJ; CIBC’s acceptance of responsibility for conduct of CIBC’s employees; CIBC’s agreement to exit certain structured finance businesses and transactions; CIBC’s agreement to adopt and implement new policies and procedures related to the integrity of client and counterparty financial statements and quarter and year-end transactions; and CIBC’s retention of a law firm to monitor our compliance with these new policies and procedures. CIBC also agreed with the Federal Reserve Bank of New York and the Office of the Superintendant of Financial Institutions, Canada to implement the policies and procedures outlined in our agreement with the DOJ and, for three years, to retain an independent firm to review and monitor our compliance with these policies.

EXPERTS

Ernst & Young LLP is the external auditor who prepared the Independent Auditors’ Reports to Shareholders — Report on financial statements and Report on internal control over financial reporting under the Standards of the Public Company Accounting Oversight Board (United States).

To the knowledge of CIBC, as at October 31, 2005, partners and employees of Ernst & Young LLP collectively, beneficially do not own, directly or indirectly, issued and outstanding securities of CIBC or any of CIBC's affiliates.

AUDIT COMMITTEE

The Audit Committee Mandate as approved by the Board is included in Appendix B. The members of the Audit Committee are listed below. Each member of the Audit Committee is independent and financially literate as defined by Canadian securities laws.

Education and Experience

This section describes the education and experience of CIBC's Audit Committee members that is relevant to the performance of their responsibilities in that role.

The Chair of the Audit Committee, Mr. Gary Colter, is a financial expert with prior experience as a long time member of the senior management team of KPMG Canada. Each member of the Audit Committee currently is, or has previously been, in charge of, or a consultant to, a significant business operation, often as president or chief executive officer of a large public company, or in the case of the Honourable John Manley, the Minister of Finance for the government of Canada. In this position, they would have actively supervised people engaged in preparing, auditing, analyzing or evaluating financial statements. Given the breadth and complexity of a financial institution's accounting issues, the Audit Committee members participate from time to time in internal or external sessions related to accounting matters or developments. The Chair of the Audit Committee instituted a voluntary self-directed learning program that identifies a number of North American director development courses with a focus on audit committee responsibilities and finance, audit and accounting essentials for directors. Travel and attendance costs are paid by CIBC. Further detail on the education and experience of each Audit Committee member is set out below.

Jalynn H. Bennett C.M.

Mrs. Bennett is President of Jalynn H. Bennett and Associates Ltd., a Toronto-based consulting firm specializing in strategic planning and organizational development. She is a past director of the Bank of Canada and a former commissioner of the Ontario Securities Commission. Prior to setting up her own consulting firm, Mrs. Bennett was associated for nearly 25 years with The Manufacturers Life Insurance Company. Mrs. Bennett is also a director of Nortel Networks Corporation, Nortel Networks Limited, Teck Cominco Limited and The Cadillac Fairview Corporation Limited. She is very active on boards and committees of institutions and organizations in the education and health sectors in Ontario and was a member of the Canadian Institute of Chartered Accountants 2000 Toronto Stock Exchange Committee on Corporate Governance.

Gary F. Colter, F.C.A.

Mr. Colter is President of CRS Inc., a corporate restructuring and strategy management consulting company. Prior to establishing CRS Inc., Mr. Colter was a long-time member of the senior management team of KPMG Canada. He served as Vice Chairman of KPMG Canada from January 2001 to August 31, 2002, was Managing Partner of Global Financial Advisory Services, KPMG International from 1998 to 2000, and from 1989 to 1998 was Vice Chairman of Financial Advisory Services, KPMG Canada. Mr. Colter is a director of Owens-Illinois Inc., the Saskatchewan Wheat Pool, Core-Mark Holding Company Inc. and Retirement Residences Real Estate Investment Trust.

Mr. Colter received an Honours Bachelor of Arts degree in Business Administration from the Ivey Business School at University of Western Ontario and is a Fellow Chartered Accountant.

Ivan E.H. Duvar

Mr. Duvar, past Chair of CIBC's Audit Committee, is President and Chief Executive Officer of MIJAC Inc., a private investment company. He served as Chairman of Maritime Tel & Tel Limited from 1995 to 2000 and as President and Chief Executive Officer of Maritime Telegraph and Telephone Company from 1985 to 1995. Mr. Duvar is a director of several other Canadian corporations including WAJAX Limited, WAJAX Income Fund, and ING Canada Inc. He is a Chair or past Chair of the audit committee of certain Canadian companies, a member of Professional Engineers of Nova Scotia and a fellow of the Canadian Academy of Engineering. Mr. Duvar has also received a Certificate in Industrial Management from Canadian Institute of Management.

The Honourable John P. Manley

Hon. John Manley is senior counsel, McCarthy Tétrault LLP. Throughout more than 15 years of public service, Mr. Manley has held several senior portfolios in the Canadian federal government. He was in public service from his election to Parliament in November 1988 until June 2004. He was appointed to Cabinet in November 1993, appointed as Deputy Prime Minister of Canada in January 2002 and also served as Finance Minister from June 2002 to December 2003. Mr. Manley is also a director of Nortel Networks Corporation and Nortel Networks Limited.

Cynthia M. Trudell

Dr. Trudell is Vice President of Brunswick Corporation and serves as President of the Sea Ray Group. Before joining the Sea Ray Group, she served as Vice President of General Motors, and Chairman and President of Saturn Corporation, a wholly owned subsidiary of General Motors, from 1999 until 2001. Dr. Trudell held a number of progressively senior positions with General Motors from 1981 until 1996, when she became President of IBC Vehicles in Luton, England, a joint venture between General Motors and Isuzu. Dr. Trudell is a director and member of the Audit Committee of PepsiCo. Inc. and serves on the Advisory Board of the University of Tennessee School of Business Administration.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy for the engagement of the shareholders' auditors. The text of the policy is included in Appendix C.

Fees for Services provided by External Auditors

The information on professional service fees by External Auditors are provided on Page 160 of the 2005 AAR.

ADDITIONAL INFORMATION

Additional information with respect to CIBC, including directors' and officers' remuneration and indebtedness, principal holders of CIBC's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in CIBC's management proxy circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in CIBC's financial statements and MD&A for its most recently completed financial year. These documents, as well as additional information relating to CIBC, are available on SEDAR at www.sedar.com.

Appendix A
Rating Definitions

Dominion Bond Rating Service (DBRS)

Preferred Shares — Rating: Pfd-2 (high)

Satisfactory credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet and coverage ratios are not as strong as Pfd-1 rated companies. Generally Pfd-2 ratings correspond with companies whose senior bonds are rated 'A' cateogory.

Senior Debt — Rating: A (high)

Satisfactory credit quality. Protection of interest and principal is substantial, but the degree of strength is less than that of AA rated entities. While "A" is a respectable rating, entities in this category are considered to be more susceptible to adverse economic conditions and have greater cyclical tendencies than higher-rated securities.

Subordinated Debt — Rating: A

Satisfactory credit quality. Protection of interest and principal is still substantial, but the degree of strength is less than with AA rated entities. While a respectable rating, entities in the "A" category are considered to be more susceptible to adverse economic conditions and have greater cyclical tendencies than higher rated companies.

Short-Term Debt — Rating: R-1 (mid)

Superior credit quality and, in most cases, ratings in this category differ from R-1 (high) credits by only a small degree. Given the stringent requirements DBRS has established for the R-1 (high) category, entities rated R-1 (middle) are also considered strong credits, and typically exemplify above average strength in key areas of consideration for the timely repayment of short-term liabilities.

Moody's

Senior Debt — Rating: Aa3

Debts judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade debts. They are rated lower than the best debts because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities

Subordinated Debt — Rating: A1

Banks rated A possess exceptional intrinsic financial strength. Typically, they will be major institutions with highly valuable and defensible business franchises, strong financial fundamentals, and a very attractive and stable operating environment

Short-Term Debt — Rating: P-1

Prime-1 Issuers rated Prime-1 (or supporting institutions) have a superior ability for repayment of senior short-term debt obligations. Prime-1 repayment ability will often be evidenced by many of the following characteristics:

- Leading market positions in well-established industries.
- High rates of return on funds employed.
- Conservative capitalization structure with moderate reliance on debt and ample asset protection.
- Broad margins in earnings coverage of fixed financial charges and high internal cash generation.
- Well-established access to a range of financial markets and assured sources of alternate liquidity

Standard & Poor's (S&P)

Preferred Shares — Canadian Rating: P-1 (low); Global Rating: A-

The P-1 and A ratings are the highest of the five categories used by S&P in its respective Canadian and Global preferred share rating scales. "High" and "Low" and "+" and "-" grades may be used to indicate the relative standing of a credit within a particular rating category.

Senior Debt — Rating: A+
Subordinated Debt — Rating: A

Obligations rated 'A' are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

Short-Term Debt — Rating: A-1

A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong.

Fitch

Senior Debt — Rating: AA-

High credit quality. 'AA(ind)' ratings indicate a low expectation of credit risk. They indicate strong capacity for timely payment of financial commitments. This capacity may vary slightly from time to time because of economic conditions

Subordinated Debt — Rating: A+

Adequate credit quality. 'A' ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of commitments is considered adequate. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

Short-Term Debt — Rating: F1+

Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

(Within a band of rating symbols, the signs "+" (plus) or "-" (minus) denote relative position within the rating category.)

Appendix B

Canadian Imperial Bank of Commerce
Audit Committee Mandate

1. PURPOSE

(1) The primary functions of the Audit Committee are to fulfill its responsibilities in relation to reviewing the integrity of CIBC's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring CIBC's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; reviewing the qualifications, independence and performance of the external auditors; reviewing the qualifications, independence and performance of CIBC's internal auditors; and acting as the Audit Committee for certain federally regulated subsidiaries.

2. MEMBERSHIP AND ORGANIZATION

(1) **Composition —** The Audit Committee shall consist of not less than three or more than eight independent members of the Board. At the invitation of the Audit Committee, members of CIBC's management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.

(2) **Appointment and Removal of Audit Committee Members —** Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of CIBC at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.

(3) **Chair —** At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall: be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.

(4) **Independence —** Each member of the Audit Committee shall meet the independence standards established by the Board and the additional requirements listed in Exhibit A to this mandate.

(5) **Financial Literacy —** Members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by CIBC's financial statements.

(6) **Service on Multiple Audit Committees —** No member of the Audit Committee may serve on the audit committees of more than two other public companies, unless the Board determines that this simultaneous service would not impair the ability of the member to effectively serve on the Audit Committee.

3. MEETINGS

(1) **Meetings —** The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the Chief Executive Officer may call a meeting of the Audit Committee by notifying the Corporate Secretary of CIBC who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.

(2) **Notices of Meetings —** Notices of Audit Committee meetings may be provided by: prepaid mail, personal delivery, facsimile, electronic-mail or telephone, provided that the method of notification chosen shall be capable of being received by members of the Audit Committee and the external auditors at least 24 hours before an Audit Committee meeting at the member's contact information last recorded with the Corporate Secretary. Any member of the Audit Committee may in any manner waive notice of an Audit Committee meeting and attendance at an Audit Committee meeting is waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not properly called.

(3) **Secretary and Minutes —** The Corporate Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

(4) **Quorum —** A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.

(5) **Resident Canadian Majority —** The Audit Committee shall not transact business at an Audit Committee meeting unless a majority of the members present are "resident Canadians" under the *Bank Act* (Canada).

(6) **Access to Management and Outside Advisors —** The Audit Committee shall have unrestricted access to management and employees of CIBC, and, from time to time may hold unscheduled or regularly scheduled meetings or portions of regularly scheduled meetings with the Chief Auditor, the external auditor, the Chief Financial Officer or the Chief Executive Officer. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of CIBC. CIBC shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

(7) **Meetings Without Management —** The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

4. ACCOUNTABILITIES AND RESPONSIBILITIES

The Audit Committee shall have the accountabilities and responsibilities set out below as well as any other accountabilities that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by the *Bank Act* (Canada), binding requirements of the stock exchanges on which the securities of CIBC are listed and all other applicable laws.

(1) **Financial Reports**

(a) General **—** The Audit Committee is responsible for reviewing the integrity of CIBC's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of CIBC's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by CIBC. The external auditors are responsible for auditing CIBC's annual consolidated financial statements and for reviewing CIBC's unaudited interim financial statements.

(b) Review of Annual Financial Reports **—** The Audit Committee shall review the annual consolidated audited financial statements of CIBC, the external auditors' report thereon and the related management's discussion and analysis of CIBC's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with Canadian generally accepted accounting principles (GAAP), or any other generally accepted accounting principles in which the financial statements of CIBC are prepared from time to time, the financial condition, results of operations and cash flows of CIBC. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports **—** The Audit Committee shall review the interim consolidated financial statements of CIBC, the external auditors review report thereon and the related MD&A to determine whether they present fairly, in all material respects in accordance with GAAP, the financial condition, results of operations and cash flows of CIBC. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations — In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

(i) meet with management and the external auditors to discuss the financial statements and MD&A;

(ii) review the disclosures in the financial statements;

(iii) review the audit report or review report prepared by the external auditors;

(iv) discuss with management, the external auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;

(v) review critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;

(vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;

(vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;

(viii) review management's report on the effectiveness of internal controls over financial reporting;

(ix) review results of CIBC's whistleblowing program; and

(x) review any other matters, related to the financial statements, that are brought forward by the internal auditors, external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

(e) Approval of Other Financial Disclosures — The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of CIBC, press releases disclosing financial results of CIBC and any other material financial disclosure.

(2) **External Auditors**

(a) General —The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing CIBC's financial statements and internal controls over financial reporting including the resolution of disagreements between management and the external auditor regarding financial reporting.

(b) Appointment and Compensation — The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors.

(c) Annual Review Report — At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality–control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.

(d) Audit Plan — At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.

(e) Quarterly Review Report — The Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of CIBC.

(f) Independence of External Auditors — At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall: obtain from the external auditors a formal written statement describing all relationships between the external auditors and CIBC; discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors; and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.

(g) Evaluation and Rotation of Lead Partner — At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of CIBC and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.

(h) Pre-Approval of Non-Audit Services — The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to CIBC or it's subsidiaries in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(i) Hiring Practices — The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors or former external auditors.

(3) **Internal Audit Function**

(a) General — The internal auditors shall be responsible for auditing and reviewing, as applicable, CIBC's financial statements and internal controls over financial reporting. The Audit Committee shall review the independence of the internal auditors from management having regard to the scope of the internal audit function, the budget, planned activities and organization structure of the internal audit function.

(b) Chief Auditor — The Audit Committee shall review and, if advisable, approve the appointment of CIBC's Chief Auditor. At least annually, the Audit Committee shall evaluate the performance of the Chief Auditor and shall meet with the Chief Auditor to discuss the execution of matters under this mandate.

(c) Review **—** At least annually, the Audit Committee shall consider and review with management and the Chief Auditor:

(i) any difficulties encountered by the Chief Auditor in the course of internal audits, including any restrictions on the scope of internal audit work or access to required information; and

(ii) the compliance of internal audit with professional standards promulgated by the Institute of Internal Auditors.

(d) Audit Plans **—** The Audit Committee shall review a summary of the internal auditors' annual audit plan. The Audit Committee shall consider and review with the internal auditors any material changes to the scope of the plan and communicate any significant changes to management.

(4) **Internal Controls**

(a) General **—** The Audit Committee shall monitor the system of internal control.

(b) Establishment, Review and Approval **—** The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management, the external auditors and the Chief Auditor:

(i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of CIBC's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions.

(ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in CIBC's periodic regulatory filings;

(iii) any material issues raised by any inquiry or investigation by CIBC's regulators;

(iv) CIBC's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose CIBC to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(v) any related significant issues and recommendations of the external auditors and internal auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

(5) **Certain Federally Regulated Subsidiaries —** The Audit Committee shall be the audit committee for certain federally regulated subsidiaries of CIBC, as determined by the Audit Committee from time to time, that require an audit committee under applicable law. In meeting its Audit Committee responsibilities with respect to these subsidiaries, the Audit Committee shall:

(a) review the annual financial statements of the subsidiary prior to approval by its board of directors;

(b) review regulatory returns of the subsidiary as required under applicable law;

(c) require management of the subsidiary to implement and maintain appropriate internal controls over financial reporting and financial disclosure controls and procedures and approve, review and evaluate these procedures;

(d) review the effectiveness of the subsidiary's internal controls over financial reporting and financial disclosure, including computerized information system controls and security, the overall control environment and accounting and financial controls (including, without limitation, controls over financial reporting), and the impact of any identified weaknesses in internal controls over financial reporting on management's conclusions with respect to their effectiveness;

(e) review any related significant issues and recommendations of the external and internal auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls;

(f) review investments and transactions that could adversely affect the well being of the subsidiary; and

(g) meet with the external auditors of the subsidiary to discuss the annual financial statements and the returns and transactions of such subsidiary, if applicable.

(6) **Regulatory Reports and Returns —** The Audit Committee shall provide or review, as applicable, all reports and returns required of the Audit Committee under applicable law.

(7) **Compliance with Legal and Regulatory Requirements —** The Audit Committee shall receive and review regular reports from CIBC's General Counsel, the Chief Auditor and other management members on: legal or compliance matters that may have a material impact on CIBC; the effectiveness of CIBC's compliance policies; and any material reports received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific regulatory requirements, and management's plans to remediate any deficiencies identified.

(8) **Whistleblowing Procedures —** The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by CIBC from employees or others**,** confidentially and anonymously, regarding accounting, internal accounting controls, or auditing matters.

(9) **Succession Planning —** In consultation with the Management Resources and Compensation Committee of the Board, the Audit Committee shall review succession plans for the Chief Financial Officer, the Chief Auditor, the Chief Accountant and the Controller of CIBC.

(10) **Adverse Investments and Transactions** — The Audit Committee shall review any investments and transactions that could adversely affect the well-being of CIBC.

(11) **Audit Committee Disclosure** — The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in CIBC's disclosure documents.

(12) **Assessment of Regulatory Compliance** — The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.

(13) **Delegation** — The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. REPORTING TO THE BOARD

(1) The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.

6. COMMITTEE MEMBER DEVELOPMENT AND PERFORMANCE REVIEW

(1) The Chair shall co-ordinate orientation and continuing director development programs relating to this mandate for Audit Committee members.

(2) At least annually, the Audit Committee shall evaluate and review the performance of the Audit Committee and each of its members and the adequacy of this mandate. This review will be undertaken in consultation with the Corporate Governance Committee of the Board.

7. CURRENCY OF THE AUDIT COMMITTEE MANDATE

(1) This mandate was last revised and approved by the Board on November 3, 2005.

Exhibit "A"

U.S. Securities and Exchange Commission Standards Implementing the Sarbanes Oxley Act of 2002 (the "SOX Standards")

- A member of the Audit Committee ("Member") must be "independent" under the SOX Standards. In order to be considered independent, a Member may not, other than in his or her capacity as a member of the Audit Committee, the Board of Directors, or any other Board committee:

(a) accept directly or indirectly any consulting, advisory or other compensatory fees from CIBC or any subsidiary thereof, excluding fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with CIBC (provided such compensation is not contingent in anyway on continued service); or

(b) be an "affiliated" person of CIBC or a subsidiary of CIBC.

The following words used above have the following meanings:

- A Member is "affiliated" with CIBC or a subsidiary if he or she directly, or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with, CIBC or a subsidiary.
- A person is not deemed to be in control of a specified person if the person:

(a) is not the beneficial owner, directly or indirectly, of more than 10% of any class of voting equity securities; and

(b) is not an "executive officer" of the specified person.

- A Member is also affiliated if he or she is:

(a) an executive officer of an affiliate of CIBC;

(b) an employee of an affiliate of CIBC;

(c) a general partner of an affiliate of CIBC; or

(d) a managing member of an affiliate of CIBC.

- "Executive officer" means the President (or Chief Executive Officer), any Vice President in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy making function, or any other person who performs similar policy making functions for the entity. Executive officers of subsidiaries may be deemed executive officers of an entity if they perform such policy making functions for the entity.
- "Indirect" acceptance of any consulting, advisory or other compensatory fee, includes acceptance by a spouse, minor child or minor stepchild, child or stepchild sharing a home with the Member, or by an entity in which such Member is a partner, member, an officer such as a managing director occupying a comparable position or an executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to CIBC or any subsidiary of CIBC.

Appendix C

Policy on the Scope of Services of the Shareholders' Auditors

This policy is effective from the date of Audit Committee approval, February 26, 2004 and applies to all subsequent engagements.

A. Purpose – The purpose of this policy is to set parameters for the engagement of the shareholders' auditor by CIBC consistent with CIBC corporate governance expectations and applicable law, including the U.S. Sarbanes-Oxley Act.

B. Scope – This Policy covers all work that might be performed by the shareholders' auditor through engagements with CIBC or its subsidiaries.

C. Definition of Shareholders' Auditor as used in this Policy – The term shareholders' auditor refers to the firm of accountants that is appointed to perform the audit of the consolidated financial statements of CIBC and its subsidiaries. The current shareholders' auditors are Ernst & Young LLP, including any Ernst & Young International, Ltd. or Ernst & Young Global Limited member or affiliated firm of Ernst & Young.

D. Accountability for Management of the Policy – The Chief Auditor is accountable for the management of this Policy and providing interpretations on its application.

E. Statement of Policy

Scope of work and authorization standards:

1. All work performed by the shareholders' auditor for CIBC or its subsidiaries will be pre-approved by the Audit Committee. The Audit Committee may delegate authority to pre-approve such work to subcommittees consisting of one or more of its members, provided that any work so pre-approved must be ratified by the full Audit Committee at the next meeting of the Audit Committee. The Audit Committee may also establish pre-approval policies and procedures that are specific to a particular service. In order to meet this responsibility, for each fiscal quarter a pre-approved spending limit by category of allowable work is established and displayed in Table A below. The Chief Auditor will monitor and report to the Audit Committee the quarterly cumulative use of the pre-approved limits.
2. In the event that a non-audit service is provided by the shareholders' auditor that was not recognized at the time of the engagement to be a non-audit service, such service must be brought to the attention of the Audit Committee or its delegate for approval.
3. The shareholders' auditor will only perform audit, audit-related and tax work. Definitions of "audit", "audit-related" and "tax work", along with examples, are included in Table A below.
4. The shareholders' auditor will be prohibited from performing corporate recovery work for a CIBC corporate credit customer when CIBC is in a position to direct the choice of the financial advisors or consultants.
5. The Audit Committee may approve exceptions to (3) and (4) above when it determines that such an exception is in the overriding best interests of CIBC and it is determined that such an exception does not impair the independence of the shareholders' auditor. However, certain non-audit activities are generally prohibited and generally will not be considered for exception from this policy. These non-audit activities are listed in Table A below.

Ongoing relationship standards:

1. The lead and concurring partners on the engagement will serve for a maximum of five years and then be subject to a five-year time out from serving on CIBC audits.
2. Other than the lead and the concurring partners, audit partners who have responsibility for decision-making on significant auditing, accounting and reporting matters will serve for a

maximum of seven years and then be subject to a two-year time out from serving on CIBC audits, unless the audit partner performs less than 10 hours of audit, review or attest services.

3. CIBC will not employ, in a financial reporting oversight role, a member of the shareholders' auditor engagement team within 12 months of the final closure of the audit in which that individual last participated.

F. Measurement and Reporting Processes

1. On a quarterly basis, the Chief Auditor will prepare and present to the Audit Committee a summary report of all engagements of the shareholders' auditor that are currently underway or have been completed since the prior quarter's report, including engagements entered into pursuant to pre-approved quarterly limits. The summary report will describe the nature of each engagement, confirm that each engagement is in compliance with this policy and state the fees received by the shareholders' auditor for each engagement.
2. Business management will make either oral or written presentations to the Audit Committee or its designee seeking pre-approvals for engagements of the shareholders' auditor.
3. On a quarterly basis, the shareholders' auditor will certify to the Audit Committee that all engagements with CIBC have been in compliance with this policy and will confirm that the shareholders' auditor continues to be "independent" under applicable laws, rules and guidelines. As well, quarterly the shareholders' auditor will table at the Audit Committee a classification and continuity schedule of all partners and staff that must be tracked in order to ensure adherence to the Ongoing Relationship Standards.
4. The Chief Auditor will be a signatory on all contracts of engagement with the shareholders' auditors.

Table A

Categories of Work	Examples of Services	Pre-approval Limit per Quarter[1]
Audit Services	Statutory audits or financial audits for CIBC and its subsidiaries or affiliates.	$1 million
	Services associated with Canadian and U.S. registration statements, periodic reports and other documents filed with the regulators or other documents issued in connection with securities offerings (e.g. comfort letters, consents), and assistance in responding to comment letters	
	Attestation of management reports on internal controls	
Audit Related Services	Employee benefit plan audits and other employee investment entity audits.	$.5 million
	Agreed upon procedures reports or statutory compliance, regulatory or government program procedures required to comply with financial, accounting or regulatory reporting matters	
	Discussion and review of proposed accounting for disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the CICA, FASB, SEC, or other regulatory or standard setting bodies.	
	Due diligence services with respect to acquisitions or mergers of CIBC. The allowable services will be limited to the review of financial and tax information of the target and providing advice with respect to the likely impact on the reported financial statements and disclosures of CIBC.	
	Attest services not required by statute or regulation	
	Closing balance sheet audits pertaining to dispositions General assistance with implementation of the requirements of SEC rules or listing standards promulgated pursuant to the Sarbanes-Oxley Act	
Tax Work		$.5 million
	Review of the financial statement implications of Canadian, provincial and local tax consequences of business transactions	
	Review of the financial statement implications of U.S. federal, and state tax consequences of business transactions	
	Review of the financial statement implications of international tax consequences of business transactions	
	Canadian tax compliance – CIBC consolidated and subsidiaries including the preparation of tax returns	
	International tax compliance – CIBC and subsidiaries including the preparation of tax returns	
	U.S. federal, state and local tax compliance including the preparation of tax returns	

1 The amount up to which the Chief Auditor can approve for engagements within the quarter. Any amounts exceeding the limits must be approved by the Audit Committee. The pre-approval amount includes administration fees and GST where applicable.

Categories of Work	Examples of Services	Pre-approval Limit per Quarter[1]
	Assistance with tax audits and appeals before CCRA, and similar provincial, local and other foreign agencies	
	Tax advice and assistance regarding statutory, regulatory or administrative developments	
Prohibited Non-Audit Activities	The shareholders' auditor is prohibited from providing any of the following services: • Bookkeeping or other services related to the accounting records or financial statements of CIBC, • Financial information systems design and implementation, • Appraisal or valuation services, fairness opinions, or contributions-in-kind reports, • Actuarial services, • Internal audit outsourcing services, • Management functions or human resources, • Broker or dealer, investment advisor, or investment banking services, • Legal services, • Corporate recovery services[2] paid directly by CIBC or for a corporate credit customer of CIBC where CIBC is able to direct the choice of the financial advisors or consultants by virtue of its credit position with the client. Nothing in this section is intended to limit CIBC borrowers from freely choosing their own advisors. • Expert services unrelated to the audit and • Any other services that the Public Accounting Oversight Board in the US determines, by regulation, is impermissible.	

2 Corporate recovery services are defined as financial services provided to companies, lenders, creditors and other parties-in-interest in troubled or potentially troubled credit situations

Exhibit B.3(b): Audited annual financial statements for the year ended October 31, 2005 excerpted from pages 94-151 of CIBC's 2005 Annual Accountability Report including Auditors' Reports with respect to annual financial statements as of October 31, 2005 and 2004 and for the years ended October 31, 2005, 2004 and 2003 and internal controls as of October 31, 2005, under standards of the Public Company Accounting Oversight Board (United States)

CONTENTS

95 Financial Reporting Responsibility

96 Independent Auditors' Reports to Shareholders

98 Consolidated Balance Sheets

99 Consolidated Statements of Operations

100 Consolidated Statements of Changes in Shareholders' Equity

101 Consolidated Statements of Cash Flows

102 Notes to the Consolidated Financial Statements

102 Note 1 — Summary of Significant Accounting Policies

108 Note 2 — Significant Disposition

108 Note 3 — Securities

110 Note 4 — Loans

111 Note 5 — Loans Held for Sale

111 Note 6 — Securitizations and Variable Interest Entities

115 Note 7 — Land, Buildings and Equipment

115 Note 8 — Goodwill and Other Intangible Assets

116 Note 9 — Other Assets

116 Note 10 — Deposits

117 Note 11 — Other Liabilities

117 Note 12 — Subordinated Indebtedness

118 Note 13 — Preferred Share Liabilities

119 Note 14 — Share Capital

122 Note 15 — Interest Rate Sensitivity

123 Note 16 — Trading Revenue

123 Note 17 — Stock-based Compensation

125 Note 18 — Employee Future Benefits

129 Note 19 — Income Taxes

131 Note 20 — Earnings (Loss) per Share

132 Note 21 — Related-party Transactions

132 Note 22 — Derivative Instruments

135 Note 23 — Fair Value of Financial Instruments

139 Note 24 — Commitments, Guarantees, Pledged Assets and Contingent Liabilities

142 Note 25 — Concentration of Credit Risk

143 Note 26 — Segmented Information

146 Note 27 — Reconciliation of Canadian and United States Generally Accepted Accounting Principles

150 Note 28 — Regulatory Matters

151 Note 29 — Future Canadian Accounting Policy Changes

FINANCIAL REPORTING RESPONSIBILITY

The management of Canadian Imperial Bank of Commerce (CIBC) is responsible for the preparation of the Annual Accountability Report, which includes the consolidated financial statements, management's discussion and analysis (MD&A) and other information, and for the timeliness and reliability of the information disclosed. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as well as the requirements of the Bank Act. The MD&A has been prepared in accordance with the requirements of securities regulators including National Instrument 51-102 of the Canadian Securities Administrators, as well as Item 303 of Regulation S-K of the U.S. Securities Exchange Act and their related published requirements.

The consolidated financial statements and MD&A, of necessity, contain items that reflect the best estimates and judgments of the expected effects of current events and transactions with appropriate consideration to materiality. All financial information appearing throughout the Annual Accountability Report is consistent with that in the consolidated financial statements.

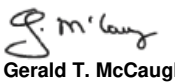
Management has developed and maintains effective systems, controls and procedures to ensure that information used internally and disclosed externally is reliable and timely. During the past year, we have continued to improve and document the design and operating effectiveness of internal control over external financial reporting. The results of our work have been subjected to audit by the shareholders' auditors. As at year-end, we have determined that internal control over financial reporting is effective and CIBC has achieved compliance with the requirements set by the U.S. Securities and Exchange Commission (SEC) under section 404 of the U.S. Sarbanes-Oxley Act (SOX). CIBC initially achieved compliance with these requirements for the year ended October 31, 2004, two years in advance of the current effective date for these requirements. In compliance with Section 302 of SOX, CIBC's Chief Executive Officer and Chief Financial Officer provide to the SEC a certification related to CIBC's annual disclosure document in the U.S. (Form 40-F). The same certification is provided to the Canadian Securities Administrators.

The Chief Auditor and his staff review and report on CIBC's internal controls, including computerized information system controls and security, the overall control environment, and accounting and financial controls. The Chief Auditor has full and independent access to the Audit Committee.

The Board of Directors oversees management's responsibilities for financial reporting through the Audit Committee, which is composed of directors who are not officers or employees of CIBC. The Audit Committee reviews CIBC's interim and annual consolidated financial statements and MD&A and recommends them for approval by the Board of Directors. Other key responsibilities of the Audit Committee include monitoring CIBC's system of internal control, monitoring its compliance with legal and regulatory requirements, selecting the shareholders' auditors and reviewing the qualifications, independence and performance of shareholders' auditors and internal auditors.

Ernst & Young LLP, the shareholders' auditors, obtain an understanding of CIBC's internal controls and procedures for financial reporting to plan and conduct such tests and other audit procedures as they consider necessary in the circumstances to express their opinions in the reports that follow. The shareholders' auditors have full and independent access to the Audit Committee to discuss their audit and related matters.

The Office of the Superintendent of Financial Institutions, Canada, examines and enquires into the business and affairs of CIBC as deemed necessary to ensure that the provisions of the Bank Act, having reference to the safety of depositors and creditors of CIBC, are being duly observed and that CIBC is in sound financial condition.



Gerald T. McCaughey
President and Chief Executive Officer



T.D. Woods
Chief Financial Officer

November 30, 2005

INDEPENDENT AUDITORS' REPORTS TO SHAREHOLDERS

REPORT ON FINANCIAL STATEMENTS

We have audited the consolidated balance sheets of Canadian Imperial Bank of Commerce (CIBC) as at October 31, 2005 and 2004 and the consolidated statements of operations, changes in shareholders' equity and cash flows for each of the years in the three year period ended October 31, 2005. These financial statements are the responsibility of CIBC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of CIBC as at October 31, 2005 and 2004 and the results of its operations and its cash flows for each of the years in the three year period ended October 31, 2005 in conformity with Canadian generally accepted accounting principles.

As explained in Note 1 to the consolidated financial statements, CIBC adopted the accounting guideline for the consolidation of variable interest entities.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of CIBC's internal control over financial reporting as of October 31, 2005, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 30, 2005 expressed an unqualified opinion thereon.

Ernst & Young LLP
Chartered Accountants
Toronto, Canada
November 30, 2005

REPORT ON INTERNAL CONTROLS UNDER STANDARDS OF THE PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (UNITED STATES)

We have audited management's assessment included on page 93 of this Annual Accountability Report, that Canadian Imperial Bank of Commerce (CIBC) maintained effective internal control over financial reporting as at October 31, 2005, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). CIBC's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of CIBC's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenses of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that CIBC maintained effective internal control over financial reporting as of October 31, 2005, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, CIBC maintained, in all material respects, effective internal control over financial reporting as of October 31, 2005 based on the COSO criteria.

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CIBC as at October 31, 2005 and 2004 and the consolidated statements of operations, changes in shareholders' equity and cash flows for each of the years in the three year period ended October 31, 2005 and our report dated November 30, 2005 expressed an unqualified opinion thereon.

Ernst & Young LLP
Chartered Accountants
Toronto, Canada
November 30, 2005

CONSOLIDATED BALANCE SHEETS

$ millions, as at October 31	2005	2004
ASSETS		
Cash and non-interest-bearing deposits with banks	**$ 1,310**	$ 1,374
Interest-bearing deposits with banks	**10,542**	10,829
Securities (Note 3)		
Investment	**14,342**	15,517
Trading	**53,422**	51,799
	67,764	67,316
Securities borrowed or purchased under resale agreements	**18,514**	18,165
Loans (Note 4)		
Residential mortgages	**77,216**	72,592
Personal	**28,198**	26,311
Credit card	**6,655**	8,689
Business and government	**31,350**	31,737
Allowance for credit losses	**(1,636)**	(1,825)
	141,783	137,504
Other		
Derivative instruments market valuation (Note 23)	**20,309**	23,710
Customers' liability under acceptances	**5,119**	4,778
Land, buildings and equipment (Note 7)	**2,136**	2,107
Goodwill (Note 8)	**946**	1,055
Other intangible assets (Note 8)	**199**	244
Other assets (Note 9)	**11,748**	11,682
	40,457	43,576
	$280,370	$278,764
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits (Note 10)		
Personal	**$ 73,790**	$ 72,049
Business and government	**108,409**	106,705
Bank	**10,535**	11,823
	192,734	190,577
Other		
Derivative instruments market valuation (Note 23)	**20,128**	23,990
Acceptances	**5,119**	4,778
Obligations related to securities sold short	**14,883**	12,220
Obligations related to securities lent or sold under repurchase agreements	**14,325**	16,790
Other liabilities (Note 11)	**16,002**	13,258
	70,457	71,036
Subordinated indebtedness (Note 12)	**5,102**	3,889
Preferred share liabilities (Notes 1, 13)	**600**	1,043
Non-controlling interests	**746**	39
Shareholders' equity		
Preferred shares (Note 14)	**2,381**	1,783
Common shares (Note 14)	**2,952**	2,969
Contributed surplus	**58**	59
Foreign currency translation adjustments	**(327)**	(376)
Retained earnings	**5,667**	7,745
	10,731	12,180
	$280,370	$278,764

The accompanying notes are an integral part of these consolidated financial statements.

Gerald T. McCaughey
President and Chief Executive Officer

Gary F. Colter
Director

CONSOLIDATED STATEMENTS OF OPERATIONS

$ millions, for the years ended October 31	2005	2004	2003
Interest income			
Loans	**$ 7,640**	$ 7,551	$ 8,138
Securities borrowed or purchased under resale agreements	**1,107**	524	528
Securities	**2,173**	1,961	2,375
Deposits with banks	**336**	152	135
	11,256	10,188	11,176
Interest expense			
Deposits	**4,346**	3,391	3,776
Other liabilities	**1,668**	1,219	1,567
Subordinated indebtedness	**239**	212	203
Preferred share liabilities (Notes 1, 13)	**66**	108	113
	6,319	4,930	5,659
Net interest income	**4,937**	5,258	5,517
Non-interest income			
Underwriting and advisory fees	**727**	797	870
Deposit and payment fees	**794**	760	713
Credit fees	**346**	314	386
Card fees	**317**	407	359
Investment management and custodial fees	**391**	353	340
Mutual fund fees	**690**	615	536
Insurance fees	**265**	176	168
Commissions on securities transactions	**912**	892	884
Trading revenue (Note 16)	**801**	618	627
Investment securities gains (losses) (Note 3)	**577**	236	(107)
Income from securitized assets	**362**	191	216
Foreign exchange other than trading	**555**	280	273
Other (Note 2)	**799**	878	681
	7,536	6,517	5,946
Total revenue	**12,473**	11,775	11,463
Provision for credit losses (Note 4)	**706**	628	1,143
Non-interest expenses			
Employee compensation and benefits	**4,324**	4,399	4,417
Occupancy costs	**641**	634	605
Computer and office equipment	**1,166**	1,138	1,143
Communications	**324**	331	360
Advertising and business development	**260**	279	289
Professional fees	**325**	326	241
Business and capital taxes	**118**	138	133
Other (Note 24)	**3,682**	1,006	940
	10,840	8,251	8,128
Income before income taxes and non-controlling interests	**927**	2,896	2,192
Income tax expense (Note 19)	**789**	790	239
	138	2,106	1,953
Non-controlling interests	**170**	15	3
Net (loss) income	**$ (32)**	$ 2,091	$ 1,950
Earnings (loss) per share (in dollars) (Note 20) — Basic	**$ (0.46)**	$ 5.60	$ 5.21
— Diluted	**$ (0.46)**	$ 5.53	$ 5.18
Dividends per common share (in dollars) (Note 14)	**$ 2.66**	$ 2.20	$ 1.64

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

$ millions, for the years ended October 31	**2005**	2004	2003
Preferred shares (Note 14)			
Balance at beginning of year	**$ 1,783**	$ 1,650	$ 1,100
Issue of preferred shares	**731**	133	550
Conversion of preferred shares	**(133)**	—	—
Balance at end of year	**$ 2,381**	$ 1,783	$ 1,650
Common shares (Note 14)			
Balance at beginning of year	**$ 2,969**	$ 2,950	$ 2,842
Issue of common shares	**134**	162	108
Purchase of common shares for cancellation	**(140)**	(154)	—
Treasury shares	**(11)**(1)	11	—
Balance at end of year	**$ 2,952**	$ 2,969	$ 2,950
Contributed surplus			
Balance at beginning of year	**$ 59**	$ 50	$ 26
Stock option expense	**8**	9	24
Stock options exercised	**(9)**	(6)	—
Net premium on treasury shares	**—**	6	—
Balance at end of year	**$ 58**	$ 59	$ 50
Foreign currency translation adjustments			
Balance at beginning of year	**$ (376)**	$ (180)	$ 42
Foreign exchange gains (losses) from investment in subsidiaries and other items	**667**	(1,241)	(3,201)
Foreign exchange (losses) gains from hedging activities	**(738)**	1,662	4,391
Income tax benefit (expense)	**120**	(617)	(1,412)
Balance at end of year	**$ (327)**	$ (376)	$ (180)
Retained earnings			
Balance at beginning of year, as previously reported	**$ 7,745**	$ 7,601	$ 6,335
Adjustment for change in accounting policy	**10**(2)	6(3)	—
Balance at beginning of year, as restated	**7,755**	7,607	6,335
Net (loss) income	**(32)**	2,091	1,950
Dividends (Note 14)	**(1,027)**	(881)	(666)
Premium on purchase of common shares for cancellation	**(1,035)**	(1,084)	—
Other	**6**	12	(18)
Balance at end of year	**$ 5,667**	$ 7,745	$ 7,601
Shareholders' equity at end of year	**$ 10,731**	$ 12,180	$ 12,071

(1) Assets and liabilities in the form of CIBC common shares amounting to approximately $312 million, held within certain compensation trusts, have been offset. Refer to Note 6 for more details.

(2) Represents the effect of implementing the Canadian Institute of Chartered Accountants (CICA) Accounting Guideline (AcG) 15, "Consolidation of Variable Interest Entities." Refer to Note 1 for more details.

(3) Represents the effect of implementing the CICA AcG-17, "Equity-linked Deposit Contracts" in 2004. Refer to Note 1 for more details.

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

$ millions, for the years ended October 31	**2005**	2004	2003
Cash flows provided by (used in) operating activities			
Net (loss) income	**$ (32)**	$ 2,091	$ 1,950
Adjustments to reconcile net (loss) income to cash flows provided by (used in) operating activities:			
Provision for credit losses	**706**	628	1,143
Amortization of buildings, furniture, equipment and leasehold improvements	**214**	264	275
Amortization of intangible assets	**12**	16	20
Stock-based compensation	**5**	58	114
Restructuring reversal, net	**—**	(18)	(31)
Future income taxes	**252**	139	309
Investment securities (gains) losses	**(577)**	(236)	107
Gains on divestitures	**(115)**	—	(53)
Write-down relating to Air Canada contract	**—**	—	128
(Gains) losses on disposal of land, buildings and equipment	**(8)**	4	(1)
Changes in operating assets and liabilities			
Accrued interest receivable	**21**	187	332
Accrued interest payable	**393**	245	(374)
Amounts receivable on derivative contracts	**3,404**	(914)	1,921
Amounts payable on derivative contracts	**(3,900)**	2,045	(2,849)
Net change in trading securities	**(259)**	483	(7,654)
Current income taxes	**173**	(2,706)	293
Restructuring payments	**—**	(52)	(336)
Insurance proceeds received	**—**	11	80
Other, net	**(398)**	2,470	3,227
	(109)	4,715	(1,399)
Cash flows provided by (used in) financing activities			
Deposits, net of withdrawals	**2,157**	2,447	(8,500)
Obligations related to securities sold short	**2,663**	561	3,223
Net obligations related to securities lent or sold under repurchase agreements	**(2,465)**	(2,503)	9,678
Issue of subordinated indebtedness	**1,300**	1,250	250
Redemption/repurchase of subordinated indebtedness	**(65)**	(493)	(484)
Redemption of preferred share liabilities	**(445)**	(630)	(200)
Issue of preferred shares, net of conversions	**598**(1)	133	550
Issue of common shares	**134**	162	108
Purchase of common shares for cancellation	**(1,175)**	(1,238)	—
Net proceeds from treasury shares (purchased)/sold	**(11)**	11	—
Dividends	**(1,027)**	(881)	(666)
Other, net	**282**	(522)	(219)
	1,946	(1,703)	3,740
Cash flows provided by (used in) investing activities			
Interest-bearing deposits with banks	**287**	(1,968)	(649)
Loans, net of repayments	**(13,927)**	(13,040)	(5,121)
Proceeds from securitizations	**10,187**	8,834	5,280
Purchase of investment securities	**(8,238)**	(12,977)	(24,009)
Proceeds from sale of investment securities	**7,138**	11,377	21,396
Proceeds from maturity of investment securities	**2,894**	3,138	5,050
Net securities borrowed or purchased under resale agreements	**(349)**	1,664	(3,809)
Proceeds from divestitures	**347**	—	181
Purchase of land, buildings and equipment	**(263)**	(235)	(265)
Proceeds from disposal of land, buildings and equipment	**28**	18	3
	(1,896)	(3,189)	(1,943)
Effect of exchange rate changes on cash and non-interest-bearing deposits with banks	**(5)**	(42)	(105)
Net increase (decrease) in cash and non-interest-bearing deposits with banks during year	**(64)**	(219)	293
Cash and non-interest-bearing deposits with banks at beginning of year	**1,374**	1,593	1,300
Cash and non-interest-bearing deposits with banks at end of year	**$ 1,310**	$ 1,374	$ 1,593
Cash interest paid	**$ 5,926**	$ 4,685	$ 6,033
Cash income taxes paid (recovered)	**$ 364**	$ 3,356	$ (364)

(1) Includes issue of $331 million Class A Series 29 Preferred Shares (consisting of $133 million conversion of Class A Series 28 Preferred Shares and $198 million in cash on exercise of Series 29 Purchase Warrants).

The accompanying notes are an integral part of these consolidated financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Canadian Imperial Bank of Commerce and its subsidiaries (CIBC) prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles (GAAP).

A reconciliation of the impact on assets, liabilities, shareholders' equity and net income arising from differences between Canadian and U.S. GAAP is provided in Note 27.

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The following paragraphs describe our significant accounting policies. New accounting policies which have been adopted are described in the "Accounting changes" section of this note.

Basis of consolidation

The consolidated financial statements include the accounts of all subsidiaries and variable interest entities (VIEs) for which we are determined to be the primary beneficiary. Inter-company balances and transactions have been eliminated. Non-controlling interests in subsidiaries and consolidated VIEs are included as a separate line item on the consolidated balance sheets and statements of operations.

Investments in companies, including investments over which we have significant influence, are accounted for by the equity method, and are included in other assets. Our share of earnings from these investments is included in other non-interest income.

Investments over which we exercise joint control are accounted for using the proportionate consolidation method, whereby our share of the assets, liabilities, revenue and expenses of these joint ventures is included in the consolidated financial statements.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at prevailing exchange rates at the dates of the consolidated financial statements. Revenue and expenses are translated using average monthly exchange rates. Realized and unrealized gains and losses arising from the translation are included in the consolidated statements of operations.

Assets and liabilities of foreign operations with a functional currency other than the Canadian dollar are translated into Canadian dollars using month-end exchange rates at balance sheet dates, while revenue and expenses of these foreign operations are translated into Canadian dollars at the average monthly exchange rates. Exchange gains and losses arising from the translation of foreign operations and from the results of hedging these positions, net of applicable taxes, are reported in foreign currency translation adjustments, which is a component of shareholders' equity.

A future income tax asset or liability is not recognized in respect of a translation gain or loss arising from an investment in a foreign subsidiary, where the gain or loss is not expected to be realized in the foreseeable future.

An appropriate portion of the accumulated exchange gains and losses and any applicable taxes in foreign currency translation adjustments is recognized into income where there is a reduction in the net investment in a foreign operation.

Securities

Investment securities comprise debt and equity securities, including investments over which we have no significant influence, purchased with the intention of holding for a period of time in accordance with our originally established investment objectives but which may be sold in response to changes in such investment objectives arising from changing market conditions. Equity securities are stated at cost and debt securities at amortized cost. Realized gains and losses on disposal, determined on an average cost basis, and write-downs to reflect other-than-temporary impairments in value are included in investment securities gains (losses). Realized and unrealized gains on securities used in hedging activities are included in earnings in the same period as the earnings from the items hedged.

Dividends and interest income on all securities, including the amortization of premiums and discounts on debt securities held for investment, are included in interest income.

Trading securities are purchased for resale generally within a short period of time and are stated at fair value. Fair value is determined based on market value or, where market prices are not readily available, on quoted market prices for similar securities or on other third-party evidence, as available. Gains and losses realized on disposal and unrealized gains and losses from market fluctuations are included in trading activities. Dividends and interest income are included in interest income.

Obligations related to securities sold short are recorded as liabilities and are carried at fair value. Realized and unrealized gains and losses on securities sold short that are used in hedging activities are included in earnings in the same period as the earnings from the items hedged. Realized and unrealized gains and losses on securities sold short for trading purposes are included in trading revenue.

Securities borrowed or purchased under resale agreements and obligations related to securities lent or sold under repurchase agreements

Securities purchased under resale agreements are treated as collateralized lending as they represent the purchase of securities effected with a simultaneous agreement to sell them back at a future date, which is generally near term. Interest income is accrued and separately disclosed in the consolidated statements of operations. Obligations related to securities sold under repurchase agreements are treated as collateralized borrowing and represent the borrowing equivalent of securities purchased under resale agreements. Interest expense is accrued and reflected in interest expense - other liabilities.

The right to receive back cash collateral paid and the obligation to return cash collateral received on borrowing and lending of securities are recorded as securities borrowed and securities lent under repurchase agreements, respectively. We monitor the market value of the securities borrowed and lent on a daily basis and call for additional collateral when appropriate. Interest on cash collateral paid and received is recorded in interest income and interest expense, respectively.

Loans

Loans are stated net of unearned income and allowance for credit losses except for loans that are designated as trading. Interest income is recognized on an accrual basis.

Loan fees and origination costs

Fees relating to loan origination, including commitment, restructuring and renegotiation fees, are considered an integral part of the yield earned on the loan, and are deferred as unearned income and amortized to interest income over the term of the loan. Incremental direct costs for originating or acquiring a loan are netted against origination fees. Deferred loan origination costs that exceed fees are recognized within other assets and amortized to interest income over the term of the loan. Fees received for commitments that are not expected to result in a loan are included in non-interest income over the commitment period. Loan syndication fees are included in non-interest income on completion of the syndication arrangement, provided that the yield on the portion of the loan we retain is at least equal to the average yield earned by the other lenders involved in the financing; otherwise, an appropriate portion of the fee is deferred as unearned income and amortized to interest income to produce an equal average yield over the term of the loan.

Impaired loans

We classify loans as impaired when, in our opinion, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest. Generally, loans on which repayment of principal or payment of interest is contractually 90 days in arrears are automatically considered impaired unless they are fully secured and in the process of collection. Notwithstanding management's assessment of collectibility, such loans are considered impaired if payments are 180 days in arrears. Exceptions are as follows:

- Credit card loans are not classified as impaired but are instead fully written off when payments are contractually 180 days in arrears.
- Loans guaranteed or insured by the Canadian government, the provinces or a Canadian government agency are classified as impaired only when payments are contractually 365 days in arrears.

When a loan is classified as impaired, accrual of interest ceases. All uncollected interest is recorded as part of the loan's carrying value for the purpose of determining the loan's estimated realizable value and establishing allowances for credit losses. No portion of cash received on any impaired loan is recorded as income until such time as any prior write-off has been recovered and any specific allowance has been reversed, and it is determined that the principal and interest are fully collectible in accordance with the original contractual terms of the loan.

Impaired loans are carried at their estimated net realizable values determined by discounting the expected future cash flows at the interest rate inherent in the loan. When the amount and timing of future cash flows cannot be estimated reliably, the loan is carried at either the fair value of the security underlying the loan or the fair value of the loan.

Allowance for credit losses

We establish and maintain an allowance for credit losses that we consider the best estimate of probable credit-related losses existing in our portfolio of on- and off-balance sheet financial instruments, giving due regard to current conditions. The allowance for credit losses consists of specific and general components.

Specific allowance

We conduct ongoing credit assessments of the business and government loan portfolio on an account-by-account basis and establish specific allowances when impaired loans are identified. Residential mortgages, personal loan and credit card, and certain small business loan portfolios consist of large numbers of homogeneous balances of relatively small amounts, for which specific allowances are established by reference to historical ratios of write-offs to balances in arrears.

General allowance

The general allowance is provided for losses which we estimate are inherent in the portfolio at the balance sheet date, but not yet identified and, therefore, not yet captured in the determination of specific allowances.

The credit portfolios to which the general allowance applies include business loans and acceptances, consumer loans, and off-balance sheet credit instruments, such as credit commitments and letters of credit.

The general allowance is established based on expected loss rates associated with different credit portfolios at different risk levels and the estimated time period for losses that are present but yet to be specifically identified, adjusting for our view of the current and ongoing economic and portfolio trends.

Expected loss rates for business loan portfolios are based on the risk rating of each credit facility and on the probability of default factors associated with each risk rating, as well as estimates of loss given default. The probability of default factors reflects our historical experience over an economic cycle, and is supplemented by data derived from defaults in the public debt markets. Loss given default estimates are based on our experience over past years. For consumer loan portfolios, expected losses are based on our historical loss rates and aggregate balances.

The level of the general allowance is determined by a number of factors, including the size, relative risk profiles and changes in credit quality of the portfolios, as well as economic trends. The parameters that drive the general allowance calculation are updated regularly, based on our experience and that of the market in general.

Loans designated as trading

Loans designated as trading are purchased or originated either for resale generally within a short period of time or to hedge other elements of the trading book. These trading loans are stated at fair value. Fair value is determined based on market prices or, where market prices are not readily available, fair value is estimated using pricing models that are based on current market data, wherever possible. Gains and losses realized on disposition and unrealized gains and losses from market fluctuations are included in trading revenue. Interest income from loans that are designated as trading is included in interest income.

Loans held for sale

Loans transferred into a held for sale portfolio are recorded at the lower of their carrying or fair values on a loan-by-loan basis. Losses on transfer to loans held for sale determined to be credit related are charged to the provision for credit losses. Losses determined to be other than credit related are charged to other non-interest income. Subsequent to transfer, each loan held for sale is revalued at the lower of its fair value or carrying amount at initial designation as held for sale. Unrealized gains or losses arising from subsequent revaluations and realized gains and losses on sale are

recognized in other non-interest income.

Securitizations

Securitizations are accounted for as sales when we surrender control of the transferred assets and receive consideration other than beneficial interests in the transferred assets. When such sales occur, we may retain interest-only strips, one or more subordinated tranches and, in some cases, a cash reserve account, all of which are considered retained interests in the securitized assets.

Gains or losses on transfers accounted for as sales are recognized in non-interest income and depend, in part, upon the allocation of previous carrying amounts to assets sold and retained interests. These carrying amounts are allocated in proportion to the relative fair value of the assets sold and retained interests. Quoted market prices, if available, are used to obtain fair value. However, as market prices are generally not available for retained interests, we estimate fair value based on the present value of expected future cash flows. This may require us to estimate credit losses, the rate of prepayments, forward yield curves, discount rates and other factors that influence the value of retained interests.

Retained interests in securitized assets are classified as investment securities and stated at their original carrying amounts, and are reviewed for impairment on a quarterly basis.

Non-interest income from securitized assets comprises income from retained interests, losses under recourse arrangements and servicing income, and is reported separately in the consolidated statements of operations.

Derivative instruments

We use derivatives in two broadly defined activities: trading and asset/liability management (ALM).

Derivatives held for trading purposes

Our derivative trading activities are primarily driven by client trading activities. Clients transact with CIBC as part of their own risk management, investing and trading activities. To facilitate these activities, we act as a derivatives dealer or market maker, and are prepared to transact with clients by quoting bid and offer prices. We also take limited proprietary trading positions in the interest rate, foreign exchange, debt, equity and commodity markets, with the objective of earning income.

All financial and commodity derivative instruments held for trading purposes are stated at fair value. Quoted market prices, when available, are used to determine the fair value of derivatives held for trading. Otherwise, fair value is estimated, using pricing models that are based on current market quotations, where available. Where appropriate, the estimates include a valuation adjustment to cover market, model and credit risks, as well as administrative costs. Gains at inception of derivative transactions are recognized when the fair value of those derivatives are obtained from quoted market prices, are supported by reference to other observable market transactions, or are based upon valuation techniques that incorporate either directly observable market data or highly correlated and observable proxy market data. Realized and unrealized trading gains and losses are included in trading activities. Derivatives with positive fair value are reported as assets, while derivatives with negative fair value are reported as liabilities, in both cases as derivative instruments market valuation.

Gains at inception on derivatives embedded in financial instruments (hybrid instruments) bifurcated for accounting purposes are not recognized at inception, instead they are amortized over the life of the hybrid instrument.

Derivatives held for ALM purposes

We use derivative instruments, primarily interest rate swaps and, to a lesser degree, futures, forward rate agreements and options contracts, to manage financial risks, such as movements in interest rates and foreign exchange rates. These instruments are used for hedging activities, including offsetting or modifying the interest rate risk of specific non-trading on-balance sheet assets and liabilities, or groups of non-trading on-balance sheet assets and liabilities, and as hedges of firm commitments or anticipated transactions.

Derivatives that qualify for hedge accounting

In order for derivatives to qualify for hedge accounting, the hedge relationship must be designated and formally documented at its inception, outlining the particular risk management objective and strategy, the specific asset, liability or cash flow being hedged, as well as how effectiveness is assessed. Hedge relationships are designated as a fair value hedge, a cash flow hedge, or a hedge of foreign currency exposure of a net investment in a foreign operation. The derivatives must be effective in offsetting either changes in the fair value or cash flow attributable to the risk being hedged both at inception and over the term of the hedging relationship.

When derivative instruments have been designated within a hedge relationship and are highly effective in offsetting the identified risk characteristics of specific financial assets and liabilities, or groups of financial assets and liabilities, hedge accounting is applied to these derivative instruments. Hedge accounting requires that gains, losses, revenue and expenses of a hedging item be recognized in the same period that the associated gains, losses, revenue and expenses of the hedged item are recognized. For interest rate swaps, this accounting treatment generally results in interest income or expense on non-trading on-balance sheet assets and liabilities being reflected in the consolidated statements of operations at their hedged rates rather than their original contractual interest rates. Derivative instruments designated within effective hedge relationships are generally included at their accrued values in other assets or other liabilities.

Certain deposits, whose values are determined based on an underlying non-equity based index or asset, are accounted for on a modified accrual basis. Under this method, the carrying value of these deposits is adjusted to reflect changes in the current value of the underlying index or asset, subject to a minimum guaranteed redemption value, if any. These adjustments are recorded as interest expense. Derivatives that hedge the fair value of these deposits are carried at fair value. Amounts arising from these derivatives are deferred and then recognized in interest expense to offset changes in the carrying value of those deposits.

Foreign currency derivative instruments that hedge foreign currency exposures arising from foreign currency denominated assets and liabilities are revalued each month, using the spot foreign exchange rate, and are included in other assets or other liabilities. Resulting gains and losses are recognized as foreign exchange other than trading within non-interest income. The hedged items are also revalued using the spot foreign exchange rate, with the resulting gains or losses recognized as foreign exchange other than trading within non-interest income.

Foreign currency forward contracts that hedge foreign currency exposures arising from net investments in foreign operations are revalued each month, using the spot foreign exchange rate, and are included in other assets or other liabilities. Resulting gains and losses, net of applicable taxes, are recognized in foreign currency translation adjustments. Any premium or discount resulting from differences between the contracted forward and spot foreign exchange rates due to interest rate differentials is amortized in foreign exchange other than trading within non-interest income.

Realized and unrealized gains and losses on derivative instruments used to hedge firm commitments or anticipated transactions are deferred and recognized as income when the committed or anticipated transactions occur. An anticipated transaction can be hedged only when the transaction is specifically identified, and it is probable that the anticipated transaction will occur.

Premiums paid for options used for hedging purposes are generally amortized over the life of the contract or the term of the hedge, as appropriate.

A hedge relationship is terminated if the hedge ceases to be effective; if the underlying asset or liability being hedged is derecognized or if it is no longer probable that the anticipated transaction will occur and the derivative instrument is still outstanding; or if the hedge relationship is dedesignated.

If a hedge relationship is terminated, any difference between the fair value and the carrying value of the hedging derivatives upon termination is deferred in other assets or other liabilities. The deferred amount is recognized into income or expense on the same basis as gains, losses, revenue and expenses of the previously hedged item, generally by amortization over the remaining term of the hedged asset or liability.

Derivatives that do not qualify for hedge accounting

Derivatives held for ALM purposes that do not meet the requirements for hedge accounting are marked-to-market and stated at fair value. Derivatives with positive fair value are reported as assets, while derivatives with negative fair value are reported as liabilities, in both cases as derivative instruments market valuation. Gains and losses on these derivatives are included in other non-interest income or foreign exchange other than trading, as appropriate.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are presented net when we have a legally enforceable right to set off the recognized amounts and intend to settle on a net basis or to realize the asset and settle the liability simultaneously.

Acceptances and customers' liability under acceptances

Acceptances constitute a liability of CIBC on negotiable instruments issued to third parties by our customers. We earn a fee for guaranteeing and then making the payment to the third parties. The amounts owed to us by our customers in respect of these guaranteed amounts are reflected in assets as customers' liability under acceptances.

Land, buildings and equipment

Land is reported at cost. Buildings, furniture, equipment and leasehold improvements are reported at cost less accumulated amortization. Amortization is recorded on a straight-line basis as follows:

Buildings	40 years
Computer equipment and software	2 to 7 years
Office furniture and other equipment	4 to 15 years
Leasehold improvements	Over estimated useful life

Gains and losses on disposal are reported in other non-interest income.

Goodwill and other intangible assets

We use the purchase method of accounting for all business combinations. Identifiable intangible assets are recognized separately from goodwill and included in other intangible assets. Goodwill represents the excess of the purchase price over the fair value of the net tangible and other intangible assets acquired in business combinations. Goodwill is allocated to the reporting unit that is expected to benefit from the synergies of the business combination. Reporting units comprise business operations with similar economic characteristics and strategies. Goodwill and other intangible assets with an indefinite life are not amortized but are subjected to impairment review at least annually and, if impaired, are written down to fair value.

The impairment test for goodwill is based on a comparison of the carrying amount of the reporting unit, including the allocated goodwill, with its fair value. This fair value is determined using a market or income valuation approach incorporating factors such as projected cash flows, projected forward earnings and/or price earnings multiples. When the carrying amount of a reporting unit exceeds its fair value, any impairment of goodwill is measured by comparing the carrying value of the goodwill with its implied fair value. The implied fair value of goodwill is the excess of the fair value of the reporting unit over the fair value of its net tangible and other intangible assets.

The impairment test for an other intangible asset with an indefinite life is carried out by comparing its carrying amount with its fair value, measured using valuation models which incorporate factors such as projected cash flows and market comparables.

Other intangible assets with a definite life are amortized over their estimated useful lives, generally not exceeding 20 years, and are also subjected to an assessment for impairment.

Future income taxes

We use the asset and liability method to provide for income taxes. The asset and liability method requires that income taxes reflect the expected future tax effect of temporary differences between the carrying amounts of assets or liabilities and their tax bases. Future income tax assets and liabilities are determined for each temporary difference and for unused losses for tax purposes, as applicable, at rates expected to be in effect when the asset is realized or the liability is settled. A valuation allowance is established, if necessary, to reduce the future income tax asset to an amount that is more likely than not to be realized.

Employee future benefits

We are the sponsor of a number of employee benefit plans. These plans include both defined benefit and defined contribution pension plans, and various other post-retirement and post-employment benefit plans.

Defined benefit plans

We accrue our obligations for defined benefit plans and related costs, net of plan assets. The cost of pensions and other post-retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and our best estimate of expected return on plan assets, salary escalation, retirement ages of employees, mortality and expected health-care costs. The discount rate used to value liabilities is based on market rates as at the measurement date.

The expected return on plan assets is based on our best estimate of the long-term expected rate of return on plan assets and a market-related value of plan assets. The market-related value of plan assets is determined using a methodology where the difference between the actual and expected market value of plan assets is recognized over three years.

Past service costs from plan amendments are amortized on a straight-line basis over the expected average remaining service period over which employees become fully eligible for benefits, since it is expected that we will realize economic benefit from these plan changes during this period.

Net actuarial gains and losses that exceed 10% of the greater of the accrued benefit obligation or the market-related value of plan assets are also amortized on a straight-line basis over the expected average remaining service life of covered employees. Experience will often deviate from the actuarial assumptions resulting in actuarial gains or losses.

The expected average remaining service life of employees covered by the defined benefit pension plans is 12 years (2004: 11 years). The expected average remaining service life of employees covered by the other benefit plans is 14 years (2004: 15 years).

Accrued benefit asset or liability represent the cumulative difference between the expense and funding contributions and is included in other assets and other liabilities.

A valuation allowance is recognized when the accrued benefit asset for any plan is greater than the future economic benefit expected to be realized from sponsoring the plan. A change in the valuation allowance is recognized in the consolidated statements of operations for the period in which the change occurs.

When the restructuring of a defined benefit plan gives rise to both a curtailment and a settlement of obligations, the curtailment is accounted for prior to the settlement.

Defined contribution plans

Costs for defined contribution plans are recognized into income during the period in which the service is provided.

Stock-based compensation

We provide compensation to directors and certain employees in the form of stock options and/or share-based awards.

We use the fair value-based method to account for stock options granted to employees. The value is recognized over the applicable vesting period as an increase to compensation expense and contributed surplus. When the options are exercised, the proceeds received by CIBC, together with the amount in contributed surplus, are credited to common share capital. No expense was recognized for stock options granted prior to November 1, 2001; when these options are exercised, the proceeds received by CIBC are recorded as common share capital.

Up to 50% of options relating to the Employee Stock Option Plan granted prior to 2000 can be exercised as stock appreciation rights (SARs). SARs obligations, which arise from changes in the market price of CIBC's common shares, are recorded in compensation expense with a corresponding accrual in other liabilities. If SARs are exercised as purchases of shares, the exercise price, together with the relevant amount in other liabilities, representing the value of shares at the market price, is credited to common share capital.

Compensation expense in respect of share-based awards under the Restricted Share Program which meet certain criteria, is recognized in the year for which the grant is made, in an amount equal to the total to be transferred to the trust in respect of the current year allocations. Compensation expense in respect of special grants is recognized over the applicable vesting period. Amounts paid under the directors' plans are charged to compensation expense. Obligations relating to deferred share units under the directors' plans change with CIBC's common share price, and the change is recognized as a compensation expense or credit in the period in which the change occurs.

Our contribution under the Employee Share Purchase Plan (ESPP) is expensed as incurred.

Earnings per share

Basic earnings per share (EPS) is determined as net income minus dividends and premiums on preferred shares, divided by the weighted-average number of common shares outstanding for the period.

Diluted EPS is determined as net income minus dividends and premiums on preferred shares, divided by the weighted-average number of diluted common shares outstanding for the period. Diluted common shares reflect the potential dilutive effect of exercising the stock options based on the treasury stock method. The treasury stock method determines the number of incremental common shares by assuming that the average outstanding stock options, whose exercise price is less than the average market price of CIBC's common stock during the period, are exercised and then reduced by the number of common shares assumed to be repurchased with the exercise proceeds. Year-to-date incremental common shares are computed by taking a weighted average of the number of incremental common shares included in each interim period.

Non-interest income

Underwriting and advisory fees and commissions on securities transactions are recognized as revenue when the related services are performed. Deposit and payment fees and insurance fees are recognized over the period that the related services are provided.

Card fees primarily include interchange income, late fees, cash advance fees and annual fees. Card fees are recognized as billed, except for annual fees which are recognized over a 12-month period.

Investment management and custodial, and mutual fund fees are included as fees for services. Investment management and custodial fees are primarily investment, estate and trust management fees and are recorded on an accrual basis. Accordingly, prepaid fees are deferred and amortized over the contract term. Mutual fund fees are recorded on an accrual basis.

Accounting changes

2005

Variable

interest entities

On November 1, 2004, we adopted the Canadian Institute of Chartered Accountants (CICA) Accounting Guideline (AcG) 15, "Consolidation of Variable Interest Entities," which provides a framework for identifying a variable interest entity (VIE) and requires a primary beneficiary to consolidate a VIE. A primary beneficiary is the enterprise that absorbs a majority of the VIE's expected losses or receives a majority of the VIE's expected residual returns, or both.

We were considered the primary beneficiary of VIEs with total assets of approximately $2.6 billion as at November 1, 2004. The consolidation of these VIEs resulted in an increase to assets and liabilities of approximately $2.5 billion as at November 1, 2004. This change in accounting policy resulted in an after-tax credit to opening retained earnings of $10 million ($21 million pre-tax) as at November 1, 2004, representing the difference between the net amount added to the consolidated balance sheet and the amount of any previously recognized interest in the newly consolidated entities. We were also considered the primary beneficiary of certain compensation trusts with assets of approximately $420 million as at November 1, 2004.

Additional considerations regarding the guideline are detailed in Note 6.

Liabilities and equity

On November 1, 2004, we retroactively adopted the amendments to the CICA handbook section, "Financial Instruments — Disclosure and Presentation." The amended standard requires that preferred shares that are convertible into a variable number of common shares at the option of the

holder be presented as liabilities rather than as equity, and dividend payments and premium on redemptions arising from such preferred shares be treated as interest expense within the consolidated statements of operations. The impact of the change is detailed below:

CONSOLIDATED BALANCE SHEETS

$ millions, as at October 31	**2005**	2004
Increase in preferred share liabilities	**$ 600**	$ 1,043
Decrease in preferred shares included within shareholders' equity	**(600)**	(1,043)

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN SHAREHOLDERS' EQUITY

$ millions, for the years ended October 31	**2005**	2004	2003
Increase in interest expense	**$ 66**	$ 108	$ 113
Decrease in net income	**66**	108	113
Decrease in preferred share dividends	**51**(1)	90	105
Decrease in preferred share premiums	**15**	18	8
Impact on net income applicable to common shareholders	**$ —**	$ —	$ —
Impact of EPS (basic and diluted)	**$ —**	$ —	$ —

(1) Total preferred share dividends were $52 million (Note 13), net of a tax recovery of $1 million.

2004

Hedge accounting

On November 1, 2003, we adopted the CICA AcG-13, "Hedging Relationships," and the Emerging Issues Committee abstract (EIC) 128, "Accounting for Trading, Speculative or Non-hedging Derivative Financial Instruments." AcG-13 provides detailed guidance on the identification, designation, documentation and effectiveness of hedging relationships, for the purposes of applying hedge accounting and the discontinuance of hedge accounting. EIC-128 requires that any derivative financial instrument not designated within an AcG-13 compliant hedging relationship be measured at fair value with changes in fair value recorded in income.

Upon adoption of AcG-13, all hedging relationships that ceased to be eligible for hedge accounting were terminated as of that date. In compliance with the transitional provisions of AcG-13, the difference between the carrying and fair values of all hedging instruments in these hedging relationships was deferred for amortization over the hedge terms, ranging primarily from one to five years. The impact of recognizing derivatives at fair value in respect of hedge relationships that were terminated as of November 1, 2003, resulted in an increase in derivative instruments market valuation assets and liabilities of $763 million and $920 million, respectively, and an increase to other liabilities and other assets of $763 million and $920 million, respectively.

Equity-linked deposit contracts

On November 1, 2003, we adopted the CICA AcG-17, "Equity-linked Deposit Contracts." This guideline pertains to certain deposit obligations, such as equity-linked GICs or equity-linked notes where the deposit obligation varies according to the performance of certain equity levels or indices. These deposit obligations may be subject to a guaranteed minimum redemption amount, such as the obligation to return the investor's initial investment at maturity. Under AcG-17, we separate or bifurcate the equity-linked deposit contracts into an embedded derivative and a residual discounted deposit instrument. The embedded derivative is measured at fair value with changes in fair value recorded in other non-interest income. The discounted deposit instrument is accreted to par principal value at maturity with the expense recorded in interest expense. Upon adoption of AcG-17, the change in carrying value of the deposit obligations and any adjustments resulting from the cessation of hedge accounting have been credited to opening retained earnings. This resulted in a $6 million after-tax credit to opening retained earnings ($9 million pre-tax).

Mortgage commitments

Concurrent with the November 1, 2003 adoption of the CICA AcG-13, we voluntarily changed our accounting policy for residential mortgage interest rate commitments. These commitments are given out to our retail clients at no charge in contemplation of borrowing to finance the purchase of homes under mortgages to be funded by CIBC in the future. These commitments are usually extended for periods of up to 90 days and generally entitle the borrower to receive funding at the lower of the interest rate at the time of the commitment and the rate applicable at funding date. We use financial instruments, such as interest rate derivatives, to economically hedge our exposure to an increase in interest rates. Under this change in accounting policy, we carry both our liability to the retail client (based on an estimate of the commitments expected to be exercised) and the associated economic hedges at fair value with changes in the fair value of both recorded in other non-interest income. In addition, as the commitments are an integral part of the mortgage, both their initial fair value and their fair value upon funding, if any, are recognized over the life of the mortgages that result. The impact of this change in accounting policy on consolidated financial statements was not significant.

Generally accepted accounting principles

On November 1, 2003, we prospectively adopted the CICA handbook section 1100, "Generally Accepted Accounting Principles." The section establishes standards for financial reporting in accordance with GAAP, and provides guidance on sources to consult when selecting accounting policies and determining appropriate disclosures when a matter is not dealt with explicitly in the primary sources of GAAP. As a result of the adoption of this section, the following changes in accounting policies were applied prospectively:

- We began to equity account for investments where we have an ability to exert significant influence in the decision-making process of the investee. The impact of the change on the consolidated financial statements was not significant.
- We commenced the treasury stock method of accounting for CIBC share positions held within trading portfolios. As a result, common shares increased by $11 million as at October 31, 2004 and contributed surplus increased by $6 million during the year.
- Beginning November 1, 2003, any debt or deposit instruments issued by CIBC that are held within trading portfolios are treated as a reduction of the appropriate debt or deposit obligation. Upon subsequent resale of the instruments, any gains or losses are deferred and amortized over their remaining lives. The impact of the change on the consolidated financial statements was not significant.
- Certain payment clearing amounts due from and due to financial institutions previously included in other liabilities are treated separately as cash and deposit liabilities with banks, respectively. The impact of the change on the consolidated balance sheets was not significant.

Prior year financial information

Certain prior year financial information has been reclassified to conform with the presentation adopted in the current year.

Future accounting policy changes

A description of future Canadian accounting policy changes is provided in Note 29. A description of future U.S. accounting policy changes is provided

in Note 27.

Note 2 SIGNIFICANT DISPOSITION

Juniper Financial Corp.

In 2004, we purchased the remaining common shares of Juniper Financial Corp. (Juniper), a U.S. credit card company, from non-management shareholders and exercised our option to purchase shares from the remaining non-controlling preferred shareholders. As a result, goodwill and other intangible assets, in the form of credit card relationships (customer relationships), increased by $22 million and $10 million, respectively.

On December 1, 2004, we sold Juniper to Barclays Bank PLC for gross consideration of US$293 million and recognized a gain of $115 million ($64 million after-tax) on the sale, which is included in other non-interest income. Prior to the sale, we had a 98% interest in Juniper and Juniper's senior management owned the remaining 2%. The sale will not have a significant impact on our ongoing results of operations.

Note 3 SECURITIES

	Residual term to contractual maturity													
	Within 1 year		1 to 5 years		5 to 10 years		Over 10 years		No specific maturity		**2005 total**		2004 total	
$ millions, as at October 31	Carrying value	Yield(1)	Carrying value	Yield(1)	Carrying value	Yield(1)	Carrying value	Yield(1)	Carrying value	Yield(1)	**Carrying value**	**Yield(1)**	Carrying value	Yield(1)
Investment securities														
Securities issued or guaranteed by:														
Canadian federal government	$ 905	2.9%	$ 859	3.1%	$ —	—%	$ 56	8.0%	$ —	—%	**$ 1,820**	**3.2%**	$ 4,047	4.1%
Other Canadian governments	13	3.1	11	3.2	—	—	541	6.2	—	—	**565**	**6.0**	364	6.3
U.S. Treasury	19	3.0	89	3.5	4,826	3.6	—	—	—	—	**4,934**	**3.6**	4,988	3.6
Other U.S. agencies	13	3.7	—	—	167	6.9	748	6.6	—	—	**928**	**6.6**	1,060	6.6
Other foreign governments	12	3.5	119	9.1	119	5.8	—	—	—	—	**250**	**7.3**	289	7.3
Mortgage-backed securities(2)	32	7.1	3,386	3.6	159	6.0	645	4.2	—	—	**4,222**	**3.8**	2,741	4.4
Asset-backed securities	4	5.9	275	3.6	85	3.6	—	—	—	—	**364**	**3.6**	219	4.8
Corporate debt	90	3.7	23	2.0	5	6.1	—	—	—	—	**118**	**3.5**	188	3.1
Corporate equity	9	5.6	197	5.0	10	3.0	—	—	95	—	**311**	**—**	509	2.5
Private debt	129	7.1	54	10.7	234	4.5	13	13.1	6	12.8	**436**	**6.4**	573	6.2
Private equity	—	—	—	—	—	—	—	—	394	—	**394**	**—**	539	—
Total debt securities														
Carrying value	$ 1,217		$ 4,816		$ 5,595		$ 2,003		$ 6		**$13,637**		$14,469	
Fair value	$ 1,226		$ 4,856		$ 5,267		$ 2,130		$ 10		**$13,489**		$14,697	
Total equity securities														
Carrying value	$ 9		$ 197		$ 10		$ —		$ 489		**$ 705**		$ 1,048	
Fair value(3)	$ 9		$ 200		$ 9		$ —		$ 704		**$ 922**		$ 1,556	
Total investment securities														
Carrying value	$ 1,226		$ 5,013		$ 5,605		$ 2,003		$ 495		**$14,342**		$15,517	
Fair value(3)	$ 1,235		$ 5,056		$ 5,276		$ 2,130		$ 714		**$14,411**		$16,253	
Trading securities(4)														
Securities issued or guaranteed by:														
Canadian federal government	$ 6,091		$ 2,912		$ 169		$ 326		$ —		**$ 9,498**		$11,181	
Other Canadian governments	344		1,300		520		611		25		**2,800**		2,621	
U.S. Treasury and agencies	2,600		1,521		240		146		—		**4,507**		3,851	
Other foreign governments	31		32		147		2		—		**212**		182	
Mortgage-backed securities(5)	80		115		75		1,273		21		**1,564**		1,653	
Asset-backed securities	528		78		233		62		—		**901**		1,586	
Corporate debt	4,931		1,755		760		1,106		1		**8,553**		8,903	
Corporate equity	—		—		—		—		25,387		**25,387**		21,822	
Total trading securities	$14,605		$ 7,713		$ 2,144		$ 3,526		$25,434		**$53,422**		$51,799	
Total securities														
Carrying value	$15,831		$12,726		$ 7,749		$ 5,529		$25,929		**$67,764**		$67,316	
Fair value(3)	$15,840		$12,769		$ 7,420		$ 5,656		$26,148		**$67,833**		$68,052	

(1) Represents the weighted-average yield, which is determined by applying the weighted average of the book yields of individual fixed income securities and the stated dividend rates of corporate and private equity securities.

(2) Includes securities issued or guaranteed by government, having a carrying value of $3.6 billion (2004: $1.9 billion) and a fair value of $3.6 billion (2004: $1.9 billion).

(3) The fair value of publicly traded equity investment securities does not take into account any adjustments for resale restrictions that expire within one year, adjustments for liquidity or future expenses.

(4) As trading securities are recorded at fair value, carrying value equals fair value.

(5) Includes securities issued or guaranteed by government, having a carrying value of $42 million (2004: $33 million).

FAIR VALUE OF INVESTMENT SECURITIES

$ millions, as at October 31	2005 Carrying value	Unrealized gains	Unrealized losses	Fair value	2004 Carrying value	Unrealized gains	Unrealized losses	Fair value
Securities issued or guaranteed by:								
Canadian federal government	**$ 1,820**	**$ 12**	**$ (3)**	**$ 1,829**	$ 4,047	$ 93	$ (3)	$ 4,137
Other Canadian governments	**565**	**79**	**—**	**644**	364	55	(1)	418
U.S. Treasury	**4,934**	**—**	**(341)**	**4,593**	4,988	—	(176)	4,812
Other U.S. agencies	**928**	**56**	**—**	**984**	1,060	107	—	1,167
Other foreign governments	**250**	**28**	**—**	**278**	289	47	—	336
Mortgage-backed securities(1)	**4,222**	**31**	**(5)**	**4,248**	2,741	57	(2)	2,796
Asset-backed securities	**364**	**7**	**—**	**371**	219	5	(1)	223
Corporate debt	**118**	**—**	**—**	**118**	188	1	—	189
Corporate equity(2)	**311**	**109**	**(7)**	**413**	509	428	(7)	930
Private debt	**436**	**23**	**(35)**	**424**	573	60	(14)	619
Private equity	**394**	**178**	**(63)**	**509**	539	154	(67)	626
	$14,342	**$ 523**	**$ (454)**	**$ 14,411**	$ 15,517	$ 1,007	$ (271)	$16,253

(1) Includes securities issued or guaranteed by government, with a carrying value of $3.6 billion (2004: $1.9 billion) and a fair value of $3.6 billion (2004: $1.9 billion).

(2) Includes certain securities hedged by forward sale contracts with maturities in 2006. The unrealized gains related to these securities would decrease by $18 million (2004: $15 million) as a result of these hedges.

For investments where the fair value is less than the carrying value, the following table presents current fair value and associated unrealized losses for periods less than 12 months and 12 months or longer:

$ millions, as at October 31	Less than 12 months Fair value	Gross unrealized losses	12 months or longer Fair value	Gross unrealized losses	Total Fair value	Gross unrealized losses
Investment securities						
Securities issued or guaranteed by:						
Canadian federal government	**$ 1,135**	**$ (3)**	**$ —**	**$ —**	**$ 1,135**	**$ (3)**
Other Canadian governments	**24**	**—**	**—**	**—**	**24**	**—**
U.S. Treasury	**1**	**—**	**4,485**	**(341)**	**4,486**	**(341)**
Other U.S. agencies	**—**	**—**	**—**	**—**	**—**	**—**
Other foreign governments	**4**	**—**	**—**	**—**	**4**	**—**
Mortgage-backed securities	**1,419**	**(5)**	**19**	**—**	**1,438**	**(5)**
Asset-backed securities	**—**	**—**	**—**	**—**	**—**	**—**
Corporate debt	**89**	**—**	**—**	**—**	**89**	**—**
Corporate equity	**126**	**(7)**	**1**	**—**	**127**	**(7)**
Private debt	**197**	**(35)**	**3**	**—**	**200**	**(35)**
Private equity	**125**	**(55)**	**6**	**(8)**	**131**	**(63)**
	$ 3,120	**$ (105)**	**$ 4,514**	**$ (349)**	**$ 7,634**	**$ (454)**

As at October 31, 2005, the carrying value of 100 investment securities exceeded their fair value by $454 million. The securities that have been in a gross unrealized loss position for more than a year include 12 securities, with a gross unrealized loss of $349 million.

We have determined that any unrealized losses on our investment securities are temporary in nature. We conduct a quarterly review to identify and evaluate investments that show indications of possible impairment. An investment is considered impaired if its fair value falls below its cost, and the decline is considered other-than-temporary. Factors considered in determining whether a loss is temporary include the length of time and extent to which fair value has been below cost; financial condition and near-term prospects of the issuer; and our ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery.

The review of impairment generally entails:

- Identification and evaluation of investments with indications of possible impairment
- Analysis of individual investments that have a fair value of less than cost or amortized cost, including consideration of the length of time the investment has been in an unrealized loss position
- Discussion of evidential matter, including an evaluation of factors or triggers that would or could cause individual investments to qualify as having other-than-temporary impairments
- Documentation of the results of these analyses

The following table presents realized gains, losses and impairment write-downs on investment securities:

INVESTMENT SECURITIES GAINS (LOSSES)

$ millions, for the years ended October 31	**2005**	2004	2003
Realized gains	**$ 725**	$ 494	$ 281
Realized losses	**(41)**	(74)	(42)
Impairment write-downs	**(107)**	(184)	(346)
Investment securities gains (losses)	**$ 577**	$ 236	$ (107)

Note 4 LOANS(1)

	2005					2004				
$ millions, as at October 31	**Gross amount**	**Specific allowance**	**General allowance**	**Total allowance**	**Net total**	Gross amount	Specific allowance	General allowance	Total allowance	Net total
Residential mortgages	**$ 77,216**	**$ 18**	**$ 19**	**$ 37**	**$ 77,179**	$ 72,592	$ 17	$ 22	$ 39	$ 72,553
Personal(2)	**28,198**	**262**	**349**	**611**	**27,587**	26,311	237	285	522	25,789
Credit card	**6,655**	**101**	**106**	**207**	**6,448**	8,689	133	209	342	8,347
Business and government(3)	**31,350**	**280**	**501**	**781**	**30,569**	31,737	413	509	922	30,815
	$143,419	**$ 661**	**$ 975**	**$ 1,636**	**$141,783**	$139,329	$ 800	$ 1,025	$ 1,825	$137,504

(1) Loans are net of unearned income of $123 million (2004: $171 million).

(2) Includes $336 million (2004: $312 million), including a non-recourse portion of approximately $117 million (2004: $151 million), relating to loans to certain individuals while employed by CIBC to finance a portion of their participation in funds which make private equity investments on a side-by-side basis with CIBC and its affiliates. These loans are secured by the borrowers' interest in the funds. Of these, $200 million (2004: $160 million) relate to individuals who are no longer employed by CIBC.

(3) Includes $3.0 billion (2004: $1.9 billion) designated as trading.

LOAN MATURITIES

	Residual term to contractual maturity				
$ millions, as at October 31	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	**2005 Total**
Residential mortgages	$ 6,652	$ 64,430	$ 5,551	$ 583	**$ 77,216**
Personal	15,566	11,387	1,017	228	**28,198**
Credit card	6,655	—	—	—	**6,655**
Business and government	13,309	12,843	3,968	1,230	**31,350**
	$ 42,182	$ 88,660	$ 10,536	$ 2,041	**$143,419**
Sensitivity of loans due after one year to changes in interest rates					
Fixed interest rates		$ 24,867	$ 6,167	$ 1,223	**$ 32,257**
Floating interest rates		63,793	4,369	818	**68,980**
		$ 88,660	$ 10,536	$ 2,041	**$101,237**

ALLOWANCE FOR CREDIT LOSSES

	Specific allowance			General allowance			Total allowance		
$ millions, as at or for the years ended October 31	**2005**	2004	2003	**2005**	2004	2003	**2005**	2004	2003
Balance at beginning of year	**$ 803**	$ 856	$ 1,039	**$ 1,025**	$ 1,100	$ 1,250	**$ 1,828**	$ 1,956	$ 2,289
Provision for (reversal of) credit losses	**756**	703	1,293	**(50)**	(75)	(150)	**706**	628	1,143
Write-offs	**(1,001)**	(960)	(1,312)	**—**	—	—	**(1,001)**	(960)	(1,312)
Recoveries	**124**	215	182(1)	**—**	—	—	**124**	215	182
Transfer to loans held for sale (Note 5)	**—**	—	(292)	**—**	—	—	**—**	—	(292)
Foreign exchange and other adjustments	**(19)**	(11)	(54)	**—**	—	—	**(19)**	(11)	(54)
Balance at end of year	**$ 663**	$ 803	$ 856	**$ 975**	$ 1,025	$ 1,100	**$ 1,638**	$ 1,828	$ 1,956
Comprised of: Loans	**$ 661**	$ 800	$ 852	**$ 975**	$ 1,025	$ 1,100	**$ 1,636**	$ 1,825	$ 1,952
Letters of credit(2)	**2**	2	1	**—**	—	—	**2**	2	1
Loan substitute securities(3)	**—**	1	3	**—**	—	—	**—**	1	3

(1) Includes credit protection purchased from third parties.

(2) Allowance on letters of credit is included in other liabilities.

(3) Allowance on loan substitute securities is included in securities.

IMPAIRED LOANS

$ millions, as at October 31	2005 Gross amount	2005 Specific allowance	2005 Net total	2004 Gross amount	2004 Specific allowance	2004 Net total
Residential mortgages	**$ 141**	**$ 18**	**$ 123**	$ 120	$ 17	$ 103
Personal(1)	**292**	**262**	**30**	266	237	29
Credit card(1)	**—**	**101**	**(101)**	—	133	(133)
Business and government	**516**	**280**	**236**	722	413	309
Total impaired loans	**949**	**661**	**288**	1,108	800	308
Loan substitute securities	**—**	**—**	**—**	1	1	—
Total impaired loans and loan substitute securities(2)	**$ 949**	**$ 661**	**$ 288**	$ 1,109	$ 801	$ 308

(1) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans, as individual loans are generally classified as impaired when repayment of principal or payment of interest is contractually 90 days in arrears.

(2) Average balance of gross impaired loans and loan substitute securities amounts to $1.0 billion (2004: $1.2 billion).

As at October 31, 2005, other past due loans totalled $54 million (2004: $55 million), of which $54 million (2004: $54 million) were in Canada and nil (2004: $1 million) were outside Canada. Other past due loans, excluding credit card loans and government-guaranteed loans, are loans where repayment of principal or payment of interest is contractually in arrears between 90 and 180 days. These loans have not been classified as impaired loans because they are both fully secured and in the process of collection. If the number of days in arrears reaches 180, the loans become impaired notwithstanding the security held.

As at October 31, 2005, the interest entitlements on loans classified as impaired totalled $64 million (2004: $73 million; 2003: $60 million), of which $58 million (2004: $57 million; 2003: $44 million) were in Canada and $6 million (2004: $16 million; 2003: $16 million) were outside Canada. During the year, interest recognized on loans before being classified as impaired totalled $63 million (2004: $73 million; 2003: $49 million), of which $62 million (2004: $63 million; 2003: $34 million) was in Canada and $1 million (2004: $10 million; 2003: $15 million) was outside Canada.

Note 5 LOANS HELD FOR SALE

In 2003, we transferred business and government loans amounting to $2.1 billion, and total authorizations of $2.9 billion, with the associated allowance for credit losses of $64 million into a held for sale portfolio. On transfer, the loans held for sale were further reduced by a provision for credit losses of $228 million and losses of $23 million recorded in other non-interest income.

During 2004, we sold loans held for sale amounting to $1.3 billion (2003: $493 million), with total authorizations of $2.0 billion (2003: $925 million) for a gain of $142 million (2003: $22 million), which was included in other non-interest income.

During the year, the remaining authorizations were sold.

Note 6 SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

Securitizations

Residential mortgages

We securitize fixed — and variable-rate residential mortgages through the creation of mortgage-backed securities. Upon sale of these securities, a net gain or loss is recognized in income from securitized assets. We retain responsibility for servicing the mortgages and recognize revenue as these services are provided. There are no expected credit losses as the mortgages are guaranteed. The following table summarizes our securitization and sales activity:

$ millions, for the years ended October 31	2005	2004	2003
Securitized	**$ 10,178**	$ 7,900	$ 4,700
Sold	**7,876**	7,327	4,370
Net cash proceeds	**7,842**	7,282	4,354
Retained interest(1)	**170**	153	106
Gain on sale, net of transaction costs	**32**	52	42
Retained interest assumptions:			
Prepayment rate (annually)	**12.0 — 39.0%**	12.0 — 40.0%	12.0 — 42.6%
Discount rate	**2.6 — 4.2%**	2.4 — 4.6%	3.7 — 4.4%
Expected credit losses	**n/a**	n/a	n/a

(1) Reported in investment securities on the consolidated balance sheets. n/a — not applicable as these mortgages are guaranteed.

Credit cards

We securitize credit card receivables through a trust that issues securities. We maintain the credit card client servicing responsibilities for the securitized credit card receivables and recognize revenue as these services are provided. The following table summarizes our securitization activity:

$ millions, for the years ended October 31	**2005**	2004	2003
Securitized and sold	**$ 2,345**(1)	$ 1,551	$ 926
Net cash proceeds	**2,345**(1)	1,552	926
Retained interest(2)	**210**	163(3)	68
Gain on sale, net of transaction costs	**18**	—	1
Retained interest assumptions:			
Prepayment rate (monthly)	**43.9%**	42.5%(3)	20.4 — 43.8%
Discount rate	**9.0%**	9.0%(3)	9.0 — 17.0%
Expected credit losses	**3.7%**	4.0%(3)	3.4 — 5.4%

(1) Net of $350 million related to the wind-down of a previous securitization.

(2) Reported in investment securities on the consolidated balance sheets.

(3) Retained interest for 2004 includes Juniper. However, assumptions exclude Juniper due to its impending disposition in December 2004 (Note 2).

A servicing asset or liability is not generally recognized in these securitizations because we receive adequate compensation for the servicing that we provide with respect to the transferred assets.

The following table summarizes certain cash flows as a result of securitization activity:

	$ millions, for the years ended October 31	Commercial mortgages	Residential mortgages	Credit card loans
2005	**Proceeds from new securitizations**	**$ —**	**$ 7,842**	**$ 2,345**
	Proceeds from collections reinvested in previous credit card securitizations	**—**	**—**	**11,957**
	Servicing fees received	**2**	**37**	**46**
	Other cash flows received on retained interests	**—**	**142**	**271**
2004	Proceeds from new securitizations	$ —	$ 7,282	$ 1,552
	Proceeds from collections reinvested in previous credit card securitizations	—	—	6,571
	Servicing fees received	4	25	34
	Other cash flows received on retained interests	—	95	63
2003	Proceeds from new securitizations	$ —	$ 4,354	$ 926
	Proceeds from collections reinvested in previous credit card securitizations	—	—	8,733
	Servicing fees received	5	11	35
	Other cash flows received on retained interests	1	52	108

Key economic assumptions used in measuring the fair value of retained interests in securitizations and the sensitivity of the current fair value of residual cash flows to changes in those assumptions are set out in the table below.

The sensitivities are hypothetical and should be viewed with caution, as changes in fair value based on variations in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, the effect of a variation in a particular assumption on the fair value of the retained interests, is calculated without changing any other assumptions. Changes in one factor may result in changes in another, which might magnify or counteract the sensitivities.

$ millions, as at October 31		Commercial mortgages	Residential mortgages	Credit card loans[1]
2005	**Carrying amount of retained interests**	**$ —**	**$ 264**	**$ 309**
	Fair value of retained interests	**n/a**	**273**	**309**
	Weighted-average remaining life (in years)	**n/a**	**3**	**0.2**
	Prepayment/payment rate	**n/a[2]**	**7.0-39.0%**	**43.9%[3]**
	Impact on fair value of a 10% adverse change	**—**	**(12)**	**(2)**
	Impact on fair value of a 20% adverse change	**—**	**(23)**	**(4)**
	Expected credit losses	**n/a**	**n/a[4]**	**3.7%**
	Impact on fair value of a 10% adverse change	**—**	**—**	**(3)**
	Impact on fair value of a 20% adverse change	**—**	**—**	**(6)**
	Residual cash flows discount rate (annual rate)	**n/a**	**3.1-4.9%**	**9.0%**
	Impact on fair value of a 10% adverse change	**—**	**(1)**	**—**
	Impact on fair value of a 20% adverse change	**—**	**(2)**	**—**
2004	Carrying amount of retained interests	$ 11	$ 231	$ 107
	Fair value of retained interests	15	248	108
	Weighted-average remaining life (in years)	1	4	0.2
	Prepayment/payment rate	n/a[2]	7.0 - 39.0%	42.5%[3]
	Impact on fair value of a 10% adverse change	—	(10)	(1)
	Impact on fair value of a 20% adverse change	—	(20)	(2)
	Expected credit losses	—	n/a[4]	4.0%
	Impact on fair value of a 10% adverse change	—	—	(1)
	Impact on fair value of a 20% adverse change	—	—	(3)
	Residual cash flows discount rate (annual rate)	4.2%	2.6 - 5.7%	9.0%
	Impact on fair value of a 10% adverse change	—	(1)	—
	Impact on fair value of a 20% adverse change	—	(2)	—

(1) 2004 does not include $63 million carrying value of retained interests for Juniper, due to its impending disposition in December 2004 (Note 2).

(2) Not applicable as these retained interests are not subject to prepayment risk.

(3) Monthly payment rate.

(4) Not applicable as these mortgages are guaranteed.

Static pool credit losses include actual incurred and projected credit losses divided by the original balance of securitized loans. The following table summarizes our expected static pool credit losses:

% of outstanding loans, as at October 31		Commercial mortgages	Residential mortgages[1]	Credit card loans
2005	**Actual and projected credit losses**	**n/a**	**n/a**	**3.7%**
2004	Actual and projected credit losses	0.2%	n/a	4.0%

(1) Static pool losses are not applicable to residential mortgages as the mortgages are guaranteed.

The following table summarizes the loan principal, impaired and net write-offs for total loans reported on our consolidated balance sheets and loans securitized:

$ millions, as at or for the years ended October 31

Type of loan		Total principal amount of loans	Impaired and other past due loans	Net write-offs(1)(2)
2005	**Residential mortgages**	**$ 94,716**	**$ 163**	**$ 7**
	Personal	**28,198**	**314**	**353**
	Credit card	**10,755**	**32**	**385**
	Business and government(3)	**31,350**	**529**	**214**
	Total loans reported and securitized(4)	**165,019**	**1,038**	**959**
	Less: loans securitized			
	Residential mortgages	**17,500**	**3**	**—**
	Credit card	**4,100**	**32**	**82**
	Business and government(3)	**—**	**—**	**—**
	Total loans securitized	**21,600**	**35**	**82**
	Total loans reported on the consolidated balance sheets	**$ 143,419**	**$ 1,003**	**$ 877**
2004	Residential mortgages	$ 84,392	$ 145	$ 3
	Personal	26,311	285	259
	Credit card	11,889	64	404
	Business and government(3)	31,837	735	97
	Total loans reported and securitized(4)	154,429	1,229	763
	Less: loans securitized			
	Residential mortgages	11,800	2	—
	Credit card	3,200	64	18
	Business and government(3)	100	—	—
	Total loans securitized	15,100	66	18
	Total loans reported on the consolidated balance sheets	$ 139,329	$ 1,163	$ 745

(1) Represents write-offs in the current year net of recoveries on previously written-off loans.

(2) 2004 does not include securitization of Juniper due to its impending disposition in December 2004 (Note 2).

(3) Includes commercial mortgages and investment grade loans.

(4) Includes loans outstanding and loans that have been securitized, which we continue to manage.

Variable interest entities

As explained in Note 1, on November 1, 2004, we adopted the CICA AcG-15, "Consolidation of Variable Interest Entities." We were considered the primary beneficiary of certain VIEs with total assets of approximately $2.1 billion at October 31, 2005. The consolidation of these VIEs resulted in an increase to assets and liabilities of approximately $1.9 billion as at October 31, 2005. The assets that support the obligations of the consolidated VIEs primarily comprise residential mortgages of $1.0 billion and trading securities of $0.9 billion. These trading securities include $841 million relating to investment vehicles, managed by certain of our employees, that make private equity investments, and $58 million relating to transactions that modify the cash flows of trusts managed by third-party asset managers to create investments with specific risk profiles. Investors in the consolidated VIEs have recourse only to the assets of the VIEs and do not have recourse to our general credit, except where we have provided liquidity facilities, credit enhancements or are a counterparty to a derivative transaction involving the VIE.

We were considered the primary beneficiary of certain compensation trusts with assets of approximately $312 million at October 31, 2005. However, the consolidation of these trusts does not have a significant impact as both the assets (CIBC shares) and the liabilities (the obligation to deliver CIBC shares to the participants) of the trusts offset each other in the common shares section of the consolidated balance sheet.

VIEs that are not consolidated

We have significant interests in VIEs that are not consolidated because we were not considered the primary beneficiary. We may provide these VIEs liquidity facilities, hold their notes, or act as counterparty to derivative contracts.

These VIEs include several multi-seller conduits in Canada, which we administer, and collateralized debt obligations (CDOs) for which we act as structuring and placement agents and for which we may manage collateral on behalf of investors. At October 31, 2005, these VIEs had assets of approximately $19.9 billion.

Our maximum exposure to loss as a result of our involvement with these VIEs was approximately $15.2 billion at October 31, 2005. For this purpose, maximum exposure to loss represents the notional amounts of liquidity and credit enhancement facilities and the carrying value of our investments in these VIEs. Actual losses that may arise in respect of this exposure are not expected to be material. The exposures are monitored and managed as part of our risk management processes.

Our current exposure under derivative transactions with VIEs is reflected in the consolidated financial statements, as the fair value of the derivative contracts are recorded in other assets or other liabilities, and changes in fair value are recognized in other non-interest income.

We continue to monitor developments that may affect our current interpretation of AcG-15.

Note 7 LAND, BUILDINGS AND EQUIPMENT

$ millions, as at October 31	Cost	Accumulated amortization(1)	2005 Net book value	2004 Net book value
Land(2)	**$ 248**	**$ —**	**$ 248**	$ 256
Buildings(2)	**902**	**223**	**679**	773
Computer equipment and software	**1,909**	**1,500**	**409**	367
Office furniture and other equipment	**1,099**	**539**	**560**	534
Leasehold improvements	**582**	**342**	**240**	177
	$ 4,740	**$ 2,604**	**$ 2,136**	$ 2,107

(1) Amortization of buildings, furniture, equipment and leasehold improvements for the year amounted to $214 million (2004: $264 million; 2003: $275 million).

(2) Land and buildings include amounts of $192 million and $489 million, respectively, in respect of a building (300 Madison) for which CIBC guaranteed the construction debt, and for which we are deemed to have ownership for accounting purposes. Construction of the building was completed in January 2004, with CIBC's prime lease effective February 2004.

Note 8 GOODWILL AND OTHER INTANGIBLE ASSETS

We completed our annual impairment testing on goodwill and other intangible assets and determined that no impairment write-downs were required. The changes in the carrying amount of goodwill are as follows:

	$ millions, as at or for the years ended October 31	CIBC Retail Markets	CIBC World Markets	Corporate and Other	CIBC Total
2005	**Balance at beginning of year**	**$ 887**	**$ 57**	**$ 111**	**$ 1,055**
	Dispositions	**(4)**(1)	**—**	**(102)**(2)	**(106)**
	Adjustments(3)	**—**	**—**	**(3)**	**(3)**
	Balance at end of the year	**$ 883**	**$ 57**	**$ 6**	**$ 946**
2004	Balance at beginning of year	$ 889	$ 60	$ 96	$ 1,045
	Acquisitions	1	—	22(4)	23
	Adjustments(3)	(3)	(3)	(7)	(13)
	Balance at end of the year	$ 887	$ 57	$ 111	$ 1,055

(1) Pertains to sale of EDULINX Canada Corporation.

(2) Pertains to sale of Juniper (Note 2).

(3) Includes foreign currency translation and other purchase price equation adjustments.

(4) Pertains to the purchase of additional shares of Juniper (Note 2).

The components of other intangible assets are as follows:

$ millions, as at October 31	2005 Gross carrying amount	2005 Accumulated amortization(1)	2005 Net carrying amount	2004 Gross carrying amount	2004 Accumulated amortization(1)	2004 Net carrying amount
Finite-lived other intangible assets						
Customer relationships(2)	**$ 121**	**$ 55**	**$ 66**	$ 168	$ 61	$ 107
Contract based(3)	**28**	**11**	**17**	51	30	21
Other	**—**	**—**	**—**	4	4	—
	149	**66**	**83**	223	95	128
Indefinite-lived other intangible assets						
Contract based	**116**	**—**	**116**	116	—	116
Total other intangible assets	**$ 265**	**$ 66**	**$ 199**	$ 339	$ 95	$ 244

(1) Amortization of other intangible assets for the year amounted to $12 million (2004: $16 million; 2003: $20 million).

(2) Certain customer relationships assets were sold as part of Juniper sale (Note 2).

(3) Certain contract based assets were sold as part of EDULINX Canada Corporation sale.

The total estimated amortization expense relating to finite-lived other intangible assets for each of the next five years is as follows:

$ millions	
2006	$ 13
2007	11
2008	11
2009	11
2010	11

Note 9 OTHER ASSETS

$ millions, as at October 31	**2005**	2004
Accrued interest receivable	**$ 886**	$ 904
Accrued benefit asset (Note 18)	**977**	915
Brokers' client accounts	**958**	885
Future income tax asset (Note 19)	**1,002**	1,239
Other prepayments and deferred items	**925**	835
Investment in limited partnerships	**660**	890
Equity-accounted investments	**1,029**	1,104
Cheques and other items in transit, net	**1,160**	718
Derivative collateral receivable	**1,504**	1,420
Current income tax receivable	**288**	357
Derivatives held for ALM, not carried at fair value (Note 23)	**1,070**	1,316
Accounts receivable	**841**	761
Other	**448**	338
	$ 11,748	$ 11,682

Note 10 DEPOSITS

			Payable on a fixed date (1)							
$ millions, as at October 31	Payable on demand (2)	Payable after notice (3)	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	**2005 total**	2004 total
Personal	$ 5,545	$ 32,399	$ 21,688	$ 7,529	$ 3,489	$ 1,680	$ 1,442	$ 18	**$ 73,790**	$ 72,049
Business and government	19,527	7,203	53,087	7,837	10,192	3,425	3,330	3,808	**108,409**	106,705
Bank	1,156	7	6,992	169	67	74	1,062	1,008	**10,535**	11,823
	$ 26,228	$ 39,609	$ 81,767	$ 15,535	$ 13,748	$ 5,179	$ 5,834	$ 4,834	**$ 192,734**	$ 190,577
Total deposits include:										
Non-interest-bearing deposits										
In domestic offices									**$ 22,102**	$ 11,420
In foreign offices									**302**	280
Interest-bearing deposits										
In domestic offices									**120,595**	126,573
In foreign offices									**48,400**	51,380
U.S. federal funds purchased									**1,335**	924
									$ 192,734	$ 190,577

(1) Deposits payable on a fixed date include all deposits, which mature on a specified date. These deposits are generally term deposits, guaranteed investment certificates and similar instruments.

(2) Deposits payable on demand include all deposits for which we do not have the right to require notice of withdrawal. These deposits are generally chequing accounts.

(3) Deposits payable after notice include all deposits for which we can legally require notice of withdrawal. These deposits are generally savings accounts.

Note 11 OTHER LIABILITIES

$ millions, as at October 31	2005	2004
Accrued interest payable	**$ 1,701**	$ 1,308
Accrued benefit liability (Note 18)	**816**	760
Gold and silver certificates	**48**	34
Brokers' client accounts	**2,516**	2,210
Derivative collateral payable	**1,258**	1,149
Deferred gain on sale of real estate properties (1)	**63**	79
Other deferred items	**137**	86
Restructuring provision	**—**	15
Negotiable instruments	**1,939**	1,356
Derivatives held for ALM, not carried at fair value (Note 23)	**997**	1,695
Accounts payable and accrued expenses (2)	**3,824**	1,505
Other	**2,703**	3,061
	$ 16,002	$ 13,258

(1) The deferred gain is being recognized in income each year over the approximate 10-year average term of the leases relating to properties that we sold and leased back in 2000.

(2) Includes $2.2 billion (2004: nil) relating to Enron-related settlements. Refer to Note 24 for additional information.

Note 12 SUBORDINATED INDEBTEDNESS

The indebtedness included in the table below is unsecured and subordinated to deposits and other liabilities. Foreign currency denominated indebtedness either funds foreign currency denominated assets (including net investments in foreign operations) or is combined with cross-currency swaps to provide Canadian dollar equivalent funding.

TERMS OF SUBORDINATED INDEBTEDNESS

$ millions, as at October 31

		Earliest date redeemable by CIBC				
Interest rate %	Maturity date	At greater of Canada Yield Price(1) and par	At par	Denominated in foreign currency	2005	2004
8.55	May 12, 2005(2)	May 12, 2000			$ —	$ 1
8.65	August 22, 2005(2)	August 22, 2000			—	24
7.40(3)	January 31, 2011(4)		January 31, 2006		**250**	250
8.15(3)	April 25, 2011	April 25, 2001	April 25, 2006		**250**	250
7.00(3)	October 23, 2011	October 23, 2001	October 23, 2006		**250**	250
Floating(5)	August 14, 2012		August 14, 2007	US $ 300 million	**355**	366
4.75(3)	January 21, 2013	January 20, 2003	January 21, 2008		**250**	250
5.89(3)	February 26, 2013	February 26, 1998	February 26, 2008		**120**	120
4.25(3)	June 1, 2014	May 6, 2004	June 1, 2009		**750**	750
4.50(3)	October 15, 2014	September 14, 2004	October 15, 2009		**500**	500
9.65	October 31, 2014	November 1, 1999			**250**	250
3.75(3)	September 9, 2015	September 9, 2005	September 9, 2010		**1,300**	—
8.70	May 25, 2029(6)				**25**	25
11.60	January 7, 2031	January 7, 1996			**200**	200
10.80	May 15, 2031	May 15, 2021			**150**	150
8.70	May 25, 2032(6)				**25**	25
8.70	May 25, 2033(6)				**25**	25
8.70	May 25, 2035(6)				**25**	25
Floating(7)	July 31, 2084		July 27, 1990	US $ 216 million(9)	**255**	283
Floating(8)	August 31, 2085		August 20, 1991	US $ 103 million(10)	**122**	145
					$ 5,102	$ 3,889

(1) Canada Yield Price: a price calculated at the time of redemption to provide a yield to maturity equal to the yield of a Government of Canada bond of appropriate maturity plus a pre-determined spread.

(2) Matured for cash during the year.

(3) Interest rate is fixed at the indicated rate until the earliest date redeemable at par by CIBC and, thereafter, at the three-month Canadian dollar bankers' acceptance rate plus 1.00%.

(4) Subsequent to year-end, we announced our intention to redeem all of our outstanding 7.40% Debentures due January 31, 2011, in accordance with their terms on January 31, 2006, for their outstanding principal amount of $250 million plus unpaid interest accrued to the redemption date.

(5) Issued by CIBC World Markets plc and guaranteed by CIBC on a subordinated basis. Interest rate is based on the three-month US$ LIBOR plus 0.35% until the earliest date redeemable by CIBC World Markets plc and, thereafter, on the three-month US$ LIBOR plus 1.35%.

(6) Not redeemable prior to maturity date.

(7) Interest rate is based on the six-month US$ LIBOR plus 0.25%.

(8) Interest rate is based on the six-month US$ LIBOR plus 0.125%.

(9) US$16 million of the indebtedness was repurchased for cash during the year (2004: US$19 million).

(10) US$16 million of the indebtedness was repurchased for cash during the year (2004: nil).

The aggregate contractual maturities of our subordinated indebtedness are outlined in the following table:

REPAYMENT SCHEDULE

$ millions	2005
Within 1 year	**$ —**
1 to 2 years	**—**
2 to 3 years	**—**
3 to 4 years	**—**
4 to 5 years	**—**
Over 5 years	**5,102**
Total	**$ 5,102**

Note 13 PREFERRED SHARE LIABILITIES

As stated in Note 1, on November 1, 2004, certain preferred shares were reclassified as liabilities and dividend payments and premium on redemptions treated as interest expense pursuant to adoption of the amendments to the CICA handbook section, "Financial Instruments — Disclosure and Presentation." Prior period information has been reclassified.

The rights and privileges of Class A Preferred Share liabilities and the restrictions on the payment of dividends are described in Note 14.

OUTSTANDING PREFERRED SHARE LIABILITIES AND DIVIDENDS PAID

	2005				2004				2003			
As at or for the years ended October 31	**Shares outstanding No. of shares**	**$ millions**	**Dividends paid $ millions**	**$ per share**	Shares outstanding No. of shares	$ millions	Dividends paid $ millions	$ per share	Shares outstanding No. of shares	$ millions	Dividends paid $ millions	$ per share
Class A Preferred Shares Fixed-rate shares entitled to non-cumulative dividends												
Series 14	**—**	**$ —**	**$ —**	**$ —**	—	$ —	$ —	$ —	—	$ —	$ 9	$ 1.12
Series 15	**—**	**—**	**—**	**—**	—	—	13	1.07	12,000,000	300	17	1.41
Series 16	**—**	**—**	**—**	**—**	—	—	10	US 1.41	5,500,000	181	11	US 1.41
Series 17	**—**	**—**	**—**	**—**	—	—	9	1.36	6,500,000	162	9	1.36
Series 19	**8,000,000**	**200**	**10**	**1.24**	8,000,000	200	10	1.24	8,000,000	200	10	1.24
Series 20[1]	**—**	**—**	**6**	**US 1.29**	4,000,000	121	7	US 1.29	4,000,000	132	7	US 1.29
Series 21[2]	**—**	**—**	**9**	**1.13**	8,000,000	200	12	1.50	8,000,000	200	12	1.50
Series 22[3]	**—**	**—**	**6**	**US 1.18**	4,000,000	122	8	US 1.56	4,000,000	132	9	US 1.56
Series 23	**16,000,000**	**400**	**21**	**1.33**	16,000,000	400	21	1.33	16,000,000	400	21	1.33
Total preferred share liabilities and dividends		**$ 600**	**$ 52**			$ 1,043	$ 90			$ 1,707	$ 105	

(1) On October 31, 2005, redeemed at a price of US$25.50 per share including a redemption premium of US$0.50 per share, for an aggregate consideration of US$102 million.

(2) On August 2, 2005, redeemed at a price of $26.00 per share including a redemption premium of $1.00 per share, for an aggregate consideration of $208 million.

(3) On August 2, 2005, redeemed at a price of US$26.00 per share including a redemption premium of US$1.00 per share, for an aggregate consideration of US$104 million.

TERMS OF CLASS A PREFERRED SHARE LIABILITIES

	Quarterly dividends per share(1)	Specified redemption date	Cash redemption price per share	Conversion for common shares: CIBC's conversion date	Conversion for common shares: Shareholders' conversion date
Series 19	$ 0.309375	April 30, 2008	$ 25.75	April 30, 2008	April 30, 2013
		April 30, 2009	25.60		
		April 30, 2010	25.45		
		April 30, 2011	25.30		
		April 30, 2012	25.15		
		April 30, 2013	25.00		
Series 23	$ 0.331250	October 31, 2007	$ 25.75	October 31, 2007	July 31, 2011
		October 31, 2008	25.50		
		October 31, 2009	25.25		
		October 31, 2010	25.00		

(1) Quarterly dividends are adjusted for the number of days during the quarter that the share is outstanding at the time of issuance and redemption.

Note 14 SHARE CAPITAL

Preferred shares

An unlimited number of Class A Preferred Shares and Class B Preferred Shares without nominal or par value issuable in series, provided that for a class of preferred shares the maximum aggregate consideration for all outstanding shares of that class at any time does not exceed $10 billion.

Preferred share rights and privileges

Class A Preferred Shares

Each series of Class A Preferred Shares bears quarterly non-cumulative dividends and is redeemable for cash by CIBC on or after the specified redemption dates at the cash redemption prices indicated in the following table or in Note 13. Each series, except as noted below, provides CIBC and the shareholders with the right to convert the shares to CIBC common shares on or after a specified conversion date. Each share is convertible into a number of common shares determined by dividing the then applicable cash redemption price by 95% of the average common share price (as defined in the short form prospectus or prospectus supplement), subject to a minimum price of $2.00 per share. Where shareholders exercise their conversion right, we have the right, subject to Superintendent of Financial Institutions, Canada consent, to elect to redeem for cash any shares tendered for conversion or to arrange for their cash sale to another purchaser.

OUTSTANDING SHARES AND DIVIDENDS PAID

	2005				2004				2003			
As at or for the years ended October 31	**Shares outstanding No. of shares**	**$ millions**	**Dividends paid $ millions**	**$ per share**	Shares outstanding No. of shares	$ millions	Dividends paid $ millions	$ per share	Shares outstanding No. of shares	$ millions	Dividends paid $ millions	$ per share
Class A Preferred Shares Fixed-rate shares entitled to non-cumulative dividends												
Series 18	**12,000,000**	**$ 300**	**$ 16**	**$ 1.38**	12,000,000	$ 300	$ 16	$ 1.38	12,000,000	$ 300	$ 16	$ 1.38
Series 24	**16,000,000**	**400**	**24**	**1.50**	16,000,000	400	24	1.50	16,000,000	400	24	1.50
Series 25	**16,000,000**	**400**	**24**	**1.50**	16,000,000	400	24	1.50	16,000,000	400	24	1.50
Series 26	**10,000,000**	**250**	**14**	**1.44**	10,000,000	250	14	1.44	10,000,000	250	11	1.09
Series 27	**12,000,000**	**300**	**17**	**1.40**	12,000,000	300	19	1.55	12,000,000	300	—	—
Series 28(1)(2)	**17,658**	**-(3)**	**-(3)**	**0.08**	13,250,000	133	3	0.20	—	—	—	—
Series 29(1)	**13,232,342**	**331**	**18**	**1.35**	—	—	—	—	—	—	—	—
Series 30(4)	**16,000,000**	**400**	**12**	**0.77**	—	—	—	—	—	—	—	—
Total preferred share capital and dividends		**$ 2,381**	**$ 125**			$ 1,783	$ 100			$ 1,650	$ 75	

(1) Over the course of the year, on three conversion dates, 13.2 million Class A Series 28 Preferred Shares were converted into Class A Series 29 Preferred Shares, together with the exercise of the same number of Series 29 Purchase Warrants and the receipt of $15 per warrant, resulting in total capital for the Class A Series 29 Preferred Shares of $331 million. The total paid up share capital of the converted Class A Series 28 Preferred Shares was correspondingly reduced by $133 million.

(2) On November 25, 2005, we announced our offer to repurchase for cancellation all outstanding Class A Series 28 Preferred Shares at a price of $10.00 per share. The offer will remain open for acceptance for a minimum period of one year and will expire on the earlier of June 17, 2009 or the date the offer is withdrawn by CIBC.

(3) Due to rounding.

(4) Issued on March 10, 2005 at a price of $25.00 per share.

TERMS OF CLASS A PREFERRED SHARES

	Quarterly dividends per share[1]	Specified redemption date	Cash redemption price per share	Conversion for common shares: CIBC's conversion date	Conversion for common shares: Shareholders' conversion date
Series 18	$ 0.343750	October 29, 2012	$ 25.00	not convertible	not convertible
Series 24	$ 0.375000	January 31, 2007	$ 26.00	January 31, 2007	not convertible
		January 31, 2008	25.75		
		January 31, 2009	25.50		
		January 31, 2010	25.25		
		January 31, 2011	25.00		
Series 25	$ 0.375000	July 31, 2007	$ 26.00	July 31, 2007	not convertible
		July 31, 2008	25.75		
		July 31, 2009	25.50		
		July 31, 2010	25.25		
		July 31, 2011	25.00		
Series 26	$ 0.359375	April 30, 2008	$ 26.00	April 30, 2008	not convertible
		April 30, 2009	25.75		
		April 30, 2010	25.50		
		April 30, 2011	25.25		
		April 30, 2012	25.00		
Series 27	$ 0.350000	October 31, 2008	$ 26.00	October 31, 2008	not convertible
		October 31, 2009	25.75		
		October 31, 2010	25.50		
		October 31, 2011	25.25		
		October 31, 2012	25.00		
Series 28	$ 0.02	June 17, 2009	$ 10.00	not convertible	not convertible
Series 29	$ 0.337500	May 1, 2010	$ 26.00	May 1, 2010	not convertible
		May 1, 2011	25.75		
		May 1, 2012	25.50		
		May 1, 2013	25.25		
		May 1, 2014	25.00		
Series 30	$ 0.300000	April 30, 2010	$ 26.00	not convertible	not convertible
		April 30, 2011	25.75		
		April 30, 2012	25.50		
		April 30, 2013	25.25		
		April 30, 2014	25.00		

(1) Quarterly dividends are adjusted for the number of days during the quarter that the share is outstanding at the time of issuance and redemption.

Common shares

An unlimited number of common shares without nominal or par value, provided that the maximum aggregate consideration for all outstanding common shares at any time does not exceed $15 billion.

OUTSTANDING SHARES AND DIVIDENDS PAID

As at or for the years ended October 31	**2005** **No. of shares**	**2005** **Shares outstanding $ millions**	2004 No. of shares	2004 Shares outstanding $ millions	2003 No. of shares	2003 Shares outstanding $ millions
Common shares						
Total common share capital at beginning of year	**347,488,472**	**$ 2,969**	362,042,914	$ 2,950	359,064,369	$ 2,842
Issued pursuant to stock option plans	**2,866,907**	**134**	3,666,817	162	2,978,545	108
Purchase of common shares for cancellation	**(16,202,800)**	**(140)**	(18,359,200)	(154)	—	—
Treasury shares (Note 1)	**(144,953)**	**(11)**	137,941	11	—	—
Total common share capital	**334,007,626**	**$ 2,952**	347,488,472	$ 2,969	362,042,914	$ 2,950
Total dividends paid		**$ 902**		$ 781		$ 591
Dividends per share		**$ 2.66**		$ 2.20		$ 1.64

Normal course issuer bid

On December 22, 2004, the Toronto Stock Exchange (TSX) accepted our notice of intention to renew our normal course issuer bid. Purchases under the bid commenced on December 24, 2004 and will conclude on the earlier of the termination of the bid, the date on which purchases under the bid have been completed, or December 23, 2005. Under this bid, we are permitted to purchase for cancellation from time to time up to 17 million common shares. During the year, we repurchased and cancelled approximately 16.2 million common shares at an average price of $72.64, representing an aggregate consideration of $1.2 billion. We have dete rmined that no further purchases will be made under the issuer bid, which expires on December 23, 2005.

Under the normal course issuer bid, which commenced on December 23, 2003, we repurchased and cancelled approximately 18,359,200 common shares at an average price of $67.43, representing an aggregate consideration of $1.2 billion for the year ended October 31, 2004.

Shares reserved for issue

As at October 31, 2005, 20,044,492 common shares were reserved for future issue pursuant to stock option plans.

Restrictions on the payment of dividends

We are prohibited under section 79 of the Bank Act (Canada) from declaring or paying any dividends on our preferred or common shares if there are reasonable grounds for believing that we are, or the payment would cause CIBC to be, in contravention of any capital adequacy or liquidity regulation or any direction to CIBC made by the Office of the Superintendent of Financial Institutions, Canada (OSFI) regarding our capital or liquidity.

In addition, we are prohibited by the Bank Act from declaring or paying a dividend in any financial year without the approval of OSFI if, on the day the dividend is declared, the total of all dividends we have declared in that year would exceed the aggregate of our net income up to that day in that year and our retained net income for the preceding two financial years.

Our ability to pay common share dividends is also restricted by the terms of the outstanding preferred shares. These terms provide that we may not pay dividends on our common shares at any time without the approval of holders of the outstanding preferred shares, unless all dividends that are then payable have been declared and paid or set apart for payment.

Subsequent to the year-end, we obtained the approval of OSFI under section 79 to pay dividends on our common shares and Class A Preferred Shares for the quarter ended January 31, 2006.

Regulatory capital

Our regulatory capital requirements are determined in accordance with guidelines issued by OSFI. The OSFI guidelines evolve from the framework of risk-based capital standards developed by the Bank for International Settlements (BIS).

BIS standards require that banks maintain minimum Tier 1 and total capital ratios of 4% and 8%, respectively. OSFI has established that Canadian deposit-taking financial institutions attain Tier 1 and total capital ratios of at least 7% and 10%, respectively.

Our capital ratios and assets-to-capital multiple are as follows:

CAPITAL RATIOS AND ASSETS-TO-CAPITAL MULTIPLE

$ millions, as at October 31	**2005**	2004
Tier 1 capital	**$ 9,886**	$ 12,167
Total regulatory capital	**14,771**	14,885
Tier 1 capital ratio	**8.5%**	10.5%
Total capital ratio	**12.7**	12.8
Assets-to-capital multiple	**18.4x**	17.9x

Note 15 INTEREST RATE SENSITIVITY

The table below details our exposure to interest rate risk resulting from the mismatch, or gap, between financial assets, liabilities and off-balance sheet instruments. On- and off-balance sheet financial instruments have been reported on the earlier of their contractual repricing date or maturity date. Weighted-average effective yields are based on the earlier of contractual repricing date or maturity date of the underlying instrument.

We manage interest rate gap by imputing a duration to certain assets and liabilities based on historical and forecasted core balances trends. The repricing profile of these assets and liabilities has been incorporated in the table below under structural assumptions.

		Based on earlier of maturity or repricing date of interest-sensitive instruments						
$ millions, as at October 31		Immediately rate sensitive	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Not interest rate sensitive	**Total**
2005	**Assets**							
	Cash and deposits with banks	$ 259	$ 8,985	$ 1,536	$ —	$ —	$ 1,072	**$ 11,852**
	Effective yield		3.80%	4.08%	—	—		
	Investment securities	1,737	1,575	485	3,547	6,503	495	**14,342**
	Effective yield		2.75%	3.55%	4.16%	4.28%		
	Trading securities	1,286	9,940	6,272	6,135	4,355	25,434	**53,422**
	Effective yield		3.50%	2.98%	4.50%	5.66%		
	Securities borrowed or purchased under resale agreements	35	17,842	637	—	—	—	**18,514**
	Effective yield		3.21%	3.00%	—	—		
	Loans	92,974	11,991	9,222	20,751	5,336	1,509	**141,783**
	Effective yield		5.75%	5.74%	5.33%	5.01%		
	Other	—	22,485	—	—	—	17,972	**40,457**
	Structural assumptions	(4,278)	888	2,564	2,153	—	(1,327)	**—**
	Total assets	$ 92,013	$ 73,706	$ 20,716	$ 32,586	$ 16,194	$ 45,155	**$ 280,370**
	Liabilities and shareholders' equity							
	Deposits	$ 63,409	$ 74,105	$ 19,299	$ 11,736	$ 1,781	$ 22,404	**$ 192,734**
	Effective yield		3.40%	2.74%	2.92%	4.56%		
	Obligations related to securities sold short	—	461	700	6,858	4,114	2,750	**14,883**
	Effective yield		1.94%	2.79%	3.61%	4.18%		
	Obligations related to securities lent or sold under repurchase agreements	—	14,300	25	—	—		**14,325**
	Effective yield		2.90%	2.80%	—	—		
	Subordinated indebtedness	—	610	872	2,920	700		**5,102**
	Effective yield		1.87%	6.65%	4.18%	10.32%		
	Preferred share liabilities	—	—	—	216	384	—	**600**
	Effective yield		—	—	5.21%	5.20%		
	Other	—	22,117	—	338	2,042	28,229	**52,726**
	Structural assumptions	(8,894)	6,003	17,298	14,354	—	(28,761)	**—**
	Total liabilities and shareholders' equity	$ 54,515	$ 117,596	$ 38,194	$ 36,422	$ 9,021	$ 24,622	**$ 280,370**
	On-balance sheet gap	$ 37,498	$ (43,890)	$ (17,478)	$ (3,836)	$ 7,173	$ 20,533	**$ —**
	Off-balance sheet gap	—	(17,994)	12,993	10,196	(5,195)	—	**—**
	Total gap	$ 37,498	$ (61,884)	$ (4,485)	$ 6,360	$ 1,978	$ 20,533	**$ —**
	Total cumulative gap	$ 37,498	$ (24,386)	$ (28,871)	$ (22,511)	$ (20,533)	$ —	**$ —**
	Gap by currency							
	On-balance sheet gap							
	Canadian currency	$ 48,097	$ (41,331)	$ (14,909)	$ (3,463)	$ (3,052)	$ 14,658	**$ —**
	Foreign currencies	(10,599)	(2,559)	(2,569)	(373)	10,225	5,875	**—**
	Total on-balance sheet gap	37,498	(43,890)	(17,478)	(3,836)	7,173	20,533	**—**
	Off-balance sheet gap							
	Canadian currency	—	(23,894)	10,996	8,965	3,933	—	**—**
	Foreign currencies	—	5,900	1,997	1,231	(9,128)	—	**—**
	Total off-balance sheet gap	—	(17,994)	12,993	10,196	(5,195)	—	**—**
	Total gap	$ 37,498	$ (61,884)	$ (4,485)	$ 6,360	$ 1,978	$ 20,533	**$ —**
2004	Gap by currency							
	On-balance sheet gap							
	Canadian currency	$ 41,708	$ (38,821)	$ (13,706)	$ (1,561)	$ 1,200	$ 11,180	$ —
	Foreign currencies	(11,138)	(7,258)	(1,957)	65	10,930	9,358	—
	Total on-balance sheet gap	30,570	(46,079)	(15,663)	(1,496)	12,130	20,538	—
	Off-balance sheet gap							
	Canadian currency	—	(3,476)	(7,280)	10,406	350	—	—
	Foreign currencies	—	5,832	2,549	(361)	(8,020)	—	—
	Total off-balance sheet gap	—	2,356	(4,731)	10,045	(7,670)	—	—
	Total gap	$ 30,570	$ (43,723)	$ (20,394)	$ 8,549	$ 4,460	$ 20,538	$ —
	Total cumulative gap	$ 30,570	$ (13,153)	$ (33,547)	$ (24,998)	$ (20,538)	$ —	$ —

Note 16 TRADING REVENUE

Trading assets and liabilities, including derivatives, are measured at fair value, with gains and losses recognized in the consolidated statements of operations.

Trading revenue comprises net interest income and non-interest income. Net interest income arises from interest and dividends related to trading assets and liabilities, and is reported net of interest expense and income associated with funding these assets and liabilities. Non-interest income includes unrealized gains and losses on security positions held, and gains and losses that are realized from the purchase and sale of securities. Non-interest income also includes realized and unrealized gains and losses on derivative instruments.

Trading revenue excludes underwriting fees and commissions on securities transactions, which are shown separately in the consolidated statements of operations.

Trading revenue by product line depicts trading revenue for each major trading category.

TRADING REVENUE

$ millions, for the years ended October 31	**2005**	2004	2003
Trading revenue consists of:			
Net interest income	**$ 19**	$ 107	$ 151
Non-interest income	**801**	618	627
Trading revenue	**$ 820**	$ 725	$ 778
Trading revenue by product line:			
Interest rates	**$ 198**	$ 231	$ 308
Foreign exchange	**169**	169	171
Equities(1)	**225**	115	199
Commodities	**31**	54	34
Other(2)	**197**	156	66
Trading revenue	**$ 820**	$ 725	$ 778

(1) Includes $156 million (2004: nil; 2003: nil) of non-controlling interests in VIEs.

(2) Includes credit derivatives and secondary loan trading and sales.

Note 17 STOCK-BASED COMPENSATION

Stock option plans

We have two stock option plans: Employee Stock Option Plan (ESOP) and Non-Officer Director Stock Option Plan (DSOP).

Under the ESOP, stock options are periodically granted to selected employees. Options provide the employee with the right to purchase CIBC common shares from CIBC at a fixed price not less than the closing price of the shares on the trading day immediately preceding the grant date. In general, the options vest evenly over a four-year period and expire 10 years from the grant date. Certain options vest based upon the attainment of specified share prices, the earlier of the attainment of specified share prices and seven years,or specified performance conditions.

Up to 50% of options relating to the ESOP granted prior to 2000 can be exercised as SARs. SARs can be exchanged for a cash amount equal to the excess of the weighted-average price of the common shares on the TSX on the trading day immediately preceding the day the SARs are exercised over the option strike price.

Under the DSOP, each director who was not an officer or employee of CIBC or any of its subsidiaries was provided with the right to purchase CIBC common shares from CIBC at a fixed price equal to the five-day average of the closing price per share on the TSX for the five trading days preceding the date of the grant. The options, which are not eligible for SARs, vest immediately and expire on the earlier of (a) 60 months after the date the director ceases to be a member of the Board of Directors, or (b) 10 years from the grant date. In January 2003, the Board of Directors determined that no further options would be granted under the DSOP.

A maximum of 42,834,500 common shares may be issued under our stock option plans.

The weighted-average grant date fair value of options granted during 2005 has been estimated at $9.56 (2004: $10.55; 2003: $12.38) using the Black-Scholes option-pricing model. The following weighted-average assumptions were used to determine the fair value of options on the date of grant:

For the years ended October 31	**2005**	2004	2003
Weighted-average assumptions			
Risk-free interest rate	**4.13%**	4.52%	5.06%
Expected dividend yield	**4.84**	4.45	3.00
Expected share price volatility	**20.13**	21.00	25.69
Expected life	**7.0 years**	6.0 years	10.0 years

Compensation expense in respect of stock options and SARs totalled $5 million for 2005 (2004: $58 million; 2003: $114 million).

Employee Share Purchase Plan

Under our Canadian Employee Share Purchase Plan, qualifying employees can choose each year to have up to 10% of their eligible earnings withheld to purchase CIBC common shares. We match 50% of the employee contribution amount, up to a maximum contribution of 3%, depending upon length of service and job level, subject to a ceiling of $2,250 annually. CIBC contributions vest after employees have two years of continuous participation

in the plan, and all subsequent contributions vest immediately. Similar employee share purchase plans exist in other regions globally, where, each year, qualifying employees can choose to have a portion of their eligible earnings withheld to purchase CIBC common shares and receive a matching employer contribution subject to each plan's provisions. All contributions are used by the plans' trustees to purchase common shares in the open market. Our contribution is expensed as incurred and totalled $28 million in 2005 (2004: $28 million; 2003: $28 million).

Restricted Share Program

Under our Restricted Share Program (RSP), share equivalents are awarded under the following compensation plans:

Restricted Share Awards

Under our Restricted Share Awards (RSA) Plan, which began in 2000, certain key employees are granted awards to receive CIBC common shares as part of their total compensation. Additionally, RSAs may be awarded as special grants. The funding for awards is paid into a trust, which purchases CIBC common shares in the open market. In general, RSAs vest one-third annually or at the end of three years.The common shares held in the trust are generally distributed within a three-year period, beginning one year after the year of the grant or after vesting condition shave been met. Compensation expense in respect of RSAs totalled $244 million in 2005 (2004: $258 million; 2003: $230 million).

Other restricted share plans

In certain prior years, we also made grants under three other restricted share programs, specifically the Stock Participation Plan (SPP), Long Term Incentive Plan (LTIP) and Special Incentive Program (SIP). While we have not made any new grants under these programs in 2005, awards made under these programs in prior years are still outstanding.

Under all three programs, certain key employees were granted awards to receive CIBC common shares as a portion of their total compensation. The funding for these awards was paid into a trust, which purchased CIBC common shares in the open market.

SPP awards vest one-third annually or at the end of three years and the common shares held in the trust are distributed generally within a three-year period, beginning one year after the year of the grant. Additionally, SPP awards may be issued as special grants, which generally vest,and the common shares held in the trust are distributed within three years from the grant date.

Generally, LTIP awards vest within a three-year period, beginning one year after the year of the grant and the common shares held in the trust are distributed upon vesting. Beginning in 2003, there were no awards made from the LTIP.

SIP awards relating to some of the key employees vested and were distributed as at October 31, 2003, the date the plan expired. For other key employees, the value of awards was converted into Retirement Special Incentive Program Deferred Share Units (RSIP DSUs). Each RSIP DSU represents the right to receive one CIBC common share and additional RSIP DSUs in respect of dividends earned by the CIBC common shares held by the trust. RSIP DSUs vested on October 31, 2003, and will be distributed in the form of CIBC common shares upon retirement or termination of employment.

Compensation expense net of forfeitures in respect of these three plans totalled $(5) million in 2005 (2004: $(6) million; 2003: $11 million).

Performance Share Unit Program

During the year, we introduced a new Performance Share Unit (PSU) program. Under the program, certain key executives are granted awards to receive CIBC common shares as part of their total compensation. PSUs vest at the end of three years. The final number of PSUs that vest will vary from 75% to 125% of the initial number awarded based on CIBC's return on equity performance relative to the average of the other major Canadian banks. Compensation expense in respect of PSUs totalled $5 million in 2005.

Directors' plans

Members of our Board of Directors who are not officers or employees of CIBC may elect to receive the annual amount payable by CIBC under the Director Deferred Share Unit/Common Share Election Plan as either Deferred Share Units (DSUs) or CIBC common shares.

The members may also elect, under the Non-Officer Director Share Plan, to receive all or a portion of their cash remuneration in the form of cash, CIBC common shares or DSUs. For purposes of this plan, cash remuneration includes the cash component of the director retainer, meeting attendance fees, non-resident attendance fees, committee chair retainers, committee member retainers and the Chairman of the Board retainer.

Compensation expense in respect of these plans totalled $3 million (2004: $4 million; 2003: $3 million). The value of DSUs credited to a director is payable when he or she is no longer a director or employee of CIBC. In addition, under the Director Deferred Share Unit/Common Share Election Plan, the value of DSUs is payable when the director is no longer related to, or affiliated with, CIBC as defined in the Income Tax Act (Canada).

STOCK OPTION PLANS

	2005		2004		2003	
As at or for the years ended October 31	**Number of stock options**	**Weighted-average exercise price**	Number of stock options	Weighted-average exercise price	Number of stock options	Weighted-average exercise price
Outstanding at beginning of year	**13,424,875**	**$ 41.96**	17,776,232	$ 41.02	19,942,954	$ 39.74
Granted	**976,813**	**72.27**	18,344	67.22	1,982,780	43.11
Exercised	**(2,866,907)**	**40.62**	(3,666,817)	38.05	(2,978,545)	32.81
Forfeited/cancelled	**(129,181)**	**49.77**	(294,221)	48.68	(816,432)	48.96
Exercised as SARs	**(412,859)**	**31.92**	(408,663)	32.43	(354,525)	31.69
Outstanding at end of year	**10,992,741**	**$ 45.28**	13,424,875	$ 41.96	17,776,232	$ 41.02
Exercisable at end of year	**8,593,165**	**$ 41.87**	9,610,229	$ 40.09	11,277,020	$ 37.96
Available for grant	**9,051,751**		9,899,383		9,554,506	

STOCK OPTIONS OUTSTANDING AND VESTED

	Stock options outstanding			Stock options vested		
Range of exercise prices	Number outstanding	Weighted-average contractual life remaining	Weighted-average exercise price	Number outstanding	Weighted-average exercise price	Exercisable as SARs
$15.375 - $21.125	**240,499**	**0.26**	**$ 21.13**	**240,499**	**$ 21.13**	**137,150**
$31.700 - $39.850	**4,083,318**	**3.42**	**37.10**	**4,083,043**	**37.10**	**1,110,190**
$40.350 - $49.940	**3,326,984**	**5.11**	**42.90**	**2,444,051**	**42.83**	**511,675**
$50.330 - $57.190	**2,360,570**	**5.90**	**54.07**	**1,820,986**	**53.92**	**-**
$65.590 - $69.680	**18,344**	**8.54**	**67.22**	**4,586**	**67.22**	**-**
$72.200 - $74.620	**963,026**	**9.31**	**72.26**	**—**	**—**	**-**
Total	**10,992,741**	**4.92**	**$ 45.28**	**8,593,165**	**$ 41.87**	**1,759,015**

Note 18 EMPLOYEE FUTURE BENEFITS

We are the sponsor of pension plans for eligible employees. These plans include registered funded defined benefit pension plans, supplemental unfunded arrangements, which provide pension benefits in excess of statutory limits, and defined contribution plans. The pension plans are predominantly non-contributory, but some participants contribute to their respective plans so as to receive higher pension benefits. These benefits are, in general, based on years of service and compensation near retirement. We also provide certain health-care, life insurance and other benefits to eligible employees and pensioners. In addition, we continue to sponsor a long-term disability plan which provides benefits to disabled employees who became disabled prior to June 1, 2004.

We measure our accrued benefit obligations and the fair value of plan assets for accounting purposes as at September 30 each year.

The following tables present the financial positions of the employee defined benefit pension plans and other benefit plans for Canada, U.S. and U.K.Other minor plans operated by some of our subsidiaries are not considered material and are not included in these disclosures.

	Pension benefit plans			Other benefit plans		
$ millions, as at or for the years ended October 31	**2005**	2004	2003	**2005**	2004	2003
Accrued benefit obligation						
Balance at beginning of year	**$ 2,956**	$ 2,798	$ 2,537	**$ 788**	$ 803	$ 696
Adjustment for inclusion of subsidiary plans	**—**	—	—	**—**	2	—
Current service cost	**94**	89	77	**24**	44	55
Employee contributions	**7**	8	9	**—**	—	—
Interest cost on accrued benefit obligation	**186**	175	166	**46**	43	43
Benefits paid	**(161)**	(166)	(166)	**(50)**	(42)	(43)
Foreign exchange rate changes	**(21)**	(5)	(27)	**(2)**	(2)	(4)
Actuarial losses	**475**	36	281	**143**	18	68
Special termination benefits	**—**	—	8	**—**	—	—
Plan amendments	**25**	16	(7)	**(2)**	(78)	—
Acquisitions	**—**	2	—	**—**	—	—
Divestitures	**—**	—	(46)	**—**	—	—
Corporate restructuring giving rise to:						
Curtailments losses (gains)	**16**	3	—	**—**	—	(6)
Settlements (gains) losses	**—**	—	(34)	**—**	—	(6)
Balance at end of year	**$ 3,577**	$ 2,956	$ 2,798	**$ 947**	$ 788	$ 803
Plan assets						
Fair value at beginning of year	**$ 2,826**	$ 2,442	$ 2,188	**$ 121**	$ 116	$ 106
Actual return on plan assets	**405**	236	257	**11**	10	9
Employer contributions	**231**	309	253	**18**	37	44
Employee contributions	**7**	8	9	**—**	—	—
Benefits paid	**(161)**	(166)	(166)	**(50)**	(42)	(43)
Foreign exchange rate changes	**(18)**	(4)	(19)	**—**	—	—
Acquisitions	**—**	1	—	**—**	—	—
Divestitures	**—**	—	(46)	**—**	—	—
Corporate restructuring giving rise to settlements	**—**	—	(34)	**—**	—	—
Fair value at end of year	**$ 3,290**	$ 2,826	$ 2,442	**$ 100**	$ 121	$ 116
Funded status (deficit)	**$ (287)**	$ (130)	$ (356)	**$ (847)**	$ (667)	$ (687)
Unamortized net actuarial losses	**1,053**	860	953	**252**	124	118
Unamortized past service costs (gains)	**71**	53	42	**(67)**	(72)	—
Unamortized transitional (obligation) asset	**—**	—	(19)	**3**	4	5
Accrued benefit asset (liability)	**837**	783	620	**(659)**	(611)	(564)
Valuation allowance	**(17)**	(17)	(17)	**—**	—	—
Accrued benefit asset (liability), net of valuation allowance	**$ 820**	$ 766	$ 603	**$ (659)**	$ (611)	$ (564)

The accrued benefit asset (liability), net of valuation allowance, included in other assets and other liabilities is as follows:

	Pension benefit plans			Other benefit plans		
$ millions, as at October 31	**2005**	2004	2003	**2005**	2004	2003
Accrued benefit asset (liability), net of valuation allowance, recorded in:						
Other assets (Note 9)	**$ 977**	$ 915	$ 747	**$ —**	$ —	$ —
Other liabilities (Note 11)	**(157)**	(149)	(144)	**(659)**	(611)	(564)
Accrued benefit asset (liability), net of valuation allowance	**$ 820**	$ 766	$ 603	**$ (659)**	$ (611)	$ (564)

Included in the accrued benefit obligation and fair value of the plan assets at year-end are the following amounts in respect of plans with accrued benefit obligations in excess of fair value of assets:

	Pension benefit plans			Other benefit plans		
$ millions, as at October 31	**2005**	2004	2003	**2005**	2004	2003
Accrued benefit obligation						
Unfunded plans	**$ 168**	$ 149	$ 128	**$ 751**	$ 591	$ 620
Funded plans	**3,396**	202	2,627	**196**	197	183
	3,564	351	2,755	**947**	788	803
Fair value of plan assets	**3,259**	175	2,378	**100**	121	116
Funded status (deficit)	**$ (305)**	$ (176)	$ (377)	**$ (847)**	$ (667)	$ (687)

The net defined benefit plan expense is as follows:

	Pension benefit plans			Other benefit plans		
$ millions, for the years ended October 31	**2005**	2004	2003	**2005**	2004	2003
Current service cost	**$ 94**	$ 89	$ 77	**$ 24**	$ 44	$ 55
Interest cost on accrued benefit obligation	**186**	175	166	**46**	43	43
Actual (positive) negative return on plan assets	**(405)**	(236)	(257)	**(11)**	(10)	(9)
Plan amendments	**25**	16	(7)	**(2)**	(78)	—
Actuarial losses	**475**	36	281	**143**	18	68
Curtailment losses (gains)	**17**	3	3	**—**	—	(6)
Settlement losses	**—**	—	20	**—**	—	—
Special termination benefits	**—**	—	8	**—**	—	—
Benefit plan expense, before adjustments to recognize the long-term nature of employee future benefit costs	**$ 392**	$ 83	$ 291	**$ 200**	$ 17	$ 151
Adjustments to recognize the long-term nature of employee future benefit costs						
Difference between actual and expected return on plan assets	**$ 216**(1)	$ 65(1)	$ 69(1)	**$ 4**(2)	$ 3(2)	$ 2(2)
Difference between actuarial (gains) losses arising and actuarial (gains) losses amortized	**(418)**(3)	28(3)	(266)(3)	**(135)**(4)	(8)(4)	(63)(4)
Difference between plan amendment costs arising and plan amendment costs amortized	**(18)**(5)	(11)(5)	10(5)	**(5)**(6)	72(6)	—
Amortization of transitional obligation	**—**	(20)	(2)	**—**	1	—
	(220)	62	(189)	**(136)**	68	(61)
Change in valuation allowance	**1**	—	1	**—**	—	—
Defined benefit plan expense recognized	**$ 173**	$ 145	$ 103	**$ 64**	$ 85	$ 90

(1) Expected return on plan assets of $189 million (2004: $171 million; 2003: $188 million), less deferral of actual return on plan assets of $405 million (2004: $236 million; 2003: $257 million).

(2) Expected return on plan assets of $7 million (2004: $7 million; 2003: $7 million), less deferral of actual return on plan assets of $11 million (2004: $10 million; 2003: $9 million).

(3) Actuarial (gains) losses amortized of $57 million (2004: $64 million; 2003: $15 million), less actual actuarial (gains) losses incurred of $475 million (2004: $36 million; 2003: $281 million).

(4) Actuarial (gains) losses amortized of $8 million (2004: $10 million; 2003: $5 million), less actual actuarial (gains) losses incurred of $143 million (2004: $18 million; 2003: $68 million).

(5) Amortization of plan amendments of $6 million (2004: $5 million; 2003: $3 million), less actual plan amendments of $25 million (2004: $16 million; 2003: $(7) million).

(6) Amortization of plan amendments of $(7) million (2004: $(6) million; 2003: nil), less actual plan amendments of $(2) million (2004: $(78) million; 2003: nil).

Benefit changes

2005

There were no material changes to the terms of our defined benefit pension plans or other benefit plans in 2005.

2004

Effective November 1, 2003, the plan providing medical, dental and life insurance benefits to Canadian retirees was amended to require those employees retiring subsequent to December 31, 2008, to contribute towards a portion of their benefit cost. The resulting reduction in liability is a negative plan amendment cost that is being amortized on a straight-line basis over the average remaining service period over which employees become fully eligible for benefits.

Effective June 1, 2004, the long-term disability plan for Canadian employees became an employee-paid insured benefit. Employees who became disabled prior to June 1, 2004, continue to receive benefits from the long-term disability health and welfare trust. The obligations of the long-term disability plan, funded by a health and welfare trust, have not been curtailed or settled.

Benefit plan assets

The weighted-average asset allocation and target allocation by asset category of our defined benefit pension plans and other funded benefit plans are as follows:

	Pension benefit plans		Other benefit plans	
	Target allocation	Actual allocation as at October 31	Target allocation	Actual allocation as at October 31

Asset category	2006	2005	2004	2006	2005	2004
Equity securities(1)	**54%**	**54%**	56%	**40%**	**38%**	40%
Debt securities(1)	**41**	**43**	40	**60**	**62**	60
Real estate	**5**	**3**	4	**—**	**—**	—
Total	**100%**	**100%**	100%	**100%**	**100%**	100%

(1) Pension benefit plans include CIBC securities of $12 million (2004: $24 million), representing 0.4% of total plan assets (2004: 0.8%). Other benefit plans do not include any CIBC securities.

The investment policy for benefit plan assets is to optimize the risk-return relationship using a global portfolio of various asset classes diversified by market segment, economic sector and issuer. The goal is to secure our registered pension plans and long-term disability plan obligations, maximizing the investment returns while not compromising the security of the respective plans, in a cost-effective manner. Plan assets are managed by external investment managers and TAL Global Asset Management Inc., a wholly owned subsidiary of CIBC and, within established ranges, are rebalanced as required to the target asset mix.

Plan assumptions

The discount rate assumption used in determining pension and post-retirement benefit obligations and net benefit expense reflects the market yields, as of the measurement date, on high-quality debt instruments with cash flows that match expected benefit payments.

For the Canadian plans, the expected rate of return on plan assets assumption is reviewed annually by management, in conjunction with our actuaries. The assumption is based on expected returns for the various asset classes, weighted by the portfolio allocation. Anticipated future long-term performance of individual asset categories is considered, reflecting expected future inflation and real yields on fixed income securities and equities.

In the U.K. and the U.S., procedures similar to those in Canada are used to develop the expected long-term rate of return on plan assets, taking into consideration local market conditions and the specific allocation of plan assets.

The assumptions used to determine the accrued benefit obligation and the benefit plan expense are as follows:

	Pension benefit plans			Other benefit plans		
Weighted-average assumptions	**2005**	2004	2003	**2005**	2004	2003
Accrued benefit obligation as at October 31						
Discount rate at end of the period	**5.2%**	6.2%	6.2%	**5.1%**	6.0%	6.1%
Rate of compensation increase	**3.5**	3.5	3.6	**3.2**	3.2	3.3
Net benefit plan expense for the years ended October 31						
Discount rate at beginning of the period	**6.2%**	6.2%	6.7%	**6.0%**	6.1%	6.4%
Expected long-term rate of return on plan assets	**7.0**	7.0	7.5	**6.5**	6.5	7.0
Rate of compensation increase	**3.5**	3.6	3.7	**3.2**	3.3	3.4

The assumed health-care cost trend rates are as follows:

For the years ended October 31	**2005**	2004	2003
Health-care cost trend rates assumed for next year	**7.8%**	9.3%	10.1%
Rate to which the cost trend rate is assumed to decline	**4.5%**	4.5%	4.5%
Year that the rate reaches the ultimate trend rate	**2012**	2012	2011

A one percentage-point change in assumed health-care cost trend rates would have the following effects:

	One percentage-point increase			One percentage-point decrease		
$ millions, for the years ended October 31	**2005**	2004	2003	**2005**	2004	2003
Effect on total benefit plan expense	**$ 13**	$ 12	$ 11	**$ (12)**	$ (11)	$ (8)
Effect on accrued benefit obligation	**125**	89	97	**(97)**	(71)	(74)

Defined contribution and other plans

We also maintain defined contribution plans for certain employees. The total expense recognized for defined contribution plans is as follows:

$ millions, for the years ended October 31	**2005**	2004	2003
Defined contribution pension plans	**$ 14**	$ 18	$ 19
Government pension plans (1)	**75**	74	82

(1) Includes Canada Pension Plan, Quebec Pension Plan, and U.S. Federal Insurance Contributions Act.

Cash flows

Cash contributions

The most recent actuarial valuation of the principal defined benefit pension plan for funding purposes was as at October 31, 2004. The next actuarial valuation of the plan will be required as at a date not later than October 31, 2007. For the long-term disability plan, the most recent actuarial valuation was performed as at October 31, 2004.

Total cash contributions for employee future benefit plans consist of:

	Pension benefit plans			Other benefit plans		
$ millions, for the years ended October 31	**2005**	2004	2003	**2005**	2004	2003
Funded plans	**$ 223**	$ 303	$ 247	**$ 3**	$ 23	$ 32
Beneficiaries of unfunded plans	**8**	6	6	**15**	14	12
Defined contribution pension plans	**14**	18	19	**—**	—	—
Total	**$ 245**	$ 327	$ 272	**$ 18**	$ 37	$ 44

The contributions for 2006 are anticipated to be approximately $135 million for defined benefit pension plans and $19 million for other benefit plans. These estimates are subject to change since contributions are affected by various factors, such as market performance, regulatory requirements, and management's ability to change funding policy.

Benefit payments

The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid either by CIBC or from the trust funds:

$ millions	Pension benefit plans	Other benefit plans
2006	$ 153	$ 47
2007	155	47
2008	158	47
2009	162	47
2010	166	48
2011 — 2015	942	251

Note 19 INCOME TAXES

Income taxes are reported in the consolidated financial statements as follows:

TOTAL INCOME TAXES

$ millions, for the years ended October 31	**2005**	2004	2003
Consolidated statements of operations			
Provision for income taxes — Current	**$ 537**	$ 650	$ (70)
— Future	**252**	140	309
	789	790	239
Consolidated statements of changes in shareholders' equity			
Foreign currency translation adjustments	**(120)**	617	1,412
Accounting policy changes	**11**(1)	3(2)	—
Other	**(11)**	4	19
	(120)	624	1,431
	$ 669	$ 1,414	$ 1,670

(1) Represents the effect of implementing the CICA AcG-15, "Consolidation of Variable Interest Entities."

(2) Represents the effect of implementing the CICA AcG-17, "Equity-linked Deposit Contracts."

The components of income tax consist of the following:

COMPONENTS OF INCOME TAX

$ millions, for the years ended October 31	2005	2004	2003
Current income taxes			
Federal	**$ 192**	$ 833	$ 1,076
Provincial	**107**	386	450
Foreign	**162**	9	26
	461	1,228	1,552
Future income taxes			
Federal	**23**	81	(77)
Provincial	**12**	(10)	(29)
Foreign	**173**	115	224
	208	186	118
	$ 669	$ 1,414	$ 1,670

Future income tax balances are included in other assets (Note 9) and result from temporary differences between the tax basis of assets and liabilities and their carrying amounts on the consolidated balance sheets.

The combined Canadian federal and provincial income tax rate varies each year according to changes in the statutory rates imposed by each of these jurisdictions and according to changes in the proportion of our business carried on in each province. We are also subject to Canadian taxation on income of foreign branches. Earnings of foreign subsidiaries would generally only be subject to Canadian tax when distributed to Canada. Additional Canadian taxes that would be payable if all foreign subsidiaries' retained earnings were distributed to the Canadian parent as dividends are estimated at $420 million (2004: $400 million; 2003: $542 million).

The effective rates of income tax in the consolidated statements of operations are different from the combined Canadian federal and provincial income tax rate of 35.0% (2004: 35.3%; 2003: 36.6%) as set out below:

RECONCILIATION OF INCOME TAXES

$ millions, for the years ended October 31	2005		2004		2003	
Combined Canadian federal and provincial income tax rate applied to income before income taxes	**$ 324**	**35.0%**	$ 1,022	35.3%	$ 803	36.6%
Income taxes adjusted for the effect of:						
Earnings of foreign subsidiaries	**(159)**	**(17.2)**	(61)	(2.1)	(592)	(27.0)
Non-tax effected litigation provisions	**699**	**75.4**	—	—	—	—
Net realized foreign exchange gains on investments in foreign operations	**203**	**21.9**	—	—	—	—
Non-controlling interest portion of VIE income	**(55)**	**(5.9)**	—	—	—	—
Tax-exempt income and gains	**(167)**	**(18.1)**	(120)	(4.1)	(97)	(4.4)
Preferred share dividends treated as interest	**23**	**2.5**	38	1.3	41	1.9
Earnings of domestic subsidiaries	**(1)**	**(0.1)**	23	0.8	(14)	(0.6)
Future tax rate (increases) reductions	**4**	**0.4**	(50)	(1.7)	37	1.7
Other	**(82)**	**(8.8)**	(62)	(2.2)	61	2.7
Income taxes in the consolidated statements of operations	**$ 789**	**85.1%**	$ 790	27.3%	$ 239	10.9%

In 2005, the tax recovery on the Enron-related litigation provision was limited to $297 million. The repatriation of capital and retained earnings from our foreign operations resulted in a $375 million increase in income tax expense arising from the reversal of related accumulated balances in the foreign currency translation adjustments component of shareholders' equity. A related $67 million future tax asset arising from the prior year's foreign exchange losses and a $59 million reversal of a portion of the valuation allowance relating to the future tax asset from our U.S. operations were recognized.

In November 2003, the Ontario government announced an increase in its corporate income tax rate and a cancellation of planned future rate reductions. As a result, we increased our future income tax asset by $50 million, thereby reducing income tax expense. During 2001, various proposed federal and provincial income tax rate decreases were passed into law, resulting in phased-in income tax reductions over a three- to four-year period. In 2003, we recognized a $37 million charge to income tax expense.

During 2003, we reached an agreement with the Canada Revenue Agency resulting in the recognition of a recovery of $689 million in income taxes, in respect of certain foreign-based transactions, that were previously recorded as tax expense.

In 2003, we recorded a $232 million income tax expense for the valuation allowance. The future income tax asset was reduced to an amount that is more likely than not to be realized, primarily as a result of the acceleration of our loan sale program, and reduced interest income resulting from a prolonged period of lower interest rates.

SOURCES OF FUTURE INCOME TAX BALANCES

$ millions, as at October 31	2005	2004
Future income tax assets		
Allowance for credit losses	**$ 481**	$ 720
Buildings and equipment	**51**	10
Pension and employee benefits	**73**	63
Unearned income	**101**	144
Investment revaluations	**136**	375
Tax loss carryforwards	**871**	595
Provisions	**286**	311
Other	**160**	119
	2,159	2,337
Valuation allowance	**(125)**	(201)
	2,034	2,136
Future income tax liabilities		
Lease receivables	**822**	803
Buildings and equipment	**26**	9
Goodwill	**48**	—
Pension and employee benefits	**73**	—
Other	**63**	85
	1,032	897
Future income tax asset	**$ 1,002**	$ 1,239

Included in the tax loss carryforwards amount is $705 million of future tax assets related to losses in our U.S. operations (2004: $545 million) which expire in five to 20 years from origination. In addition, as other future income tax assets naturally reverse into tax losses in the U.S., we will have between five to 20 years from the date such temporary differences become tax losses to use them before they would begin to expire under current tax law. The total amount of the future income tax asset related to our U.S. operations, net of the valuation allowance, is $365 million (2004: $576 million). Also included in the tax loss carryforwards amount is a $131 million future tax asset related to Canadian capital losses, which have no expiry date. We believe that, based on all available evidence, it is more likely than not that all of the future income tax asset, net of the valuation allowance, will be realized prior to its expiration.

Note 20 EARNINGS (LOSS) PER SHARE

$ millions, except per share amounts, for the years ended October 31	2005	2004	2003
Basic EPS			
Net (loss) income	**$ (32)**	$ 2,091	$ 1,950
Preferred share dividends	**(125)**	(100)	(75)
Net (loss) income applicable to common shares	**$ (157)**	$ 1,991	$ 1,875
Weighted-average common shares outstanding (thousands)	**339,263**	355,735	360,048
Basic EPS	**$ (0.46)**	$ 5.60	$ 5.21
Diluted EPS			
Net (loss) income applicable to common shares	**$ (157)**	$ 1,991	$ 1,875
Weighted-average common shares outstanding (thousands)	**339,263**	355,735	360,048
Add: stock options potentially exercisable (1) (thousands)	**3,646**	4,041	2,259
Weighted-average diluted common shares outstanding (2) (thousands)	**342,909**	359,776	362,307
Diluted EPS (3)	**$ (0.46)**	$ 5.53	$ 5.18

(1) Excludes average options outstanding of 460,560 with a weighted-average exercise price of $73.08; average options outstanding of 3,923 with a weighted-average exercise price of $69.34; and average options outstanding of 3,274,474 with a weighted-average exercise price of $52.89 for the years ended October 31, 2005, 2004 and 2003, respectively, as the options' exercise prices were greater than the average market price of CIBC's common shares. Also excluded are average options outstanding of 112,778 with a weighted-average exercise price of $37.60; average options outstanding of 258,630 with a weighted-average exercise price of $37.60; and average options outstanding of 576,222 with a weighted-average exercise price of $37.60 for the years ended October 31, 2005, 2004 and 2003, respectively, as these options are performance based and the vesting criteria for these options had not been achieved.

(2) Convertible preferred shares and preferred share liabilities have not been included in the calculation since we have the right to redeem them for cash prior to the conversion date.

(3) In case of a loss, the effect of stock options potentially exercisable on diluted earnings (loss) per share will be anti-dilutive; therefore, basic and diluted earnings (loss) per share will be the same.

Note 21 RELATED-PARTY TRANSACTIONS

In the ordinary course of business, we provide normal banking services to, and enter into contractual arrangements and other transactions with, affiliated companies on terms similar to those offered to non-related parties.

Loans, at varied rates and terms, are made to directors and senior officers.

AMOUNTS OUTSTANDING FROM RELATED-PARTIES

$ millions, as at October 31	2005	2004
Residential mortgages	**$ 2**	$ 3
Personal loans	**21**	31
Credit card loans	**1**	1
Business and government loans	**370**	305
	$ 394	$ 340

Note 22 DERIVATIVE INSTRUMENTS

As explained in Note 1, in the normal course of business, we use various derivative instruments in the course of trading and for ALM purposes. These derivatives limit, modify or give rise to varying degrees and types of risk.

Derivatives used by CIBC

The majority of our derivative contracts are over-the-counter transactions that are privately negotiated between CIBC and the counterparty to the contract. The remainder are exchange traded contracts transacted through organized and regulated exchanges and consist primarily of options and futures.

Interest rate derivatives

Forward rate agreements are over-the-counter contracts that effectively fix a future interest rate for a period of time. A typical forward rate agreement provides that at a pre-determined future date, a cash settlement will be made between the counterparties based upon the difference between a contracted rate and a market rate to be determined in the future, calculated on a specified notional principal amount. No exchange of principal amount takes place.

Interest rate swaps are over-the-counter contracts in which two counterparties agree to exchange cash flows over a period of time based on rates applied to a specified notional principal amount. A typical interest rate swap would require one counterparty to pay a fixed market interest rate in exchange for a variable market interest rate determined from time to time with both calculated on a specified notional principal amount. No exchange of principal amount takes place.

Interest rate options are contracts in which one party (the purchaser of an option) acquires from another party (the writer of an option), in exchange for a premium, the right, but not the obligation, either to buy or sell, on a specified future date or within a specified time, a specified financial instrument at a contracted price. The underlying financial instrument will have a market price which varies in response to changes in interest rates. In managing our interest rate exposure, we act both as a writer and purchaser of these options. Options are transacted both over-the-counter and through exchanges.

Interest rate futures are standardized contracts transacted on an exchange. They are based upon an agreement to buy or sell a specified quantity of a financial instrument on a specified future date, at a contracted price. These contracts differ from forward rate agreements in that they are in standard amounts with standard settlement dates and are transacted on an exchange.

Foreign exchange derivatives

Foreign exchange forwards are over-the-counter contracts in which one counterparty contracts with another to exchange a specified amount of one currency for a specified amount of a second currency, at a future date or range of dates.

Swap contracts comprise foreign exchange swaps and cross-currency interest rate swaps. Foreign exchange swaps are transactions in which a foreign currency is simultaneously purchased in the spot market and sold in the forward market, or vice-versa. Cross-currency interest rate swaps are transactions in which counterparties exchange principal and interest flows in different currencies over a period of time. These contracts are used to manage both currency and interest rate exposures.

Foreign exchange futures contracts are similar in mechanics to foreign exchange forward contracts but differ in that they are in standard currency amounts with standard settlement dates and are transacted on an exchange.

Credit derivatives

Credit derivatives are over-the-counter contracts designed to transfer the credit risk in an underlying financial instrument (usually termed as a reference asset) from one counterparty to another. The most common credit derivatives are credit default swaps (referred to as option contracts) and total return swaps (referred to as swap contracts). In option contracts, an option purchaser acquires credit protection on a reference asset or group of assets from an option writer in exchange for a premium. The option purchaser may pay the agreed premium at inception or over a period of time. The credit protection compensates the option purchaser for any deterioration in value of the reference asset upon the occurrence of certain credit events such as bankruptcy or failure to pay. Settlement may be cash based or physical, requiring the delivery of the reference asset to the option writer. In swap contracts, one counterparty agrees to pay or receive from the other cash amounts based on changes in the value of a reference asset or group of assets, including any returns such as interest earned on these assets in exchange for amounts that are based on prevailing market funding rates. These cash settlements are made regardless of whether there is a credit event.

Equity derivatives

Equity swaps are over-the-counter contracts in which one counterparty agrees to pay, or receive from the other, cash amounts based on changes in the value of a stock index, a basket of stocks or a single stock. These contracts sometimes include a payment in respect of dividends.

Equity options give the purchaser of the option, for a premium, the right, but not the obligation, to buy from or sell to the writer of an option, an underlying stock index, basket of stocks or single stock at a contracted price. Options are transacted both over-the-counter and through exchanges.

Equity index futures are standardized contracts transacted on an exchange. They are based on an agreement to pay or receive a cash amount based on the difference between the contracted price level of an underlying stock index and its corresponding market price level at a specified future date.

There is no actual delivery of stocks that comprise the underlying index. These contracts are in standard amounts with standard settlement dates.

Other derivatives

We also transact in other derivative products, including commodity forward, futures, swaps and options, such as precious metal and energy-related products in both over-the-counter and exchange markets.

Notional amounts

The table below presents the notional amounts of derivative instruments.

The notional amounts are not recorded as assets or liabilities as they represent the face amount of the contract to which a rate or price is applied to determine the amount of cash flows to be exchanged. Notional amounts do not represent the potential gain or loss associated with market risk or credit risk of such instruments.

NOTIONAL AMOUNTS

	Residual term to contractual maturity					Analyzed by use			
$ millions, as at October 31	Under 3 months	3 to 12 months	1 to 5 years	Over 5 years	**2005 total notional amounts**	**Trading**	**2005 ALM**	Trading	2004 ALM
Interest rate derivatives									
Over-the-counter									
Forward rate agreements	$ 27,357	$ 11,887	$ 251	$ 74	**$ 39,569**	**$ 39,524**	**$ 45**	$ 25,182	$ —
Swap contracts	92,412	113,192	286,275	118,255	**610,134**	**498,255**	**111,879**	553,600	111,273
Purchased options	7,087	7,610	15,558	7,408	**37,663**	**36,767**	**896**	38,187	219
Written options	12,572	10,318	18,396	6,642	**47,928**	**45,732**	**2,196**	41,748	1,656
	139,428	143,007	320,480	132,379	**735,294**	**620,278**	**115,016**	658,717	113,148
Exchange traded									
Futures contracts	34,112	20,073	18,635	219	**73,039**	**68,590**	**4,449**	72,882	7,270
Purchased options	1,477	2,303	591	—	**4,371**	**4,371**	**—**	12,849	—
Written options	3,740	6,130	1,181	—	**11,051**	**11,051**	**—**	5,596	—
	39,329	28,506	20,407	219	**88,461**	**84,012**	**4,449**	91,327	7,270
Total interest rate derivatives	178,757	171,513	340,887	132,598	**823,755**	**704,290**	**119,465**	750,044	120,418
Foreign exchange derivatives									
Over-the-counter									
Forward contracts	53,191	7,301	3,290	850	**64,632**	**46,632**	**18,000**	61,880	18,566
Swap contracts	6,206	14,196	33,557	21,288	**75,247**	**57,523**	**17,724**	55,889	16,481
Purchased options	1,066	1,379	579	456	**3,480**	**3,480**	**—**	9,685	—
Written options	1,113	1,475	590	355	**3,533**	**3,428**	**105**	8,935	—
	61,576	24,351	38,016	22,949	**146,892**	**111,063**	**35,829**	136,389	35,047
Exchange traded									
Futures contracts	91	100	—	—	**191**	**191**	**—**	69	—
Total foreign exchange derivatives	61,667	24,451	38,016	22,949	**147,083**	**111,254**	**35,829**	136,458	35,047
Credit derivatives									
Over-the-counter									
Swap contracts	390	704	827	104	**2,025**	**2,025**	**—**	1,404	—
Purchased options	6,294	7,941	13,356	5,703	**33,294**	**24,658**	**8,636**	16,130	5,561
Written options(1)	8,381	1,512	15,770	3,709	**29,372**	**29,179**	**193**	22,581	200
Total credit derivatives	15,065	10,157	29,953	9,516	**64,691**	**55,862**	**8,829**	40,115	5,761
Equity derivatives(2)									
Over-the-counter	6,568	15,553	18,931	1,102	**42,154**	**41,610**	**544**	39,324	1,355
Exchange traded	23,361	2,844	13,924	314	**40,443**	**40,243**	**200**	24,981	1,065
Total equity derivatives	29,929	18,397	32,855	1,416	**82,597**	**81,853**	**744**	64,305	2,420
Other derivatives(3)									
Over-the-counter	5,592	6,353	10,547	957	**23,449**	**23,449**	**—**	17,280	—
Exchange traded	605	913	766	21	**2,305**	**2,305**	**—**	1,469	—
Total other derivatives	6,197	7,266	11,313	978	**25,754**	**25,754**	**—**	18,749	—
	$ 291,615	$ 231,784	$ 453,024	$ 167,457	**$ 1,143,880**	**$ 979,013**	**$ 164,867**	$ 1,009,671	$ 163,646

(1) ALM written options are reported as financial guarantees in Note 24.

(2) Includes forwards, futures, swaps and options.

(3) Includes precious metals and other commodity forwards, futures, swaps and options.

Risk

In the following sections, we discuss the risks related to the use of derivatives and how we manage these risks.

Market risk

Derivative instruments, in the absence of any compensating upfront cash payments, generally have no market value at inception. They obtain value, positive or negative, as relevant interest rates, foreign exchange rates, equity, commodity or credit prices or indices change, such that the previously contracted terms of the derivative transactions have become more or less favourable than what can be negotiated under current market conditions for contracts with the same terms and the same remaining period to expiry. The potential for derivatives to increase or decrease in value as a result of the foregoing factors is generally referred to as market risk.

Market risk arising through trading activities is managed in order to mitigate risk, where appropriate, and with a view to maximizing trading revenue. To further manage risks, we may enter into contracts with other market makers or may undertake cash market hedges. There is no correlation between the high notional values of contracts to which we are a party and the net market and credit risks to which we are exposed.

Credit risk

Credit risk arises from the potential for a counterparty to default on its contractual obligations and the risk that prevailing market conditions are such that we would incur a loss in replacing the defaulted transaction. We limit the credit risk of derivatives traded over-the-counter by dealing with counterparties that are creditworthy, and by actively pursuing risk mitigation opportunities through the use of multi-product derivative master netting agreements, collateral and other credit mitigation techniques.

We negotiate derivative master netting agreements with counterparties with which we have significant credit risk through derivatives activities. Such agreements provide for the simultaneous close out and netting of all transactions with a counterparty in an event of default. An increasing number of these agreements also provide for the exchange of collateral between parties in the event that the mark-to-market value of outstanding transactions between the parties exceeds an agreed threshold. Such agreements are used both to accommodate business with less creditworthy counterparties and to help contain the buildup of credit exposure resulting from multiple deals with more active counterparties. Credit risk on exchange traded futures and options is limited, as these transactions are standardized contracts executed on established exchanges each of which is associated with a well-capitalized clearing house that assumes the obligations of both counterparties and guarantees their performance. All exchange traded contracts are subject to initial margins and the daily settlement of variation margins.

Written options generally have no credit risk for the writer if the counterparty has already performed in accordance with the terms of the contract through payment of the premium at inception. Written options will, however, have some credit risk to the extent of any unpaid premiums.

The table below summarizes our credit exposure arising from derivative instruments except for those that are traded on an exchange and subject to daily margining requirements. The calculation of risk-weighted amount is prescribed by OSFI. The current replacement cost is the estimated cost to replace all contracts which have a positive market value, representing an unrealized gain to CIBC. The replacement cost of an instrument is dependent upon its terms relative to prevailing market prices, and will fluctuate as market prices change and as the derivative approaches its scheduled maturity.

The credit equivalent amount is the sum of the current replacement cost and the potential credit exposure. The potential credit exposure is an estimate of the amount by which the current replacement cost could increase over the remaining term of each transaction, based on a formula prescribed by OSFI. The credit equivalent amount is then multiplied by standard counterparty risk-weighting factors prescribed by OSFI that are adjusted for the impact of collateral and guarantees to arrive at the risk-weighted amount. The risk-weighted amount is used in determining the regulatory capital requirements for derivatives.

CREDIT RISK

	2005					2004				
	Current replacement cost			Credit equivalent	Risk-weighted	Current replacement cost			Credit equivalent	Risk-weighted
$ millions, as at October 31	Trading	ALM	Total	amount	amount(1)	Trading	ALM	Total	amount	amount(1)
Interest rate derivatives										
Forward rate agreements	$ 7	$ —	$ 7	$ 9	$ 3	$ 8	$ —	$ 8	$ 8	$ 2
Swap contracts	8,116	1,070	9,186	12,283	2,614	11,123	989	12,112	15,523	3,566
Purchased options	777	9	786	975	242	691	—	691	873	208
	8,900	1,079	9,979	13,267	2,859	11,822	989	12,811	16,404	3,776
Foreign exchange derivatives										
Forward contracts	676	40	716	1,413	412	1,717	228	1,945	2,736	1,220
Swap contracts	4,267	147	4,414	7,892	1,544	4,598	274	4,872	8,267	1,800
Purchased options	127	—	127	215	68	248	—	248	419	136
	5,070	187	5,257	9,520	2,024	6,563	502	7,065	11,422	3,156
Credit derivatives(2)										
Swap contracts	55	—	55	197	75	56	—	56	164	65
Purchased options	87	—	87	1,818	700	71	—	71	1,231	178
Written options(3)	44	—	44	44	22	—	—	—	—	—
	186	—	186	2,059	797	127	—	127	1,395	243
Equity derivatives(4)	2,259	3	2,262	4,343	1,466	1,612	47	1,659	3,588	1,145
Other derivatives(5)	2,573	—	2,573	4,750	1,940	2,320	—	2,320	3,996	1,757
	18,988	1,269	20,257	33,939	9,086	22,444	1,538	23,982	36,805	10,077
Less: effect of master netting agreements	(13,315)	—	(13,315)	(18,565)	(4,766)	(17,022)	—	(17,022)	(22,482)	(6,412)
	$ 5,673	$ 1,269	$ 6,942	$ 15,374	$ 4,320	$ 5,422	$ 1,538	$ 6,960	$ 14,323	$ 3,665

(1) Risk-weighted amount is the credit equivalent amount multiplied by the prescribed counterparty credit risk factor adjusted for the impact of collateral and guarantees.

(2) ALM credit derivative options, with a replacement cost of $34 million (2004: $14 million), are given financial guarantee treatment for credit risk capital purposes and are excluded from the table above.

(3) Represents the fair value of contracts for which fees are received over the life of the contracts.

(4) Includes forwards, swaps and options.

(5) Includes precious metals and other commodity forwards, swaps and options.

Note 23 FAIR VALUE OF FINANCIAL INSTRUMENTS

The tables that follow present the fair value of both on- and off-balance sheet financial instruments, based on the fair valuation approach set out below.

Fair value represents our estimate of the price at which a financial instrument could be exchanged in an arm's length transaction between knowledgeable and willing parties, under no compulsion to act, carried out in the normal course of business. Fair value is best evidenced by a quoted market price, if one exists.

Quoted market prices are not available for a significant portion of our on- and off-balance sheet financial instruments because of the lack of traded markets and also, where such markets do exist, they are not considered sufficiently liquid to be used as a basis for fair value. Where quoted markets exist and are considered active, these quoted prices are used to calculate fair value.

Valuation adjustments are an integral component of our fair valuation process. To arrive at fair value, we make valuation adjustments, where appropriate, to cover risks such as counterparty credit quality or concentration or market liquidity. In our mid-pricing portfolios, we also consider valuation adjustments for bid-offer spread to cover close-out risk. In addition, we also make valuation adjustments for positions, which rely on complex models for valuation or on models incorporating unobservable parameters (refer to Note 1 for additional details).

In those instances where traded markets do not exist or are not considered sufficiently liquid, our measure of fair value is estimated, using a variety of valuation techniques and models. The results of these valuation techniques and models may vary from the ultimate net realizable value. We have an ongoing process of enhancing our valuation techniques and models. Where enhancements are made, they are applied prospectively, so that fair values reported in prior periods are not recalculated on the new bases. Our techniques and models take into account the effect of changes in market rates, including credit quality, where we are exposed to the credit risk of an issuer, borrower or counterparty.

Both book and fair values of loans and loan commitments are affected by credit quality. In this regard, we rely on our processes for determining the allowance for credit losses to simultaneously write down (but not up) both the book and fair values of loans and to account for reductions in credit quality of loan commitments and other credit-related arrangements on which we have credit exposure. This applies to impaired assets and assets not yet specifically identified as impaired through specific and general allowances, respectively. The specific allowance for credit losses is designed to write down the book value of impaired loans to the recoverable amounts and to account for any impairment on loan commitments and other credit-related arrangements. Recoverable amounts do not take into account the credit protection available to us through credit derivatives because these credit derivatives are carried at fair value. The general allowance for credit losses is similarly designed to write down the book value of loans to reflect losses inherent in the portfolio of loans (and commitments and other credit-related arrangements) that are not yet specifically identified as impaired. The recoverable amounts thus calculated and used for book value purposes already include the effect of credit quality and, therefore, no further adjustments for credit risks are made in arriving at fair value. Both the book

and fair values disclosed are net of all specific and general allowances for credit losses. The policy followed in setting allowances for credit losses is explained in Note 1.

For changes in fair value due to interest rate risk on financial instruments where traded markets do not exist, except for privately issued debt securities, the calculation of fair value is based on the difference between the original and current market interest rates for the same type of instrument, using present value techniques. The actual cash flows based on the original interest rate are discounted using current market interest rates for the remaining term to the repricing or maturity date, whichever is earlier. The remaining term used is generally contractual. We do not make additional adjustments to fair value for bid-offer considerations for our non-trading portfolios' fair values.

Due to the judgment used in applying a wide variety of acceptable valuation techniques and models, as well as the use of estimates inherent in this process, estimates of fair value of the same or similar assets may differ among financial institutions. The calculation of fair values is based on market conditions, as at October 31, 2005, and may not be reflective of ultimate realizable value.

Methods and assumptions

Financial instruments with fair value equal to book value

Where we consider any difference between fair and book values of certain on-balance sheet financial instruments to be insignificant, the fair value of certain on-balance sheet financial instruments is assumed to equal their book value. These categories are: cash and non-interest-bearing deposits with banks; short-term interest-bearing deposits with banks; securities borrowed or purchased under resale agreements; customers' liability under acceptances; acceptances; obligations related to securities sold short; obligations related to securities lent or sold under repurchase agreements and other liabilities (except for ALM derivatives not carried at fair value as described in footnote 2 on page 137).

Securities

The fair value of securities are detailed in Note 3 and are based on quoted market prices where available; otherwise, fair values are estimated using quoted market prices for similar securities or other third-party evidence, as available.

The quoted market price used to value publicly traded equity securities held for investment purposes does not take into account any adjustments for resale restrictions that expire within one year, for liquidity or for future expenses.

For privately issued debt and equity securities, we estimate fair value using recent market transactions, where available. Otherwise fair values are derived from valuation models using a market, or income approach. These models consider various factors including projected cash flows, earnings, revenue or other third-party evidence as available.

Loans

The fair value of variable-rate mortgages, which are largely prime rate based are assumed to equal their book value. The fair value of fixed-rate mortgages are estimated, using a discounted cash flow calculation that uses market interest rates currently charged for mortgages with similar remaining terms. The valuation model used for mortgages takes into account prepayment optionality, as well as consumer behaviour, as appropriate.

The fair value of variable-rate loans and those that reprice frequently are assumed to be equal to their book value. The fair value for fixed-rate loans is estimated, using a discounted cash flow calculation that uses market interest rates currently charged for loans with similar terms and credit risks. As noted above, the book value of loans is adjusted for impaired loans and loans not yet specifically identified as impaired through the specific and general allowance categories, respectively. The fair value of loans is not adjusted for the value of any credit derivatives used to manage the credit risk associated with them. The fair value of these credit derivatives is disclosed separately.

Other assets

Other assets included in the table below mainly comprise accrued interest receivable, brokers' client accounts, equity-accounted investments, limited partnerships and accounts receivable.

Except as noted, the fair value of all other assets is assumed to equal book value because we consider any difference not to be significant. The fair value of limited partnership investments is taken from net asset values published by third-party fund managers and is adjusted for better and/or more recent information where available and appropriate. For equity-accounted investments, we estimate fair value using quoted market prices or other recent market transactions, where available. Otherwise, fair value is derived from valuation models, except for instances where the benefits of estimating fair value for unquoted equity-accounted investments do not outweigh the related costs, then fair value is assumed to equal book value. At October 31, 2005, we assumed the fair value of FirstCaribbean International Bank (FCIB), an equity-accounted investment of CIBC, was equal to its book value of $805 million (2004: $733 million).

Deposits

The fair value of floating-rate deposits and demand deposits are assumed to be equal to their book value. The fair value of fixed-rate deposits are determined by discounting the contractual cash flows using market interest rates currently offered for deposits of similar terms. The fair value for deposit liabilities with embedded optionality (cashable option) includes the value of those options.

Subordinated indebtedness

The fair value is determined by reference to market prices for the same or similar debt instruments.

Preferred share liabilities

The fair value of these obligations is determined by reference to market prices for the same or similar financial instruments.

Derivative instruments market valuation

The fair value of derivatives is based on quoted market prices or dealer quotes, where available. Otherwise, fair values are estimated on the basis of pricing models that incorporate current market measures for interest rates, currency exchange rates, equity prices and indices, credit spreads, corresponding market volatility levels and other market-based pricing factors.

For trading derivatives, fair value reflects a valuation adjustment for market, model and credit risks, as well as administrative costs, as appropriate. Specifically, credit risk adjustments are based on current and potential credit exposure and take into account both collateral and netting arrangements.

Administrative cost adjustments reflect the expected future costs of processing by type of deal and term.

For non-trading (ALM) derivatives, the fair value is determined on the same basis as for trading derivatives without valuation adjustments.

ALM derivatives not carried at fair value

Fair value is determined on the same basis as for non-trading (ALM) derivatives carried at fair value included in derivative instruments market valuation above.

Mortgage commitments

The fair value of mortgage commitments, included in derivatives held for ALM, is for fixed-rate residential and commercial mortgage commitments and is based on changes in market interest rates between the commitment and funding dates. The valuation model takes into account the expected probability that outstanding commitments will be exercised.

Credit commitments

Other commitments to extend credit are primarily variable rate and, consequently, do not expose CIBC to interest rate risk, although they do expose CIBC to credit risk. These commitments generally contain provisions whereby drawn credit commitments are priced based on the credit quality of the obligor at the date funds are drawn. As noted above, the credit exposure on loan commitments is included in our assessment of the specific and general allowances and, hence, no further adjustments are made.

The fair values disclosed in the following table exclude the value of assets that are not financial instruments. Also, excluded from this table are assets, such as land, buildings and equipment, as well as goodwill and other intangible assets, including customer relationships, which add significant value to CIBC.

FAIR VALUE OF FINANCIAL INSTRUMENTS

	2005			2004		
$ millions, as at October 31	**Book value**	**Fair value**	**Fair value over (under) book value**	Book value	Fair value	Fair value over (under) book value
Assets						
Cash and non-interest-bearing deposits with banks	**$ 1,310**	**$ 1,310**	**$ —**	$ 1,374	$ 1,374	$ —
Interest-bearing deposits with banks	**10,542**	**10,542**	**—**	10,829	10,829	—
Securities	**67,764**	**67,833**	**69**	67,316	68,052	736
Securities borrowed or purchased under resale agreements	**18,514**	**18,514**	**—**	18,165	18,165	—
Loans	**141,783**	**142,043**	**260**	137,504	138,081	577
Derivative instruments market valuation (1)	**20,309**	**20,309**	**—**	23,710	23,710	—
Customers' liability under acceptances	**5,119**	**5,119**	**—**	4,778	4,778	—
Other assets	**7,044**	**7,316**	**272**	5,226	5,422	196
Liabilities						
Deposits	**$ 192,734**	**$ 192,674**	**$ (60)**	$ 190,577	$ 190,781	$ 204
Derivative instruments market valuation (1)	**20,128**	**20,128**	**—**	23,990	23,990	—
Acceptances	**5,119**	**5,119**	**—**	4,778	4,778	—
Obligations related to securities sold short	**14,883**	**14,883**	**—**	12,220	12,220	—
Obligations related to securities lent or sold under repurchase agreements	**14,325**	**14,325**	**—**	16,790	16,790	—
Other liabilities	**11,537**	**11,537**	**—**	6,562	6,562	—
Subordinated indebtedness	**5,102**	**5,468**	**366**	3,889	4,259	370
Preferred share liabilities	**600**	**660**	**60**	1,043	1,135	92
ALM derivatives not carried at fair value (1)(2)(3)	**$ 73**	**$ 82**	**$ 9**	$ (380)	$ (660)	$ (280)

(1) ALM derivatives carried at fair value are included in derivative instruments market valuation.

(2) The book value includes both the ALM derivatives not carried at fair value of $(281) million (2004: $(707) million) and unamortized hedge-related deferred balances, net $354 million (2004: net $327 million), which are included in other assets and other liabilities.

(3) The fair value over (under) book value includes deferred gains of $266 million (2004: $107 million) relating to derivative hedges for anticipated transactions related to certain deposit programs and expenses. These transactions and related hedges will be recognized in the consolidated financial statements over the next eight years.

FAIR VALUE OF DERIVATIVE INSTRUMENTS

	2005 fair value			2004 fair value		
$ millions, as at October 31	**Positive**	**Negative**	**Net**	Positive	Negative	Net
Held for trading [7]						
Interest rate derivatives						
Forward rate agreements	**$ 7**	**$ 10**	**$ (3)**	$ 8	$ 7	$ 1
Swap contracts	**8,116**	**7,711**	**405**	11,123	10,403	720
Purchased options	**779**	**—**	**779**	694	—	694
Written options	**—**	**618**	**(618)**	—	936	(936)
Total interest rate derivatives	**8,902**	**8,339**	**563**	11,825	11,346	479
Foreign exchange derivatives						
Forward contracts	**676**	**695**	**(19)**	1,717	1,645	72
Swap contracts	**4,267**	**3,885**	**382**	4,598	4,098	500
Purchased options	**127**	**—**	**127**	248	—	248
Written options	**—**	**120**	**(120)**	—	345	(345)
Total foreign exchange derivatives	**5,070**	**4,700**	**370**	6,563	6,088	475
Credit derivatives						
Swap contracts	**55**	**48**	**7**	56	68	(12)
Purchased options	**87**	**46**	**41**	71	40	31
Written options	**44**	**30**	**14**	—	13	(13)
Total credit derivatives	**186**	**124**	**62**	127	121	6
Equity derivatives [1]	**3,109**	**3,405**	**(296)**	2,302	2,922	(620)
Other derivatives [2]	**2,659**	**2,840**	**(181)**	2,320	2,436	(116)
Total held for trading [3]	**19,926**	**19,408**	**518**	23,137	22,913	224
Held for ALM [4]						
Interest rate derivatives						
Swap contracts	**1,070**	**731**	**339**	989	933	56
Purchased options	**9**	**—**	**9**	**—**	**—**	**—**
Written options	**—**	**27**	**(27)**	—	8	(8)
Total interest rate derivatives	**1,079**	**758**	**321**	989	941	48
Foreign exchange derivatives						
Forward contracts	**40**	**53**	**(13)**	228	414	(186)
Swap contracts	**147**	**680**	**(533)**	274	1,198	(924)
Purchased options	**—**	**—**	**—**	—	—	—
Total foreign exchange derivatives	**187**	**733**	**(546)**	502	1,612	(1,110)
Credit derivatives						
Swap contracts	**—**	**—**	**—**	—	—	—
Purchased options	**32**	**26**	**6**	**14**	48	(34)
Written options [5]	**2**	**2**	**—**	—	1	(1)
Total credit derivatives	**34**	**28**	**6**	14	49	(35)
Equity derivatives [1]	**3**	**38**	**(35)**	47	114	(67)
Total held for ALM	**1,303**	**1,557**	**(254)**	1,552	2,716	(1,164)
Total fair value	**21,229**	**20,965**	**264**	24,689	25,629	(940)
Less: effect of master netting agreements	**(13,315)**	**(13,315)**	**—**	(17,022)	(17,022)	—
	$ 7,914	**$ 7,650**	**$ 264**	$ 7,667	$ 8,607	$ (940)
Average fair value of derivatives held for trading [6]						
Interest rate derivatives	**$ 11,571**	**$ 11,043**	**$ 528**	$ 13,443	$ 12,473	$ 970
Foreign exchange derivatives	**5,672**	**5,318**	**354**	5,742	5,441	301
Credit derivatives	**155**	**117**	**38**	133	132	1
Equity derivatives	**2,492**	**3,157**	**(665)**	1,919	2,410	(491)
Other derivatives	**2,694**	**3,118**	**(424)**	2,476	2,304	172
	$ 22,584	**$ 22,753**	**$ (169)**	$ 23,713	$ 22,760	$ 953

(1) Includes swaps and options.

(2) Includes precious metals and other commodity forwards, swaps and options.

(3) Derivative instruments held for trading and ALM derivative instruments carried at fair value (included in footnote 4 below) are reported as derivative instruments market valuation on the consolidated balance sheets.

(4) Certain ALM derivative instruments are carried at fair value because they are ineligible for hedge accounting under AcG-13. Since these derivative instruments mitigate market risks, we consider them to be economic hedges for the corresponding risks of underlying positions. In addition, this category includes derivatives, such as seller swaps, whose risks are managed in the context of ALM activities. Derivatives held for ALM purposes at October 31, 2005, include positive and negative fair values of $383 million (2004: $573 million) and $720 million (2004: $1,077 million), respectively, in respect of derivative instruments held for economic hedging purposes.

(5) Reported as financial guarantees in Note 24.

(6) Average fair value represents monthly averages.

(7) Includes positive and negative fair values of $938 million (2004: $693 million) and $1,156 million (2004: $738 million), respectively, for exchange-traded options.

Note 24 COMMITMENTS, GUARANTEES, PLEDGED ASSETS AND CONTINGENT LIABILITIES

Commitments

Off-balance sheet credit-related arrangements

Credit-related arrangements are generally off-balance sheet instruments and are typically entered into to meet the financing needs of clients or to facilitate international trade. In addition, certain credit exposures are not recorded on-balance sheet at amounts at which we could be obligated to extend credit. Our policy of requiring collateral or other security to support credit-related arrangements and the types of security held is generally the same as for loans. The contract amounts shown below for credit-related arrangements generally represent the maximum amount of additional credit that we could be obligated to extend. The contract amounts also represent the credit risk amounts should the contracts be fully drawn, the counterparties default and any collateral held proves to be of no value. As many of these arrangements will expire or terminate without being drawn upon, the contract amounts are not necessarily indicative of future cash requirements or actual risk of loss.

CREDIT-RELATED ARRANGEMENTS

	Contract amounts	
$ millions, as at October 31	**2005**	2004
Lines of credit [1]	**$ 55,247**	$ 52,970
Securities lending [2]	**45,817**	33,813
Financial guarantees and standby letters of credit [3]	**6,722**	6,999
Documentary and commercial letters of credit	**136**	182
Other [4]	**414**	568
	$ 108,336	$ 94,532

(1) Includes irrevocable lines of credit totalling $39.1 billion (2004: $39.6 billion), of which $28.6 billion (2004: $31.2 billion) will expire in one year or less, and excludes personal lines of credit and credit card lines, as the lines are short-term in nature and are revocable at our discretion.

(2) Securities lending includes the full contract amount of custodial client securities totalling $30.3 billion (2004: $21.7 billion) lent by CIBC Mellon Global Securities Services, which is a 50/50 joint venture between CIBC and Mellon Financial Corp.

(3) Includes ALM credit derivatives-written options with a contract amount of $193 million (2004: $200 million), which have also been reported as derivatives in Note 22.

(4) Includes forward asset purchases.

Lines of credit

Lines of credit are undrawn lending facilities that we have approved to meet the business requirements of clients. The majority of such commitments are of a general nature with annual review provisions and/or various conditions for drawdown. The credit risk associated with undrawn lending facilities arises from the possibility that a commitment may be drawn as a loan. Therefore, a lending commitment is subject to the same credit review process as a loan. The amount of collateral obtained, if deemed necessary, is based on our credit evaluation of the borrower, and may include a charge over the present and future assets of the borrower.

Securities lending

Securities lending represents our credit exposure when we lend our own or our clients' securities to a borrower and the borrower defaults on the redelivery obligation. The borrower must fully collateralize the security lent at all times. Securities lending of $2.5 billion (2004: $3.8 billion) for cash is excluded from the table above because it is reported on the consolidated balance sheets as obligations related to securities lent or sold under repurchase agreements.

Financial guarantees and standby letters of credit

Financial guarantees and standby letters of credit include credit enhancement facilities, standby and performance letters of credit, and written credit derivatives treated as financial guarantees. These instruments represent an irrevocable obligation to make payments to third parties in the event that clients are unable to meet their contractual financial or performance obligations. The credit risk associated with these instruments is essentially the same as that involved in extending irrevocable loan commitments to clients. The amount of collateral obtained, if deemed necessary, is based on our credit evaluation of the borrower and may include a charge over present and future assets of the borrower.

Documentary and commercial letters of credit

Documentary and commercial letters of credit are short-term instruments issued on behalf of a client, authorizing a third party, such as an exporter, to draw drafts on CIBC up to a specified amount, subject to specific terms and conditions. We are at risk for any drafts drawn that are not ultimately settled by the client; however, the amounts drawn are collateralized by the related goods.

Long-term commitments for leases

CIBC has obligations under non-cancellable leases for buildings and equipment.

Future minimum lease payments for all lease commitments for each of the five succeeding years and thereafter are as follows:

LEASE COMMITMENTS[1][2][3]

$ millions	
2006	$ 328
2007	281
2008	242
2009	210

2010	183
2011 and thereafter	1,050

(1) Total rental expense in respect of buildings and equipment charged to the consolidated statements of operations was $687 million (2004: $673 million; 2003: $689 million).

(2) Includes future minimum lease commitments under sale-leaseback amounting to $54 million in 2006, $54 million in 2007, $45 million in 2008, $41 million in 2009, $32 million in 2010 and $69 million in 2011 and thereafter.

(3) Includes $71 million relating to some of our premises in New York that were sublet.

Other commitments

As an investor in merchant banking activities, we enter into commitments to fund external private equity funds and investments in equity and debt securities at market value at the time the commitments are drawn. In connection with these activities, we had commitments to invest up to $471 million, as at October 31, 2005 (2004: $737 million).

Guarantees

Guarantees include contracts that contingently require the guarantor to make payments to a guaranteed party based on (a) changes in an underlying economic characteristic that is related to an asset, liability or an equity security of the guaranteed party; (b) failure of another party to perform under an obligating agreement; or (c) failure of another third party to pay its indebtedness when due.

The following table summarizes significant guarantees issued and outstanding as at October 31, 2005:

GUARANTEES

$ millions, as at October 31, 2005	Maximum potential future payment
Securities lending with indemnification [1]	**$ 26,044**
Standby and performance letters of credit	**6,529**
Credit enhancement facilities	**—**
Derivative contracts	See narrative
Other indemnification agreements	See narrative

(1) Securities lending with indemnification is the full contract amount of custodial client securities lent by CIBC Mellon Global Securities Services, which is a 50/50 joint venture between CIBC and Mellon Financial Corp.

As many of these guarantees will expire or terminate without being drawn upon and do not take into consideration the possibility of recovery by means of recourse provisions or from collateral held or pledged, the maximum potential future payment amounts are not indicative of future cash requirements or credit risk, and bear no relationship to our expected losses from these arrangements. As at October 31, 2005, we had a liability of $4.6 billion (2004: $4.0 billion) recorded on our consolidated balance sheets related to the above noted guarantees. The total collateral available relating to these guarantees was $29.3 billion (2004: $22.3 billion).

Securities lending with indemnification

As part of our custodial business, indemnifications may be provided to security lending clients to ensure that the fair value of securities lent will be returned in the event that the borrower fails to return the indemnified securities and collateral held is insufficient to cover the fair value of those securities.

Standby and performance letters of credit

Standby and performance letters of credit represent written undertakings that back financial and performance obligations of the client. These guarantees convey similar credit risk characteristics as loans. We may collateralize standby and performance letters of credit by various forms, including cash, securities and other assets pledged.

Credit enhancement facilities

Certain credit enhancement facilities require us to guarantee the collection of the scheduled contractual cash flows from individual financial assets held by a VIE. Other credit enhancement features, including cash reserve accounts, cash collateral accounts and subordinated interests, are not considered guarantees.

Derivative contracts

Derivative contracts include credit default options and written options on interest rate, foreign exchange, equity, commodity, and other, which provide the holder the right to purchase or sell an underlying item for a pre-determined price. All such derivative contracts can potentially be used to protect against changes in an underlying, depending upon the intent of the option holder. For accounting purposes, we do not track the intent of a given counterparty when writing an option, and as a result, the maximum potential liability for derivative contracts that may meet the definition of a guarantee is unavailable. We generally hedge our exposure to these contracts by entering into a variety of offsetting derivative contracts and security positions.

Other indemnification agreements

In the ordinary course of operations, we enter into contractual arrangements under which we may agree to indemnify the counterparty to such arrangement from any losses relating to a breach of representations and warranties, a failure to perform certain covenants, or for claims or losses arising from certain external events as outlined within the particular contract. This may include, for example, losses arising from changes in tax legislation, litigation or claims relating to past performance. In addition, we have entered into indemnification agreements with each of our directors and officers to indemnify those individuals, to the extent permitted by law, against any and all claims or losses (including any amounts paid in settlement of any such claims) incurred as a result of their service to CIBC. In most indemnities, maximum loss clauses are generally not provided for, and as a result, no defined limit of the maximum potential liability exists. We believe that the likelihood of the conditions arising to trigger obligations under these contract arrangements is remote and, historically, any payments made in respect of these contracts have not been significant. No amounts related to these indemnifications, representations and warranties are reflected within the consolidated financial statements at October 31, 2005.

Pledged assets and collateral

In the ordinary course of business, we pledge our own or may sell or repledge third-party assets against liabilities, or to facilitate certain activities. The following table presents the sources and uses of pledged assets and collateral:

PLEDGED ASSETS AND COLLATERAL

$ millions, as at October 31	2005	2004
Sources of pledged assets and collateral		
CIBC assets		
Deposits with banks	**$ 6**	$ 6
Securities	**13,696**	14,239
Other assets	**1,504**	1,420
	15,206	15,665
Client assets		
Collateral received and available for sale or repledge [1]	**66,871**	56,409
Not sold or repledged	**2,931**	4,932

	63,940	51,477
	$ 79,146	$ 67,142
Uses of pledged assets and collateral		
Foreign governments and central banks [2]	**$ 557**	$ 589
Clearing systems, payment systems and depositories [2]	**499**	883
Margins for exchange traded futures and options, and collateralized derivative transactions	**3,065**	2,847
Securities lent [3]	**45,817**	33,813
Obligations related to securities sold short	**14,883**	12,220
Obligations related to securities lent or sold under repurchase agreements	**14,325**	16,790
	$ 79,146	$ 67,142

(1) Includes the full contract amount totalling $32.0 billion (2004: $23.6 billion) of collateral received for custodial client securities lent by CIBC Mellon Global Securities Services.

(2) Includes assets pledged in order to participate in clearing and payment systems and depositories or to have access to the facilities of central banks in foreign jurisdictions.

(3) Includes the full contract amount of custodial client securities totalling $30.3 billion (2004: $21.7 billion) lent by CIBC Mellon Global Securities Services.

Securities collateral

Client securities collateral available for sale or repledge is received in connection with securities lending, securities borrowed or purchased under resale agreements, margin loans and to collateralize derivative contracts. Client securities collateral may be sold or repledged by CIBC in connection with securities borrowed, lent or sold under repurchase agreements, for margin loans, as collateral for derivative transactions or delivered to cover securities sold short.

Contingent liabilities

CIBC is a party to a number of legal proceedings, including regulatory investigations, in the ordinary course of its business. In certain of these matters, claims for substantial monetary damages are asserted against CIBC and its subsidiaries. In accordance with Canadian GAAP, amounts are accrued for the financial resolution of claims if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In some cases, however, it is either not possible to determine whether such a liability has been incurred or to reasonably estimate the amount of loss until the case is closer to resolution, in which case no accrual can be made until that time. If the reasonable estimate of loss involves a range within which a particular amount appears to be a better estimate, that amount would be accrued. If no such better estimate within a range is indicated, the minimum amount in the range is required to be accrued. We regularly assess the adequacy of CIBC's contingent liabilities accrual and make the necessary adjustments to incorporate new information as it becomes available. Adjustments to the accrual in any quarter may be material in situations where significant new information becomes available. While there exists an inherent difficulty in predicting the outcome of such matters, based on current knowledge and consultation with legal counsel, we do not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on our consolidated financial position. However, the outcome of any such matters, individually or in aggregate, may be material to our operating results for a particular year.

Enron

During the year, certain Enron litigation matters facing CIBC, *Newby, et al. v. Enron Corp., et al.* , and the so called *Megaclaims* bankruptcy court action, were settled, both subject to court approval. To settle *Newby*, CIBC agreed to pay US$2.4 billion. To settle the *Megaclaims* action, CIBC agreed to pay US$250 million, and in exchange for US$24 million, Enron allowed the inclusion of approximately US$81 million in claims filed against the Enron bankruptcy estate and CIBC agreed to subordinate approximately US$42 million in other claims, which have been written off in prior years.

CIBC is a defendant in a number of remaining Enron-related actions. During the year, we recorded a provision (included within other non-interest expenses) of $2.83 billion pre-tax ($2.53 billion after-tax) to increase our accrual (included within other liabilities) to cover the settlements and to reserve against the remaining Enron matters. Provisions to date take into account expected insurance recoveries. We have recorded a tax benefit of $297 million relating to the current year provision. There is significant uncertainty associated with the ultimate tax benefits to be realized in respect of these settlements. Accordingly, we have recognized the expected minimum tax benefits.

Hedge funds

During the year, CIBC reached settlements with the SEC and the Office of the New York State Attorney General (NYAG) regarding their investigations relating to financing and brokerage services provided by CIBC to certain hedge funds that engaged in mutual fund market timing. Pursuant to those settlements, without admitting or denying liability, CIBC agreed to pay a fine of US$25 million and to disgorge US$100 million, all of which will be distributed to the affected parties. During the year, we increased our accrual by $108 million to $158 million to cover the settlements. The provisions were allocated equally to CIBC Retail Markets and CIBC World Markets.

In addition, two CIBC subsidiaries and a former employee were named as defendants in a number of class and derivative actions, brought on behalf of certain alleged affected parties who were shareholders of several families of mutual funds, claiming that CIBC knew or recklessly disregarded the fact that its hedge fund clients were engaging in deceptive market timing and late trading of mutual fund shares. CIBC successfully moved to dismiss a majority of these actions. The court has yet to rule on CIBC's motion to dismiss the remaining actions, which are consolidated before the U.S. District Court for the District of Maryland.

Note 25 CONCENTRATION OF CREDIT RISK

Concentrations of credit exposure may arise with a group of counterparties that have similar economic characteristics or are located in the same geographic region. The ability of such counterparties to meet contractual obligations would be similarly affected by changing economic, political or other conditions.

The amounts of credit exposure associated with our on-and off-balance sheet financial instruments are summarized in the following table:

CREDIT EXPOSURE BY COUNTRY OF ULTIMATE RISK

	2005				2004			
$ millions, as at October 31	**Canada**	**United States**	**Other countries**	**Total**	Canada	United States	Other countries	Total
On-balance sheet								
Major assets(1)(2)(3)	**$ 198,140**	**$ 40,913**	**$ 26,288**	**$ 265,341**	$ 188,064	$ 48,468	$ 27,143	$ 263,675
Off-balance sheet								
Credit-related arrangements								
Lines of credit								
Financial institutions	**$ 18,854**	**$ 2,098**	**$ 713**	**$ 21,665**	$ 16,073	$ 2,773	$ 436	$ 19,282
Governments	**2,787**	**—**	**—**	**2,787**	3,410	—	206	3,616
Other	**26,994**	**3,036**	**765**	**30,795**	25,694	3,713	665	30,072
	48,635	**5,134**	**1,478**	**55,247**	45,177	6,486	1,307	52,970
Other credit-related arrangements(4)								
Financial institutions	**36,711**	**10,344**	**538**	**47,593**	22,365	12,075	554	34,994
Governments	**26**	**—**	**197**	**223**	31	30	199	260
Other	**3,197**	**437**	**1,639**	**5,273**	3,169	908	2,231	6,308
	39,934	**10,781**	**2,374**	**53,089**	25,565	13,013	2,984	41,562
	$ 88,569	**$ 15,915**	**$ 3,852**	**$ 108,336**	$ 70,742	$ 19,499	$ 4,291	$ 94,532
Derivative instruments								
By counterparty type								
Financial institutions	**$ 2,651**	**$ 4,839**	**$ 6,621**	**$ 14,111**	$ 2,851	$ 6,622	$ 8,021	$ 17,494
Governments	**2,527**	**1**	**113**	**2,641**	2,388	1	117	2,506
Other	**2,038**	**1,182**	**285**	**3,505**	2,275	1,253	454	3,982
	7,216	**6,022**	**7,019**	**20,257**	7,514	7,876	8,592	23,982
Less: effect of master netting agreements	**(3,947)**	**(4,793)**	**(4,575)**	**(13,315)**	(4,488)	(6,456)	(6,078)	(17,022)
Total derivative instruments	**$ 3,269**	**$ 1,229**	**$ 2,444**	**$ 6,942**	$ 3,026	$ 1,420	$ 2,514	$ 6,960

(1) Major assets consist of cash and non-interest-bearing deposits with banks, interest-bearing deposits with banks, loans, securities, securities borrowed or purchased under resale agreements, customers' liability under acceptances, and derivative instruments market valuation, after deduction of allowance for credit losses.

(2) Includes Canadian currency of $197.8 billion (2004: $185.9 billion) and foreign currencies of $67.5 billion (2004: $77.8 billion).

(3) Includes loans and acceptances, net of allowance for credit losses, totalling $146.9 billion (2004: $142.3 billion). No industry or foreign jurisdiction accounts for more than 10% of this amount in either 2005 or 2004.

(4) Includes the full contract amount of custodial client securities totalling $30.3 billion (2004: $21.7 billion) lent by CIBC Mellon Global Securities Services, which is a 50/50 joint venture between CIBC and Mellon Financial Corp.

Note 26 SEGMENTED INFORMATION

In 2005, we adopted a new reporting structure that combined CIBC Retail Markets and CIBC Wealth Management into one strategic business line, CIBC Retail Markets, to reflect a new organizational structure that was established to align our products, services and distribution channels to their relevant customer segments. As a result of the reorganization, CIBC now has two strategic business lines: CIBC Retail Markets which services retail customers and CIBC World Markets which services wholesale customers. These strategic business lines are supported by Corporate and Other.

Comparative figures have been reclassified to reflect the new reporting structure.

CIBC Retail Markets provides a full range of financial products and services to individual and small business clients primarily in Canada. We serve clients through a variety of distribution channels including our branch network, telephone banking, online banking, full-service and self-directed brokerage and ABMs, as well as President's Choice Financial, a co-venture with Loblaw Companies Limited. We also provide investment management services to retail and institutional clients through our CIBC Asset Management business.

CIBC World Markets is the wholesale banking arm of CIBC, providing a range of integrated credit and capital markets products, investment banking, and merchant banking to clients in key financial markets in North America and around the world. We deliver innovative full capital solutions to growth-oriented companies and are active in major global capital markets. We offer advisory expertise across a wide range of industries and provide top-ranked research for our corporate, government and institutional investor clients.

These business lines are supported by five functional groups — Administration; Corporate Development; Finance; Technology and Operations; and Treasury and Risk Management (TRM). The activities of these functional groups are included within Corporate and Other with their revenue, expenses and balance sheet resources generally being allocated to the business lines. Corporate and Other also includes Juniper (sold on December 1, 2004), CIBC Mellon joint ventures, Oppenheimer Holdings Inc. debentures, and other income statement and balance sheet items not directly attributable to the business lines.

During the year, we moved the management of balance sheet resources from Treasury, Balance Sheet and Risk Management (TBRM) into Finance. TBRM was subsequently renamed TRM.

Results for our operating segments are based on our internal financial reporting systems. The assets and liabilities of the segments are transfer priced, using a funding methodology that best reflects their nature and term, at wholesale market rates. Non-interest expenses are matched against the revenue to which they relate. Indirect expenses are allocated to the segments based on appropriate criteria.

To measure and report the results of operations of the two strategic business lines, we use a Manufacturer/Customer Segment/Distributor Management Model. The model uses certain estimates and allocation methodologies in the preparation of segmented financial information. Under this model, internal payments for sales and trailer commissions and distribution service fees are made among the business lines. As well, revenue, expenses and balance sheet resources relating to certain activities are fully allocated to other business lines. Management uses this model to better understand the economics of our customer segments, products and delivery channels. Each year, the sales and trailer commissions paid to segments for certain products are renegotiated. Prior year financial information has not been reclassified to reflect these commission changes.

Concurrent with the changes in the reporting structure, the following changes were made to the management model on a retroactive basis:

- the lending products business, which previously fully allocated its revenue, expenses and balance sheet resources to the other business lines, now makes internal payments for sales and trailer commissions.
- the fixed term business, which previously made internal payments for sales and trailer commissions, now fully allocates its revenue, expenses and balance sheet resources to the other business lines.

RESULTS BY BUSINESS LINE

$ millions, for the years ended October 31		CIBC Retail Markets	CIBC World Markets	Corporate and Other	CIBC Total
2005	**Net interest income**	**$ 4,445**	**$ 279**	**$ 213**	**$ 4,937**
	Non-interest income	**3,933**	**2,883**	**720**	**7,536**
	Intersegment revenue(1)	**(218)**	**222**	**(4)**	**—**
	Total revenue	**8,160**	**3,384**	**929**	**12,473**
	Provision for credit losses	**772**	**(17)**	**(49)**(2)	**706**
	Amortization(3)	**89**	**23**	**114**	**226**
	Other non-interest expenses	**5,037**	**5,126**(4)	**451**	**10,614**
	Income (loss) before income taxes and non-controlling interests	**2,262**	**(1,748)**	**413**	**927**
	Income taxes	**689**	**(148)**	**248**	**789**
	Non-controlling interests	**—**	**71**	**99**	**170**
	Net income (loss)	**$ 1,573**	**$ (1,671)**	**$ 66**	**$ (32)**
	Average assets(5)	**$ 185,145**	**$ 103,018**	**$ 682**	**$ 288,845**
2004	Net interest income	$ 4,484	$ 515	$ 259	$ 5,258
	Non-interest income	3,438	2,769	310	6,517
	Intersegment revenue(1)	(211)	213	(2)	—
	Total revenue	7,711	3,497	567	11,775
	Provision for credit losses	740	(55)	(57)(2)	628
	Amortization(3)	132	25	123	280
	Other non-interest expenses	4,707	2,716	548	7,971
	Income (loss) before income taxes and non-controlling interests	2,132	811	(47)	2,896
	Income taxes	726	139	(75)	790
	Non-controlling interests	—	12	3	15
	Net income	$ 1,406	$ 660	$ 25	$ 2,091
	Average assets(5)	$ 180,938	$ 99,177	$ 695	$ 280,810
2003	Net interest income	$ 4,477	$ 795	$ 245	$ 5,517
	Non-interest income	3,184	2,429	333	5,946
	Intersegment revenue(1)	(206)	210	(4)	—
	Total revenue	7,455	3,434	574	11,463
	Provision for credit losses	625	653	(135)(2)	1,143
	Amortization(3)	147	19	129	295
	Other non-interest expenses	4,919	2,402	512	7,833
	Income before income taxes and non-controlling interests	1,764	360	68	2,192
	Income taxes	578	28	(367)(6)	239
	Non-controlling interests	—	(2)	5	3
	Net income	$ 1,186	$ 334	$ 430	$ 1,950
	Average assets(5)	$ 176,184	$ 107,658	$ 897	$ 284,739

(1) Intersegment revenue represents internal sales commissions and revenue allocations under the Manufacturer/Customer Segment/Distributor Management Model.

(2) Includes $50 million (2004: $75 million; 2003: $150 million) reversal of the general allowance.

(3) Includes amortization of buildings, furniture, equipment, leasehold improvements and finite-lived other intangible assets.

(4) Includes $2.83 billion provision for Enron-related litigation matters.

(5) Assets are disclosed on an average basis as this measure is most relevant to a financial institution and is the measure reviewed by management. Average assets of Juniper (sold on December 1, 2004), CIBC Mellon joint ventures, Oppenheimer Holdings Inc. debentures and other average assets not directly attributable to specific business lines are not allocated to the business lines.

(6) Includes recovery of income taxes amounting to $689 million.

Geographic distribution

We earn revenue and incur expenses from domestic and foreign activities, and have domestic and foreign assets from which income is earned. Net income (loss) and average assets are allocated based on the geographic location where they are recorded.

GEOGRAPHIC DISTRIBUTION

$ millions, for the years ended October 31		Canada	United States	West Indies	Other countries	Total
2005	**Net interest income**	**$ 4,148**	**$ 371**	**$ 306**	**$ 112**	**$ 4,937**
	Non-interest income	**5,462**	**1,379**	**350**	**345**	**7,536**
	Total revenue	**9,610**	**1,750**	**656**	**457**	**12,473**
	Provision for credit losses	**737**(1)	**(17)**	**—**	**(14)**	**706**
	Non-interest expenses	**6,362**	**4,105**(2)	**89**	**284**	**10,840**
	Income (loss) before income taxes and non-controlling interests	**2,511**	**(2,338)**	**567**	**187**	**927**
	Income taxes	**842**	**(184)**	**72**	**59**	**789**
	Non-controlling interests	**34**	**136**	**—**	**—**	**170**
	Net income (loss)	**$ 1,635**	**$ (2,290)**	**$ 495**	**$ 128**	**$ (32)**
	Average assets	**$ 207,983**	**$ 48,168**	**$ 12,281**	**$ 20,413**	**$ 288,845**
2004	Net interest income	$ 4,496	$ 487	$ 141	$ 134	$ 5,258
	Non-interest income	4,794	1,204	98	421	6,517
	Total revenue	9,290	1,691	239	555	11,775
	Provision for credit losses	705(1)	(64)	—	(13)	628
	Non-interest expenses	6,198	1,647	37	369	8,251
	Income before income taxes and non-controlling interests	2,387	108	202	199	2,896
	Income taxes	690	51	2	47	790
	Non-controlling interests	3	12	—	—	15
	Net income	$ 1,694	$ 45	$ 200	$ 152	$ 2,091
	Average assets	$ 195,263	$ 51,545	$ 13,304	$ 20,698	$ 280,810
2003	Net interest income	$ 4,516	$ 693	$ 153	$ 155	$ 5,517
	Non-interest income	4,237	1,168	214	327	5,946
	Total revenue	8,753	1,861	367	482	11,463
	Provision for credit losses	633(1)	270	—	240	1,143
	Non-interest expenses	6,050	1,667	46	365	8,128
	Income (loss) before income taxes and non-controlling interests	2,070	(76)	321	(123)	2,192
	Income taxes	796	182	(697)(3)	(42)	239
	Non-controlling interests	5	(2)	—	—	3
	Net income (loss)	$ 1,269	$ (256)	$ 1,018	$ (81)	$ 1,950
	Average assets	$ 204,816	$ 49,474	$ 14,902	$ 15,547	$ 284,739

(1) Includes $50 million (2004: $75 million; 2003: $150 million) reversal of the general allowance.

(2) Includes $2.83 billion provision for Enron-related litigation matters.

(3) Includes the West Indies share of the $689 million recovery of income taxes.

Note 27 RECONCILIATION OF CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

CIBC's consolidated financial statements have been prepared in accordance with Canadian GAAP. The following table summarizes the more significant differences that would result if U.S. GAAP were applied in the preparation of the consolidated financial statements:

CONDENSED CONSOLIDATED BALANCE SHEETS

	2005			2004		
$ millions, as at October 31	Canadian GAAP	Adjustments	U.S. GAAP	Canadian GAAP	Adjustments	U.S. GAAP
ASSETS						
Cash and non-interest-bearing deposits with banks	**$ 1,310**	**$ —**	**$ 1,310**	$ 1,374	$ 111	$ 1,485
Interest-bearing deposits with banks	**10,542**	**—**	**10,542**	10,829	—	10,829
Securities						
Investment	**14,342**	**(14,342)**	**—**	15,517	(15,517)	—
Available for sale	**—**	**13,903**	**13,903**	—	15,426	15,426
Trading	**53,422**	**1,115**	**54,537**	51,799	2,161	53,960
Securities borrowed or purchased under resale agreements	**18,514**	**—**	**18,514**	18,165	—	18,165
Loans	**141,783**	**3**	**141,786**	137,504	1,359	138,863
Other						
Derivative instruments market valuation	**20,309**	**920**	**21,229**	23,710	979	24,689
Customers' liability under acceptances	**5,119**	**—**	**5,119**	4,778	—	4,778
Land, buildings and equipment	**2,136**	**—**	**2,136**	2,107	—	2,107
Goodwill	**946**	**—**	**946**	1,055	(73)	982
Other intangible assets	**199**	**19**	**218**	244	7	251
Other assets	**11,748**	**(582)**	**11,166**	11,682	8,253	19,935
	$ 280,370	**$ 1,036**	**$ 281,406**	$ 278,764	$ 12,706	$ 291,470
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits	**$ 192,734**	**$ (3,457)**	**$ 189,277**	$ 190,577	$ 2,607	$ 193,184
Other						
Derivative instruments market valuation	**20,128**	**807**	**20,935**	23,990	1,635	25,625
Acceptances	**5,119**	**—**	**5,119**	4,778	—	4,778
Obligations related to securities sold short	**14,883**	**749**	**15,632**	12,220	2,252	14,472
Obligations related to securities lent or sold under repurchase agreements	**14,325**	**—**	**14,325**	16,790	—	16,790
Other liabilities	**16,002**	**3,106**	**19,108**	13,258	5,205	18,463
Subordinated indebtedness	**5,102**	**—**	**5,102**	3,889	—	3,889
Preferred share liabilities	**600**	**(600)**	**—**	1,043	(1,043)	—
Non-controlling interests	**746**	**—**	**746**	39	953	992
Shareholders' equity						
Preferred shares	**2,381**	**600**	**2,981**	1,783	1,043	2,826
Common shares	**2,952**	**(55)**	**2,897**	2,969	(42)	2,927
Contributed surplus	**58**	**—**	**58**	59	—	59
Foreign currency translation adjustments	**(327)**	**327**	**—**	(376)	376	—
Retained earnings	**5,667**	**(112)**	**5,555**	7,745	(275)	7,470
Accumulated other comprehensive (loss) income (net of taxes)						
Foreign currency translation adjustments	**—**	**(401)**	**(401)**	—	(376)	(376)
Unrealized gains on securities available for sale	**—**	**(55)**	**(55)**	—	380	380
Unrealized gains on derivatives designated as hedges(1)	**—**	**182**	**182**	—	46	46
Additional pension obligation	**—**	**(55)**	**(55)**	—	(55)	(55)
	$ 280,370	**$ 1,036**	**$ 281,406**	$ 278,764	$ 12,706	$ 291,470

(1) A net gain of $23 million, deferred in accumulated other comprehensive income, as at October 31, 2005, is expected to be reclassified to net income during the next 12 months. Remaining amounts will be reclassified to net income over periods up to 14 years thereafter.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

$ millions, except share and per share amounts, for the years ended October 31	2005	2004	2003
Net (loss) income as reported	**$ (32)**	$ 2,091	$ 1,950
Net interest income			
Variable interest entities	**—**	1	—
Preferred share liabilities	**66**	108	113
Provision for credit losses	**—**	**—**	(54)
Non-interest income			
Capital repatriation	**(301)**	—	—
Derivative instruments and hedging activities	**57**	(118)	133
Equity accounting	**(15)**	27	64
Impairment measurement	**4**	—	10
Other	**69**	—	54
Valuation adjustments	**(6)**	(3)	(22)
Variable interest entities	**—**	90	—
Non-interest expenses			
Employee future benefits	**15**	17	(5)
Stock-based compensation	**(7)**	31	59
Variable interest entities	**—**	(4)	—
Net change in income taxes due to the above noted items	**357**	(5)	(97)
Non-controlling interests in net income of variable interest entities	**—**	(63)	—
	239	81	255
Net income based on U.S. GAAP	**207**	2,172	2,205
Preferred share dividends and premiums	**(191)**	(208)	(188)
Net income applicable to common shareholders	**$ 16**	$ 1,964	$ 2,017
Weighted-average basic shares outstanding (thousands)	**339,263**	355,735	360,048
Add: stock options potentially exercisable (1)	**4,261**	4,852	3,066
Weighted-average diluted shares outstanding (thousands)	**343,524**	360,587	363,114
Basic EPS	**$ 0.05**	$ 5.52	$ 5.60
Diluted EPS	**$ 0.05**	$ 5.45	$ 5.55

(1) It is assumed that 80% of average options outstanding will be exercised for shares while the remaining 20% will be exercised as SARs.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

$ millions, for the years ended October 31	2005	2004	2003
Net income based on U.S. GAAP	**$ 207**	$ 2,172	$ 2,205
Other comprehensive (loss) income, net of tax			
Change in foreign currency translation adjustments (1)	**(25)**	(196)	(222)
Change in net unrealized (losses) gains on securities available for sale (2)(3)	**(435)**	246	(272)
Change in net unrealized gains (losses) on derivative instruments designated as hedges (4)	**136**	(197)	246
Change in additional pension obligation (5)	**—**	(15)	(28)
Total other comprehensive (loss) income	**(324)**	(162)	(276)
Comprehensive (loss) income	**$ (117)**	$ 2,010	$ 1,929

(1) Net of income tax expense of $255 million (2004: $617 million; 2003: $1.4 billion).

(2) Net of income tax benefit (expense) of $236 million (2004: $(130) million; 2003: $132 million).

(3) Net of reclassification adjustments for net realized gains included in net income of $332 million (2004: $90 million; 2003: $236 million).

(4) Net of income tax expense (benefit) of $74 million (2004: $(121) million; 2003: $148 million).

(5) Net of income tax expense (benefit) of $1 million (2004: $(9) million; 2003: $(16) million).

CANADIAN GAAP NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES

$ millions, for the years ended October 31	2005	2004	2003
Interest income	**$ 11,256**	$ 10,188	$ 11,176
Interest expense	**6,319**	4,930	5,659
Net interest income	**4,937**	5,258	5,517
Provision for credit losses	**706**	628	1,143
Net interest income after provision for credit losses	**$ 4,231**	$ 4,630	$ 4,374

A. Derivative instruments and hedging activities

U.S. GAAP requires that all derivative instruments, including derivative instruments embedded in financial instruments that are not clearly and closely related to the economic characteristics of the underlying host financial instruments, be recognized at fair value in the consolidated financial statements. Under Canadian GAAP, derivatives used for non-trading purposes that do not qualify for hedge accounting under the requirements of the CICA AcG-13, or derivatives embedded within equity-linked deposit contracts, are carried at fair value on the consolidated balance sheets with changes in fair value reflected in current earnings. Under Canadian GAAP, gains and losses on both securities and derivative instruments held within an effective hedge relationship are recognized in the consolidated statements of operations on the same basis and in the same period as the underlying hedged items. Thus, there is no difference in accounting between Canadian and U.S. GAAP in respect of derivatives held for trading purposes, for derivatives that do not qualify for hedge accounting, or for derivatives embedded within equity-linked deposit contracts. However, there are significant differences in accounting for derivatives that qualify for hedge accounting purposes and for embedded derivatives other than derivatives embedded within equity-linked deposit contracts.

The accounting under U.S. GAAP for changes in the fair value of derivatives held for hedging purposes depends on their intended use. For fair value hedges, the effective portion of changes in fair value of derivative instruments is offset in income against the change in fair value, attributed to the risk being hedged, of the underlying hedged asset, liability or firm commitment. For cash flow hedges, the effective portion of changes in fair value of derivative instruments is offset through other comprehensive income, until the variability in cash flows being hedged is recognized in earnings in future accounting periods. For both fair value and cash flow hedges, if a derivative instrument is designated as a hedge and meets the criteria for hedge effectiveness, earnings offset is available, but only to the extent that the hedge is effective.

We have elected not to designate certain derivatives as hedges for U.S. GAAP accounting purposes, even though these hedges are effective for Canadian GAAP purposes. In addition, U.S. GAAP disallows the use of cash instrument hedges. As a consequence, in respect of accounting for hedging activities, the U.S. GAAP reported earnings may exhibit significant volatility in any given period.

B. Securities available for sale

Under Canadian GAAP, investment securities are carried at cost or at amortized cost. U.S. GAAP requires these securities to be classified as either securities held to maturity or as securities available for sale. The accounting for securities held to maturity is consistent with the accounting for investment securities, while securities available for sale are reported at estimated fair value with unrealized gains and losses recognized in other comprehensive income.

U.S. GAAP also requires the following additional disclosures:

SECURITIES AVAILABLE FOR SALE

$ millions, for the years ended October 31	**2005**	2004	2003
Proceeds from sales	**$ 6,809**	$ 13,913	$ 26,416
Gross realized gains	**568**	288	260
Gross realized losses	**27**	68	43

C. Equity accounting adjustments

Effective November 1, 2003, the application of the equity method of accounting was substantially harmonized with U.S. GAAP for investments over which we exert significant influence. Previously, we accounted for these investments on a cost basis. Both Canadian and U.S. GAAP now require the use of the equity method to account for such investments when the investor exerts significant influence.

Under Canadian GAAP, certain of our investments in limited partnerships are accounted for on a cost basis. We record an impairment loss on these investments when there is evidence of an other-than-temporary decline in their value. Canadian GAAP requires the use of the equity method of accounting when we exert significant influence over the investee, whereas U.S. GAAP requires the use of the equity method to account for such investments when the equity interest is more than minor.

D. Impairment measurements

Under Canadian GAAP, we record investment securities at cost, less amounts for impairment of carrying values deemed to be other-than-temporary in nature. When an other-than-temporary impairment has occurred on a publicly traded available-for-sale security, we record the security at its expected realizable value. Under U.S. GAAP, when an other-than-temporary impairment has occurred on a publicly traded available-for-sale security, it requires the establishment of a new cost basis for the security, equal to its quoted market price at the time impairment is determined to be other-than-temporary.

E. Variable interest entities

Effective November 1, 2004, we adopted the CICA AcG-15, “Consolidation of Variable Interest Entities,” for the purpose of Canadian GAAP. Upon adoption of this accounting guideline, the Canadian GAAP accounting treatment of VIEs is now essentially harmonized with U.S. GAAP, under Financial Accounting Standards Board (FASB) Interpretation Number (FIN) 46R, “Consolidation of Variable Interest Entities.”

F. Valuation adjustments

Under Canadian GAAP, we record certain valuation adjustments to the carrying value of our securities in order to reflect resale restrictions that expire within one year or adjustments for liquidity. Under U.S. GAAP, these valuation adjustments are not permitted.

G. Employee future benefits

For Canadian GAAP purposes, we retroactively adopted the accounting requirements surrounding “Employee future benefits.” For U.S. GAAP purposes, we continue to recognize certain unamortized actuarial losses incurred prior to the adoption date of the Canadian standard on November 1, 2000. As a result, there will continue to be an adjustment to income until amounts, previously deferred under U.S. GAAP, have been fully amortized into income.

Under Canadian GAAP, an entity’s accrued benefit asset is limited to the amount it can realize in the future by applying any surplus to reduce an entity’s contributions. The valuation allowance is not included under U.S. GAAP, resulting in an adjustment to U.S. GAAP income. In addition, for

defined benefit plans, U.S. GAAP requires that the unfunded accumulated benefit obligation be recorded as additional minimum liability and the excess of the unfunded accumulated benefit obligation over the unrecognized prior service cost be recorded in other comprehensive income. The actuarial valuation of the accumulated benefit obligation is based on current and past compensation levels and service rendered to date.

The financial position on a U.S. GAAP basis of the employee defined benefit pension plans with an unfunded accumulated benefit obligation is as follows:

	Pension benefit plans		
$ millions, for the years ended October 31	**2005**	2004	2003
Accumulated benefit obligations	**$ 364**	$ 334	$ 310
Fair value of assets	**182**	175	151
Unfunded accumulated benefit obligations	**182**	159	159
Accrued benefit (asset) liability	**78**	66	88
Additional minimum liability	**104**	93	71
Intangible asset	**19**	7	7
Other comprehensive income	**85**	86	63

H. Stock-based compensation

We adopted the expense recognition provisions of Statement of Financial Accounting Standard (SFAS) 123, "Accounting for Stock-based Compensation," effective November 1, 2001. The impact of this change in accounting policy is the same as under Canadian GAAP except as it relates to SARs outstanding as of the date of adoption.

Under Canadian GAAP, the cost of SARs is measured assuming that all options eligible for SARs are exercised as SARs. Under U.S. GAAP, for SARs granted prior to the date of adoption of SFAS 123, the FASB FIN 28, "Accounting for SARs and Other Variable Stock Option or Award Plans," continues to apply, under which the accrual is determined as an estimate (based on past experience) of the proportion of stock options expected to be exercised for cash.

SFAS 148 requires pro-forma disclosure of net income and EPS as if the fair value-based method had been applied for awards granted subsequent to 1995.

Had the fair value-based method been used for awards granted subsequent to 1995 until October 31, 2001, U.S. GAAP pro-forma net income and diluted net income per share would be as follows:

STOCK-BASED COMPENSATION

$ millions, except share and per share amounts, for the years ended October 31		**2005**	2004	2003
Net income		**$ 207**	$ 2,172	$ 2,205
Add: stock-based compensation expense included in net income, net of related tax effects		**11**	21	44
Less: stock-based compensation expense determined under the fair value-based method for all awards, net of related tax effects		**(6)**	(43)	(88)
		$ 212	$ 2,150	$ 2,161
Basic EPS	— Reported	**$ 0.05**	$ 5.52	$ 5.60
	— Pro-forma	**$ 0.06**	$ 5.46	$ 5.48
Diluted EPS	— Reported	**$ 0.05**	$ 5.45	$ 5.55
	— Pro-forma	**$ 0.06**	$ 5.39	$ 5.43

I. Liabilities and equity

Effective November 1, 2004, we retroactively adopted the amendments to the CICA handbook section, "Financial Instruments — Disclosure and Presentation," for Canadian GAAP purposes. The amended standard requires that preferred shares that are convertible into a variable number of common shares at the option of the holder be presented as liabilities rather than as equity, and dividend payments and premiums on redemption arising from such preferred shares be treated as interest expense within the consolidated statements of operations rather than as dividends within the consolidated statements of changes in shareholders' equity. There was no corresponding change to U.S. GAAP, and as a result these preferred shares continue to be reported within the balance sheet as equity, and related dividend payments and premiums on redemption of these preferred shares continue to have no impact on U.S. GAAP earnings.

J. Capital repatriation

During 2005, certain of CIBC's subsidiaries repatriated capital by returning capital and distributing dividends to the Canadian domestic entity. Canadian GAAP requires that a proportionate amount of gains and losses accumulated within the foreign currency translation adjustment account be recognized in earnings when there has been a reduction in the net investment of a self-sustaining foreign operation. U.S. GAAP prohibits such recognition except where the foreign operation has either been substantially or entirely liquidated. Recording the capital repatriation based upon U.S. GAAP would result in a decrease of non-interest income by $301 million, and a decrease in the tax expense by $375 million for the year ended October 31, 2005. This would result in a net increase to income of $74 million for the year ended October 31, 2005. This would also decrease the foreign currency translation adjustment account within other comprehensive income by $74 million as at October 31, 2005.

K. Income taxes

Under Canadian GAAP, tax rate changes are reflected in the measurement of the future income tax balances when they are substantively enacted. Under U.S. GAAP, only the enacted tax rates under current legislation are required to be used.

L. Provision and allowance for credit losses

Upon the adoption of the CICA AcG-13 on November 1, 2003, certain credit derivatives that we use to hedge the credit exposure of certain loans, despite being economically effective, do not qualify for hedge accounting. As a result, the existence of credit protection on loan balances from purchases of credit derivatives is no longer considered when determining the provision for credit losses. This change substantially harmonized Canadian and U.S. GAAP in relation to the determination of the provision and allowance for credit losses.

As a result of this change, there is no longer a difference between the Canadian and U.S. GAAP provisions for credit losses (2003: $54 million) or other non-interest income (2003: $54 million).

M. Netting of financial instruments

Under Canadian GAAP, two or more separate financial instruments can be presented on a net basis if certain criteria are met. In addition to the same criteria, under U.S. GAAP, only financial instruments with the same party can be presented on a net basis.

N. Future U.S. accounting policy changes

Stock-based compensation

In December 2004, the FASB issued SFAS 123 (revised 2004), "Share-Based Payment" (SFAS 123-R), which replaces the existing SFAS 123, "Accounting for Stock-Based Compensation" and supersedes Accounting Principles Board (APB) 25, "Accounting for Stock Issued to Employees." SFAS 123-R requires companies to measure and record compensation expense for stock options and other share-based payments based on the instruments' fair value on the grant date. The cost of the award must be recognized in the consolidated statements of operations over the vesting period of the award. Existing SFAS 123 already permits the fair value based method of accounting. CIBC had adopted this method of accounting prospectively as of November 1, 2001. SFAS 123-R as issued is effective for CIBC beginning November 1, 2005. We are currently evaluating the impact of adopting this standard.

EITF 04-5 (Limited partnerships)

In June 2005, the FASB issued Emerging Issues Task Force Abstract (EITF) 04-5 which provides guidance on determining whether a general partner controls a limited partnership. The guidance is based on the fundamental principle that a general partner in a limited partnership is presumed to control the limited partnership, regardless of the extent of its ownership interest. Consequently, a general partner is required to consolidate the partnership unless the presumption of control can be overcome. The assessment of whether the limited partners possess sufficient rights to overcome this presumption is a matter of judgment that depends on facts and circumstances.

The EITF guidance took effect after June 29, 2005, for all newly formed limited partnerships and for any pre-existing limited partnerships that modify their partnership agreements after that date. Where CIBC is currently the general partner or co-general partner of a limited partnership, we will be required to apply the guidance beginning November 1, 2006. The effect of this change in accounting policy on pre-existing limited partnerships is not expected to be significant.

Note 28 REGULATORY MATTERS

On December 22, 2003, we agreed with the staff of the SEC to a settlement resolving the SEC's investigation regarding certain structured finance transactions between CIBC and Enron. Without admitting or denying any wrongdoing, CIBC consented to an injunction enjoining it from violations of the anti-fraud provisions of U.S. federal securities laws. Under the settlement, we paid a total of US$80 million in disgorgement, penalties and interest, which was provided for in the 2003 consolidated financial statements. This settlement concluded the SEC's investigation into Enron-related matters with respect to CIBC. On the same day, we entered into an agreement with the U.S. Department of Justice (DOJ). The DOJ agreed not to prosecute CIBC for violations of criminal law that, in the DOJ's view, were committed by CIBC and its employees related to certain structured finance transactions between CIBC and Enron, subject to certain understandings for a three-year period ending December 22, 2006, including: our continued cooperation with the DOJ; our acceptance of responsibility for conduct of our employees; our agreement to exit certain structured finance businesses and transactions; our agreement to adopt and implement new policies and procedures related to the integrity of client and counterparty financial statements and quarter- and year-end transactions; and our retention of a law firm to monitor our compliance with these new policies and procedures. We also agreed with the Federal Reserve Bank of New York and OSFI to implement the policies and procedures outlined in our agreement with the DOJ and, for three years, to retain an independent firm to review and monitor our compliance with these policies.

Note 29 FUTURE CANADIAN ACCOUNTING POLICY CHANGES

CIBC will be required to adopt the following accounting standards for Canadian GAAP purposes in future years:

Financial instruments

In January 2005, the CICA issued new accounting standards comprising handbook sections 3855 “Financial Instruments – Recognition and Measurement,” 3865 “Hedges,” 1530 “Comprehensive Income,” and 3251 “Equity,” which will become effective for CIBC beginning November 1, 2006. The standards will increase harmonization with U.S. and international accounting standards.

The standards require that all financial assets be classified as trading, available for sale, held to maturity, or loans and receivables. In addition, the standards require that all financial assets, including all derivatives, be measured at fair value with the exception of loans, receivables, and investments intended to be held to maturity, which should be measured at amortized cost.

Changes in the fair value of trading securities will continue to be reported in earnings, while changes in the fair value of available-for-sale securities will be reported within other comprehensive income, until the financial asset is disposed of, or becomes impaired.

Similarly, the standards require that all financial liabilities be measured at fair value when they are held for trading or are derivatives. Other financial liabilities should be measured at cost.

The standards permit an entity to designate any financial instrument, on initial recognition, as one that it will measure at fair value with gains and losses recognized in net income in the period in which they arise.

Derivatives will be classified as trading, unless they are specifically designated within an effective hedge relationship. The standards permit three types of hedge relationships: fair value hedges, cash flow hedges, and hedges of net investments in self-sustaining foreign operations. For fair value hedges, the effective portion of changes in the fair value of derivative instruments is offset in earnings against the changes in fair value, attributed to the risk being hedged in the underlying asset, liability or firm commitment. For cash flow hedges, and hedges of net investments in self-sustaining foreign operations, the effective portion of changes in fair value of derivative instruments is offset through other comprehensive income, until the variability in cash flows being hedged is recognized in earnings in future accounting periods or upon derecognition of the net investment. Where a derivative instrument is designated as a hedge and meets the criteria for hedge effectiveness, earnings offset is available, but only to the extent that the hedge is effective. Any ineffectiveness in a hedge relationship will be recognized in current earnings.

Other comprehensive income will be included on the consolidated balance sheets as a separate component of shareholders’ equity (net of tax), and will include net unrealized gains on available-for-sale securities, net unrealized gains on derivative instruments designated within an effective cash flow hedge, and unrealized foreign currency translation gains and losses and offsetting hedges on self-sustaining foreign operations.

We are currently evaluating the impact of adopting these standards.

Exhibit B.3(c): Management's discussion and analysis excerpted from pages 37-93 of CIBC's 2005 Annual Accountability Report

Management's discussion and analysis (MD&A) should be read in conjunction with the consolidated financial statements and independent auditors' reports included in this Annual Accountability Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and are expressed in Canadian dollars. The effect of significant differences between Canadian and U.S. GAAP is disclosed in Note 27 to the consolidated financial statements. Certain comparative amounts have been reclassified to conform to the presentation adopted in the current year. This MD&A is current as of November 30, 2005. Additional information relating to CIBC is available on SEDAR at www.sedar.com and on the U.S. Securities and Exchange Commission's (SEC) website at www.sec.gov. No information on CIBC's website (www.cibc.com) should be considered incorporated herein by reference. A glossary of terms used in the MD&A and the consolidated financial statements is provided on pages 188 and 189 of this Annual Accountability Report.

Management's Discussion and Analysis

Management's discussion and analysis of CIBC's 2005 results and operations is organized into five sections:

OVERVIEW

To facilitate an understanding of CIBC's 2005 results, this section presents an executive overview that includes key business priorities. This section also discusses the economic environment of 2005, how CIBC reports and non-GAAP measures. Results of operations and financial position including significant events are also discussed.

BUSINESS LINE REVIEW AND FUNCTIONAL GROUPS

This section reviews CIBC's business lines. Business line profiles, operating highlights for the year and the outlook for 2006 are outlined. In addition, a review of the financial results is presented. This section also provides a description of the functional groups, which provide support services to the business lines.

MANAGEMENT OF RISK

This section discusses how CIBC manages risk and balance sheet resources.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

This section provides a discussion of CIBC's off-balance sheet arrangements and details of contractual obligations.

OTHER

This section provides a discussion of critical accounting policies and estimates, financial and other instruments, recent regulatory and accounting developments and other matters.

38 Executive Overview

40 Economic Environment

42 How CIBC Reports

42 Non-GAAP Measures

45 Review of Results of Operations and Financial Position

53 CIBC Retail Markets

56 CIBC World Markets

59 Corporate and Other

60 Review of 2004 Financial Performance

62 Functional Groups

63 Overview

64 Management of Credit Risk

69 Management of Market Risk

74 Management of Operational Risk

75 Management of Liquidity Risk

77 Management of Capital Resources

81 Off-balance Sheet Arrangements

84 Contractual Obligations

85 Critical Accounting Policies and Estimates

90 Financial and Other Instruments

91 Regulatory Developments

92 Accounting Developments

92 Related-party Transactions

93 Controls and Procedures

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

From time to time, CIBC makes written or oral forward-looking statements within the meaning of certain securities laws, including in this Annual Accountability Report, in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission and in other communications. These statements include, but are not limited to, statements about the operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook of CIBC for 2006 and subsequent periods. Forward-looking statements are typically identified by the words “believe,” “expect,” “anticipate,” “intend,” “estimate” and other similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could.” By their nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond CIBC’s control, affect the operations, performance and results of CIBC and its business lines, and could cause actual results to differ materially from the expectations expressed in any of CIBC’s forward-looking statements. These factors include: legislative or regulatory developments in the jurisdictions where CIBC operates, including developments in Canadian laws regulating financial institutions and U.S. regulatory changes affecting foreign companies listed on a U.S. exchange; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions; the resolution of legal proceedings and related matters; the effect of applying future accounting changes; changes in tax laws; political conditions and developments; the possible effect on CIBC’s business of international conflicts and the war on terror; acts of God; reliance on third parties to provide components of CIBC’s business infrastructure; the accuracy and completeness of information provided to CIBC by clients and counterparties; intensifying competition from established competitors and new entrants in the financial services industry; technological change; global capital market activity; interest rate fluctuations; currency value fluctuations; general economic conditions worldwide, as well as in Canada, the U.S. and other countries where CIBC has operations; changes in market rates and prices which may adversely affect the value of financial products; CIBC’s success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels; changes in client spending and saving habits; and CIBC’s ability to anticipate and manage the risks associated with these factors. This list is not exhaustive of the factors that may affect any of CIBC’s forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on CIBC’s forward-looking statements. CIBC does not undertake to update any forward-looking statement that is contained in this Annual Accountability Report or in other communications.

Overview

EXECUTIVE OVERVIEW

Business overview

CIBC is a leading North American financial institution with assets of $280.4 billion, market capitalization of $24.1 billion and a Tier 1 capital ratio of 8.5% at year-end. CIBC provides financial services to retail, small business and corporate and institutional clients.

In 2005, we adopted a new reporting structure that combined CIBC Retail Markets and CIBC Wealth Management into one strategic business line, CIBC Retail Markets, as discussed in the "How CIBC reports" section. As a result of the reorganization, CIBC now has two strategic business lines: CIBC Retail Markets and CIBC World Markets, which are supported by Corporate and Other.

Financial overview

FINANCIAL PERFORMANCE

$ millions, except per share amounts, as at or for the years ended October 31	**2005**	2004	2003
Total revenue	**$ 12,473**	$ 11,775	$ 11,463
Net (loss) income	**(32)**	2,091	1,950
Earnings (loss) per share — basic	**(0.46)**	5.60	5.21
— diluted(1)	**(0.46)**	5.53	5.18
Dividends per share	**2.66**	2.20	1.64
Total assets	**280,370**	278,764	277,147
Return on equity	**(1.6)%**	18.7%	19.2%
Efficiency ratio	**86.9%**	70.1%	70.9%
Total shareholder return	**1.3%**	28.9%	57.8%
Share price	**72.20**	73.90	59.21
Tier 1 capital ratio	**8.5%**	10.5%	10.8%
Total capital ratio	**12.7%**	12.8%	13.0%

(1) In case of a loss, the effect of stock options potentially exercisable on diluted earnings (loss) per share will be anti-dilutive; therefore, basic and diluted earnings (loss) per share will be the same.

CIBC's results for the year were significantly affected by a $2,533 million after-tax provision for Enron-related litigation matters (as discussed in the "Significant events" section).

CIBC benefited from the continued expansion of the North American economy in 2005. Both the U.S. and Canada gradually increased interest rates during the year. However, rates still remained low by historical standards, driving volume growth in lending and deposits. Brisk growth in corporate earnings and continuing low interest rates led to strong Canadian equity markets, which benefited our wholesale and retail brokerage businesses. Improved market conditions and liquidity resulted in higher merchant banking gains.

Net loss for the year was $32 million, compared with net income of $2,091 million in 2004, primarily due to the higher Enron-related litigation provision.

Revenue increased $698 million or 6%, primarily due to higher merchant banking revenue (including gains on GPI and Shoppers of $294 million, as discussed in the "Significant events" section), higher foreign exchange revenue of $301 million arising on the repatriation of capital and retained earnings from our foreign operations (discussed in "Corporate and Other"), volume growth in personal lending and deposits, higher fee income, a $115 million gain on the Juniper sale, an $85 million gain on the Republic Bank sale (these sales are discussed in the "Significant events" section), and a $34 million gain on the sale of shares of ACE Aviation Holdings Inc. (ACE sale). These increases were partially offset by reduced activity in investment banking and credit products and capital markets.

Non-interest expenses increased $2,589 million or 31%, primarily due to the higher Enron-related litigation provision. Lower revenue-related compensation was partially offset by higher severance costs.

Income taxes were down $1 million, as discussed in the "Taxes" section.

Diluted earnings (loss) per share (EPS) and return on equity (ROE) for the year were $(0.46) and (1.6)%, respectively, down from $5.53 and 18.7% for 2004.

Our total regulatory capital was $14.8 billion as at October 31, 2005, down $114 million from 2004. Our Tier 1 and total capital ratios were 8.5% and 12.7%, respectively, compared with 10.5% and 12.8% in 2004.

Our common share price was $72.20 as at October 31, 2005, compared with $73.90 at the end of 2004. Our dividends were $0.68 per share in the fourth quarter of 2005, implying an annual dividend of $2.72 and a dividend yield of 3.7%, based on the closing share price for the year. From the end of 2004, we increased our quarterly common share dividend from $0.60 per share to $0.68 per share. Book value per common share was $25.00, down from $29.92 in 2004.

CIBC's total shareholder return for 2005 was 1.3%, compared with 28.9% for the prior year.

Summary of segmented results

CIBC Retail Markets

Net income was $1,573 million, up $167 million or 12% from 2004, which included a $32 million after-tax recovery related to the Air Canada contract (discussed in the "Significant events" section). Revenue was up $449 million, primarily due to volume growth across all business lines, higher fee income, the gain on the Republic Bank sale, the gain on the ACE sale and increased equity trading and new issue activity. Non-

interest expenses were up $287 million, primarily due to higher corporate support and compensation costs.

CIBC World Markets

Net loss was $1,671 million, compared with net income of $660 million in 2004, primarily due to the higher provision for Enron-related litigation matters. Higher merchant banking gains net of write-downs were partially offset by reduced sales of non-core loans, lower U.S. investment banking revenue, the exit of our international asset securitization activities and lower debt capital markets activity.

Corporate and Other

Net income was $66 million, up $41 million from 2004, primarily due to the impact of the Juniper sale and higher unallocated treasury revenue, partially offset by lower interest income on tax refunds, higher unallocated corporate support costs and a lower reversal of the general allowance for credit losses.

Net income (loss)
($ millions)



Business priorities

At CIBC, our objective is to deliver consistent, sustainable returns over the long term. To that end, we are focusing our energies on three key business priorities: maintaining business strength, improving productivity, and balance sheet strength. By executing on these priorities, while prudently managing our risk levels, we will position CIBC to deliver sustainable growth over the long term.

Maintaining business strength

CIBC has a strong core franchise and is well positioned for growth.

CIBC Retail Markets, consisting of our retail banking, wealth management and cards operations, has a solid history of performance and market share positions as well as a well-established client base. CIBC continues to have particular strengths in the mortgages and cards businesses. In residential mortgages, we hold a strong #2 position in the market, having increased our share by 240 basis points over the past five years. In cards, despite intense competitive conditions in the marketplace, we continue to be #1 in Canada in market share for purchase volumes and outstanding balances. CIBC Wood Gundy is the #2 full-service brokerage in Canada in assets under administration. Our branch-based advisory offer, CIBC Imperial Service, continues to grow assets and has a retail sales force of almost 1,250 licensed advisors and investment specialists. Moving forward, we expect our retail and wealth businesses to continue to perform at levels consistent with the recent past and in line with industry growth rates.

In CIBC World Markets, we have achieved the objectives set in 2002 to reduce risk and volatility. Overall, we have accomplished most of what we set out to do, while maintaining the strength of the franchise in Canada. As a result, CIBC World Markets is better positioned for more stable earnings.

Moving forward, we will increase flexibility in our corporate loan book to support our core client franchise. In merchant banking, we intend to further reduce our portfolio while continuing to capitalize on the competitive advantage this business offers for our investment banking platform. In Canada, we will build on our continuing leadership position in key businesses. In the U.S., while we have made progress in refocusing our operations, we will continue to take a targeted approach, with specific emphasis on improving performance in investment and corporate banking and cash equities. Internationally, we will focus on activities that are aligned to our North American franchise as well as on those businesses that are well positioned in local markets.

Improving productivity

CIBC is committed to improving its productivity. Our objective is to have an efficiency ratio that is at the median or better among our Canadian bank peers. To meet our strategic objective, we set a goal during 2005 to reduce our expenses by $250 million by the end of 2006.

We expect about half of our targeted reduction to come from lower project spending next year. In 2005, project spending was higher than historical levels.

We are focusing on costs in other areas as well, including discretionary spending and opportunities for efficiencies in our organizational structure.

Balance sheet strength

The litigation provision recorded in the third quarter of 2005 reduced our Tier 1 capital ratio to 7.5%. Our immediate focus was to restore our Tier 1 capital ratio to our objective of 8.5% or higher, which we established several years ago.

With the strength of our earnings and disciplined balance sheet management, including the purchase of residential mortgage insurance, our Tier 1 capital ratio has returned to 8.5% as of the end of 2005.

Having achieved this immediate goal, and with our Tier 1 capital ratio well above the regulatory minimum of 7%, we are in the process of assessing our capital deployment alternatives moving forward. Our capital plan over the medium term will be established in consideration of the financial objectives we have set in our balanced scorecard.

Outlook

The North American economy is expected to see another year of moderate growth in 2006. High energy prices will serve as a braking force on the U.S. economy, while Canada's growth will be moderated by the ongoing toll of a strong Canadian dollar on manufacturing. Interest rates are expected to rise gradually through 2006, which could slow the growth rate of consumer and mortgage lending and cause a modest increase in personal bankruptcies.

The outlook for CIBC's retail businesses is for sustained growth despite increasing interest rates and higher levels of competition. Although the performance of our wholesale business will be driven largely by market conditions, we are well positioned, having significantly improved our risk profile over the last few years.

We intend to focus on growing our core businesses, maintaining business strength, improving productivity and building our balance sheet, while maintaining a prudent risk-return profile. We will also remain committed to high standards of governance practices. The key to achieving our business priorities is to continue to strengthen our client relationships and successfully engage our employees.

Forward-looking information

This Annual Accountability Report contains forward-looking statements. In particular, the "Business priorities" and "Outlook" sections above, and the "Outlook for 2006" and "Outlook" sections in the CIBC Retail Markets and CIBC World Markets Business Line Reviews in this MD&A are based upon our views and the actual outcomes are uncertain. For more information, see "A note about forward-looking statements" on page 37.

ECONOMIC ENVIRONMENT

The North American expansion continued in 2005, with both the U.S. and Canada supported by consumers' responses to improved job prospects, rising wealth (particularly in housing) and what were still low interest rates by historical standards.

In Canada, domestic demand was the engine of growth. Although job and wage growth were healthy, consumer spending still outpaced incomes, as households tapped into rising home equity for new loans. Higher energy prices shifted economic growth in favour of western Canada, and helped the Canadian dollar reach its strongest level since 1992. Although the dollar value of exports was also supported by resource prices, real net exports and factory employment were weakened as manufacturers faced the challenges posed by the strong Canadian dollar.

Aside from energy prices, inflation remained tame in both the U.S. and Canada. But with the labour market showing better momentum and less need for interest rate stimulus, the U.S. Federal Reserve remained on its slow but steady path towards higher short-term interest rates. The Bank of Canada allowed the drag from a strong currency to substitute for interest rate hikes, and delayed resuming its course towards higher rates until October 2005. Both central banks continued to suggest that monetary policy is still too stimulative.

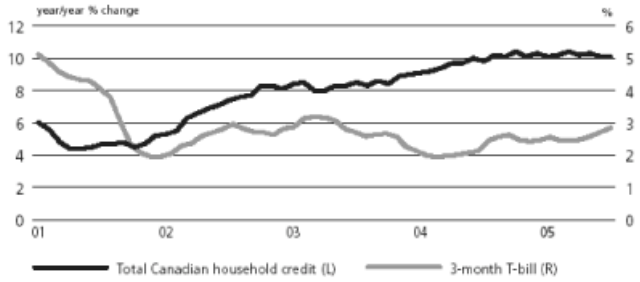
Global liquidity and tame core inflation held down longer term interest rates. In the U.S., long-term rates were essentially range-bound, while in Canada, long bond yields declined through most of the year as the Bank of Canada kept short rates anchored. Sustained low rates supported volume growth in consumer loans and mortgages. Low yields on government bonds, and strong corporate balance sheets, supported tight spreads for corporate bonds and loans.

Canadian corporate earnings saw solid growth, enhanced by high resource prices that offset the negative impacts of a rising currency. Together with low interest rates, this led to a strong performance for Canadian equities. U.S. equity markets were a bit less buoyant, hit by rising interest rates and energy costs.

Stock price indices



Total Canadian household credit and interest rate



Canadian and U.S. GDP growth



Outlook

Both the U.S. and Canada are expected to see another year of moderate growth in 2006, in the 3% range for real gross domestic product (GDP). High energy prices will serve as a braking force on the U.S. economy, while Canada's growth will be moderated by the ongoing toll of a strong Canadian dollar on manufacturing. With core consumer price index (CPI) inflation remaining tame, even as energy prices push up overall price levels, central banks should soon reach a point at which they can pause on short-term rate hikes. Earnings growth in most sectors is likely to see the typical late cycle deceleration, which could temper equity market gains, but we expect only modest increases in corporate credit spreads and business bankruptcies.

A likely levelling off after a long run of house price appreciation in North America should see a slower growth rate in consumer and mortgage lending. Low unemployment rates should generally support consumer credit quality, but the heavy debt loads now carried by the household sector could result in a modest increase in personal bankruptcies in Canada.

HOW CIBC REPORTS

In 2005, we adopted a new reporting structure that combined CIBC Retail Markets and CIBC Wealth Management into one strategic business line, CIBC Retail Markets, to reflect a new organizational structure that was established to align our products, services and distribution channels to their relevant customer segments. As a result of the reorganization, CIBC now has two strategic business lines: CIBC Retail Markets which services retail customers and CIBC World Markets which services wholesale customers. These strategic business lines are supported by Corporate and Other. Comparative figures have been reclassified to reflect the new reporting structure.

To measure and report the results of operations of the two strategic business lines, we use a Manufacturer/Customer Segment/Distributor Management Model. The model uses certain estimates and allocation methodologies in the preparation of segmented financial information. Under this model, internal payments for sales and trailer commissions and distribution service fees are made among the business lines. As well, revenue, expenses and balance sheet resources relating to certain activities are fully allocated to other business lines. Management uses this model to better understand the economics of our customer segments, products and delivery channels. Each year, the sales and trailer commissions paid to segments for certain products are renegotiated. Comparative figures have not been reclassified to reflect these commission changes.

Concurrent with the changes in the reporting structure, the following changes were made to the management model on a retroactive basis:

- The lending products business, which previously fully allocated its revenue, expenses and balance sheet resources to the other business lines, now makes internal payments for sales and trailer commissions.
- The fixed-term business, which previously made internal payments for sales and trailer commissions, now fully allocates its revenue, expenses and balance sheet resources to the other business lines.

During the year, we moved the management of balance sheet resources from Treasury, Balance Sheet and Risk Management (TBRM) into Finance. TBRM was subsequently renamed Treasury and Risk Management (TRM).

During the year, we reclassified revenue between capital markets and investment banking and credit products within the CIBC World Markets strategic business line. This reclassification did not impact total revenue and was adopted retroactively.

NON-GAAP MEASURES

We use a number of financial measures to assess the performance of our business lines. Some measures are calculated in accordance with GAAP, while other measures do not have a standardized meaning under GAAP, and, accordingly, these measures, described below, may not be comparable to similar measures used by other companies. Investors may find these non-GAAP financial measures useful in analysing financial performance.

Net interest income, taxable equivalent basis (TEB)

We adjust net interest income to reflect tax-exempt income on an equivalent before-tax basis. This measure enables comparability of net interest income arising from both taxable and tax-exempt sources. Net interest income (TEB) is used to calculate the efficiency ratio, trading revenue, net interest margin and net interest margin on average interest-earning assets, all on a taxable equivalent basis (TEB). Management believes these measures permit uniform measurement, which enables users of our financial information to make comparisons more readily.

Economic capital

Economic capital provides the financial framework to understand the returns of each business line, commensurate with the risk taken.

Economic capital is an estimate of the amount of equity capital required to support the risks in our businesses in line with our overall strategic objectives, including targeted credit rating and liquidity requirements. It comprises credit, market, operational and strategic risk capital. The capital methodologies employed quantify the level of risk within products, clients and business lines, as required. The difference between CIBC's total equity capital and economic capital allocated to the business lines is held in Corporate and Other. From time to time, CIBC's economic capital model may be enhanced as part of the risk measurement process, with any changes being made prospectively.

There is no comparable GAAP measure for economic capital.

Economic profit

Net income, adjusted for a charge on economic capital, determines economic profit. This measures the return generated by each business line in excess of our cost of equity capital, thus enabling users of our financial information to identify relative contributions to shareholder value.

Segmented return on equity

We use ROE on a segmented basis as one of the measures for performance evaluation and resource allocation decisions.

While ROE for total CIBC provides a measure of return on common equity, ROE on a segmented basis provides a similar metric related to the capital allocated to the segments. We use economic capital to calculate ROE on a segmented basis. As a result, segmented ROE is a non-GAAP measure.

Managed loans

Managed basis loans exclude the impact of securitizations on loans. Through securitizations, we sell groups of loans to variable interest entities (VIEs) that issue securities to investors. The loans are removed from the consolidated balance sheets. Management uses this measure to evaluate the credit performance and the overall financial performance of the underlying loans.

Retail/Wholesale ratio

While we manage commercial banking operations within CIBC World Markets, some financial institutions include commercial banking in their retail operations. From time to time, some measures will be presented on the basis of CIBC Retail Markets and commercial banking operations for comparison purposes. Such measures include revenue, net income, and economic capital.

Reconciliation of non-GAAP measures

The following table provides a reconciliation of non-GAAP to GAAP measures:

STATEMENT OF OPERATIONS MEASURES

$ millions, for the years ended October 31		CIBC Retail Markets	CIBC World Markets	Corporate and Other	CIBC Total
2005	**Total revenue**	**$ 8,160**	**$ 3,384**	**$ 929**	**$ 12,473**
	Add: adjustment for TEB	**—**	**191**	**—**	**191**
	Revenue (TEB)	**$ 8,160**	**$ 3,575**	**$ 929**	**$ 12,664**
	Net income (loss)	**$ 1,573**	**$ (1,671)**	**$ 66**	**$ (32)**
	Less: charge for economic capital	**484**	**254**	**16**	**754**
	Economic profit (loss)	**$ 1,089**	**$ (1,925)**	**$ 50**	**$ (786)**
	Efficiency ratio	**62.8%**	**152.1%**	**n/m**	**86.9%**
	Less: adjustment for impact of TEB	**—**	**8.1**	**n/m**	**1.3**
	Efficiency ratio (TEB)	**62.8%**	**144.0%**	**n/m**	**85.6%**
2004	Total revenue	$ 7,711	$ 3,497	$ 567	$ 11,775
	Add: adjustment for TEB	—	150	—	150
	Revenue (TEB)	$ 7,711	$ 3,647	$ 567	$ 11,925
	Net income	$ 1,406	$ 660	$ 25	$ 2,091
	Less: charge for economic capital	489	310	27	826
	Economic profit (loss)	$ 917	$ 350	$ (2)	$ 1,265
	Efficiency ratio	62.7%	78.4%	n/m	70.1%
	Less: adjustment for impact of TEB	—	3.2	n/m	0.9
	Efficiency ratio (TEB)	62.7%	75.2%	n/m	69.2%
2003	Total revenue	$ 7,455	$ 3,434	$ 574	$ 11,463
	Add: adjustment for TEB	—	132	—	132
	Revenue (TEB)	$ 7,455	$ 3,566	$ 574	$ 11,595
	Net income	$ 1,186	$ 334	$ 430	$ 1,950
	Less: charge for economic capital	489	444	78	1,011
	Economic profit (loss)	$ 697	$ (110)	$ 352	$ 939
	Efficiency ratio	68.0%	70.5%	n/m	70.9%
	Less: adjustment for impact of TEB	—	2.6	n/m	0.8
	Efficiency ratio (TEB)	68.0%	67.9%	n/m	70.1%

n/m – not meaningful

RETAIL INFORMATION

$ millions, for the years ended October 31	**2005**	2004	2003
Revenue			
CIBC Retail Markets	**$ 8,160**	$ 7,711	$ 7,455
Add: commercial banking	**449**	452	436
	$ 8,609	$ 8,163	$ 7,891
Net income			
CIBC Retail Markets	**$ 1,573**	$ 1,406	$ 1,186
Add: commercial banking	**110**	124	92
	$ 1,683	$ 1,530	$ 1,278

WHOLESALE INFORMATION

$ millions, for the years ended October 31	**2005**	2004	2003
Revenue			
CIBC World Markets	**$ 3,384**	$ 3,497	$ 3,434
Less: commercial banking	**449**	452	436
	$ 2,935	$ 3,045	$ 2,998
Net (loss) income			
CIBC World Markets	**$ (1,671)**	$ 660	$ 334
Less: commercial banking	**110**	124	92
	$ (1,781)	$ 536	$ 242

TRADING REVENUE

$ millions, for the years ended October 31	**2005**	2004	2003
Trading revenue	**$ 820**	$ 725	$ 778
Add: adjustment for TEB	**176**	138	118
Trading revenue (TEB)	**$ 996**	$ 863	$ 896

MANAGED LOANS (net of allowance)

$ millions, as at October 31		Reported	Securitized	Managed
2005	**Residential mortgages**	**$ 77,179**	**$ 17,500**	**$ 94,679**
	Credit card	**6,448**	**4,100**	**10,548**
2004	Residential mortgages	$ 72,553	$ 11,800	$ 84,353
	Credit card	8,347	3,200	11,547

REVIEW OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

REVIEW OF CONSOLIDATED STATEMENTS OF OPERATIONS

Revenue

Revenue was up $698 million or 6% from 2004 due to an increase in non-interest income of $1,019 million, partially offset by a decrease in net interest income of $321 million.

Net interest income

Net interest income was down $321 million or 6% from 2004, primarily due to the impact of higher levels of securitized assets in cards and lower treasury revenue. In addition, trading-related net interest income was lower primarily due to increased funding costs. Higher interest expense related to U.S. income tax reassessments and reduced non-core loans also contributed to the decline. These decreases were partially offset by volume increases in deposits, mortgages, personal lending and cards. The prior year included higher interest income on tax refunds.

Additional information on net interest income and margin is provided in the "Supplementary annual financial information."

NET INTEREST INCOME AND MARGIN

$ millions, for the years ended October 31	**2005**	2004	2003
Average assets	**$ 288,845**	$ 280,810	$ 284,739
Net interest income	**4,937**	5,258	5,517
Net interest margin	**1.71%**	1.87%	1.94%

Non-interest income

Non-interest income was up $1,019 million or 16% from 2004.

NON-INTEREST INCOME

$ millions, for the years ended October 31	**2005**	2004	2003
Underwriting and advisory fees	**$ 727**	$ 797	$ 870
Deposit and payment fees	**794**	760	713
Credit fees	**346**	314	386
Card fees	**317**	407	359
Investment management and custodial fees	**391**	353	340
Mutual fund fees	**690**	615	536
Insurance fees	**265**	176	168
Commissions on securities transactions	**912**	892	884
Trading revenue	**801**	618	627
Investment securities gains (losses)	**577**	236	(107)
Income from securitized assets	**362**	191	216
Foreign exchange other than trading	**555**	280	273
Other	**799**	878	681
Total non-interest income	**$ 7,536**	$ 6,517	$ 5,946

Underwriting and advisory fees were down $70 million or 9%, primarily due to lower U.S. new issue revenue and decreased mergers and acquisition activity in the U.S.

Deposit and payment fees were up $34 million or 4%, primarily due to an increase in service fees from higher business volumes.

Credit fees were up $32 million or 10%, primarily due to increased deal volume in CIBC World Markets.

Card fees were down $90 million or 22%, primarily due to higher levels of securitized assets.

Investment management and custodial fees were up $38 million or 11%, primarily due to increased asset balances.

Mutual fund fees were up $75 million or 12%, primarily due to higher balances of assets under management.

Insurance fees were up $89 million or 51%, primarily due to an increase in reinsurance revenue.

Commissions on securities transactions were up $20 million or 2%, primarily due to higher trading volumes.

Trading revenue was up $183 million or 30%, primarily due to the consolidation of VIEs. See "Trading revenue" section for further details.

Investment securities gains (losses) includes realized gains and losses on disposals, net of write-downs, to reflect other-than-temporary impairments in the value of investment securities. Revenue was up $341 million, primarily due to the GPI and Shoppers sales. For further details, see the "Significant events" section.

Income from securitized assets was up $171 million or 90%, primarily due to the higher levels of securitized assets in cards.

Foreign exchange other than trading was up $275 million or 98%, due to the repatriation of capital and retained earnings from our foreign operations (discussed in "Corporate and Other").

Other includes gains and losses on the disposal of fixed assets, sales of subsidiaries and corporate assets, realized gains and losses on sales and write-downs of equity-accounted and limited partnership investments and loans held for sale, and other commissions and fees. Other was down $79 million or 9%, primarily due to reduced sales of non-core loans and lower other commissions and fees, partially offset by the gains on the Juniper and Republic Bank sales.

Trading revenue

Trading revenue was up $95 million or 13% from 2004 due to the consolidation of VIEs, partially offset by lower net interest income primarily due to increased funding costs.

TRADING REVENUE

$ millions, for the years ended October 31	**2005**	2004	2003
Trading revenue consists of:			
Net interest income	**$ 19**	$ 107	$ 151
Non-interest income	**801**	618	627
Total trading revenue	**$ 820**	$ 725	$ 778
By type:			
Interest rates	**$ 198**	$ 231	$ 308
Foreign exchange	**169**	169	171
Equities(1)	**225**	115	199
Commodities	**31**	54	34
Other(2)	**197**	156	66
Total trading revenue	**$ 820**	$ 725	$ 778

(1) Includes $156 million (2004: nil; 2003: nil) of non-controlling interests in VIEs.

(2) Includes credit derivatives and secondary loan trading and sales.

Provision for credit losses

The provision for credit losses was up $78 million or 12% from 2004, primarily due to higher loan losses in personal and small business lending and reduced recoveries of large corporate loans, partially offset by the impact of higher levels of securitized assets in cards.

PROVISION FOR CREDIT LOSSES

$ millions, for the years ended October 31	**2005**	2004	2003
Provision for credit losses	**$ 706**	$ 628	$ 1,143

Non-interest expenses

Non-interest expenses were up $2,589 million or 31% from 2004, primarily due to the higher provision for Enron-related litigation matters.

NON-INTEREST EXPENSES

$ millions, for the years ended October 31	**2005**	2004	2003
Employee compensation and benefits			
Salaries	**$ 2,220**	$ 2,126	$ 2,260
Incentive bonuses	**912**	1,147	1,164
Commissions	**590**	522	460
Benefits	**602**	604	533
	4,324	4,399	4,417
Occupancy costs	**641**	634	605
Computer and office equipment	**1,166**	1,138	1,143
Communications	**324**	331	360
Advertising and business development	**260**	279	289
Professional fees	**325**	326	241
Business and capital taxes	**118**	138	133
Other	**3,682**	1,006	940
Total non-interest expenses	**$ 10,840**	$ 8,251	$ 8,128

Employee compensation and benefits were down $75 million or 2%, primarily due to a decrease in revenue-related and other compensation costs, partially offset by higher severance costs.

Computer and office equipment were up $28 million or 2%, primarily due to increased spending on technology and regulatory initiatives.

Advertising and business development were down $19 million or 7%, primarily due to a decrease in marketing expenses.

Business and capital taxes were down $20 million or 14%, primarily due to reduced shareholders' equity.

Other, comprising outside services, operational losses, other personnel costs and donations was up $2,676 million, primarily due to higher provisions for the Enron-related litigation matters and hedge funds settlements.

As at October 31, 2005, we had a regular workforce headcount of 37,308, up 27 from 2004.

Non-controlling interests

Non-controlling interests were up $155 million from 2004, primarily due to the consolidation of VIEs.

NON-CONTROLLING INTERESTS

$ millions, for the years ended October 31	**2005**	2004	2003
Non-controlling interests	**$ 170**	$ 15	$ 3

Taxes

Income taxes include those imposed on the non-consolidated CIBC, as well as on CIBC's domestic and foreign subsidiaries. Indirect taxes comprise capital, property and business, payroll, and the goods and services tax (GST) and sales taxes. Indirect taxes are included in non-interest expenses.

Total income and indirect taxes were up $4 million from 2004.

TAXES

$ millions, for the years ended October 31	**2005**	2004	2003
Income tax expense	**$ 789**	$ 790	$ 239
Indirect taxes			
Capital taxes	**112**	132	126
Property and business taxes	**45**	34	35
Payroll taxes	**211**	203	212
GST and sales taxes	**250**	244	242
Total indirect taxes	**618**	613	615
Total taxes	**$ 1,407**	$ 1,403	$ 854
Combined Canadian federal and provincial tax rate	**35.0%**	35.3%	36.6%
Income taxes as a percentage of net income before income taxes	**85.1%**	27.3%	10.9%
Total taxes as a percentage of net income before deduction of total tax	**91.1%**	40.0%	30.4%

Income tax expense for the year was higher than would be expected, given that income before income taxes and non-controlling interests decreased by $2.0 billion from 2004. This was due to the income tax recovery on the $2.83 billion Enron-related litigation provision being limited to $297 million. In addition, we repatriated capital and retained earnings from our foreign operations, which resulted in a $375 million increase in income tax expense arising from the reversal of related accumulated balances in the foreign currency translation adjustments component of shareholders' equity. These increases were partially offset by the recognition of a related $67 million future tax asset arising from the prior year's foreign exchange losses and a $59 million reversal of a portion of the valuation allowance relating to the future tax asset from our U.S. operations. In 2004, income tax expense was reduced by $50 million as a result of the cancellation of planned Ontario tax rate reductions.

The combined Canadian federal and provincial income tax rate of 35.0% (2004: 35.3%; 2003: 36.6%) is the non-consolidated CIBC's statutory income tax rate. Variations in this rate can result from legislative changes to corporate income tax rates enacted by the federal and provincial governments and from changes in the proportion of income earned in each of the provinces and in offshore branches of the non-consolidated CIBC. The rate declined in 2005, primarily due to minor reductions in federal and provincial income tax rates. For a reconciliation of our income taxes in the consolidated statements of operations with the combined Canadian federal and provincial income tax rate, see Note 19 to the consolidated financial statements.

Under Canadian GAAP, we are required to establish a future income tax asset in respect of expenses recorded currently for which a tax deduction will be available in a future period, such as the general allowance for credit losses and loss carryforwards. The future income tax asset is established using tax rates that will apply in future periods. Accounting standards also require a valuation allowance when it is more likely than not that all or a portion of a future income tax asset will not be realized prior to its expiration.

Included in the tax loss carryforwards amount as indicated in Note 19 is $705 million of future tax assets related to losses in our U.S. operations (2004: $545 million) which expire in five to 20 years from origination. In addition, as other future income tax assets naturally reverse into tax losses in the U.S., we will have between five to 20 years from the date such temporary differences become tax losses to use them before they would begin to expire under current tax law. The total amount of the future income tax asset related to our U.S. operations, net of the valuation allowance, is $365 million (2004: $576 million). Also included in the tax loss carryforwards amount is a $131 million future tax asset related to Canadian capital losses, which have no expiry date. We believe that, based on all available evidence, it is more likely than not that all of the future income tax asset, net of the valuation allowance, will be realized prior to its expiration.

REVIEW OF CONSOLIDATED BALANCE SHEETS

CONDENSED CONSOLIDATED BALANCE SHEETS

$ millions, as at October 31	2005	2004
Assets		
Cash and deposits with banks	**$ 11,852**	$ 12,203
Securities		
Investment	**14,342**	15,517
Trading	**53,422**	51,799
	67,764	67,316
Securities borrowed or purchased under resale agreements	**18,514**	18,165
Loans		
Residential mortgages	**77,216**	72,592
Personal	**28,198**	26,311
Credit card	**6,655**	8,689
Business and government	**31,350**	31,737
Allowance for credit losses	**(1,636)**	(1,825)
	141,783	137,504
Derivative instruments market valuation	**20,309**	23,710
Other assets	**20,148**	19,866
	$ 280,370	$ 278,764
Liabilities and shareholders' equity		
Deposits	**$ 192,734**	$ 190,577
Derivative instruments market valuation	**20,128**	23,990
Obligations related to securities sold short	**14,883**	12,220
Obligations related to securities lent or sold under repurchase agreements	**14,325**	16,790
Other liabilities and acceptances	**21,121**	18,036
Subordinated indebtedness	**5,102**	3,889
Preferred share liabilities	**600**	1,043
Non-controlling interests	**746**	39
Shareholders' equity	**10,731**	12,180
	$ 280,370	$ 278,764

Assets

Total assets as at October 31, 2005 were $280.4 billion, up $1.6 billion from 2004. Increases in residential mortgages ($4.6 billion), personal loans ($1.9 billion) and trading securities ($1.6 billion) were partially offset by reductions in derivative instruments market valuation ($3.4 billion), credit card loans ($2.0 billion) and investment securities ($1.2 billion).

The increase in residential mortgages is primarily due to normal business growth, net of securitizations, and the consolidation of a VIE. Personal loans increased due to normal business growth. A detailed discussion of the loan portfolio is included in the "Management of credit risk" section.

Trading securities increased primarily due to normal trading activity in our wholesale business and the consolidation of VIEs.

Derivative instruments market valuation decreased primarily due to movements in interest rates and foreign currency exchange rates.

Credit card loans decreased primarily due to higher levels of securitizations.

Investment securities decreased primarily due to normal treasury activity.

Liabilities

Total liabilities as at October 31, 2005 were $269.7 billion, up $3.1 billion from 2004, primarily due to increases in other liabilities and acceptances ($3.1 billion), obligations related to securities sold short ($2.7 billion), deposits ($2.2 billion), and subordinated indebtedness ($1.2 billion). These increases were partially offset by reductions in derivative instruments market valuation ($3.9 billion) and obligations related to securities lent or sold under repurchase agreements ($2.5 billion).

Other liabilities and acceptances increased primarily due to the higher provision for Enron-related litigation matters.

The increase in obligations related to securities sold short represents normal trading activity in our wholesale business.

The increase in deposits represents normal business growth. Further details on the composition of deposits are provided in Note 10 to the consolidated financial statements and in the "Supplementary annual financial information."

Subordinated indebtedness increased due to the issuance of new debentures. Further details on subordinated indebtedness are provided in Note 12 to the consolidated financial statements.

Derivative instruments market valuation decreased due to the reasons noted above under "Assets".

The decrease in obligations related to securities lent or sold under repurchase agreements represents normal treasury funding activities.

Shareholders' equity

Shareholders' equity as at October 31, 2005 was $10.7 billion, down $1.5 billion from 2004 due to lower retained earnings which were the result

of the higher provision for Enron-related litigation matters.

SIGNIFICANT EVENTS

ENRON

During the year, certain Enron litigation matters facing CIBC, *Newby, et al. v. Enron Corp., et al.,* and the so called *Megaclaims* bankruptcy court action, were settled, both subject to court approval. To settle *Newby*, CIBC agreed to pay US$2.4 billion. To settle the *Megaclaims* action, CIBC agreed to pay US$250 million, and in exchange for US$24 million, Enron allowed the inclusion of approximately US$81 million in claims filed against the Enron bankruptcy estate and CIBC agreed to subordinate approximately US$42 million in other claims, which have been written off in prior years.

CIBC is a defendant in a number of remaining Enron-related actions. During the year, we recorded a provision of $2.83 billion

pre-tax ($2.53 billion after-tax) to increase our accrual to cover the settlements and to reserve against the remaining Enron matters. Provisions to date take into account expected insurance recoveries. We have recorded a tax benefit of $297 million relating to the current year provision. There is significant uncertainty associated with the ultimate tax benefits to be realized in respect of these settlements. Accordingly, we have recognized the expected minimum tax benefits.

Hedge funds

During the year, CIBC reached settlements with the SEC and the Office of the New York State Attorney General (NYAG) regarding their investigations relating to financing and brokerage services provided by CIBC to certain hedge funds that engaged in mutual fund market timing. Pursuant to those settlements, without admitting or denying liability, CIBC agreed to pay a fine of US$25 million and to disgorge US$100 million, all of which will be distributed to the affected parties. During the year, we increased our accrual by $108 million to $158 million to cover the settlements. The provisions were allocated equally to CIBC Retail Markets and CIBC World Markets.

In addition, two CIBC subsidiaries and a former employee were named as defendants in a number of class and derivative actions, brought on behalf of certain alleged affected parties who were shareholders of several families of mutual funds, claiming that CIBC knew or recklessly disregarded the fact that its hedge fund clients were engaging in deceptive market timing and late trading of mutual fund shares. CIBC successfully moved to dismiss a majority of these actions. The court has yet to rule on CIBC's motion to dismiss the remaining actions, which are consolidated before the U.S. District Court for the District of Maryland.

Regulatory matters

On December 22, 2003, we agreed with the staff of the SEC to a settlement resolving the SEC's investigation regarding certain structured finance transactions between CIBC and Enron. Without admitting or denying any wrongdoing, CIBC consented to an injunction enjoining it from violations of the anti-fraud provisions of U.S. federal securities laws. Under the settlement, we paid a total of US$80 million in disgorgement, penalties and interest, which was provided for in the 2003 consolidated financial statements. This settlement concluded the SEC's investigation into Enron-related matters with respect to CIBC. On the same day, we entered into an agreement with the U.S. Department of Justice (DOJ). The DOJ agreed not to prosecute CIBC for violations of criminal law that, in the DOJ's view, were committed by CIBC and its employees related to certain structured finance transactions between CIBC and Enron, subject to certain understandings for a three-year period ending December 22, 2006, including: our continued cooperation with the DOJ; our acceptance of responsibility for conduct of our employees; our agreement to exit certain structured finance businesses and transactions; our agreement to adopt and implement new policies and procedures related to the integrity of client and counterparty financial statements and quarter- and year-end transactions; and our retention of a law firm to monitor our compliance with these new policies and procedures. We also agreed with the Federal Reserve Bank of New York and the Office of the Superintendant of Financial Institutions, Canada (OSFI) to implement the policies and procedures outlined in our agreement with the DOJ and, for three years, to retain an independent firm to review and monitor our compliance with these policies.

Significant merchant banking dispositions

During 2004, we sold three million shares of Global Payments Inc. (GPI) resulting in a gain of $118 million ($97 million after-tax). In addition, in respect of the remaining six million shares held, we entered into a series of derivative hedges (collars) with scheduled maturities ranging from March 2006 to April 2007, that provided us with the opportunity to participate in a portion of any price increase while simultaneously protecting us against any significant price decrease.

We had 1.8 million shares of Shoppers Drug Mart Corporation (Shoppers) at the end of 2004, which were hedged by forward contracts maturing in January 2007.

During the year, we sold the remaining six million shares of GPI and 1.8 million shares of Shoppers through the early termination of the derivative hedging contracts and the concurrent sale of these investments. We recognized an aggregate gain of $294 million ($241 million after-tax) on the sales.

INTRIA Items Inc.

On November 1, 2005, we purchased the non-controlling interest in INTRIA Items Inc. held by Fiserv Solutions of Canada Inc. INTRIA Items Inc. is now a wholly-owned subsidiary.

The purchase will not have a significant impact on our ongoing results of operations.

Sale of Juniper Financial Corp.

On December 1, 2004, we sold Juniper Financial Corp. (Juniper) to Barclays Bank PLC for gross consideration of US$293 million and recognized a gain of $115 million ($64 million after-tax) on the sale, which is included in other non-interest income. Prior to the sale, we had a 98% interest in Juniper and Juniper's senior management owned the remaining 2%. The sale will not have a significant impact on our ongoing results of operations.

Sale of holdings in Republic Bank Limited

During the year, we sold our holdings in Republic Bank Limited, based in Trinidad and Tobago, and recognized a gain of $25 million ($25 million after-tax). Concurrent with this sale, FirstCaribbean International Bank, in which we hold an equity interest, also sold its holdings in Republic Bank Limited. Equity income arising from the gain on sale was $60 million ($60 million after-tax). In total, we recognized a gain of $85 million after-tax on the sale (Republic Bank sale).

Sale of EDULINX Canada Corporation

During the year, we sold our wholly-owned subsidiary, EDULINX Canada Corporation (EDULINX sale), a student loan service provider in Canada. The gain on the sale was not significant and the sale will not have a significant impact on our ongoing results of operations.

Leveraged leases

Prior to 2004, we engaged in various structured leasing investments in the U.S. that are accounted for in the consolidated financial statements as leveraged leases using guidance contained in Statement of Financial Accounting Standard (SFAS) 13, "Accounting for Leases," as allowed under Canadian Institute of Chartered Accountants (CICA) Emerging Issues Committee Abstract (EIC) 46, "Leveraged Leases." SFAS 13 requires total income over the term of a lease to be recognized into income on a proportionate basis in those years in which the net investment in a lease is positive. The net investment is based on net cash flows from the lease, including those that are tax related.

The U.S. Internal Revenue Service (IRS) has challenged the tax position taken for these transactions. We believe that the tax position related to these transactions was proper, based upon applicable statutes, regulations and case law in effect at the time the transactions were entered into. We have continued to pursue a negotiated settlement with the IRS in respect of tax adjustments proposed by them for these transactions. However, while we continue to believe that a settlement is possible, negotiations have not concluded and the matter may yet be litigated. We have recorded a provision for interest charges that are expected to result from a settlement. Tax adjustments could result in an underpayment of prior years' income taxes and interest charges thereon.

Under existing accounting guidance in SFAS 13, any changes in estimates or assumptions not affecting estimated total net income from a lease, do not change the timing of income recognition. However, the Financial Accounting Standards Board (FASB) issued a proposed FASB Staff Position (FSP) FAS 13-a, "Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction," which amends leveraged lease accounting. The proposed FSP requires that a change in the timing of the realization of the tax benefits results in a recalculation of the timing of income recognition from the leveraged lease. We currently estimate that adopting the proposed FSP would result in a pre-tax charge to opening retained earnings of $100 million to $125 million. An amount approximating that charge will then be recognized into income over the remaining lease terms. The proposed FSP is currently expected to be effective for CIBC for interim and annual periods, beginning on or after November 1, 2005. After adoption of this new standard, we will continue to meet the offsetting criteria on the investment in the leveraged lease and the related debt financing.

New York premises

During the year, we completed the consolidation of our New York-based business operations into two buildings. As a result, we vacated the rest of our existing temporary New York premises and recorded net sub-lease losses of $27 million (2004: $34 million).

During 2004, we signed a 30-year agreement to lease to a tenant approximately 800,000 square feet of space in a 1.2 million square foot building at 300 Madison Avenue in New York. As part of the lease agreement, we paid leasing concessions of approximately US$34 million in 2005 and US$70 million in 2004, which are being deferred and amortized over the lease term.

Air Canada

In 2003, as a result of Air Canada filing for protection under the Companies' Creditors Arrangement Act, we recorded a $128 million pre-tax charge, included in other non-interest expenses, to write down the deferred asset related to our Air Canada contract. During 2004, we sold our proven claims as an unsecured creditor of Air Canada to a third party for cash, and recorded a gain of $49 million ($32 million after-tax) related to the contract. This amount was booked as a recovery in other non-interest expenses. In addition, for an investment of approximately $70 million, we exercised rights to acquire approximately 3.5 million voting shares of ACE Aviation Holdings Inc. (ACE), which became the parent holding company of Air Canada on completion of Air Canada's plan of reorganization, effective September 30, 2004.

REVIEW OF FOURTH QUARTER RESULTS

Net income was $728 million for the quarter, up $326 million from the fourth quarter of 2004.

Net interest income was $1,172 million, down $115 million from the fourth quarter of 2004, primarily due to lower non-core loans and a $53 million interest expense relating to U.S. income tax reassessments, partially offset by higher retail revenue driven by volume growth.

Non-interest income was $2,251 million, up $637 million from the fourth quarter of 2004, due to higher merchant banking gains and $301 million in foreign exchange revenue on the repatriation of capital and retained earnings from our foreign operations.

Provision for credit losses was $170 million, down $5 million from the fourth quarter of 2004, primarily due to higher recoveries in large corporate loans and a higher reversal of the general allowance for credit losses, partially offset by a net $23 million adjustment in the retail portfolios, higher loan losses in the personal lending portfolio due to volume growth and higher loss ratios and the reversal of the provision for credit losses in the student loan portfolio in the fourth quarter of 2004.

Non-interest expenses were $2,057 million, down $209 million from the fourth quarter of 2004, which included a $300 million provision in respect of Enron-related litigation matters. Higher severance expense, a $23 million payroll tax expense reassessment in our U.K. operations, $19 million of New York premises sub-lease losses and higher project expense were partially offset by lower incentive bonuses.

Income tax expense was $436 million, up $390 million from the fourth quarter of 2004, which included an $85 million tax recovery relating to the resolution of various income tax audits. A net increase in income tax expense of $308 million on the repatriation of capital and retained earnings from our foreign operations noted above and higher taxes due to increased income were partially offset by a tax recovery of $59 million on the reversal of a portion of the valuation allowance related to the future income tax asset from our U.S. operations and a $38 million net tax recovery on the resolution of various income tax audits and contingencies.

Net income was $728 million, compared with net loss of $1,907 million in the prior quarter, which included the provision for the Enron-related litigation matters.

Net interest income was $1,172 million, down $47 million from the prior quarter, primarily due to the $53 million interest expense relating to U.S. income tax reassessments.

Non-interest income was $2,251 million, up $319 million from the prior quarter, primarily due to higher merchant banking gains and foreign exchange revenue of $301 million on the repatriation noted above, partially offset by lower revenue from consolidated VIEs.

Provision for credit losses was $170 million, down $29 million from the prior quarter, primarily due to the $50 million reversal of the general allowance for credit losses and a lower loss ratio in cards, partially offset by the net $23 million adjustment in the retail portfolios and higher loan losses in the personal lending portfolio.

Non-interest expenses were $2,057 million, down $2,793 million from the prior quarter, which included the provision for the Enron-related litigation matters. In addition, non-interest expenses were up due to the reasons noted above.

Income tax expense was $436 million, up $542 million from the prior quarter, primarily due to higher income and the net increase in income tax expense of $308 million on the repatriation of capital and retained earnings noted above, partially offset by the tax recoveries noted above.

REVIEW OF QUARTERLY FINANCIAL INFORMATION

QUARTERLY FINANCIAL INFORMATION

	2005				2004			
$ millions, except per share amounts, for the three months ended	**Oct. 31**	**Jul. 31**	**Apr. 30**	**Jan. 31**	Oct. 31	Jul. 31	Apr. 30	Jan. 31
Total revenue	**$ 3,423**	**$ 3,151**	**$ 2,820**	**$ 3,079**	$ 2,901	$ 2,906	$ 3,027	$ 2,941
Net income (loss)	**728**	**(1,907)**	**440**	**707**	402	596	507	586
Per share — basic earnings (loss)	**2.08**	**(5.77)**	**1.21**	**1.96**	1.08	1.62	1.35	1.56
— diluted earnings (loss)(1)	**2.06**	**(5.77)**	**1.20**	**1.94**	1.06	1.60	1.33	1.54

(1) In case of a loss, the effect of stock options potentially exercisable on diluted earnings (loss) per share will be anti-dilutive; therefore, basic and diluted earnings (loss) per share will be the same.

2005

- Net income for the first quarter was up $305 million or 76% from the prior quarter, primarily due to the gains on sale of Republic Bank, Juniper and ACE and reduced provision for credit losses in CIBC World Markets, partially offset by reduced merchant banking gains net of write-downs. The prior quarter included a $300 million provision ($194 million after-tax) in respect of Enron-related litigation matters, an $85 million tax recovery related to the resolution of various income tax audits, a $62 million reversal ($40 million after-tax) of allowance for credit losses and a $49 million ($32 million after-tax) recovery on the Air Canada contract write-down.
- Net income for the second quarter was down $267 million or 38% from the prior quarter. The prior quarter included the gains on sale of Republic Bank, Juniper and ACE. A higher hedge funds provision and lower capital markets activities were partially offset by improved merchant banking gains net of write-downs.
- Net loss for the third quarter was $1,907 million, compared with net income of $440 million for the prior quarter due to the $2,533 million after-tax provision for the Enron-related litigation matters. Higher merchant banking gains net of write-downs, a lower hedge funds legal provision and a reduction in income tax expense resulting from the hedge funds settlements and the impact of three more days were partially offset by an increased provision for credit losses.
- Net income for the fourth quarter was $728 million, compared with a net loss of $1,907 million for the prior quarter, which included the provision for the Enron-related litigation matters. Higher merchant banking gains and a lower provision for credit losses were partially offset by higher severance expense and a $53 million interest expense ($33 million after-tax) related to U.S. income tax reassessments.

2004

- Net income for the first quarter was up $99 million or 20% from the prior quarter, primarily due to lower non-interest expenses and higher trading revenue, commissions earned on securities resulting from larger trading volumes, and fixed income and equity structured products revenue.
- Net income for the second quarter was down $79 million or 13% from the prior quarter, primarily due to lower net interest income, an increase in the provision for credit losses and higher revenue-related compensation. These decreases were partially offset by higher merchant banking gains net of write-downs, gains on loans held for sale, and equity trading and new issue revenue.
- Net income for the third quarter was up $89 million or 18% from the prior quarter, primarily due to a reduction in the provision for credit losses due to favourable market conditions, a $50 million ($32 million after-tax) reversal of the general allowance for credit losses, and lower revenue-related compensation, partially offset by lower trading revenue.
- Net income for the fourth quarter was down $194 million or 33% from the prior quarter, primarily due to the $300 million ($194 million after-tax) provision for Enron-related litigation matters, partially offset by a tax recovery and higher merchant banking gains net of write-downs.

For further details of our quarterly results, refer to our quarterly reports to shareholders available on www.cibc.com.

CIBC Retail Markets

CIBC Retail Markets provides a full range of financial products and services to almost 11 million individual and small business clients primarily in Canada. We serve clients through a variety of distribution channels including our branch network, telephone banking, online banking, full-service and self-directed brokerage and ABMs, as well as President's Choice Financial, a co-venture with Loblaw Companies Limited. We also provide investment management services to retail and institutional clients through our CIBC Asset Management business.

	OPERATING HIGHLIGHTS	**OUTLOOK FOR 2006**
Personal and small business banking provides solutions for home ownership, lending, retirement and investment to individuals and small owner-operated businesses (clients other than those in Imperial Service).	Growth in deposits and lending volumes and fee income helped drive strong results in personal and small business banking. Focusing on what matters to clients is paying dividends through increased client satisfaction. The consolidation of management infrastructure for personal and small business banking with CIBC Imperial Service was completed.	In light of expected economic growth in 2006, personal and small business banking plans to grow its share of wallet by increasing funds managed for, and product sales to, existing clients, leveraging increases in client satisfaction levels. Low interest and unemployment rates should provide growth in investment volumes and lending volumes. Our focus will continue to be on developing sales and service staff capabilities.
Imperial Service offers comprehensive planning advice in financial matters for clients' day-to-day banking, credit and investment needs.	Focusing on asset consolidation, CIBC Imperial Service continued to improve the client experience. This led to strong investment growth, particularly in mutual funds and fixed — term, with 13.5% and 4.2% growth in assets under administration, respectively, in 2005 versus industry growth of 13.9% and 0.8%.	CIBC Imperial Service is well positioned to capitalize on the anticipated strong asset growth in our target market. Strategies include building on our market position in the branch-based advice channel, continuing to improve our advisor capability to meet client needs, offering industry-leading solutions and extending the CIBC Imperial Service offer to more clients and new markets across Canada. Low interest and unemployment rates should encourage the purchase of investment products.
Retail brokerage provides leading investment, retirement and estate planning advisory solutions to affluent clients through CIBC Wood Gundy. CIBC Investor's Edge™ provides online brokerage services.	CIBC Wood Gundy achieved a milestone with assets under administration reaching a record $109.1 billion. Wood Gundy Portfolio Partner,™ our fee-based brokerage offer, grew assets by 41.1% to over $7.1 billion, and the discretionary asset management program, Investment Consulting Service, led the industry with 42.2% market share.	Delivering integrated investment solutions through a qualified investment advisor, CIBC Wood Gundy is well positioned to capitalize on anticipated strong equity markets in 2006. Access to, and expertise in, CIBC's broad range of solutions help our almost 1,400 investment advisors continue to provide one of the industry's leading full-service advice offers to affluent Canadians.
Cards comprises a portfolio of credit cards.	Cards has sustained growth in outstandings and purchase volumes in an increasingly competitive market. Our cards business continued to be the industry leader — maintaining its #1 position in purchase volumes and outstanding balances.	In an increasingly competitive marketplace, we intend to continue delivering products and services that build and maintain client loyalty, maintain our market position and increase profitability. Strong consumer spending and low interest and unemployment rates will encourage volume growth in cards.

Mortgages and personal lending combines our mortgage and personal and small business lending businesses to deliver credit solutions across CIBC's retail client base.	CIBC maintained a strong #2 market share in the competitive residential mortgages market throughout 2005. Through our unique multi-brand, multi-channel approach to the marketplace, we realized a record year in new residential mortgage volume in 2005. In our personal lending portfolio, our loan losses remain too high. Our goal is to improve our mix of business and overall portfolio quality.	Mortgages and personal lending will continue to focus on growth opportunities across credit products, specifically aiming to grow our secured line of credit and mortgage portfolios. Real estate prices will continue to be a key driver and are expected to rise, but at a slower growth rate. In an interest rate environment that is expected to remain favourable, we will also continue to pursue share of wallet opportunities to grow our lending portfolio within our existing client base. Overall loan losses in our retail lending portfolio are not expected to improve in 2006.
Asset management combines our investment management business with our institutional and retail investment product businesses.	CIBC Asset Management is ranked as the second largest bank-owned mutual fund provider in Canada. Although overall mutual fund market share has declined, our CIBC Personal Portfolio Services™ continues to lead the industry with an 18.0% share of the fund wrap market. In 2005, TAL Global successfully introduced institutional investment management capabilities in the U.S. marketplace.	Supported by expected strong Canadian equity markets, CIBC Asset Management will focus on growing assets by strengthening and expanding distribution, particularly within CIBC, but also through third-party channels. Having combined our mutual fund business in 2005, we will focus our consolidated capabilities to best meet client needs, realize efficiencies and establish best practices. We will increase our focus on institutional pension fund management services and targeted money management growth opportunities in the U.S. market.

Results

RESULTS — CIBC RETAIL MARKETS

$ millions, for the years ended October 31	**2005**	2004	2003
Revenue			
Personal and small business banking	**$ 2,492**	$ 2,367	$ 2,199
Imperial Service	**941**	883	878
Retail brokerage	**1,131**	1,036	1,108
Cards	**1,447**	1,384	1,278
Mortgages and personal lending	**1,065**	974	1,111
Asset management	**378**	366	335
Other	**706**	701	546
Total revenue	**8,160**	7,711	7,455
Provision for credit losses	**772**	740	625
Non-interest expenses	**5,126**	4,839	5,066
Income before taxes	**2,262**	2,132	1,764
Income taxes	**689**	726	578
Net income	**$ 1,573**	$ 1,406	$ 1,186
Efficiency ratio	**62.8%**	62.7%	68.0%
ROE (1)(2)	**42.2%**	37.0%	30.9%
Economic profit (1)(2)	**$ 1,089**	$ 917	$ 697

(1) For additional information, see the "Non-GAAP measures" section.

(2) For additional segmented information, see Note 26 to the consolidated financial statements.

Financial overview

CIBC Retail Markets benefited from continued low and stable interest rates that encouraged deposit and loan volume growth. Increased investor confidence led to higher capital markets volumes.

Net income was up $167 million or 12% from 2004, which included the $32 million after-tax recovery related to the Air Canada contract. Revenue was up $449 million, primarily due to volume growth across all business lines, higher fee income, the $85 million pre-tax gain on the Republic Bank sale, the $34 million pre-tax gain on the ACE sale and increased equity trading and new issue activity. Non-interest expenses were up $287 million, primarily due to higher corporate support and compensation costs.

Revenue

Revenue was up $449 million or 6% from 2004.

Personal and small business banking revenue was up $125 million from 2004, primarily due to deposit volume growth, higher commissions received from other businesses and increased fee income, partially offset by lower deposit spreads.

Imperial Service revenue was up $58 million from 2004, primarily due to higher revenue from investment product sales and growth in average funds managed.

Retail brokerage revenue was up $95 million from 2004, primarily due to higher fee-based revenue, and increased equity trading and new issue activity.

Cards revenue was up $63 million from 2004, primarily due to volume growth, the gain on the ACE sale, favourable spreads and higher fee revenue, partially offset by the impact of higher levels of securitized assets.

Mortgages and personal lending revenue was up $91 million from 2004, primarily due to volume growth, higher transaction and prepayment fees and favourable spreads in personal lending, partially offset by higher commissions paid to other businesses.

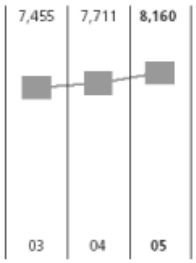
Asset management revenue was up $12 million from 2004, primarily due to growth in average funds managed, partially offset by higher commissions paid to other businesses.

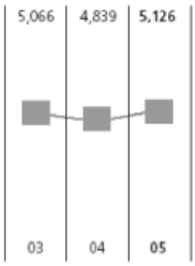
Other revenue was up $5 million from 2004, as the gain on the Republic Bank sale, higher insurance revenue and volume growth in President's Choice Financial were largely offset by lower treasury revenue allocations and lower revenue in student loans due to the EDULINX sale.

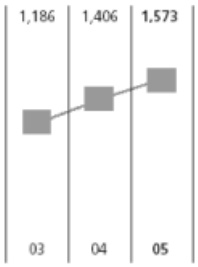
Total revenue
($ millions)

Non-interest expenses
($ millions)

Net income
($ millions)


7,455
7,711
8,160
03
04
05


5,066
4,839
5,126
03
04
05


1,186
1,406
1,573
03
04
05

Provision for credit losses

Provision for credit losses was up $32 million or 4% from 2004, which included a $37 million reversal of the allowance for credit losses in student loans. Higher losses in personal and small business lending were partially offset by the impact of higher levels of securitized assets in cards and lower agricultural losses.

Non-interest expenses

Non-interest expenses were up $287 million or 6% from 2004, primarily due to higher corporate support costs and revenue-related and other compensation costs, partially offset by lower expenses in student loans due to the EDULINX sale. The prior year included the $49 million recovery related to the Air Canada contract.

The regular workforce headcount totalled 24,085 at year-end, down 84 from 2004, primarily due to the EDULINX sale, partially offset by additional customer staff in branches.

Income taxes

Income taxes were down $37 million or 5% from 2004, primarily due to the gain on the Republic Bank sale not being subject to income tax and the impact of the hedge funds settlements.

Average assets

Average assets were $185.1 billion, up $4.2 billion or 2% from 2004, primarily due to increases in residential mortgages and personal lending.

Assets under administration

Assets under administration were up $21.6 billion or 10% from 2004.

$ billions, as at October 31	**2005**	2004	2003
Individual	**$ 139.5**	$ 128.3	$ 121.9
Institutions	**60.9**	53.4	43.7
Retail mutual funds	**43.4**	40.5	35.7
	$ 243.8	$ 222.2	$ 201.3

Outlook

The economic outlook suggests a positive environment for CIBC Retail Markets in the coming year. Continuing low interest and unemployment rates, coupled with strong consumer spending and real estate prices, encourage continuing volume growth in mortgages, retail lending, and cards. These factors also encourage the purchase of investment products. While continuing to be strong, the rate of growth of lending products may moderate with a potential slowing of housing price appreciation. Interest rate increases are predicted to be modest and, therefore, product spreads should remain comparable to 2005.

Equity markets are expected to remain strong throughout 2006, which will have a positive impact on the retail brokerage and mutual funds businesses. The outlook for Canadian new issue activity is reasonably good.

We have undertaken several strategies to reduce loan losses in the personal lending portfolios. We do not expect these actions to realize benefits in 2006.

CIBC World Markets

CIBC World Markets is the wholesale banking arm of CIBC, providing a range of integrated credit and capital markets products, investment banking, and merchant banking to clients in key financial markets in North America and around the world. We deliver innovative full capital solutions to growth-oriented companies and are active in major global capital markets. We offer advisory expertise across a wide range of industries and provide top-ranked research for our corporate, government and institutional investor clients.

	OPERATING HIGHLIGHTS	**OUTLOOK FOR 2006**
Capital markets operates trading, sales and research activities serving institutional, corporate and government clients.	CIBC World Markets maintained leadership in Canada, ranking #1 in income trusts and retail structured products, #1 in Canadian debt research and #1 in overall equity sales, research and trading quality. In the U.S., we have been focused on broadening our client base to cover mid-market clients and have also advanced our product offerings with our institutional speciality sales and portfolio trading groups. We also realized growth in the development of structured credit products for our global client base.	The outlook for capital markets is reasonably good. We will continue to invest in technology to provide alternative trading tools and equity market access for Canadian and U.S. clients. In addition, we will continue to target a broader client base to build our mid-market cash equities business in the U.S. We also continue to invest in technology to create new functionality for clients and to enhance our risk management capabilities across debt capital markets. Through ongoing collaboration within CIBC World Markets and with other CIBC partners, we plan to expand the development and distribution of innovative structured products.
Investment banking and credit products provides advisory services and underwriting of debt, credit and equity for corporate and government clients.	In 2005, CIBC settled certain Enron-related litigation matters and, in this regard, recorded a provision of $2.8 billion ($2.5 billion after-tax), which significantly affected financial results. In the U.S., we have refocused our business to improve delivery of products to key clients. As a result, we realized success in targeted segments such as health care and consumer in terms of number of equity deals for mid-market issuers. Our U.S. real estate finance group continued to deliver strong results in 2005. In Canada, CIBC World Markets was again ranked #1 in equity underwriting and maintained its leadership in mergers and acquisitions (M&A), ranked the #1 advisor.	In Canada, the M&A market appears strong. We will strive to maintain our leadership position by providing the highest level of client service and through ongoing investment in core relationships. In the U.S., our approach is to continue to capitalize on new markets and build our mid-market franchise in select sectors. We will work to increase market penetration in an increasingly competitive market in real estate finance.
Merchant banking provides capital in the form of private equity, bridge and mezzanine debt financing to create, grow and re-capitalize companies across a host of industries.	The merchant banking portfolio has been reduced to $1.4 billion, below the objective of $1.5 billion. The reduction has been achieved two years ahead of target. The business is now strategically aligned to support our global investment banking platform. During the year, we were successful in realizing net gains on a number of our investments.	As our portfolio matures, we will continue to seek profitable opportunities to further reduce the size of the portfolio. Notwithstanding new investments, we anticipate a further overall reduction in 2006 and gains at lower levels than in 2005.
Commercial banking originates financial solutions centred around credit, cash management and trade finance products for medium- sized businesses in Canada.	We continued to work to improve the client experience with heightened focus on core clients and through initiatives to improve account team effectiveness. Strong real estate and oil and gas markets buoyed financial results in 2005. We continued to experience strong competition in the market, resulting in some compression of interest margins.	In 2006, we will continue to enhance our ability to deliver core products and cash management offerings to help our clients align their financial capacity with their business goals. We expect steady growth in our business. Managing commodity, interest rate and foreign exchange risks remains a focus and an opportunity to expand our client relationships.

Results

RESULTS — CIBC WORLD MARKETS

$ millions, for the years ended October 31	2005	2004	2003
Revenue (TEB)(1)(2)			
Capital markets	**$ 1,391**	$ 1,497	$ 1,583
Investment banking and credit products	**1,074**	1,329	1,510
Merchant banking	**714**	351	(47)
Commercial banking	**449**	452	436
Other	**(53)**	18	84
Total revenue (TEB)(1)(2)	**3,575**	3,647	3,566
TEB adjustment	**191**	150	132
Total revenue	**3,384**	3,497	3,434
(Recovery of) provision for credit losses	**(17)**	(55)	653
Non-interest expenses	**5,149**	2,741	2,421
(Loss) income before taxes and non-controlling interests	**(1,748)**	811	360
Income taxes	**(148)**	139	28
Non-controlling interests	**71**	12	(2)
Net (loss) income	**$ (1,671)**	$ 660	$ 334
Efficiency ratio	**152.1%**	78.4%	70.5%
Efficiency ratio (TEB)(1)(2)	**144.0%**	75.2%	67.9%
ROE (1)(2)	**(89.1)%**	27.1%	9.1%
Economic (loss) profit(1)(2)	**$ (1,925)**	$ 350	$ (110)

(1) For additional information, see the "Non-GAAP measures" section.

(2) For additional segmented information, see Note 26 to the consolidated financial statements.

Financial overview

CIBC World Markets' results were significantly affected by the $2,533 million after-tax provision for the Enron-related litigation matters.

Underlying results continued to benefit from strong Canadian equity markets and M&A activity. Improved market conditions and liquidity resulted in increased merchant banking gains net of write-downs. Wholesale credit quality remained stable.

Net loss was $1,671 million, compared with net income of $660 million in 2004, primarily due to the higher provision for Enron-related litigation matters. Higher merchant banking gains net of write-downs were partially offset by reduced sales of non-core loans, lower U.S. investment banking revenue, the exit of our international asset securitization activities and lower debt capital markets activity.

Revenue

Revenue was down $113 million or 3% from 2004.

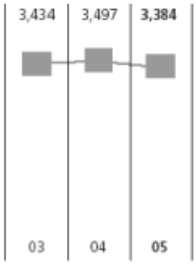
Capital markets revenue was down $106 million from 2004, primarily due to lower revenue in debt capital markets, lower U.S. equity sales and lower activity in equity structured products.

Investment banking and credit products revenue was down $255 million from 2004, primarily due to reduced sales of non-core loans, lower activity in U.S. investment banking and the exit of our international asset securitization activities, partially offset by higher European leveraged finance revenue.

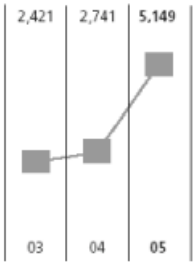
Merchant banking revenue was up $363 million from 2004, primarily due to increased gains net of write-downs (including gains on GPI and Shoppers of $294 million, as discussed in the "Significant events" section) and the consolidation of a VIE.

Other revenue was down $71 million from 2004, primarily due to lower treasury revenue allocations and higher interest expense related to U.S. income tax reassessments, partially offset by the gain on sale of an investment.

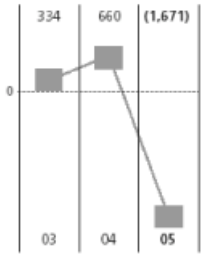
Total revenue
($ millions)



Non-interest expenses
($ millions)



Net (loss) income
($ millions)



Recovery of credit losses

Net recovery of credit losses was down $38 million or 69% from 2004, primarily due to reduced recoveries of large corporate loans.

Non-interest expenses

Non-interest expenses were up $2,408 million or 88% from 2004, primarily due to higher provisions for Enron-related and other litigation matters, partially offset by lower revenue-related compensation and corporate support costs.

The regular workforce headcount totalled 2,299 at year-end, down 67 from 2004, primarily due to reductions in U.S. equities, the exit of our international asset securitization activities and reductions in European investment banking.

Income taxes

CIBC World Markets conducts business in a number of tax jurisdictions that are subject to varying rates of taxation. As such, the aggregate tax expense recognized in each period is determined, in part, by the relative proportion of earnings generated in each tax jurisdiction.

Income taxes were down $287 million from 2004, primarily due to the reduction in income tax expense in respect of the Enron-related litigation matters and hedge funds settlements.

Non-controlling interests

Non-controlling interests were up $59 million from 2004, primarily due to the consolidation of VIEs.

Average assets

Average assets were $103.0 billion, up $3.8 billion from 2004.

Outlook

While investment banking activities and capital markets are difficult to predict, the outlook for new issue underwriting is reasonably good. We expect Canadian and U.S. equity sales activities to improve marginally.

The M&A market appears strong. Commercial banking is expected to grow in line with nominal Canadian GDP growth. As the size of our merchant banking portfolio continues to decrease, we expect to see lower revenue opportunities in this area. Wholesale credit quality remains stable and we continue to monitor credit risk to minimize future credit losses.

CORPORATE AND OTHER

Corporate and Other comprises the five functional groups —Administration; Corporate Development; Finance; Technology and Operations; and TRM — that support CIBC's business lines, as well as Juniper Financial Corp. (sold on December 1, 2004), CIBC Mellon joint ventures, Oppenheimer Holdings Inc. debentures, and other income statement and balance sheet items not directly attributable to the business lines. The revenue and expenses of the functional groups are generally allocated to the business lines.

TRM generates revenue from funding, hedging and interest earning activities that is generally allocated to the business lines; the amount not allocated remains in Corporate and Other.

Results

RESULTS — CORPORATE AND OTHER

$ millions, for the years ended October 31	**2005**	2004	2003
Total revenue	**$ 929**	$ 567	$ 574
Recovery of credit losses	**(49)**	(57)	(135)
Non-interest expenses	**565**	671	641
Income (loss) before taxes and non-controlling interests	**413**	(47)	68
Income taxes	**248**	(75)	(367)
Non-controlling interests	**99**	3	5
Net income	**$ 66**	$ 25	$ 430

Financial overview

Net income was up $41 million from 2004, primarily due to the impact of the Juniper sale and higher unallocated treasury revenue, partially offset by lower interest income on tax refunds, higher unallocated corporate support costs and a lower reversal of the general allowance for credit losses.

During the year, capital and retained earnings from our foreign operations were repatriated. This resulted in the reversal of related accumulated balances previously recorded in the foreign currency translation adjustments component of shareholders' equity. These balances were recognized in foreign exchange other than trading and income taxes in the consolidated statements of operations. In addition, a related $67 million future tax asset arising from prior year's foreign exchange losses on foreign operations was recognized, for a net after-tax loss of $7 million.

Revenue

Total revenue was up $362 million or 64% from 2004, primarily due to higher foreign exchange revenue of $301 million arising on the repatriation noted above, consolidation of a VIE and the impact of the Juniper sale, partially offset by lower interest income on tax refunds and lower revenue related to hedging of stock appreciation rights (SARs).

Recovery of credit losses

Recovery of credit losses was down $8 million or 14% from 2004, primarily due to a lower reversal of the general allowance, partially offset by reduced loan losses due to the Juniper sale.

Non-interest expenses

Non-interest expenses were down $106 million or 16% from 2004, primarily due to the Juniper sale and reduced expenses related to SARs, partially offset by higher unallocated corporate support costs.

The regular workforce headcount totalled 10,924 at year-end, up 178 from 2004, primarily due to increased governance activities and the centralization of certain back-office functions, partially offset by the Juniper sale.

Income taxes

Income taxes were up $323 million from 2004, primarily due to a net increase of $308 million resulting from the $375 million expense arising on the repatriation noted above, partially offset by the recognition of the related future tax asset noted above. In addition, tax expense increased as a result of the Juniper sale and benefited from the $59 million reversal of a portion of the valuation allowance relating to the future income tax asset from our U.S. operations.

Non-controlling interests

Non-controlling interests were up $96 million from 2004, primarily due to the consolidation of a VIE.

REVIEW OF 2004 FINANCIAL PERFORMANCE

$ millions, for the years ended October 31		CIBC Retail Markets	CIBC World Markets	Corporate and Other	CIBC Total
2004	Net interest income	$ 4,484	$ 515	$ 259	$ 5,258
	Non-interest income	3,438	2,769	310	6,517
	Intersegment revenue	(211)	213	(2)	—
	Total revenue	7,711	3,497	567	11,775
	Provision for (recovery of) credit losses	740	(55)	(57)	628
	Non-interest expenses	4,839	2,741	671	8,251
	Income (loss) before taxes and non-controlling interests	2,132	811	(47)	2,896
	Income taxes	726	139	(75)	790
	Non-controlling interests	—	12	3	15
	Net income	$ 1,406	$ 660	$ 25	$ 2,091
2003	Net interest income	$ 4,477	$ 795	$ 245	$ 5,517
	Non-interest income	3,184	2,429	333	5,946
	Intersegment revenue	(206)	210	(4)	—
	Total revenue	7,455	3,434	574	11,463
	Provision for (recovery of) credit losses	625	653	(135)	1,143
	Non-interest expenses	5,066	2,421	641	8,128
	Income before taxes and non-controlling interests	1,764	360	68	2,192
	Income taxes	578	28	(367)	239
	Non-controlling interests	—	(2)	5	3
	Net income	$ 1,186	$ 334	$ 430	$ 1,950

The following discussion provides a comparison of our results of operations for the years ended October 31, 2004 and 2003.

Overview

Net income was up $141 million or 7% from 2003, primarily due to a lower provision for credit losses, higher merchant banking gains net of write-downs and higher gains on loans held for sale, and an income tax recovery of $85 million related to the resolution of various income tax audits. These increases were partially offset by a $300 million ($194 million after-tax) provision in respect of the Enron-related litigation matters. The prior year included a $475 million after-tax recovery and interest on overpayment of income taxes net of a valuation allowance related to the U.S. future income tax asset, a $152 million after-tax loss on loans held for sale, an $81 million after-tax write-down related to the Air Canada contract and an $87 million after-tax provision for CIBC's Enron settlement with the SEC.

Net interest income

Net interest income was down $259 million or 5% from 2003, primarily due to lower revenue from CIBC World Markets, where corporate lending assets and merchant banking investments were significantly reduced, and narrower GIC spreads due to a low interest rate environment.

Non-interest income

Non-interest income was up $571 million or 10% from 2003, primarily due to higher merchant banking gains net of write-downs, gains on sales of equity-accounted investments and loans held for sale.

Provision for credit losses

The provision for credit losses was down $515 million or 45% from 2003, primarily due to the combination of favourable market conditions and our ongoing commitment to reduce risk in our corporate loan portfolio, partially offset by higher loss ratios and volume growth in our personal and small business lending portfolios.

Non-interest expenses

Non-interest expenses were up $123 million or 2% from 2003, primarily due to the provision for Enron-related litigation matters noted above, increased spending on governance projects and higher legal fees. The prior year included the provision for CIBC's Enron settlement with the SEC and the write-down related to the Air Canada contract noted above.

Income taxes

Income tax expense was up $551 million from 2003. The prior year included the income tax recovery net of valuation allowance as noted above. Income tax on increased earnings was partially offset by an income tax recovery related to the resolution of various income tax audits and an increase in our future income tax asset as a result of the cancellation of planned Ontario tax rate reductions.

CIBC Retail Markets

Net income was up $220 million or 19% from 2003. Revenue was up $256 million or 3%, primarily due to growth in personal lending and deposit volumes, higher transaction-based fee income, fee-based asset values, and equity and new issue activity. These increases were partially offset by the loss of ongoing revenue and the pre-tax gain of $58 million on the Oppenheimer sale in January 2003 and lower spreads. Provision for credit losses was up $115 million or 18%, primarily due to higher loss ratios and volume growth in personal and small business lending portfolios. Non-interest expenses were down $227 million or 4%, primarily due to lower expenses resulting from the Oppenheimer sale and the $128 million write-down related to the Air Canada contract in the prior year. These decreases were partially offset by higher revenue-related compensation in retail brokerage and legal provisions.

CIBC World Markets

Net income was up $326 million or 98% from 2003. Revenue was comparable to the prior year. Higher merchant banking gains net of write-downs were partially offset by lower investment banking and credit products, capital markets and treasury revenue. The net recovery of credit losses compared favourably with the provision for credit losses in 2003, reflecting an improved credit environment and lower credit risk profile. Non-interest expenses were up $320 million or 13%, primarily due to the $300 million ($194 million after-tax) provision for the Enron-related litigation matters.

Corporate and Other

Net income was down $405 million or 94% from 2003. Revenue was comparable to the prior year. Recovery of credit losses was down $78 million due to a lower reversal of the general allowance for credit losses of $75 million, compared to $150 million in the prior year. Non-interest expenses were up $30 million, primarily due to increased spending on infrastructure projects, including those related to governance. Income tax benefit was down $292 million due to the recovery on overpayment of income taxes, net of the valuation allowance related to the U.S. future income tax asset in 2003.

FUNCTIONAL GROUPS	OUR PRIORITIES
Administration The Administration group comprises compliance, communications and public affairs, corporate secretary, human resources, internal audit and corporate security, legal, ombudsman, privacy, donations and sponsorship. Collectively, this group provides leadership on governance and control issues and engages in a wide range of support services. During the year, the group led a number of initiatives, including the enhancement of our integrated control framework, the renewal of our Code of Conduct, the launch of a privacy office and the implementation of a new policy framework to support the development and renewal of policies. Administration launched an enhanced e-learning system to deliver targeted business training as well as regulatory, legal and reputation training across all of CIBC. Administration also led the ongoing work in reinforcing CIBC's Vision, Mission and Values, delivering executive leadership training and developing e-orientation programs for new employees, managers, contractors and executives.	• **Sustain a leadership position in control and governance processes** • **Continue to foster a corporate culture that supports CIBC's Vision, Mission and Values** • **Develop and deliver programs to enhance CIBC's reputation and build trust and confidence among stakeholders** • **Improve productivity in Administration services**
Corporate Development Corporate Development is a key participant in creating long-term value by fostering an owner-manager mindset and directing CIBC's strategic planning processes. The group works to maximize the value of CIBC's portfolio of businesses through the identification, assessment and execution of transactions, including acquisitions, divestitures and other alliances. During 2005, Corporate Development was integral to the sale of Juniper Financial Corp. and EDULINX Canada Corporation, as well as the disposition of the remainder of CIBC's interest in Global Payments Inc. and the sale of a shareholding in Trinidad-based Republic Bank Limited. In addition, the group assisted in the November 1, 2005 acquisition of the non-controlling interest in CIBC's subsidiary INTRIA Items Inc. that was held by Fiserv Solutions of Canada Inc. Corporate Development continued to partner with CIBC's business lines to identify opportunities for their growth and to increase the value of existing businesses by divesting or acquiring contracts or assets. Corporate Development also manages CIBC's strategic relationship with FirstCaribbean International Bank (FCIB) and the CIBC Mellon joint ventures in order to maximize their contribution to shareholders.	• **Continue to team with CIBC's strategic business lines to further enhance the value of CIBC's portfolio of businesses** • **Drive strategic planning and major transaction execution** • **Enhance earnings to CIBC from its investments in FCIB and CIBC Mellon** • **Develop options and opportunities for future acquisitions, divestitures and joint ventures**
Finance The Finance group provides financial services to CIBC's businesses through effective governance and decision-support processes. These services include financial, management and regulatory reporting, maintenance of accounting records, financial analysis and planning, tax planning and compliance, liaison with CIBC's investors, and the internal controls and corporate services groups, the latter comprising corporate real estate, consulting services and global sourcing and payment processing. Finance also conducts regular reviews of business line performance, which are important inputs to the resource allocation and incentive compensation processes. In addition, Finance provides financial advice regarding CIBC's business opportunities and transactions. During the year, Finance continued to focus on enhancing control processes to meet increasing governance requirements, leading CIBC's efforts to maintain compliance with the U.S. Sarbanes-Oxley Act, section 404 and contributing to CIBC's Basel II Capital Accord Program.	• **Continue to improve and strengthen control systems and processes** • **Develop and lead initiatives across CIBC to achieve long-term cost efficiencies** • **Continue to enhance the level and quality of disclosure to investors**
Technology and Operations (T&O) T&O provides the technology systems and operational processes that run CIBC's businesses worldwide. During 2005, T&O delivered major technology projects that contributed to the growth of CIBC's core businesses and continued to deliver to its strategic plan to provide better service at lower cost. Consolidation and integration of technology platform and telecommunications infrastructure continued, driving efficiency and cost savings. T&O made significant progress in the fundamental re-engineering of back-office process and controls, including technology enhancements that automated and standardized manual tasks and the conversion of all branches across Canada to a single operating environment, which freed up branch employees to focus on client sales and service. T&O was also instrumental in helping CIBC meet the ongoing regulatory and compliance requirements that were a priority for CIBC in 2005. Systems enhancements, employee tools and client service training all contributed to CIBC's commitment to provide top quality service.	• **Strengthen T&O's established client service and continuous improvement culture** • **Deliver on the long-term programs to simplify and rationalize technology infrastructure and re-engineer operations processes and service delivery to achieve savings, enhanced service and heightened controls** • **Focus on people through the further delivery of enhanced recognition, learning, communications and career development programs**

Treasury and Risk Management (TRM)
TRM's management of risk is a fundamental element of CIBC's strategy in building a foundation for sustainable growth. In 2005, TRM and CIBC World Markets continued to partner to reduce our corporate loan and merchant banking investment exposures and outstandings, as CIBC exceeded its targets in both of these areas. Enhancement of CIBC's retail credit risk management infrastructure is a key priority to support business growth. Key to CIBC's ongoing strength is its capital position. TRM and others are working on various initiatives to maintain CIBC's capital ratios. Market risk exposures were maintained at low levels. Interest rate and liquidity and related resources and risks are measured, monitored and controlled by TRM. Although CIBC employees manage operational risk including our ongoing reputation and legal risk efforts, TRM is responsible for measurement, monitoring and control. TRM, together with T&O, is leading CIBC's Basel II Capital Accord Program efforts.

- **Manage and re-allocate risk resources to higher return and/or strategic growth activities to support CIBC's objectives**
- **Maintain CIBC Tier 1 capital ratio objective of not less than 8.5% and total capital ratio objective of not less than 11.5%**
- **Ongoing measurement, monitoring and control of credit, market, liquidity and operational (including reputation and legal) risks**

Management of Risk

OVERVIEW

This section provides details on how we manage risk and balance sheet resources, as well as our efforts to comply with the Basel II Capital Accord. We manage risk and related balance sheet resources within tolerance levels established by our management committees and approved by the Board of Directors and its committees. This is achieved through a comprehensive framework of measurement, monitoring and control policies, procedures and standards that support active and effective management of our risk and balance sheet resources. Our risk management structure is presented in the diagram below. During 2005, all risk management policies were approved or renewed by the applicable Board and management committees. Further details on the Board and management committees, as applicable to the management of risk, are provided in the "Governance" section.

Several groups contribute to the management of risk, including:

- Treasury — provides enterprise-wide funding and asset/liability, liquidity, cash and collateral management; ensures that we are strongly and effectively capitalized; and manages capital in our subsidiaries, affiliates and legal entities;
- Credit and Investment Risk Management — provides independent, enterprise-wide oversight of the adjudication, management and monitoring of retail and wholesale credit risk. They apply market-based techniques and models to the measurement, monitoring and control of risks in the corporate and commercial credit portfolios and merchant banking investments;
- Trading Room Risk Measurement, Monitoring and Control — provides independent, enterprise-wide oversight of the management and related measurement, monitoring and control of market (both trading and non-trading) risk throughout CIBC, and of credit risk in CIBC's trading businesses;
- Operational Risk Department — is responsible, in a collaborative fashion with the production and infrastructure divisions, for the identification, measuring, monitoring and control of operational risk enterprise-wide; and
- Balance Sheet Measurement, Monitoring and Control — oversees the balance sheet resource allocation process; and provides independent, enterprise-wide oversight of the measurement, monitoring and control of economic capital and other elements of the balance sheet.

Risk Management Governance Structure



MANAGEMENT OF CREDIT RISK

Credit risk primarily arises from our direct lending activities, and, to a lesser extent, from our trading, investment and hedging activities. Credit risk is defined as the risk of loss due to borrower, issuer or counterparty default.

Infrastructure

The Capital and Risk Committee (CRC) is responsible for reviewing our key credit risk management policies. These policies are approved annually by the Risk Management Committee (RMC). The CRC is also responsible for ensuring that these policies are implemented and that procedures are in place to manage and control credit risk, as well as overseeing the quality of the credit portfolio in accordance with these policies.

Senior management reports regularly, but not less than quarterly, to the RMC on material credit risk matters, including individual credit transactions, compliance with policies, portfolio trends, impaired loans and credit loss provisioning levels. In addition, they review impaired loan balances, and allowances and credit loss provisioning levels with the Audit Committee on a quarterly basis.

Policies, procedures and standards

Our credit risk policies, procedures and standards outline our credit risk appetite, as well as the detailed parameters under which credit risk is to be controlled. Policies establish the basis for how credit is granted, measured and reported. We have policies for the control of credit risk within both the consumer loan portfolio and the business and government loan portfolio, including all hedging-related activities.

Environmental risk is integrated into the overall credit assessment process, with environmental risk management standards in place covering lending to small and medium-sized businesses and the large corporate sector.

Measurement, monitoring and control

The day-to-day responsibility for measuring and monitoring credit risk is delegated to TRM. This is accomplished through the establishment of lending policies; the approval of all models used for risk rating of business and government loans and credit scoring of individual loans; the exercising of approval authority for credit transactions; the monitoring of exposures against policies and limits; and the management of past due, high-risk and impaired loans by specialized groups.

TRM also uses market-based techniques in the management of the credit risk component of economic capital. It applies enhanced credit models to the analysis of large corporate credit portfolio. Higher risk or concentrated positions are reduced through the use of direct loan sales, credit derivative hedges or structured transactions. In addition, selected credit exposures are added to the portfolio to enhance diversification and increase returns.

Consumer loans

Consumer loans, which comprise residential mortgages, credit cards and personal loans, including student loans, are managed through statistical techniques, such as credit scoring and computer-based loan models. These techniques are well suited to the identification and management of risk for portfolios that consist of a large number of relatively small transactions. Our consumer loan portfolio is well diversified to ensure that concentrations by client and product type are within acceptable limits.

Consumer loans constitute 75.7% (2004: 75.0%) of our net loan portfolio, including acceptances. These loans represent borrowers with relatively small individual loan balances. Residential mortgages, which constitute 69.4% (2004: 68.0%) of the total consumer loan portfolio, exhibit very low levels of credit risk. Consistent with our managed growth strategy for this business, residential mortgages increased by $4.6 billion from the prior year on a balance sheet basis, and by $10.3 billion or 12.2% on a managed basis(1). Our consumer loan growth strategy also produced an increase of 9.8% in the personal loan portfolio (excluding the discontinued $1.6 billion student loan portfolio). The managed credit card portfolio decreased by 8.7% due to the sale of our Juniper credit card business(1). On a balance sheet basis, the credit card portfolio decreased by 22.8% due to the net securitization of $2.3 billion of credit card receivables during the year. The discontinued student loan portfolio continued to decrease in 2005, down 24.6% from the prior year.

Loss provision from CIBC's consumer loan portfolio in 2005 was higher than anticipated due to higher than acceptable write-offs in unsecured personal lending. Management is reviewing the underlying policies, procedures and standards in order to improve performance in this area.

Business and government loans

Within the business and government loan portfolio, qualified lenders undertake a detailed assessment of credit transactions and assign internal risk ratings according to an approved methodology. All business and government loans have ratings appropriate for their businesses, which reflect probability of default of the counterparty and/or loss given default and/or probability of loss of the credit facility.

The internal risk ratings standardize the quantification of risk across portfolios, assist in monitoring the portfolio and are key inputs used in our risk-based models for the attribution of the credit risk component of economic capital. The risk ratings also affect the level of seniority of approval required.

(1) For additional information, see the "Non-GAAP measures" section.

The approval process is highly centralized, with all significant credit requests submitted to a credit risk management unit of TRM that is independent of the origination businesses. Approval authorities are well defined and are a function of the risk rating and amount of credit requested. In certain cases, credit requests must be referred to the RMC for approval.

Individual credit exposures are monitored on an ongoing basis with a full risk assessment documented not less than annually. Higher-risk accounts are subject to close monitoring and are reviewed not less than quarterly. In addition, a specialized loan workout group handles the management of the highest risk loans to minimize loss.

We diversify the business and government loan portfolio by monitoring exposures against concentration limits established for individual borrowers or groups of related borrowers, industry sectors, geographic regions and selected products and/or types of lending.

Business and government loans (including acceptances) constitute 24.3% (2004: 25.0%) of our total net credit portfolio, 0.3% higher than last year. We manage our exposure to any single name/group of related borrowers' concentrations by adhering to strict underwriting standards, loan sales and hedging activities.

The portfolio is diversified by industry, with the largest industry group, non-residential mortgages, constituting 18.9% (2004: 13.9%) of total business and government loans (including acceptances).

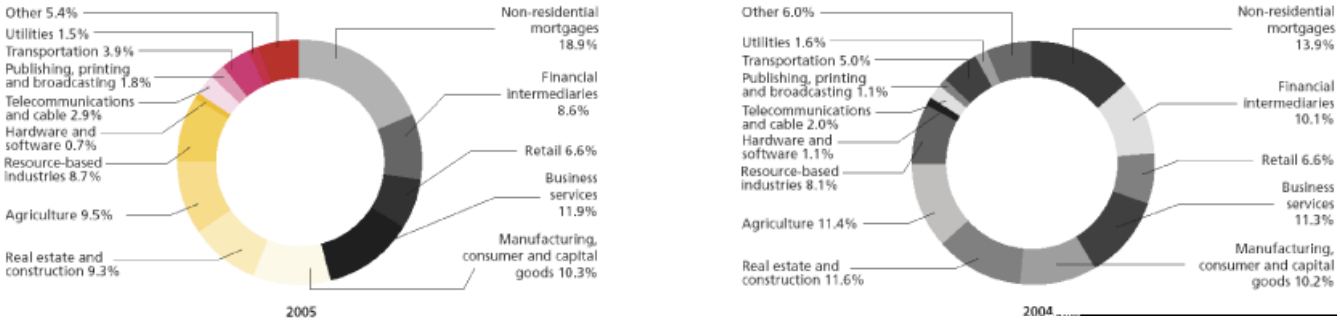
Geographically, 90.8% (2004: 90.3%) of the business and government loan portfolio is in North America, with the remaining balance predominantly in Europe, the U.K. and Asia Pacific. Country risk is the risk of doing business in or with the country and reflects economic, political, social, institutional and other risks. Country risk ratings assigned to individual countries are reviewed annually. We actively manage country risk through limits on exposures to individual countries outside of North America. These limits establish the maximum amount of acceptable country risk including its subcomponents, such as bank deposits and trade finance.

The majority of our credit risk exposure relates to the loan and acceptances portfolio. However, we also engage in activities that expose us to off-balance sheet credit risk. These include credit-related arrangements and derivative instruments, as explained in Notes 22, 24 and 25 to the consolidated financial statements. We manage these exposures through the credit risk management framework, as described above.

Credit derivatives

We are active in the credit derivatives market, both as a market maker facilitating the credit hedging needs of our clients and as a principal when managing our own credit portfolios. We are an active user of single-name credit derivatives in addition to synthetic collateralized loan obligations (CLOs) to reduce credit risk as part of managing our overall credit portfolio. Credit derivatives are used to mitigate industry sector concentrations and single-name exposure, or as part of portfolio diversification techniques.

Business and government loans (including acceptances) by industry group (1)



(1) Industry classifications provided have been summarized. For further details, see the "Supplementary annual financial information."

The largest sector concentrations hedged through these programs were oil and gas ($2.1 billion) in the resource-based industries group, financial intermediaries ($1.3 billion) and manufacturing-capital goods ($451 million). The notional amount outstanding relating to credit protection purchased (including synthetic CLOs) was $6.2 billion, as at October 31, 2005, including single-name credit derivatives of $4.0 billion.

Counterparty credit exposure

We have counterparty credit exposure that arises from our interest rate, foreign exchange, equity, commodity and credit derivatives trading, hedging and portfolio management activities. We measure and manage the credit exposure on our derivative contracts, taking into account both the current mark-to-market value of each contract, as well as a prudent estimate of potential future exposure for each transaction. This is based upon statistically driven simulation approaches and takes into account any legally enforceable risk-mitigating arrangements for each obligor, such as netting and margin. Under such an agreement, we obtain collateral from, and/or pledge collateral to, our counterparties, consisting primarily of cash or marketable securities that are revalued on a regular basis.

Our derivative credit exposure represents a variety of product types. Investment grade counterparties account for 92.5% (2004: 91.1%) of our derivative credit exposure. We actively measure and monitor our credit exposure arising from our derivative activities.

Impaired loans

While we impose a disciplined approach to risk by continuously monitoring all credit exposures, we aggressively manage all impaired accounts.

During the year, $1.7 billion of loans were newly classified as impaired, down $239 million from 2004. Overall, new Canadian classifications increased by $88 million, while new foreign classifications decreased by $327 million, of which $153 million were related to classifications in the U.S.

Reductions in gross impaired loans through remediation, repayment or sale were $861 million, down $387 million from 2004. The decrease included $335 million related to business and government loans and a $52 million decrease in consumer loans. For the year, write-offs totalled $1.0 billion, up $41 million from the prior year. Business and government loan write-offs accounted for $49 million of this increase, while consumer loan write-offs decreased by $8 million.

CHANGES IN NET IMPAIRED LOANS(1)

$ millions, as at or for the years ended October 31	**Business and government loans**	**Consumer loans**(2)	**2005 Total**	Business and government loans	Consumer loans(2)	2004 Total	Business and government loans	Consumer loans(2)	2003 Total
Gross impaired loans									
Balance at beginning of year	**$ 723**	**$ 386**	**$ 1,109**	$ 975	$ 401	$ 1,376	$ 1,864	$ 411	$ 2,275
New additions	**476**	**1,226**	**1,702**	717	1,224	1,941	1,098	1,114	2,212
Returned to performing status, repaid or sold	**(428)**	**(433)**	**(861)**	(763)	(485)	(1,248)	(1,371)	(428)	(1,799)
Gross impaired loans prior to write-offs	**771**	**1,179**	**1,950**	929	1,140	2,069	1,591	1,097	2,688
Write-offs	**(255)**	**(746)**	**(1,001)**	(206)	(754)	(960)	(616)	(696)	(1,312)
Balance at end of year	**$ 516**	**$ 433**	**$ 949**	$ 723	$ 386	$ 1,109	$ 975	$ 401	$ 1,376
Specific allowance									
Balance at beginning of year	**$ 414**	**$ 387**	**$ 801**	$ 437	$ 418	$ 855	$ 595	$ 443	$ 1,038
Write-offs	**(255)**	**(746)**	**(1,001)**	(206)	(754)	(960)	(616)	(696)	(1,312)
Provisions	**88**	**668**	**756**	86	617	703	741	552	1,293
Transfer to loans held for sale	**—**	**—**	**—**	—	—	—	(292)	—	(292)
Recoveries	**41**	**83**	**124**	109	106	215	74	108	182
Foreign exchange and other adjustments	**(8)**	**(11)**	**(19)**	(12)	—	(12)	(65)	11	(54)
Balance at end of year(3)	**$ 280**	**$ 381**	**$ 661**	$ 414	$ 387	$ 801	$ 437	$ 418	$ 855
Net impaired loans									
Balance at beginning of year	**$ 309**	**$ (1)**	**$ 308**	$ 538	$ (17)	$ 521	$ 1,269	$ (32)	$ 1,237
Net change in gross impaired	**(207)**	**47**	**(160)**	(252)	(15)	(267)	(889)	(10)	(899)
Net change in allowance	**134**	**6**	**140**	23	31	54	158	25	183
Balance at end of year(3)	**$ 236**	**$ 52**	**$ 288**	$ 309	$ (1)	$ 308	$ 538	$ (17)	$ 521
Gross impaired loans less specific allowance as a percentage of related assets(4)			**0.17%**			0.19%			0.33%

(1) Impaired loans include loans held for sale of nil (2004: nil; 2003: $58 million), loan substitute securities of nil (2004: $1 million; 2003: $30 million) and allowances for credit losses of nil (2004: $1 million; 2003: $3 million) relating to loan substitute securities.

(2) Specific allowances for large numbers of homogenous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or payment of interest is contractually 90 days in arrears.

(3) Balance excludes allowances on letters of credit totalling $2 million (2004: $2 million; 2003: $1 million).

(4) The related assets include loans, securities borrowed or purchased under resale agreements, acceptances, loan substitute securities, and loans held for sale.

Allowance for credit losses

The total allowance for credit losses consists of specific and general allowance components carried on the balance sheet.

Specific allowances are typically recorded only when loans are identified as impaired. For business and government loans, specific allowances are established through ongoing assessments of the portfolio on an account-by-account basis when impaired loans are identified. Specific allowances for consumer loans are determined by reference to historical ratios of write-offs to balances in arrears.

The general allowance provides for credit losses that are present in the credit portfolios, but which have not yet been specifically identified. The credit portfolios to which the general allowance applies include business loans and acceptances, consumer loans, and off-balance sheet credit instruments, such as credit commitments and letters of credit. The general allowance does not apply to loans or credit facilities that are impaired, as appropriate specific provisions are taken on these.

The methodology for determining the appropriate level of the general allowance reflects a number of factors, including the portfolio's size, expected loss rates associated with different credit portfolios, the relative risk profiles of the portfolios, estimates of the time periods over which losses that are present would be specifically identified and a specific provision taken, our view of current economic and portfolio trends, and evidence of credit quality improvements or deterioration. The parameters that drive the general allowance calculation are reviewed and updated quarterly, based on our experience and that of the market in general. Management reviews the resulting general allowance calculation on a quarterly basis.

Expected loss rates for business loan portfolios are based on the risk rating of each credit facility and on the probability of default factors associated with each risk rating, as well as estimates of loss given default. The probability of default factors reflects our historical experience over an economic cycle, and is supplemented by data derived from defaults in the public debt markets. Loss given default estimates are based on our experience over past years. For consumer loan portfolios, expected losses are based on our historical loss rates and aggregate balances.

As at October 31, 2005, the specific allowance for credit losses was $663 million, down $140 million from 2004. The change was the result of a decrease of $134 million in respect of the business and government loan portfolio and a decrease of $6 million in the consumer loan portfolio. The decrease in the consumer portfolio was related to credit card securitizations and the reduction in the allowance for the discontinued student loans portfolio, partially offset by increases in personal loans.

Management believes the total allowance for credit losses as at October 31, 2005, including the general allowance of $1.6 billion, was appropriate in light of the composition of the credit portfolio, as well as continued positive economic performance in our major lending markets.

Future additions to or drawdowns from the allowance will be influenced by the continuing evaluation of risks in the loan portfolio and changing economic conditions.

Provision for (recovery of) credit losses

Provision for credit losses is the amount charged to income that increases the total allowance for credit losses to a level that management considers appropriate to cover all probable credit-related losses in the portfolio, giving due regard to existing economic conditions and credit protection purchased.

Provision for credit losses charged to income was $706 million (2004: $628 million; 2003: $1,143 million). Specific provision for credit losses was $756 million (2004: $703 million; 2003: $1,293 million). Specific provision for credit losses attributable to consumer loans in 2005 increased to $668 million due to continued portfolio growth and higher loss ratios in unsecured personal loans, partially offset by securitizations and improved credit quality in credit cards. The business and government loan portfolio increased marginally reflecting an improvement in financial institutions and agriculture, offset by increases in manufacturing, real estate and resource-based industries.

The general allowance was reduced in 2005 by $50 million to $975 million, primarily due to reductions in the cards and student loan portfolios, partially offset by increases in the personal loan portfolio.

PROVISION FOR (RECOVERY OF) CREDIT LOSSES

$ millions, for the years ended October 31	**2005**	2004	2003
Canada			
Residential mortgages	**$ 7**	$ 2	$ 3
Student	**—**	(37)	—
Personal	**378**	265	170
Credit card	**282**	370	366
Total consumer loans	**667**	600	539
Non-residential mortgages	**(2)**	(4)	2
Financial institutions	**3**	3	1
Service and retail industries	**50**	45	97
Manufacturing, consumer and capital goods	**41**	31	28
Real estate and construction	**5**	(11)	(1)
Agriculture	**18**	63	35
Resource-based industries	**(3)**	(2)	4
Telecommunications, media and technology	**6**	5	(10)
Transportation	**2**	—	17
Utilities	**—**	(1)	8
Other	**2**	2	6
Total business and government loans	**122**	131	187
	789	731	726
United States			
Total consumer loans	**1**	17	13
Financial institutions	**(1)**	(1)	7
Service and retail industries	**(4)**	(5)	37
Manufacturing, consumer and capital goods	**(1)**	(16)	36
Real estate and construction	**—**	(5)	(1)
Resource-based industries	**(13)**	(29)	18
Telecommunications, media and technology	**(1)**	(26)	20
Transportation	**—**	2	7
Utilities	**—**	—	12
	(19)	(63)	149
Other countries			
Financial institutions	**(3)**	54	(1)
Service and retail industries	**(3)**	(7)	117
Real estate and construction	**—**	(3)	(3)
Agriculture	**(1)**	—	—
Resource-based industries	**—**	(9)	6
Telecommunications, media and technology	**(6)**	1	30
Utilities	**(1)**	(1)	41
	(14)	35	190
Loans held for sale portfolio	**—**	—	228
Credit losses charged to income			
Specific provision	**756**	703	1,293
General provision	**(50)**	(75)	(150)
Total credit losses charged to the consolidated statements of operations	**$ 706**	$ 628	$ 1,143
As a percentage of total net loans and acceptances	**0.48%**	0.44%	0.82%

MANAGEMENT OF MARKET RISK

Market risk arises from positions in securities and derivatives held in our trading portfolios, and from our retail banking, investment portfolios and other non-trading activities. Market risk is defined as the potential for financial loss from adverse changes in underlying market factors, including interest and foreign exchange rates, credit spreads, and equity and commodity prices.

Infrastructure

We manage market risk through an integrated internal control framework. Each business has a dedicated market risk manager, supplemented by regional risk managers located in all of our major trading centres, facilitating comprehensive risk coverage.

Data from trading systems are consolidated in a central market risk management database. We generate a daily detailed risk report and limit-monitoring summary, based on the previous day's trading. This report provides an organization-wide view of market risk and is integral to the review of risk exposure. Each day, all risk positions are monitored, and those that exceed authorized limits are promptly reported to senior management. Reports on overall compliance with risk limits are also produced and reviewed weekly.

Policies, procedures and standards

Market risk policies, procedures and standards are approved by the RMC and the CRC.

We have comprehensive policies for market risk management related to identification and measurement of the various types of market risk, and to the establishment of limits within which we manage our overall exposures. The policies explicitly state risk tolerance levels, expressed in terms of both statistically based Value-at-Risk (VaR) measures and potential worst-case stress losses.

We use a three-tiered approach to set market risk and stress limits on the amounts of risk that we can assume in our trading and non-trading activities, as follows:

- Tier 1 limits are our overall market risk and worst-case scenario limits.
- Tier 2 limits are designed to control the risk profile in each business.
- Tier 3 limits are at the desk level and designed to monitor risk concentration and the impact of book-specific stress events.

Tier 1 limits are established by the Senior Executive Team (SET) consistent with the risk tolerance policies approved by the RMC; Tier 2 and Tier 3 limits are approved at levels of management commensurate with the risk taken.

Policies also outline requirements for yield curve and valuation model construction, and align with accounting policies with respect to mark-to-market methodologies and the independent valuation of positions.

Measurement, monitoring and control

Market risk exposures are monitored daily against approved risk limits, and control processes are in place to ensure that only authorized activities are undertaken. We use several different risk measures:

- VaR, which enables the meaningful comparison of the risks in different businesses and asset classes;
- Stress testing and scenario analysis, which provide insight into portfolio behaviour under extreme circumstances; and
- Backtesting, which validates the effectiveness of risk quantification through analysis of actual and theoretical profit and loss outcomes.

Value-at-Risk

Our VaR methodology is a statistically defined, probability-based approach that uses volatilities and correlations to quantify risk in dollar terms. VaR measures the potential loss from adverse market movements that can occur overnight with less than a 1% probability of occurring under normal market conditions, based on historical data and recent market experience. VaR uses numerous risk factors as inputs and is computed through the use of historical volatility of each risk factor and the associated historical correlations among them, updated on a regular basis. Aggregate VaR is determined by the combined modelling of VaR for each of interest rate, credit spread, equity, foreign exchange and commodity risks, along with the reduction due to the portfolio effect of combining the risks.

Stress testing and scenario analysis

Stress testing and scenario analysis are designed to add insight to the possible outcomes of abnormal market conditions.

Our stress testing measures the effect on portfolio values of a wide range of extreme moves in market prices. The stress test methodology assumes that no actions are taken during the stress event to mitigate risk, reflecting the decreased liquidity that frequently accompanies market shocks.

Our scenario analysis approach simulates the impact on earnings of extreme market events up to a period of one quarter. Scenarios are developed using actual historical market data during periods of market disruption, or are based on the hypothetical occurrence of economic events, political events and natural disasters suggested and designed by economists, business leaders and risk managers.

Among the historical scenarios used were the 1987 equity market crash, the 1994 period of U.S. Federal Reserve tightening, the 1998 Russian-led crisis, and the market events following September 11, 2001. The hypothetical scenarios used include potential market crises originating in North America and Asia.

Our core stress tests and scenario analyses are run daily, and further ad hoc analysis is carried out as required. Limits are placed on the maximum acceptable loss to the aggregate portfolio under any worst-case scenario and on the impact of stress testing at the detailed portfolio level and by asset class.

Backtesting

For each of our trading portfolios, and in aggregate, the backtesting process serves to confirm that actual profit and loss outcomes are consistent with the statistical assumptions of the VaR model. This process is further enhanced through the calculation of a hypothetical or static profit and loss. This represents the theoretical change in value of the prior day's closing portfolio due to each day's price movements, on the assumption that the contents of the portfolio remained unchanged. The comparison of the daily static profit and loss with VaR is required by OSFI.

Trading activities

We hold positions in traded financial instruments to meet client investment and risk management needs, and for proprietary trading purposes. Trading revenue (net interest income or non-interest income) is generated from these transactions. Traded instruments include debt and equity securities, as well as interest rate, foreign exchange, equity, commodity, and credit derivative products. Positions are recorded at fair value.

The VaR by risk type table below shows the mix of market risks by type of risk and in aggregate. The risks are interrelated and the diversification effect reflects the reduction of risk due to portfolio effects among the trading positions. Our trading risk exposures to interest rates and credit spreads arise from activities in the global debt and derivative markets, particularly from transactions in the Canadian, U.S. and European markets. The primary instruments are government and corporate debt, and interest rate and credit derivatives. The bulk of the trading exposure to foreign exchange risk arises from transactions involving the U.S. dollar, Euro, British pound, and Japanese yen, whereas the primary risks of loss in equities are in the U.S., Canadian and European markets. Trading exposure to commodities arises primarily from transactions involving North American natural gas and oil product indices. During 2005, aggregate risk levels were generally slightly higher than in 2004, with higher levels of equity risk, partially offset by reduced foreign exchange and commodity risk. Limitations on significant directional exposure and active securities inventory management were major components in constraining risk.

VaR BY RISK TYPE — TRADING PORTFOLIO (1)

	2005				2004			
$ millions, as at or for the years ended October 31	**Year-end**	**Average**	**High**	**Low**	Year-end	Average	High	Low
Interest rate risk	**$ 3.4**	**$ 4.3**	**$ 7.4**	**$ 2.2**	$ 6.0	$ 4.4	$ 8.8	$ 2.1
Credit spread risk	**2.6**	**2.7**	**4.0**	**2.0**	2.9	2.7	5.0	2.2
Equity risk	**5.1**	**6.0**	**8.1**	**4.2**	4.7	5.2	7.4	4.3
Foreign exchange risk	**0.1**	**0.3**	**1.3**	**0.1**	0.2	0.7	2.1	0.2
Commodity risk	**1.1**	**1.3**	**2.9**	**0.8**	2.0	1.5	3.2	0.8
Diversification effect (2)	**(6.0)**	**(6.7)**	**n/m** (3)	**n/m** (3)	(7.0)	(7.2)	n/m (3)	n/m (3)
Total risk	**$ 6.3**	**$ 7.9**	**$ 9.8**	**$ 6.0**	$ 8.8	$ 7.3	$ 10.5	$ 5.4

(1) Trading portfolio is defined under CIBC policy, consistent with OSFI capital adequacy guidelines.

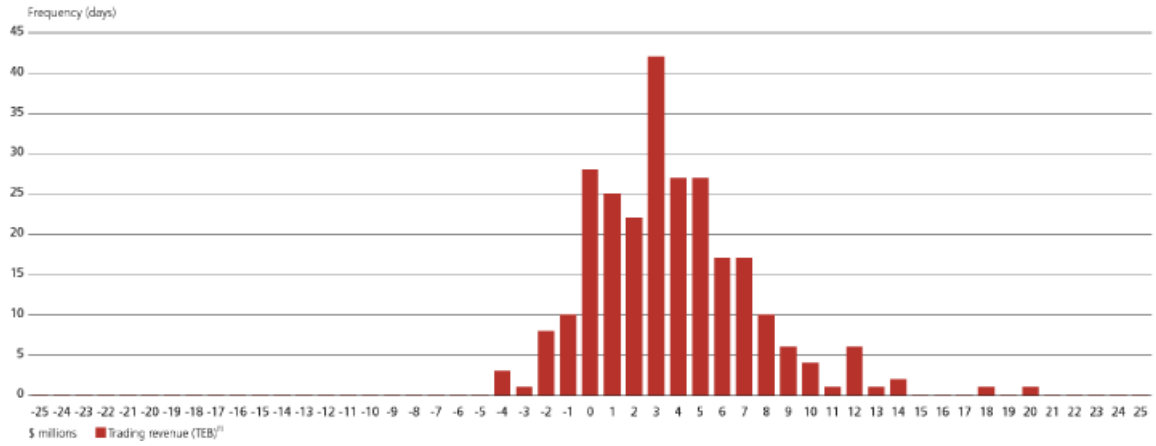
(2) Aggregate VaR is less than the sum of the VaR of the different market risk types due to risk offsets resulting from portfolio diversification effect.

(3) Not meaningful. It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

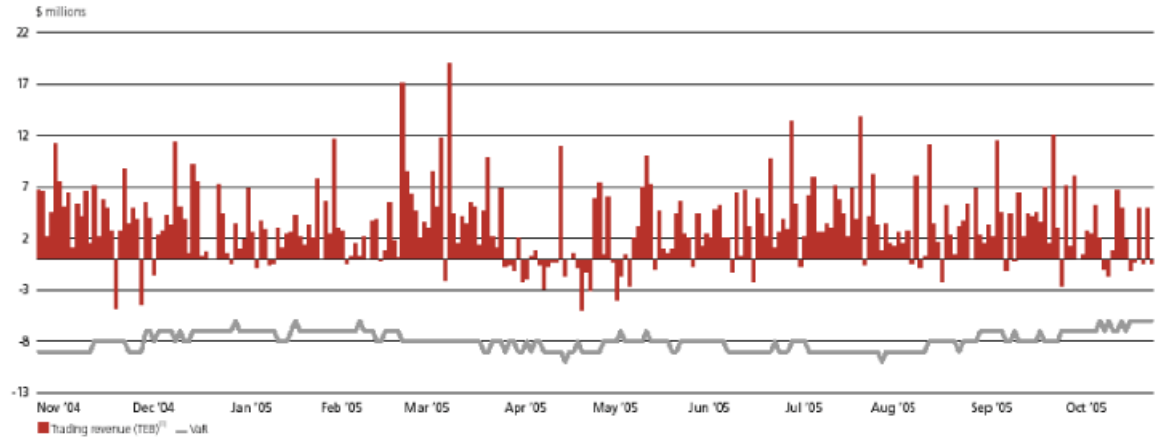
Trading revenue in 2005 was $820 million (2004: $725 million; 2003: $778 million) and trading revenue (TEB) (1) was $996 million (2004: $863 million; 2003: $896 million). The histogram below presents the frequency distribution of daily trading revenue (TEB)(1) for 2005, excluding $181 million (2004: nil) related to the consolidation of VIEs, which cannot be meaningfully allocated to specific days. Trading revenue (TEB)(1) was positive for 81% of the days in 2005, compared with 90% in 2004 and 85% in 2003. Trading losses did not exceed VaR for any day during the year. Average daily trading revenue (TEB)(1) was $3.1 million in 2005, compared with $3.5 million in 2004 and $3.7 million in 2003. The trading revenue (TEB)(1) and VaR backtesting graph below compares the 2005 actual daily trading revenue (TEB) (1) with the previous day's VaR measures.

(1) For additional information, see the "Non-GAAP measures" section.

Frequency distribution of daily 2005 trading revenue (TEB) (1)



Backtesting of trading revenue (TEB) (1) **vs. VaR**



(1) For additional information, see the "Non-GAAP measures" section.

Non-trading activities

Market risks also arise from our retail banking business, investment portfolios and other non-trading activities. We offer and originate a broad array of retail products with various market risk characteristics. Changes in market conditions, customer behaviour and competitive market pressures can have an impact on the market risk exposure and retail margins earned from these products.

Foreign exchange exposures arising from net earnings from, and investments in, foreign operations are also included in non-trading activities. Our approach to non-trading foreign exchange risk is designed to ensure this exposure is minimized.

The largest component of non-trading market risk (excluding the investment portfolios) is interest rate risk; the table below shows our non-trading interest rate VaR. During 2005, risk levels were generally higher than in 2004, with the increase due to positioning in anticipation of rising interest rates.

VaR FOR INTEREST RATE RISK — NON-TRADING PORTFOLIO

	2005				2004			
$ millions, as at or for the years ended October 31	**Year-end**	**Average**	**High**	**Low**	Year-end	Average	High	Low
Interest rate risk	**$ 29.9**	**$ 24.9**	**$ 31.8**	**$ 19.4**	$ 22.3	$ 21.8	$ 31.5	$ 14.1

Interest rate risk

Non-trading interest rate risk consists primarily of risk inherent in asset/liability management (ALM) activities and the activities of domestic and foreign subsidiaries. Interest rate risk results from differences in the maturities or repricing dates of assets and liabilities, both on- and off-balance sheet, as well as from embedded optionality in retail products. This optionality arises predominantly from the prepayment exposures of mortgage products, mortgage commitments and some GIC products with early redemption features. A variety of cash instruments and derivatives, principally interest rate swaps, futures and options, are used to manage and control these risks. Derivatives are used to modify the interest rate characteristics of related balance sheet instruments and to hedge anticipated exposures.

Our total non-trading interest rate risk exposure, as at October 31, 2005, is included in Note 15 to the consolidated financial statements. On- and off-balance sheet assets and liabilities are generally reported based on the earlier of their contractual repricing or maturity date; however, our disclosure includes the assumed interest rate sensitivity of certain assets and liabilities (including core deposits and credit card balances), reflecting how we manage interest rate risk. The interest rate position reported in Note 15 presents our risk exposure only at a point in time. Exposure can change depending on client preference for products and terms, including mortgage prepayment or other options exercised, and the nature of our management of the various and diverse portfolios that comprise the consolidated interest rate risk position.

The table below shows the potential impact of a 100 basis point increase and decrease in interest rates over the next 12 months, as adjusted for estimated prepayments:

INTEREST RATE SENSITIVITY (AFTER-TAX)

$ millions, for the years ended	**2005**	2004
100 basis points increase in interest rates		
Impact on net interest income	**$ 63**	$ 100
Impact on shareholders' equity (1)	**245**	220
100 basis points decrease in interest rates		
Impact on net interest income	**$ (32)**	$ (51)
Impact on shareholders' equity (1)	**(237)**	(213)

(1) Measured on a present value basis.

Derivatives held for ALM purposes

Derivatives are used for ALM purposes. Hedge accounting is applied to derivative hedges that satisfy specific designation, documentation and effectiveness testing requirements. When hedge accounting is applied, we modify the timing of income recognition for the derivative hedges to match the earnings recognition for the hedged item. Derivative hedges that do not qualify for hedge accounting treatments are referred to as economic hedges and are recorded at fair value on the consolidated balance sheet with changes in fair value recognized in the consolidated statements of operations. Economic hedges introduce accounting income volatility because the hedged items are recorded on a cost or amortized cost basis while the derivative hedges are carried at fair value. For economic hedges of foreign currency exposures, the impact of timing differences is reflected within non-interest income — foreign exchange other than trading. For other economic hedges, including hedges of interest rate and credit risk, changes in the fair value of derivative hedges are reported through other non-interest income, whereas income from the hedged items is reported through net interest income. The asymmetry in accounting treatment, between the derivative hedges and the hedged items, causes income volatility that is not representative of the true changes in overall risk exposures. See Notes 1, 22 and 23 to the consolidated financial statements for more details on the accounting treatment, impact and application of derivative hedges.

Investment portfolio

Non-trading equity risk arises primarily in our merchant banking activities. We have $1.4 billion (2004: $1.9 billion) in the active and strategic merchant banking portfolios as set out in the following table. Merchant banking investments are subject to oversight by the Investment Committee, as described in the "Governance" section. The active portfolio was down 18% from the prior year, primarily due to asset sales and a reduced pace of new investing. The reduction in the strategic portfolio was primarily due to the sale of shares of GPI, referenced in the "Significant events" section.

MERCHANT BANKING PORTFOLIOS

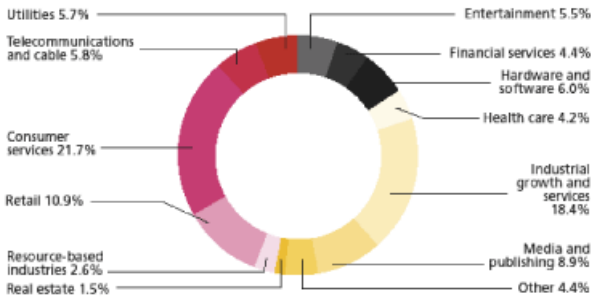
$ millions, as at October 31		Active	Strategic	Total	Fair value
2005	**Investment securities**	**$ 466**	**$ 1**	**$ 467**	**$ 595**
	Trading securities(1)	**110**	**—**	**110**	**110**
	Other assets(2)	**806**	**—**	**806**	**1,037**
		$ 1,382	**$ 1**	**$ 1,383**	**$ 1,742**
2004	Investment securities	$ 618	$ 163	$ 781	$ 1,226
	Loans	39	25	64	64
	Other assets(2)	1,028	2	1,030	1,159
		$ 1,685	$ 190	$ 1,875	$ 2,449

(1) Represents investment net of non-controlling interests in VIEs.

(2) Includes investments in limited partnerships, equity-accounted investments and derivative instruments market valuation.

The active portfolio is diversified from an industry perspective with 13 principal industry groups.

Active merchant banking portfolio industry diversification (1)



(1) The industry classifications represent those for debt and equity securities, including the underlying investees of the fund investments.

Non-exchange traded commodity derivatives

We control and manage our commodity derivatives risk through the VaR and stress testing methodologies described above. The following table indicates the fair value based upon maturity of non-exchange traded commodity contracts:

$ millions, as at October 31, 2005	Positive	Negative	Net
Maturity less than 1 year	**$ 1,244**	**$ (1,125)**	**$ 119**
Maturity 1 - 3 years	**925**	**(998)**	**(73)**
Maturity 4 - 5 years	**299**	**(386)**	**(87)**
Maturity in excess of 5 years	**18**	**(61)**	**(43)**
Gross fair value of contracts	**$ 2,486**	**$ (2,570)**	**$ (84)**

During the year, we had exposure to energy and other commodity derivatives. Wherever possible, we independently verify the fair value of the positions using third-party pricing sources. In the event that these are not available, independently approved modelling techniques or other valuation methodologies are used. The table below summarizes the sources of the fair value of the commodity exposures.

SOURCES OF FAIR VALUE OF THE NON-EXCHANGE TRADED COMMODITY DERIVATIVES

	Gross fair value of contracts					
$ millions, as at October 31	Maturity less than 1 year	Maturity 1 - 3 years	Maturity 4 - 5 years	Maturity in excess of 5 years	**2005 Total**	2004 Total
Sources of fair value						
Quoted prices from external sources	$ —	$ —	$ —	$ —	**$ —**	$ 4
Prices based upon models or other valuation methodologies	119	(73)	(87)	(43)	**(84)**	(84)
	$ 119	$ (73)	$ (87)	$ (43)	**$ (84)**	$ (80)

MANAGEMENT OF OPERATIONAL RISK

Operational risk is the loss resulting from inadequate or failed internal processes, systems, or from human error or external events.

Infrastructure

Under our integrated internal control framework, businesses have responsibility for the day-to-day management of operational risk. TRM is responsible for measuring, monitoring and controlling operational risk on an organization-wide basis and also for ensuring that businesses are managing operational risk in compliance with policies, procedures and standards that were affirmed by the RMC and the Governance and Control Committee (GCC) during 2005.

The GCC directs the management of operational risk and oversees the effectiveness of our internal control framework within the parameters and strategic objectives established by the SET. The SET is accountable to the Board and its Audit Committee and RMC for maintaining a strong internal control environment.

Our infrastructure and governance groups support the businesses in this regard by maintaining a comprehensive risk and control self-assessment process that encompasses measuring, monitoring and controlling the effectiveness of controls. The results of this self-assessment are reported to the Board, the Audit Committee, the RMC, the SET and the GCC. Our independent Internal Audit function also plays an important role in the governance process by regularly reporting to the Audit Committee, the SET and the GCC on the effectiveness of, and adherence to, internal control policies, procedures and standards.

Policies, procedures and standards

We have a comprehensive set of policies, procedures and standards that are designed to measure, monitor and control operational risk associated with people, processes and systems, and to promote a sound internal control structure. Operational risks driven by people and processes are mitigated through human resource policies and practices, and operational procedural controls, respectively. Operational risks driven by systems are managed through controls over technology development and change management.

While operational risk can be minimized through a sound internal control structure, it can never be fully eliminated. The risk of catastrophic loss is covered through risk avoidance and control programs that reduce the probability or potential severity of such losses to acceptable levels. We maintain a comprehensive corporate insurance program to protect our earnings from potential high-severity losses arising from certain criminal activity, property loss or damage, and liability exposures. We evaluate each type of coverage on the basis of a cost-benefit analysis. We also have a global business continuity plan in place to ensure that our key business functions will continue and normal operations will be restored effectively and efficiently in the event of a major disaster affecting our operations. The business continuity plan is regularly updated and tested.

Enhancing the management of reputation and legal risk continues to receive focus and is overseen by the Financial Transactions Oversight Committee.

We have in place a corporate environmental management program to ensure responsible conduct towards the environment in all activities, and to safeguard the interests of the organization and its stakeholders from all forms of environmental risk.

Regulatory risk

Regulatory risk is the risk of non-compliance with regulatory requirements. Non-compliance with these requirements may lead to regulatory sanctions and harm to CIBC's reputation.

CIBC's regulatory compliance philosophy is to manage regulatory risk through the promotion of a strong compliance culture, and the integration of sound controls within the business and infrastructure groups. The foundation of this approach is a comprehensive legislative compliance management (LCM) framework. The LCM framework maps regulatory requirements to internal policies, procedures and controls that govern regulatory compliance.

CIBC's Compliance Department is responsible for the development and maintenance of a comprehensive regulatory compliance program, including oversight of the LCM framework. The department is independent of business management, has the authority to communicate directly to the Audit Committee, and reports regularly to that committee.

Primary responsibility for compliance with all applicable regulatory requirements rests with senior management of the business and infrastructure groups, and extends to all employees. The Compliance Department's activities support those groups, with particular emphasis on those regulatory requirements that govern the relationship between CIBC and its customers. Specific activities that assist the business and infrastructure groups include communication of regulatory requirements, advice, training, testing and monitoring, and reporting and escalation of control deficiencies and regulatory risks.

Measurement, monitoring and control

We have developed and continue to enhance our operational risk measurement methodology with the objective of receiving regulatory approval to attribute operational risk capital using the Advanced Measurement Approach in respect of the Bank for International Settlements (BIS) Capital Accord proposals, effective November 1, 2007, and are utilizing them in managing operational risk at CIBC.

This measurement methodology uses historical loss information, where available, supplemented by scenario analyses, to produce loss event frequencies and severities. These loss event frequencies and severities (or combined, expected losses) are used to determine the operational risk component of economic capital that is attributed to all of our businesses, infrastructure and governance groups. In line with BIS proposals, our operational risk measurement methodology attributes operational risk capital to expected and unexpected losses arising from the following loss event types:

- Legal liability (with respect to third parties, clients and employees)
- Client restitution
- Regulatory, compliance and taxation violations
- Loss or damage to assets
- Transaction processing errors
- Theft, fraud and unauthorized activities

MANAGEMENT OF LIQUIDITY RISK

Liquidity risk arises from our general funding activities and in the course of managing our assets and liabilities. It is the risk of having insufficient cash resources to meet current financial obligations without raising funds at unfavourable prices or selling assets on a forced basis.

Our liquidity risk management strategies seek to maintain sufficient liquid financial resources to continually fund our balance sheet in all market environments.

Infrastructure

In its oversight capacity, the Board establishes the liquidity risk framework that recognizes the credit-sensitive nature of our business activities and the importance of depositor confidence. The established management framework consists of policies, limits and independent monitoring structures governing major regional funding centres and operating subsidiaries in North America, Europe and Asia. Global liquidity management within CIBC is the responsibility of TRM.

As we operate in a variety of jurisdictions and through various subsidiaries, the liquidity management framework is designed to ensure compliance with applicable regulatory restrictions and to ensure appropriate liquidity in each region and subsidiary.

Policies, procedures and standards

Our liquidity policies and standards are reviewed and approved annually by the RMC. Limits are established on net cash outflows in both Canadian dollars and foreign currencies, and minimum liquid asset inventories. Guidelines are set to ensure adequate diversification of funds. Policies, procedures and standards govern measurement requirements and define approved liquidity limits. The RMC is informed of current and prospective liquidity conditions, ongoing monitoring measures and the implementation of enhanced measurement tools.

Measurement, monitoring and control

Liquidity measurement is integral to the containment of risk exposure through the use of a prudent distribution of liability maturities, to ensure manageable net cash outflows in any given time horizon. The measurement of our liquidity reflects our estimates and judgment pertaining to the behaviour of clients under certain market conditions.

Our measurement systems provide daily monitoring of both actual and anticipated inflows and outflows of funds generated from on- and off-balance sheet exposures. These measurement systems generate detailed liquidity reports, subject to independent monitoring and review.

We maintain and periodically update a liquidity contingency plan for responding to stress events. Stress event impacts are measured through scenario analyses, performed periodically on cash flow assumptions. Scenarios are designed to measure the potential impact of abnormal market conditions on the liquidity risk profile.

Term funding sources and strategies

We manage our liquidity so that we are able to meet both short- and long-term cash requirements. Ongoing funding for current operations is managed within a set of short-term net cash outflow limits and individual depositor concentration guidelines.

Strategies include maintaining diversified sources of funding, an active program of wholesale funding term extension, asset securitization initiatives, capital and subordinated debt issuance, and maintenance of segregated pools of higher-quality liquid assets that can be sold or pledged as security to provide a ready source of cash. Collectively, these strategies result in lower short-term wholesale funding needs.

Planning for funding requirements under liquidity stress events includes liquidity stress modelling. By stressing our balance sheet under various liquidity event scenarios, we can plan responses that

ensure the availability of sufficient funds without having to access wholesale markets for additional funding for a specified period.

We obtain funding through wholesale and retail sources. Access to wholesale funding sources, and the cost of that funding, are dependent on various factors, including credit ratings.

Following the announcement of our Enron settlement on August 2, 2005, our credit ratings were reviewed by each of the monitoring rating agencies. Moody's Investors Service, Standard & Poor's Ratings Services and Fitch Ratings all affirmed our short- and long-term ratings. Standard & Poor's revised its outlook on our ratings from "stable" to "negative." Dominion Bond Rating Service (DBRS) downgraded our long-term rating by one notch while confirming our short-term rating. Moody's, Fitch and DBRS all affirmed a "stable" outlook on our credit ratings, while Moody's lowered its outlook on our Bank Financial Strength Rating from "stable" to "negative." The impact of the rating reviews has resulted in a marginal increase in the cost of our long-term wholesale funding.

Consistent with liquidity risk mitigation strategies, we continue to source term funding in the wholesale markets from a variety of clients and geographic locations, borrowing across a range of maturities using a mix of funding instruments. We use derivative instruments in the management of liquidity risk and funding to help achieve our desired interest rate risk profile.

Core personal deposits remain a prime source of dependable retail funding for the balance sheet. As at October 31, 2005, Canadian dollar deposits from individuals totalled $69.6 billion (2004: $67.5 billion).

We have historically securitized various financial assets, including credit card receivables and guaranteed residential mortgages. For further discussion of our off-balance sheet arrangements and contractual obligations affecting liquidity and funding, see the "Off-balance sheet arrangements and contractual obligations" section.

We also address potential liquidity risk exposure through the maintenance of segregated term-funded pools of unencumbered high-quality liquid assets. These liquid assets may be sold or pledged to secure borrowings to provide a readily available cash resource. The following table summarizes our liquid assets:

LIQUID ASSETS

$ billions, as at October 31	2005	2004
Cash	**$ 0.9**	$ 1.0
Deposits with banks	**11.0**	11.2
Securities	**54.6**	54.4
Securities borrowed or purchased under resale agreements	**18.5**	18.2
Total liquid assets	**$ 85.0**	$ 84.8

In the course of our regular business activities, certain assets are pledged as part of collateral management, including those necessary for day-to-day clearing and settlement of payments and securities. Pledged assets as at October 31, 2005 totalled $15.2 billion (2004: $15.7 billion). An organization-wide pledging policy has been implemented and includes consolidated aggregate net maximum pledge limits for financial and non-financial assets.

Liquidity of our major subsidiaries is continually evaluated, factoring in foreign jurisdiction regulatory restrictions, and operational, tax, economic and other business impediments relating to the movement of funds between subsidiaries and the domestically regulated parent bank. This enables us to manage and minimize the existence of pockets of "trapped liquidity."

We consider our liquidity profile to be sound and there are no known trends, demands, commitments, events or uncertainties that are likely to materially change our current liquidity position.

MANAGEMENT OF CAPITAL RESOURCES

Capital resources comprise common and preferred shareholders' equity, preferred share liabilities and subordinated debt. Capital is managed in accordance with our own capital policies and OSFI guidelines.

Being a strongly capitalized bank protects our depositors and creditors from risks inherent in our business, allows us to absorb unexpected losses and enables us to take advantage of attractive business opportunities. It also enables us to maintain a favourable credit standing, facilitating the raising of capital and funding on attractive terms.

Infrastructure

TRM is responsible for managing capital in our legal entities, as well as in the consolidated bank, and for ensuring that we remain well capitalized.

Policies, procedures and standards

Policies and associated guidelines are approved annually by the Board, and are intended to balance the need to be well capitalized and to maintain a cost-effective capital structure.

Management of capital resources

Consistent with our policies and guidelines, we continually rebalance our capital by redeeming and refinancing preferred shares and debentures. Overall, the mix of capital instruments has normally not been materially different from year to year. However, this year our retained earnings were reduced by $2.1 billion from 2004, primarily due to the Enron-related litigation provision and the premium on repurchase of common shares. With the introduction of new accounting standards, certain preferred share structures, for example, those with a holder's option to convert to common shares, may be gradually replaced by alternative capital instruments, such as trust preferred securities or perpetual preferred shares with no conversion features.

The following were the main capital initiatives undertaken in 2005:

Share repurchase program

Under the terms of a normal course issuer bid, which commenced on December 24, 2004, we purchased and cancelled approximately 16.2 million common shares during the period ended October 31, 2005 at an average price of $72.64, representing an aggregate consideration of $1.2 billion. We have determined that no further purchases will be made under this issuer bid, which expires on December 23, 2005.

Issuance

- Common shares: Pursuant to stock option plans, 2.9 million new common shares were issued for a total consideration of $134 million for the year ended October 31, 2005.
- Preferred shares: Over the course of the year, on three conversion dates, 13.2 million Class A Series 28 Preferred Shares, with a par value of $10 per share, were converted into Class A Series 29 Preferred Shares, together with the exercise of the same number of Series 29 Purchase Warrants and the receipt of $15 per Warrant, resulting in the creation of 13.2 million Class A Series 29 Preferred Shares with a par value of $25 each, and a total capital value for the Class A Series 29 Preferred Shares of $331 million. The total paid up share capital of the converted Series 28 Preferred Shares was correspondingly reduced by $133 million. On March 10, 2005, we issued 16 million 4.80% Non-cumulative Class A Series 30 Preferred Shares, at a price of $25 per share, for a total consideration of $400 million.
- Subordinated indebtedness: On September 9, 2005, we issued $1.3 billion principal amount of 3.75% Debentures due September 9, 2015.

Redemptions/maturities

- Subordinated indebtedness: On May 12, 2005, our 8.55% Debentures due May 12, 2005, matured for their outstanding principal amount of $1 million. The 8.55% Debentures were initially issued in 1995 for $70 million, and on May 12, 2001, $69 million was converted to 8.55% Deposit Notes due May 12, 2005, which also matured on that date. In June 2005, we repurchased for cancellation US$16 million of our Floating Rate Debenture Notes due 2084 and US$16 million of our Floating Rate Subordinated Capital Debentures due 2085. On August 22, 2005, our 8.65% Debentures due August 22, 2005, matured for their outstanding principal amount of $24 million. The 8.65% Debentures were initially issued in 1995 for $200 million, and on August 22, 2001, $176 million was converted to 8.65% Deposit Notes due August 22, 2005, which also matured on that date. Subsequent to the year-end, we announced our intention to redeem all of our outstanding 7.40% Debentures due January 31, 2011, in accordance with their terms on January 31, 2006, for their outstanding principal amount of $250 million, plus unpaid interest accrued to the redemption date.

- Preferred share liabilities: On August 2, 2005, we redeemed (a) all eight million of the Class A Series 21 Preferred Shares at a price of $26 per share including a redemption premium of $1.00 per share, for an aggregate consideration of $208 million and (b) all four million of the Class A Series 22 Preferred Shares at a price of US$26 per share including a redemption premium of US$1.00 per share, for an aggregate consideration of US$104 million. On October 31, 2005, we redeemed all four million of the Class A Series 20 Preferred Shares at a price of US$25.50 per share including a redemption premium of US$0.50 per share, for an aggregate consideration of US$102 million.
- Preferred shares: On November 25, 2005, we announced our offer to repurchase for cancellation all outstanding Class A Series 28 Preferred Shares at a price of $10.00 per share. The offer will remain open for acceptance for a minimum period of one year and will expire on the earlier of June 17, 2009 or the date the offer is withdrawn by CIBC.

Dividends

Common and preferred share dividends are declared quarterly at the discretion of the Board. Our common share dividend policy is reviewed periodically and approved by the Board. From the end of 2004, we increased our quarterly common share dividend from $0.60 per share to $0.68 per share. The declaration and payment of dividends is also governed by Section 79 of the Bank Act (Canada) as explained in Note 14 to the consolidated financial statements.

Measurement, monitoring and control
Regulatory capital

Regulatory capital requirements are determined in accordance with guidelines issued by OSFI. Total regulatory capital is the sum of Tier 1 and Tier 2 capital less certain deductions.

The components of our regulatory capital are shown in the table below. Tier 1 capital decreased by $2.3 billion during 2005, primarily due to lower retained earnings which were the result of the higher provision for Enron-related litigation matters. Tier 2 capital increased by $1.7 billion during 2005, primarily due to the net effect of issuance and redemptions of subordinated indebtedness. Including the effect of prescribed adjustments to regulatory capital, our total regulatory capital decreased by $114 million during 2005.

REGULATORY CAPITAL

$ millions, as at October 31	**2005**	2004	2003
Tier 1 capital			
Common shares(1)	**$ 2,935**	$ 2,929	$ 2,950
Contributed surplus	**58**	59	50
Foreign currency translation adjustments	**(327)**	(376)	(180)
Retained earnings	**5,667**	7,745	7,601
Non-cumulative preferred shares(2)	**2,472**	2,826	3,132
Certain non-controlling interests in subsidiaries	**27**	39	21
Goodwill	**(946)**	(1,055)	(1,045)
	9,886	12,167	12,529
Tier 2 capital			
Perpetual debentures	**377**	428	488
Preferred shares — other(3)	**509**	—	225
Other debentures (net of amortization)	**4,725**	3,435	2,621
General allowance for credit losses(4)	**975**	1,015	1,018
	6,586	4,878	4,352
Total Tier 1 and Tier 2 capital	**16,472**	17,045	16,881
Securitization-related deductions	**(45)**	(308)	(299)
Investments in unconsolidated subsidiaries and other substantial investments	**(1,656)**	(1,852)	(1,417)
Total capital available for regulatory purposes	**$ 14,771**	$ 14,885	$ 15,165

(1) Does not include hedge-related trading short positions of $17 million (2004: $40 million; 2003: nil) in CIBC common shares.

(2) Includes non-cumulative preferred shares totalling $600 million (2004: $1,043 million; 2003: $1,707 million) that are redeemable by the holders and as such, are shown as preferred liabilities on the consolidated balance sheets pursuant to adoption of the amendments to the CICA handbook section, "Financial Instruments — Disclosure and Presentation." For further details, see Note 1 to the consolidated financial statements.

(3) Represents the amount of non-cumulative preferred shares in excess of 25% of Tier 1 capital.

(4) The amount of general allowance for credit losses eligible for inclusion in Tier 2 capital is the lesser of the total general allowance or 0.875% of risk-weighted assets.

Risk-weighted assets

Risk-weighted assets arising from credit risk are calculated by applying the weighting factors specified in OSFI guidelines to on-balance sheet assets and off-balance sheet instruments. Risk-weighted assets reflecting market risk in the trading portfolio are calculated based on our VaR simulation models approved by OSFI.

RISK-WEIGHTED ASSETS

$ millions, as at October 31	2005 Amount	Risk-weighted amounts 2005	2004	2003
On-balance sheet assets				
Cash and deposits with banks	**$ 11,852**	**$ 788**	$ 1,111	$ 804
Securities issued or guaranteed by Canada, provinces, municipalities, OECD banks and governments	**36,082**	**154**	176	253
Other securities	**31,682**	**3,059**	2,594	3,611
Securities borrowed or purchased under resale agreements	**18,514**	**551**	850	957
Loans to or guaranteed by Canada, provinces, territories, municipalities, OECD banks and governments	**3,173**	**244**	199	292
Mortgage loans	**83,862**	**27,939**	28,430	25,356
Other loans	**54,748**	**54,070**	56,534	54,657
Acceptances	**5,119**	**4,422**	4,010	4,348
Other assets	**35,338**	**6,886**	6,649	8,641
Total on-balance sheet assets	**$ 280,370**	**$ 98,113**	$100,553	$ 98,919
Off-balance sheet instruments				
Credit-related arrangements				
Lines of credit	**55,247**	**6,828**	3,780	4,677
Guarantees and letters of credit	**6,858**	**2,973**	3,128	4,456
Securities lending(1)(2)	**45,817**	**141**	234	190
Other	**414**	**411**	541	357
	108,336	**10,353**	7,683	9,680
Derivatives	**1,143,880**	**4,320**	3,665	5,128
Total off-balance sheet instruments	**$1,252,216**	**$ 14,673**	$ 11,348	$ 14,808
Total risk-weighted assets before adjustments for market risk		**$112,786**	$111,901	$113,727
Add: market risk for trading activity (3)		**3,491**	4,049	2,613
Total risk-weighted assets		**$116,277**	$115,950	$116,340

(1) Includes the full contract amount of custodial client securities totalling $30.3 billion (2004: $21.7 billion) lent by CIBC Mellon Global Securities Services, which is a 50/50 joint venture between CIBC and Mellon Financial Corp.

(2) Securities lending of $2.5 billion (2004: $3.8 billion) for cash is excluded from the table above because it is reported on the consolidated balance sheets as obligations related to securities lent or sold under repurchase agreements.

(3) Under the BIS 1998 Capital Accord, trading assets are subject to market risk calculations. Loans in trading books are not included in market risk calculations consistent with OSFI's Capital Adequacy Requirements.

Regulatory capital ratios

CIBC's ratios are well in excess of OSFI's target Tier 1 and total capital ratios of 7% and 10%, respectively. The capital ratio targets presented in "Balanced scorecard" (see page 6 of this Annual Accountability Report) were established in accordance with our capital policies.

CAPITAL RATIOS AND ASSETS-TO-CAPITAL MULTIPLE

As at October 31	2005	2004	2003
Tier 1 capital	**8.5%**	10.5%	10.8%
Total capital	**12.7**	12.8	13.0
Assets-to-capital multiple	**18.4**x	17.9x	17.6x

Basel II Capital Accord

Bank regulators, under the auspices of the Basel Committee on Banking Supervision, have introduced new rules for the calculation of regulatory capital that enhance risk measurement and sensitivity to on- and off-balance sheet activities. These changes will bring regulatory capital into closer alignment with economic capital, that is, the capital required to support the underlying risk of the asset or activity. Regulatory capital will, for the first time, include a charge for operational risk. In addition, the new rules will permit wider discretion by bank regulators to increase or decrease capital requirements in line with the circumstances of individual banks. The new rules will require greater transparency of risk management information intrinsic to underlying risks and capital adequacy. The domestic implementation framework and timetable have been established by OSFI. This timetable requires banks to be in compliance with, and operate under, the new framework from November 1, 2007. In this regard, we are making the appropriate enhancements to risk management and financial information systems and operations.

Outstanding share data

			Conversion for common shares	
	Shares outstanding			
As at November 25, 2005	No. of shares	$ millions	CIBC's conversion date	Shareholders' conversion date
Class A Preferred Shares				
Series 18	12,000,000	$ 300	not convertible	not convertible
Series 19(1)	8,000,000	200	April 30, 2008	April 30, 2013
Series 23(1)	16,000,000	400	October 31, 2007	July 31, 2011
Series 24	16,000,000	400	January 31, 2007	not convertible
Series 25	16,000,000	400	July 31, 2007	not convertible
Series 26	10,000,000	250	April 30, 2008	not convertible
Series 27	12,000,000	300	October 31, 2008	not convertible
Series 28	17,658	—(2)	not convertible	not convertible
Series 29	13,232,342	331	May 1, 2010	not convertible
Series 30	16,000,000	400	not convertible	not convertible
Common shares(3)	334,140,332	$ 2,957		

(1) Reclassified to liability pursuant to adoption of the Canadian Institute of Chartered Accountants (CICA) handbook section "Financial Instruments — Disclosure and Presentation," on November 1, 2004.

(2) Due to rounding.

(3) Includes treasury shares outstanding as at October 31, 2005.

Each series of Class A Preferred Shares, except as noted in the table above, provides CIBC and the shareholders with the right to convert the shares to CIBC common shares on or after a specified conversion date. Each share is convertible into a number of common shares determined by dividing the then applicable cash redemption price by 95% of the average common share price (as defined in the short form prospectus or prospectus supplement), subject to a minimum price of $2.00 per share. Where shareholders exercise their conversion right, we have the right, subject to OSFI's consent, to elect to redeem for cash any shares tendered for conversion or to arrange for their cash sale to another purchaser.

Off-Balance Sheet Arrangements and Contractual Obligations

OFF-BALANCE SHEET ARRANGEMENTS

We enter into several types of off-balance sheet arrangements in the normal course of our business. These off-balance sheet arrangements include VIEs, derivatives, credit-related arrangements and guarantees.

Variable interest entities

VIEs are used for securitizing our own assets or third-party assets. VIEs are an important part of the financial markets, providing market liquidity by facilitating investors' access to specific portfolios of assets and risks. VIEs may be formed as corporations, partnerships, limited liability companies or trusts. In a securitization, an entity transfers assets to a VIE in exchange for cash. A VIE may also buy certain pre-defined assets for cash in the marketplace (where the seller may at times be CIBC). The VIE will fund these purchases by issuing ownership interests and debt securities in the form of commercial paper and other evidence of indebtedness to third-party investors. VIEs can be structured to be bankruptcy remote, thereby insulating investors from the impact of the creditors of other entities, including the asset seller. Investors can benefit from, and may have recourse to, the VIE assets, such as a cash collateral account and over-collateralization in the form of excess assets, a liquidity facility or a guarantee facility. Accordingly, the VIE may obtain a more favourable credit rating from rating agencies than the transferor could obtain for its own debt issuance, resulting in lower financing costs.

Securitization of our own assets

Securitization of our own assets provides us with an additional source of liquidity. It may also reduce our risk exposure and provide regulatory capital relief. Securitizations are accounted for as asset sales only when we surrender control of the transferred assets and receive consideration other than beneficial interests in the transferred assets. Accounting standards require a determination to be made as to whether the VIE should be consolidated into our financial statements. Where the criteria for allowing recognition of the securitization as a sale of assets and for non-consolidation for financial reporting purposes are met, we record the sale. When such asset sales occur, we may retain residual components of the securitized assets, such as interest-only strips, one or more senior or subordinated tranches of debt and cash reserve accounts, all of which are considered retained interests in the securitized assets. We periodically review the carrying value of retained interest for impairment, and when a decline in value is identified that is other-than-temporary, the affected carrying amount is written down to its fair value. We continue to service all securitized assets after transfer.

SECURITIZED ASSETS

$ millions, as at or for the years ended October 31	**2005**	2004
Securitized assets outstanding	**$ 21,600**	$ 15,100
Retained interest(1)	**573**	349
Securitization revenue(2)	**362**	191

(1) 2004 does not include $63 million carrying value of retained interest for Juniper due to its impending disposition in December 2004.

(2) Includes gain on sale of securitized assets of $50 million (2004: $52 million).

Credit card receivables

Credit card receivables are securitized through trusts which are established to purchase the receivables with the proceeds of securities issued by the trust. We sell receivables to the trusts on a non-recourse basis but continue to maintain credit card client account relationships and provide servicing for receivables sold to the trusts. Our credit card securitizations are revolving securitizations, with new credit card receivables sold to the trusts each period to replenish receivable amounts as clients repay their balances. We retain some risk of loss with respect to the receivables held by the trusts to the extent of our retained interest. These trusts meet the criteria for a Qualifying Special Purpose Entity (QSPE) pursuant to the CICA Accounting Guideline (AcG) 12, "Transfers of Receivables," and, accordingly, we are precluded from consolidating these trusts.

In Canada, trusts are established to purchase credit card receivables from CIBC. We are one of several underwriters that distribute securities issued by the trusts. As at October 31, 2005, total assets in the trusts were $4.1 billion (2004: $1.7 billion), all of which secured senior and subordinated notes that had been sold to investors, except for $192 million (2004: $92 million) of subordinated notes which we hold. In addition, we retained seller interests in the trust in the form of interest-only strips, representing future excess spreads, that arose from the calculation of gain or loss at the time assets were sold to the trusts.

In the U.S., prior to the disposition of Juniper, we sold credit card receivables through a bankruptcy-remote corporation to a trust that was established to purchase the receivables via trust-issued securities. We provided credit enhancement to the trust by retaining a subordinated interest in the trust, funding cash reserve accounts and subordinating our accrued interest receivable. Third-party underwriters sponsor facilities that purchase certificates from the trust. These purchased securities are combined with larger pools of third parties' securitized assets from which securities are issued to investors. Upon disposition of Juniper, our arrangement and relationship with the securitization trust ceased.

CREDIT CARDS SECURITIZED

$ millions, for the years ended	2005	2004
Securitized and sold	**$ 2,345(1)**	$ 1,551
Net cash proceeds	**2,345(1)**	1,552
Retained interest	**210**	163
Gain on sale, net of transaction costs	**18**	—(2)
Securitization revenue	**244**	92

(1) Net of $350 million related to the wind-down of a previous securitization.

(2) Not significant.

Residential mortgage loans

We securitize certain fixed- and variable-rate residential mortgage loans through the creation of mortgage-backed securities. Substantially all of the securities are sold through the Canada Mortgage Bond Program, sponsored by Canada Mortgage and Housing Corporation, to a trust that issues securities to investors. We maintain the client account relationships and continue to service the securitized loans. There are no expected credit losses on the securitized loans as they are guaranteed. We also enter into swap arrangements with the trust to receive monthly cash flows from the securitized assets and pay non-amortizing bond cash flows with fixed interest payments and principal at maturity. Cash flows from the swap arrangements relating to principal repayments on the securitized assets are used to purchase replacement assets for the trust. As at October 31, 2005, outstanding securitized residential mortgage loans were $17.5 billion (2004: $11.8 billion) and retained interest amounted to $264 million (2004: $231 million).

RESIDENTIAL MORTGAGES SECURITIZED

$ millions, for the years ended	2005	2004
Securitized	**$ 10,178**	$ 7,900
Sold	**7,876**	7,327
Net cash proceeds	**7,842**	7,282
Retained interest	**170**	153
Securitization revenue(1)	**98**	96
Other non-interest income	**43**	29

(1) Includes gain on sale, net of transaction costs, of $32 million (2004: $52 million).

Commercial mortgage loans

We have also securitized commercial mortgage loans in prior years and retain some risk of loss from these securitizations to the extent of our retained interest. As at October 31, 2005, there were no outstanding securitized commercial mortgage loans (2004: $100 million) and retained interest (2004: $11 million). During the year, we recorded $2 million (2004: $3 million) in securitization revenue from the securitized commercial mortgage loans.

For additional details of our securitization activities involving our own assets and the sensitivity analysis on the retained interest, see Note 6 to the consolidated financial statements.

Securitization of third-party assets

We administer several VIEs in Canada that purchase pools of third-party financial assets, such as collateralized debt obligations (CDOs), mortgages, trade receivables, loans and credit cards. These VIEs are commonly referred to as multi-seller conduits. These conduits provide third parties with access to liquidity in the debt capital markets by allowing them to sell assets to the conduits, which fund the purchases through the issue of commercial paper or other notes to investors. Third parties that transfer assets to the conduits may continue to service the assets and may be exposed to credit losses realized on these assets, typically through the provision of over-collateralization or other retained interest. We have no ownership interests in these conduits. The conduits may obtain credit enhancement from third-party providers. We may provide commercial paper back-stop liquidity facilities, credit enhancements, securities distribution, accounting, cash management and operations services. We may be required to provide funding under the liquidity facilities in the event that funding for such conduits becomes unavailable in the debt market. We are not required to fund under the liquidity facilities to the extent that the assets in the conduits are in default. We may also act as the counterparty to derivative contracts entered into by the conduits in order to convert the yield of the underlying assets to match the needs of the conduits' investors or to limit or change the interest rate risk of the conduit. All fees earned in respect of these activities are on a market basis.

We also act as an administrator or financial advisor to conduits that purchase clients' financial assets.

In addition, we may provide liquidity facilities together with other financial institutions, hold notes in, and act as counterparty to derivative contracts entered into by third-party administered conduits.

Although actual losses are not expected to be material, as at October 31, 2005, our maximum exposure to loss as a result of involvement with these conduits was approximately $14.8 billion (2004: $17.0 billion). For this purpose, maximum exposure to loss is considered to be the amount of liquidity facilities, credit enhancements and investments in these conduits.

We act as structuring and placement agent for certain asset-backed investment vehicles, known as CDOs. We receive market-rate fees for these activities. In addition, we may lend to, or invest in, the debt or equity tranches of these CDOs, and may act as counterparty to derivative contracts. In a number of transactions structured on behalf of clients, we first purchase the collateral at their request and warehouse them until the CDO transaction is completed. CIBC or a third-party manager typically manages the CDO's collateral, which generally consists of rated debt securities, on behalf of equity and debt investors. Any net income or loss is allocated to the CDO's equity investors; further losses, if any, are

allocated to the debt investors in reverse order of seniority. The creditors of the CDOs have

no recourse to our general credit. Although actual losses are not expected to be material, as at October 31, 2005, our maximum exposure to loss as a result of involvement with the CDOs was approximately $418 million (2004: $485 million). For this purpose, maximum exposure to loss is considered to be the amount of liquidity facilities provided to, and investments in, the CDOs.

For the year ended October 31, 2005, revenue from all of the above activities amounted to approximately $24 million (2004: $41 million).

Other financial transactions

We provide a wide range of financial products, including structured notes and other financial instruments, for institutional and private banking clients, including VIEs as counterparties, as well as retail clients. These financial products are created, from time to time, using a VIE as issuer or obligor of the financial products. We may provide certain administrative services and other financial facilities to the VIEs in exchange for market-rate compensation. In all cases, we would have nominal or no ownership interest in such VIEs.

We are the sponsor of several mutual and pooled funds, in the form of trusts. We are the administrator of these funds. In addition, we may act in other capacities, including custodian, trustee and broker. We earn fees at market rates from these trusts. We do not guarantee either principal or returns to investors in these funds, except in very limited circumstances.

We act as a trustee of a number of personal trusts and have a fiduciary responsibility to act in the best interests of the beneficiaries of the trusts. We earn a fee for acting as a trustee.

We participate in transactions to modify the cash flows of trusts managed by third-party asset managers to create investments with specific risk profiles, or to assist clients in the efficient management of other risks. Typically, these involve the use of derivative products, which transfer the risks and returns to or from a trust.

Derivatives

We use derivatives for both trading and ALM. For further details, see Note 22 to the consolidated financial statements. In addition, Note 1 to the consolidated financial statements explains how we account for both trading and ALM derivatives.

Credit-related arrangements

The table below summarizes our credit-related arrangements. For a detailed description of these arrangements, see Note 24 to the consolidated financial statements.

CREDIT-RELATED ARRANGEMENTS

	Contract amounts expiration per period					
$ millions, as at October 31	Less than 1 year	1 - 3 years	4 - 5 years	Over 5 years	**2005 Total**	2004 Total
Lines of credit(1)	$ 44,730	$ 3,727	$ 6,098	$ 692	**$ 55,247**	$ 52,970
Securities lending(2)(3)	45,817	—	—	—	**45,817**	33,813
Financial guarantees and standby letters of credit	3,736	581	1,096	1,309	**6,722**	6,999
Documentary and commercial letters of credit	134	—	—	2	**136**	182
Other(4)	414	—	—	—	**414**	568
	$ 94,831	$ 4,308	$ 7,194	$ 2,003	**$108,336**	$ 94,532

(1) Includes irrevocable lines of credit totalling $39.1 billion (2004: $39.6 billion), of which $28.6 billion (2004: $31.2 billion) will expire in one year or less, and excludes personal lines of credit and credit card lines, as the lines are short-term in nature and are revocable at our discretion.

(2) Includes the full contract amount of custodial client securities totalling $30.3 billion (2004: $21.7 billion) lent by CIBC Mellon Global Securities Services, which is a 50/50 joint venture between CIBC and Mellon Financial Corp.

(3) Securities lending of $2.5 billion (2004: $3.8 billion) for cash is excluded from the table above because it is reported on the consolidated balance sheets as obligations related to securities lent or sold under repurchase agreements.

(4) Includes forward asset purchases.

Guarantees

Guarantees include contracts that contingently require the guarantor to make payments to a guaranteed party based on (a) changes in an underlying economic characteristic that is related to an asset, liability or an equity security of the guaranteed party; (b) failure of another party to perform under an obligating agreement; or (c) failure of another third party to pay its indebtedness when due. For a detailed description of guarantees, see Note 24 to the consolidated financial statements.

CONTRACTUAL OBLIGATIONS

The following table includes aggregated information about our contractual obligations:

CONTRACTUAL OBLIGATIONS(1)(2)

$ millions, as at October 31, 2005	Less than 1 year	1-3 years	3-5 years	Over 5 years	**Total**
Subordinated indebtedness	$ —	$ —	$ —	$ 5,102	**$ 5,102**
Investment commitments(3)	471	—	—	—	**471**
Operating leases	328	523	393	1,050	**2,294**
Purchase obligations(4)	597	705	300	49	**1,651**
Deposits(5)	147,604	29,283	11,013	4,834	**192,734**
Pension contributions(6)	154	—	—	—	**154**
	$149,154	$30,511	$11,706	$11,035	**$202,406**

(1) Includes obligations that are enforceable and legally binding on CIBC.

(2) Excluded from the table are a number of obligations to be settled in cash, primarily under one year. These obligations are reflected on our consolidated balance sheets and include: securities lent or sold under repurchase agreements; securities sold short; purchases of debt and equity instruments that settle within standard market timeframes (e.g. regular way); derivatives payable that do not require physical delivery of the underlying instrument; and certain purchases of instruments that result in settlement failures.

(3) As an investor in merchant banking activities, we enter into commitments to fund external private equity funds and investments in equity and debt securities at market value at the time the commitments are drawn. As the timing of future investment commitments is non-specific and callable by the counterparty, obligations have been included as less than one year.

(4) Obligations that are legally binding agreements whereby we agree to purchase products or services with specific minimum or baseline quantities defined at fixed, minimum or variable prices over a specified period of time are defined as purchase obligations. Purchase obligations are included through to the termination date specified in the respective agreements, even if the contract is renewable. Many of the purchase agreements for goods and services include clauses that would allow CIBC to cancel the agreement prior to expiration of the contract within a specific notice period. However, the amount above includes CIBC's obligations without regard to such termination clauses (unless actual notice of CIBC's intention to terminate the agreement has been communicated to the counterparty).

(5) As the timing of deposits payable on demand, and deposits payable after notice, is non-specific and callable by the depositor, obligations have been included as less than one year.

(6) Subject to change since contribution decisions are affected by various factors, such as market performance, regulatory requirements, and management's ability to change funding policy. Also, funding requirements after 2006 are excluded due to the significant variability in the assumptions required to project the timing of future cash flows.

Other

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A summary of significant accounting policies is presented in Note 1 to the consolidated financial statements. Certain accounting policies are critical to understanding the results of operations and the financial condition of CIBC. These critical accounting policies require management to make certain judgments and estimates, some of which may relate to matters that are uncertain. Changes in these judgments and estimates could have a material impact on our financial results and financial condition. Management has established control procedures which are intended to ensure that accounting policies are applied consistently and that the processes for changing methodologies are well controlled and occur in an appropriate and systematic manner. Details of our critical accounting policies that require management's judgment and estimates are described below.

Valuation of financial instruments

Certain of our financial instruments (including debt and equity trading securities, certain investment securities and derivative contracts) require management to make judgments and estimates in the determination of the valuation for such instruments, as there is often limited market information.

We have a number of control procedures in place to ensure that valuations involving estimates and judgments are appropriate.

Trading instruments

Our trading instruments include debt and equity trading securities, obligations related to securities sold short and derivative contracts traded over-the-counter or through exchanges.

All trading instruments are carried at fair value, which is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between knowledgeable and willing parties, under no compulsion to act, carried out in the normal course of business. Fair value is based on quoted market prices for the same instrument or for similar instruments, adjusted for any difference in terms. If a market price is not available, the fair value is estimated on the basis of valuation models. The table below summarizes our trading portfolios by valuation methodology as at October 31, 2005.

Valuation models may incorporate multiple observable market inputs, including interest rates, foreign currency rates, equity and equivalent synthetic instrument prices, index levels, credit spreads, counterparty credit quality, corresponding market volatility levels, and other market-based pricing factors, as well as any appropriate, highly correlated proxy market valuation data.

SOURCES OF FAIR VALUE

	Trading assets		Trading liabilities	
	Securities purchased[1]	Derivatives[2]	Securities sold[3]	Derivatives[2]
Fair value[4] based on:				
Quoted market prices	97.8%	3.7%	100.0%	4.7%
Internal models with significant observable market parameters	1.6	95.4	—	94.0
Internal models with significant unobservable market parameters	0.6	0.9	—	1.3
Total	100.0%	100.0%	100.0%	100.0%

(1) Reflected as trading securities on the consolidated balance sheets.

(2) Reflected as derivative instruments market valuation on the consolidated balance sheets.

(3) Reflected as obligations related to securities sold short on the consolidated balance sheets.

(4) Inception revenue arising from marking to market embedded derivatives in equity-linked notes is recognized over ther term of the issued notes. As at October 31, 2005, the unamortized inception revenue is $85 million. These equity-linked notes are non-trading liabilities and therefore are not included in the analysis.

If the fair value of a derivative is not determinable based upon quoted market prices in an active market, and a suitable market proxy is not available, the transaction price would be considered to be the best indicator of market value, such that any gains or losses would be recognized only in future periods. Such gains or losses are recognized in income when the market quote or data become observable or through various appropriate methods over the life of the transaction.

To ensure that valuations are appropriate, a number of policies and controls have been put in place. Independent validation of fair value is performed at least on a monthly basis. Valuations are verified to external sources such as exchange quotes, broker quotes or other management-approved independent pricing sources. Key model inputs, such as yield curves and volatilities, are independently verified. Valuation models used, including analytics for the construction of yield curves and volatility surfaces, are vetted and approved, consistent with our model risk policy.

Management's judgment is applied in the establishment of valuation adjustments that take into account various factors that may

have an impact on the valuation. Such factors include, but are not limited to, the bid-offer spread, illiquidity due to lack of market depth, parameter uncertainty and other market risks, model risk, credit risk and future administration costs.

Investment securities

Our investment securities include debt and equity securities over which we have no significant influence and retained interest in securitized assets.

Equity investment securities are stated at cost, and debt investment securities and retained interest in securitized assets at amortized cost. They are subject to ongoing impairment reviews and are adjusted to reflect other-than-temporary declines in value. Factors that are reviewed for impairment assessment include, but are not limited to, operating performance and future expectations, liquidity and capital adequacy, external credit ratings, underlying asset quality deterioration, management changes, industry valuation levels for comparable public companies, and any changes in market and economic outlook. Realized gains and losses on disposal and write-downs to reflect other-than-temporary impairments in value are recognized in investment securities gains (losses).

Allowance for credit losses

Management establishes and maintains an allowance for credit losses that it considers the best estimate of probable credit-related losses existing in our portfolio of on- and off-balance sheet financial instruments, giving due regard to current conditions. The allowance for credit losses consists of specific and general components. Our allowance for credit losses is based on management's assessment of probabilities of default, internal risk ratings (based on the borrowers' financial stability, external credit ratings, management strength, earnings and operating environment), expected loss and recovery rates, and the degree of risk inherent in the loan portfolios.

Consumer loans

Management evaluates homogeneous loan portfolios (including residential mortgages, and personal and credit card and certain small business loan portfolios) for specific allowances by reference to historical ratios of write-offs to balances in arrears. Further analysis and evaluation of the allowance is performed to account for the aging of the portfolios, along with the impact of economic trends and conditions.

Business and government loans

For portfolios of large individual loans, management establishes specific allowances against impaired loans based on continuous monitoring. A loan is classified as impaired when management is of the opinion that there is no longer a reasonable assurance of the full and timely collection of principal and interest. Impaired loans are carried at their estimated net realizable value determined by discounting the expected future cash flows at the interest rate inherent in the loan. When the amount and timing of future cash flows cannot be estimated reliably, the impaired loan is carried at either the fair value of the security underlying the loan or the fair value of the loan.

General allowance

The general allowance is based on expected loss rates associated with different credit portfolios and the estimated time period for losses that are present but yet to be specifically identified to become evident, adjusted for management's view of the current and ongoing economic and portfolio trends. The credit portfolios to which the general allowance applies include business loans and acceptances, consumer loans, and off-balance sheet credit instruments, such as credit commitments and letters of credit. The methodology for determining the appropriate level of the general allowance reflects a number of factors, including the portfolios' size, expected loss rates associated with different credit portfolios, the relative risk profiles of the portfolios, estimates of the time periods over which losses that are present would be specifically identified and a specific provision taken, management's view of current economic and portfolio trends, and evidence of credit quality improvements or deterioration. On a regular basis, the parameters that drive the general allowance calculation are updated, based on our experience and that of the market in general.

Expected loss rates for business loan portfolios are based on the risk rating of each credit facility and on the probability of default factors associated with each risk rating, as well as estimates of loss given default. The probability of default factors reflect our historical experience over an economic cycle, and is supplemented by data derived from defaults in the public debt markets. Loss given default estimates are based on our experience over past years. For consumer loan portfolios, expected losses are based on our historical loss rates and aggregate balances. As at October 31, 2005, our model indicated a range of outcomes for the general allowance between $584 million and $1,033 million. The general allowance of $975 million, which represents our best estimate of losses inherent in our loan portfolios, was selected from within the range based on a qualitative analysis of the economic environment and the risk profile of the loan portfolios.

For a further discussion of the methodologies used in establishing our allowance for credit losses, see the "Management of credit risk" section. For details of the allowance for credit losses, see Note 4 to the consolidated financial statements.

Securitizations and variable interest entities

We periodically transfer groups of loans or receivables to VIEs that issue securities to investors. These investors are entitled to a return of cash flows, based on the principal and interest provided by the group of loans or receivables transferred. This process is referred to as securitization.

Securitizations are accounted for as sales when we surrender control of the transferred assets and receive consideration other than beneficial interests in the transferred assets.

Gains or losses on transfers accounted for as sales depend, in part, upon the allocation of previous carrying amounts to assets sold and retained interest. These carrying amounts are allocated in proportion to the relative fair value of the assets sold and the retained interest. As market prices are generally not available for retained interest, we estimate fair value based on the present value of expected future cash flows. This requires management to estimate expected future cash flows, which incorporate expected credit losses, scheduled payment and prepayment rates, discount rates and other factors that influence the value of retained interest.

There are two key accounting determinations to be made relating to securitizations. First, accounting rules require a determination to be made as to whether a transfer of a group of loans or receivables should be considered a sale or a secured borrowing for accounting purposes. Second, if considered a sale, a further decision is required as to whether a securitization VIE should be consolidated into our financial statements. If the activities of the VIE are sufficiently restricted to meet certain accounting requirements for it to be considered a QSPE, the entity is not consolidated under the requirements of the CICA AcG-15, "Consolidation of Variable Interest Entities."

On November 1, 2004, we adopted AcG-15, which provides guidance on applying consolidation principles to certain entities (other than QSPEs) that are subject to control on a basis other than ownership of voting interests. We had to exercise judgment in applying AcG-15 to determine which VIEs required consolidation under AcG-15 through identification of our variable interests and comparing them with other variable interests held by unrelated parties to determine if we were exposed to a majority of each of these entities' expected losses or expected residual returns as defined under AcG-15. In applying the guidance for AcG-15, we consolidated certain VIEs in which we determined that we were exposed to a majority of the expected losses or residual returns. For additional details, see Note 6 to the consolidated financial statements.

In applying the above noted guidelines for sale accounting and VIE consolidations, we have determined that all our securitizations qualify as sales and the related VIEs are not consolidated because they are QSPEs or we are not the primary beneficiary under AcG-15.

We also administer several VIEs that purchase pools of third-party financial assets and are involved in other financial transactions involving VIEs.

For additional information on our securitizations, including key economic assumptions used in measuring the fair value of retained interest and the sensitivity of the changes to those assumptions, see the "Off-balance sheet arrangements" section and Note 6 to the consolidated financial statements.

Asset impairment

Goodwill, other intangible assets and long-lived assets

Goodwill and other intangible assets with an indefinite life are subject to at least an annual assessment for impairment by applying a fair value-based test. An impairment loss is recognized to the extent that, at the reporting unit level, the carrying amount of goodwill exceeds the implied fair value. An acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. Determining the useful lives of intangible assets requires judgment and fact-based analysis.

As at October 31, 2005, we had goodwill of $946 million (including $864 million allocated to retail brokerage and asset management under CIBC Retail Markets) and other intangible assets with an indefinite life amounting to $116 million, which are substantially related to business acquisitions made in previous years. The fair value of the reporting units and intangible assets with an indefinite life are derived from internally and externally developed valuation models, using a market or income approach. Under a market approach, the models consider various factors, including normalized earnings, projected forward earnings, price earnings multiples and book to market multiples. Under an income approach, the models consider various factors, including projected cash flows, terminal growth values and discount rates.

Management uses judgment to estimate the fair value of the reporting units and intangible assets with an indefinite life. Imprecise estimates can affect the value reported for goodwill and other intangible assets with an indefinite life. If we were to change the key assumptions in these models adversely by 20% as at October 31, 2005, there would still be no impairment in our goodwill and other intangible assets with an indefinite life. For details of goodwill and other intangible assets, see Note 8 to the consolidated financial statements.

In addition, we review for impairment our long-lived assets and other identifiable intangibles with a definite life whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. In performing the review for recoverability, management estimates the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized. Measurement of an impairment loss for long-lived assets and other identifiable intangibles would be based on the fair value of the asset.

Income taxes

Management uses judgment in the estimation of income taxes and future income tax assets and liabilities. As part of the process of preparing our consolidated financial statements, we are required to estimate income taxes in each of the jurisdictions where we operate.

This process involves estimating actual current tax exposure, together with assessing temporary differences that result from the different treatments of items for tax and accounting purposes, and any tax loss carryforwards.

As at October 31, 2005, we had available future income tax assets in excess of future income tax liabilities of $1.1 billion before a valuation allowance of $125 million. A substantial portion of our tax loss carryforwards originated from our U.S. operations. Under U.S. tax law, income tax loss carryforwards expire in 20 years from origination and capital loss carryforwards expire in five years from origination. In addition, as other future income tax assets naturally reverse into tax losses in the U.S., we will have five to 20 years from the date such temporary differences become tax losses to use them before they would begin to expire under current tax law.

Management is required to assess whether it is more likely than not that future income tax assets will be realized prior to their expiration and, based on all the available evidence, determine if a valuation allowance is required on all or a portion of our future income tax assets. The factors used to assess the likelihood of realization are our past experience of income and capital gains, forecast of future net income before taxes, available tax planning strategies that could be implemented to realize the net future income tax assets and the remaining expiration period of tax loss carryforwards. We carry a valuation allowance of $125 million (2004: $201 million) related to a future income tax asset from our U.S. operations, primarily as a result of the effect of the acceleration of our loan sale program, a reduction in the investment securities portfolio and reduced interest income from a prolonged period of lower interest rates. Although realization is not assured, management believes, based on all the available evidence, it is more likely than not that the remaining future income tax assets will be realized prior to their expiration; our analysis indicates that they will be realized in three to five years. The amount of the future income tax asset considered realizable, however, could be reduced in the future if forecasted income and capital gains during the carryforward period is further reduced. Factors that may adversely affect our ability to achieve sufficient forecasted taxable income include, but are not limited to, a deterioration of capital and credit markets, loss of market share and higher expense levels, including litigation provisions.

For details of our income taxes, see Note 19 to the consolidated financial statements.

Contingent liabilities

CIBC is a party to a number of legal proceedings, including regulatory investigations, in the ordinary course of its business. In certain of these matters, claims for substantial monetary damages are asserted against CIBC and its subsidiaries. In accordance with Canadian GAAP, amounts are accrued for the financial resolution of claims if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In some cases, however, it is either not possible to determine whether such a liability has been incurred or to reasonably estimate the amount of loss until the case is closer to resolution, in which case no accrual can be made until that time. If the reasonable estimate of loss involves a range within which a particular amount appears to be a better estimate, that amount would be accrued. If no such better estimate within a range is indicated, the minimum amount in the range is required to be accrued. We regularly assess the adequacy of CIBC's contingent liabilities accrual and make the necessary adjustments to incorporate new information as it becomes available. Adjustments to the accrual in any quarter may be material in situations where significant new information becomes available. While there exists an inherent difficulty in predicting the outcome of such matters, based on current knowledge and consultation with legal counsel, we do not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on our consolidated financial position. However, the outcome of any such matters, individually or in aggregate, may be material to our operating results for a particular year. For further details, see Note 24 to the consolidated financial statements.

Employee future benefit assumptions

We are the sponsor of defined benefit pension and post-retirement benefit plans for eligible employees. The pension and post-retirement benefit expense and obligations are dependent upon assumptions used in calculating such amounts. These assumptions include discount rates, projected salary increases, expected return on assets, health care cost trend rates, turnover of employees, retirement age and mortality rates. These assumptions are reviewed annually in accordance with accepted actuarial practice and approved by management. The discount rate assumption used in determining pension and post-retirement benefit obligations and net benefit expense reflects the market yields, as of the measurement date, on high-quality debt instruments with cash flows that match expected benefit payments. The expected rate of return on the plan assets assumption is based on expected returns for the various asset classes, weighted by portfolio allocation. Anticipated future long-term performance of individual asset categories is considered, reflecting expected future inflation and expected real yields on fixed-income securities and equities. Other assumptions are based on actual plan experience and management's best estimates.

In accordance with Canadian GAAP, actual results that differ from the assumptions are accumulated and amortized over future periods and, therefore, generally affect recognized expense and the recorded obligation in future periods. As at October 31, 2005, the net amount of the unamortized actuarial losses was $1,053 million (2004: $860 million) in respect of the pension plans and $252 million (2004: $124 million) in respect of the other benefit plans.

Our approach to managing our benefit plans is based upon a comprehensive framework to ensure that benefit plans are properly governed, managed and operated in each region. The framework is built upon an effective system that holds its decision-makers accountable for results under changing conditions. These plans are funded to or above the amounts required by relevant legislation. During 2005, we contributed $231 million (2004: $309 million) to the pension plans, which included $114 million (2004: $193 million) above the minimum required. For the year ended October 31, 2005, pension expense was $173 million (2004: $145 million). The post-retirement benefit plans are unfunded. CIBC funds benefit payments as incurred. For 2005, these benefit payments totalled $15 million (2004: $14 million). The long-term disability plan is funded through a health and welfare trust. During the year, we contributed $3 million (2004: $23 million) to this trust. Effective June 1, 2004, this plan was closed to new claims.

For further details on our annual pension and post-retirement expense and liability, see Note 18 to the consolidated financial statements.

For our Canadian plans, which represent greater than 90% of our pension and post-retirement benefit plans, the assumptions approved by management for the 2006 expense calculation include applying a discount rate of 5.25% for pension and post-retirement benefit plans and an expected long-term rate of return on plan assets of 6.50% for the defined benefit pension plan. These assumptions reflect the downward trend in market yields and represent a 1.00% to 1.25% decrease from the discount rate used to measure the 2005 expense and a 0.50% reduction in the expected long-term rate of return on assets used for the 2005 expense determination. The aggregate impact of these changes on expense recognition for 2006 is expected to be an increase of $78 million for the defined benefit pension plans and $15 million for the post-retirement benefit plan.

Actual future experience different from that assumed or future changes in assumptions may affect our pension and other post-retirement benefit obligations and future expense. The following table outlines the potential impact of changes in certain key assumptions used in measuring the accrued benefit obligations and related expenses:

2005 SENSITIVITY OF KEY ASSUMPTIONS

	Pension benefit plans		Other benefit plans	
$ millions	Obligation	Expense	Obligation	Expense
Impact of a change of 0.5% in key assumptions:				
Discount rate				
Decrease in assumption	**$ 229**	**$ 29**	**$ 59**	**$ 3**
Increase in assumption	**(206)**	**(27)**	**(52)**	**(2)**
Expected long-term rate of return on plan assets				
Decrease in assumption	**n/a**	**13**	**n/a**	**1**
Increase in assumption	**n/a**	**(13)**	**n/a**	**(1)**
Rate of compensation increase				
Decrease in assumption	**(66)**	**(14)**	**(1)**	**—**
Increase in assumption	**71**	**14**	**2**	**—**

The sensitivity analysis contained in this table should be used with caution as the changes are hypothetical and the impact of changes in each key assumption may not be linear.

FINANCIAL AND OTHER INSTRUMENTS

As a leading North American financial institution that offers a broad range of products and services across retail banking, wealth management and investment banking, CIBC originates, manages and trades financial and other instruments on a routine basis while generating earnings through net interest, trading, investment and other fee income.

Types of financial instruments involved include deposits, securities, loans, financial derivatives, acceptances, repurchase agreements, subordinated debt and preferred shares. Other instruments include commodity contracts. See Notes 3, 4, 5, 10, 12, 13, 14, 22, 23, 24 and 25 to the consolidated financial statements for details on these instruments.

Financial and other instruments are used for both trading and non-trading activities.

Trading activities include the purchase and sale of securities, and transacting in foreign exchange and other derivative instruments in the course of facilitating client trades and taking proprietary trading positions. We take limited proprietary trading positions in the interest rate, foreign exchange, debt, equity and commodity markets, with the objective of income generation through taking advantage of market pricing inefficiencies or by correctly anticipating future changes in these markets.

Non-trading activities generally include the business of lending, long-term investing, funding and ALM.

Lending activities involve the origination of multiple types of loans including personal, business, government, credit card and mortgages for the generation of interest as well as fee income.

Instruments held for investment comprise debt and equity securities originally purchased with the intention of holding for a period of time and which may be sold in response to changes in investment objectives arising from changing market conditions or due to funding and liquidity considerations.

In addition, to provide for funding needs for CIBC, financial instruments, such as deposits, subordinated debt and preferred shares, are taken or issued.

Securitization of our own financial assets, such as mortgages and credit card receivables, provides us with another source of funding. Securitization may also reduce our risk exposure and provide regulatory capital relief. See Note 6 to the consolidated financial statements for details on securitizations.

Derivatives, such as swaps, futures, forward rate agreements and option contracts, are utilized for trading or ALM purposes. When used for ALM purposes, these instruments are used for hedging activities or to modify characteristics of certain on-balance sheet assets and liabilities, and as hedges of firm commitments of anticipated transactions and net investment in foreign operations.

The usage of financial and other instruments may either introduce or mitigate exposures to market, credit and/or liquidity risks. See the "Management of risk" section for details on how these risks are managed.

Financial and other instruments are accounted for according to their purpose. Trading securities and trading derivatives are recorded at fair value in the consolidated financial statements. Investment securities are accounted for on a cost or an amortized cost basis, and adjusted to reflect other-than-temporary declines in value, on the consolidated balance sheets. Derivatives in effective hedge relationships are accounted for within the consolidated statements of operations in the same manner as the underlying financial instrument for which risk is being hedged. Derivatives that do not qualify for hedge accounting but are retained for economic hedging purposes are recorded at fair value on the consolidated balance sheets with changes in fair value recognized in other non-interest income or foreign exchange other than trading, as appropriate. Income and expenses arising from financial and other instruments are generally recorded within interest income, interest expense and/or non-interest income.

For significant assumptions made in determining the valuation of financial and other instruments, see the "Critical accounting policies and estimates" section.

REGULATORY DEVELOPMENTS

Our principal regulators include the federal, provincial and territorial governments in Canada, as well as the governments of the U.S. and other countries where we conduct business. Our activities are also regulated by securities regulators, such as the Canadian Securities Administrators (CSA) and the SEC; stock exchanges, such as the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE); and various self-regulatory organizations. Important regulatory developments which affected us in 2005 are described below.

Corporate governance

Canadian and U.S. regulators continued to propose and adopt new laws relating to corporate governance and director and officer accountability.

During 2005, the CSA adopted guidelines on corporate governance standards and implemented rules requiring disclosure of corporate governance practices. In addition, many of the provincial securities regulators, through the CSA, proposed rules regarding management reporting on internal control over financial reporting. These proposed rules are derived from section 404 of the Sarbanes-Oxley Act (SOX) in the U.S., including the SEC's implementing rules. For the second year, we are voluntarily including in our Annual Accountability Report our management's report on internal control over financial reporting and an attestation by our external auditors regarding management's report.

The NYSE issued amendments to its corporate governance rules. These amendments strengthened director and audit committee independence standards and provided for additional corporate governance disclosure.

The Government of Canada proposed new financial services legislation that will amend the corporate governance framework for Canada's federally regulated financial institutions, including banks. These proposals better align this framework to the framework applicable to other federally regulated companies and include provisions to clarify the role of directors and enhance the rights of shareholders.

Bank Act review

The Bank Act (Canada) is the federal legislation governing how banks operate in Canada. The Bank Act is reviewed and updated periodically, along with other financial services legislation, usually every five years. The last major revision of the Bank Act was completed in 2001.

As part of its 2005 budget, the federal government announced the launch of a consultation process seeking input on how the Bank Act can be amended to enhance the interests of consumers, increase regulatory efficiency and adapt to new developments. We are participating in this consultation process. The review of the Bank Act is scheduled to be completed by October 2006.

Securities laws

Effective December 31, 2005, the Government of Ontario will proclaim into force amendments to the Securities Act (Ontario) that introduce civil liability for secondary market disclosure.

Basel II

The Basel Committee on Banking Supervision has provided guidance for changes to bank capital requirements for implementation by regulators in Canada and other jurisdictions. We are working on the implementation of these changes. For additional details, see the "Management of capital resources" section.

ACCOUNTING DEVELOPMENTS

Changes in accounting policies

Variable interest entities

On November 1, 2004, we adopted the CICA AcG-15, "Consolidation of Variable Interest Entities," which provides a framework for identifying a VIE and requires a primary beneficiary to consolidate a VIE. A primary beneficiary is the enterprise that absorbs a majority of the VIE's expected losses or receives a majority of the VIE's expected residual returns, or both.

We were considered the primary beneficiary of VIEs with total assets of approximately $2.6 billion as at November 1, 2004. The consolidation of these VIEs resulted in an increase to assets and liabilities of approximately $2.5 billion as at November 1, 2004. This change in accounting policy resulted in an after-tax credit to opening retained earnings of $10 million ($21 million pre-tax) as at November 1, 2004, representing the difference between the net amount added to the consolidated balance sheet and the amount of any previously recognized interest in the newly consolidated entities. We were also considered the primary beneficiary of certain compensation trusts with assets of approximately $420 million as at November 1, 2004.

Additional considerations regarding the guideline are detailed in Note 6 to the consolidated financial statements.

Liabilities and equity

On November 1, 2004, we retroactively adopted the amendments to the CICA handbook section, "Financial Instruments — Disclosure and Presentation." The amended standard requires that preferred shares that are convertible into a variable number of common shares at the option of the holder be presented as liabilities rather than as equity, and dividend payments and premium on redemptions arising from such preferred shares be treated as interest expense within the consolidated statements of operations. The impact of the change is detailed in Note 1 to the consolidated financial statements.

Future accounting policy changes

Financial instruments

In January 2005, the CICA issued new accounting standards comprising handbook sections 3855 "Financial Instruments — Recognition and Measurement," 3865 "Hedges," 1530 "Comprehensive Income," and 3251 "Equity," which will become effective for CIBC beginning November 1, 2006.

These standards provide guidance on the recognition, measurement and classification of financial assets, financial liabilities and non-financial derivatives. All financial assets, including derivatives, will be measured at fair value with the exception of loans, receivables and investments intended to be held to maturity, which should be measured at amortized cost.

The new standards also establish the accounting requirement on hedges. Any hedge ineffectiveness will be recognized immediately to income.

Other comprehensive income will be included on the consolidated balance sheets as a separate component of shareholders' equity.

The changes in carrying value of financial instruments as a result of adopting these new standards will be recognized in beginning retained earnings in the period of adoption. We are currently evaluating the impact of adopting these standards.

For further details, see Note 29 to the consolidated financial statements.

RELATED-PARTY TRANSACTIONS

In the ordinary course of business, we provide normal banking services to and enter into contractual arrangements and other transactions with affiliated companies on terms similar to those offered to non-related parties. Loans, at varied rates and terms, are made to directors and senior officers.

For further details, see Note 21 to the consolidated financial statements.

CONTROLS AND PROCEDURES

Disclosure controls and procedures

CIBC's management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of CIBC's disclosure controls and procedures (as defined in the rules of the SEC and the CSA) and has concluded that such disclosure controls and procedures are effective.

Management's annual report on internal control over financial reporting

The following report is provided by management in respect of CIBC's internal control over financial reporting (as defined in the rules of the SEC and the CSA):

(1) CIBC's management is responsible for establishing and maintaining adequate internal control over financial reporting for CIBC.

(2) CIBC's management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of CIBC's internal control over financial reporting. Management believes that the COSO framework is a suitable framework for its evaluation of CIBC's internal control over financial reporting because it is free from bias, permits reasonably consistent qualitative and quantitative measurements of CIBC's internal controls, is sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of CIBC's internal controls are not omitted and is relevant to an evaluation of internal control over financial reporting.

(3) Management has assessed the effectiveness of CIBC's internal control over financial reporting, as at October 31, 2005, and has concluded that such internal control over financial reporting is effective. There are no material weaknesses in CIBC's internal control over financial reporting that have been identified by management.

(4) Ernst & Young LLP, who has audited the consolidated financial statements of CIBC for the year ended October 31, 2005, has also issued a report on financial statements and internal controls under Auditing Standard No. 2 of the Public Company Accounting Oversight Board (United States). This report is located on page 97 of this Annual Accountability Report.

Changes in internal control over financial reporting

There have been no changes in CIBC's internal control over financial reporting during the year ended October 31, 2005, that have materially affected, or are reasonably likely to materially affect its internal control over financial reporting.

Exhibit B.3(d): Other Pages of 2005 Annual Accountability Report incorporated in Annual Information Form

- **"CIBC at a Glance" pages 10-15**
- **"Public Accountability Statement" pages 16-35**
- **"Principal Subsidiaries" page 152**
- **"Supplementary Annual Information" pages 153-163**
- **"Governance" pages 165-168**
- **"Transfer Agent and registrar" page 191**

CIBC Retail Markets

Strategy

CIBC's goal is to develop strong and loyal relationships with our clients by delivering integrated solutions that satisfy their financial needs.

We intend to leverage the strength we have built in advice-based distribution in our retail and wealth businesses to grow our franchise and to provide comprehensive solutions to our clients.

We will also focus on delivering a consistent client experience.

During the year, CIBC adopted a new reporting structure. CIBC Retail Markets now comprises our retail markets, wealth management and cards businesses.

Priorities

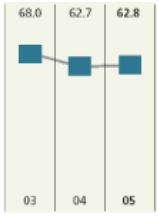
- **Grow our business by building strong relationships with our clients**
- **Increase productivity and operational effectiveness**
- **Improve the credit quality of our retail portfolio**

Measures

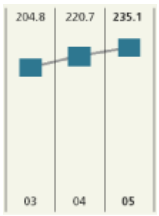
- **Client satisfaction**
- **Product market share**
- **Funds managed**
- **Credit quality**

Operating Highlights

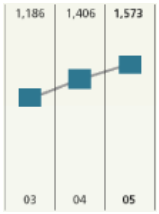
Efficiency ratio
(%)



Total funds managed
($ billions)



Net income
($ millions)



CIBC Retail Markets

Putting clients first We are focused on developing stronger client relationships by addressing our clients' needs more fully at every life stage.

CIBC provides a broad range of product solutions tailored to meet our clients' financial needs through highly skilled employees and several delivery alternatives.

This year we introduced the CIBC Financial HealthCheck™, which helps clients understand their current situation, identify their financial goals and then provides practical recommendations on how these goals can be achieved.

At CIBC, we offer expertise that is customized to each client's individual objectives.

CIBC Imperial Service offers advice and solutions that meet the investment, credit and day-to-day banking needs of our clients.

CIBC Wood Gundy offers clients a one-to-one advisory relationship for customized and sophisticated investment solutions that leverage global market opportunities.

CIBC Private Wealth Management offers clients customized investment management, private banking and estate planning solutions in Canada, as well as in the Caribbean and Asia.

To improve service delivery, CIBC Retail Markets extended branch hours this year in a number of urban centres across Canada, expanded automated telephone banking for our Mandarin- and Cantonese-speaking clients to 24/7 service in parts of southern Ontario and British Columbia and continued implementing a branch revitalization program to upgrade our branch network.

We enhanced our ability to meet the borrowing needs of Canadian homeowners through the CIBC Home Power™ Plan, which brings together a line of credit and a mortgage to give clients more flexibility.

We are focused on helping our clients realize their financial goals by delivering competitive investment products tailored to meet specific client investment needs. We enhanced our fee-based product offer to give clients broader access to leading investment managers with proven track records. We added a new monthly pay feature for our non-registered, 5-year CIBC Bonus Rate GIC™, which suits clients looking for long-term investments providing interest income. In addition, CIBC's new succession planning program helps protect small business owners as they prepare for the transfer of their business upon retirement.

Our retail and wealth businesses worked closely with our partners in CIBC World Markets to launch new, structured products that meet the needs of clients seeking equity-linked returns with guaranteed principal.

Our focus on developing specialized products, strong advisory capabilities and comprehensive planning expertise in financial matters enables us to build deeper relationships with our clients, meet their financial needs more fully and help our clients achieve the goals that matter the most to them.

For more financial information see **MD&A** *pages 37 – 93*

Helping our people excel

Great people, who can build strong relationships and provide an exceptional client experience, are key to our business success.

CIBC Retail Markets at-a-glance

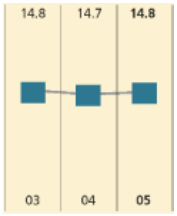
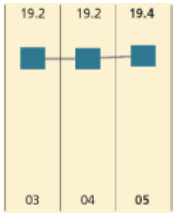
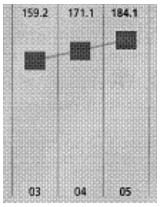
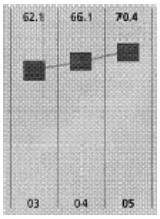
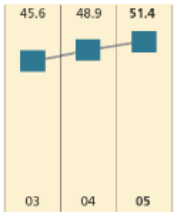
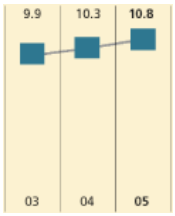
Areas of business

	Focus	Priorities
Retail Markets • *Personal and small business banking* • *Imperial Service* • *Mortgages and personal lending*	Our goals in retail markets are to deepen our relationships with our clients by meeting more of their financial needs and to leverage our leadership in branch-based advice by extending our CIBC Imperial Service offer to more of our affluent clients.	• Focus on a relationship-based client approach • Extend our CIBC Imperial Service client experience to more of our affluent clients • Provide high-quality and consistent client service delivery • Improve credit quality • Increase productivity
Wealth Management • *Retail brokerage* • *Asset management*	Our strategy centres on building leadership in advice-based distribution; to deliver market- leading product solutions to best meet client needs across life stages, levels of affluence and channel preferences; and to leverage scale to maximize market share and attain operating efficiencies.	• Maintain a leadership position in full-service brokerage • Continued focus on growth in fee-based business • Grow managed asset solutions featuring open architecture • Solid and consistent investment performance • Increase productivity
Cards	Doing what matters for our clients is our primary objective. We will continue to earn the loyalty of our clients by providing a superior client experience and credit card products that fit their individual needs.	• Build a consistent and meaningful client experience and reinvent products to meet clients' needs • Maintain our #1 share position in outstandings and purchase volume • Increase productivity

Our employees understand our strategic goals and the integral role they play in achieving them. We provide them the tools, incentives and support required to assist them in delivering a high-quality client experience. We also continue to provide support and development opportunities to help our employees succeed.

We continued to focus on the accreditation and skills of our advisory sales force, supporting the Certified Financial Planner™ certification of our CIBC Imperial Service advisors and providing leadership training for our top CIBC Wood Gundy advisors.

Generating financial results CIBC Retail Markets delivered solid results this year. Continued low and stable interest rates led to volume growth across all business lines. Strong capital markets helped achieve overall asset appreciation and generate growth in fee-based equity and new issue revenue in our brokerage businesses.

Measures	Operating Highlights			
• Client satisfaction • Product market share • Funds managed per advisor • Credit quality	**Residential mortgages market share** (%)		**Deposits market share** (%)	
• Client satisfaction • Assets under administration per advisor • Product market share • Investment performance	**Assets under administration** ($ billions)		**Assets under management** ($ billions)	
• Client satisfaction • Market position	**Card purchase volumes** ($ billions)		**Card loans administered** ($ billions)	

CIBC World Markets

Strategy

CIBC World Markets' strategy is to strengthen and expand our core client base and to generate consistent earnings by developing and delivering innovative products and services, while continuing to improve productivity. We are committed to maintaining and evolving our governance and control discipline that we have refined over the past several years. While we will continue to have differentiated approaches to each region, we will also collaborate to leverage the expertise of the entire CIBC franchise.

Priorities

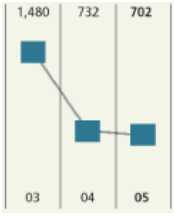
- **Generate steady returns through focusing on core clients**
- **Sustain our governance discipline to manage financial as well as reputation and legal risks**
- **Develop products and services to address our clients' evolving needs and changing market conditions**
- **Increase credit in support of core client franchise**
- **Further reduce our merchant banking portfolio**

Measures

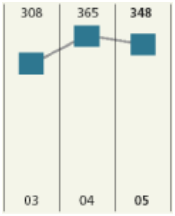
- **Net income from core operating businesses**
- **Utilization of credit capital**
- **Merchant banking portfolio**

Operating Highlights

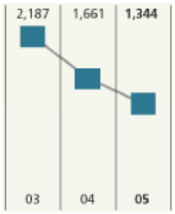
Large corporate credit risk capital(1)
($ millions)



Market risk capital(1)
($ millions)



Merchant banking private equity oustandings
($ millions)



CIBC World Markets

For more financial information see **MD&A** *pages 37-93*

Putting clients first With a commitment to delivering industry-leading products and services, CIBC World Markets continued to focus on the evolving needs of our clients in 2005.

This client focus is evidenced by our achievements, as CIBC World Markets was again ranked #1 in Canadian equity underwriting, leading 124 issues with total value of $12.6 billion. We participated in some of the most notable Canadian deals of the year including acting as co-lead manager and joint bookrunner for the $1.4 billion offering of Yellow Pages Income Trust Units. In the U.S., we realized success in the mid-market sector and were a market leader in terms of number of equity new issues for companies with market capitalization under US$1.0 billion.

CIBC World Markets is also the leader in the growing area of structuring and issuance of retail structured products, including income trusts. Our partnership with CIBC Retail Markets allows us to leverage the distribution of the entire CIBC network.

CIBC World Markets also enhanced its non-traditional trading capabilities to better meet clients' changing requirements. For our North American clients, CIBC World Markets continued to roll out its G.E.T.S.™ (Global Electronic Trading Service) for equity execution. We also implemented a web-based platform for the delivery of fixed-income products for institutional fixed-income businesses. In the U.S., we broadened our client base through expanded product offerings, such as institutional specialty sales and program trading.

Helping our people excel Our success relies on the experience and expertise of our people. Developing our employees continues to be an important focus and during the year almost half of our employees participated in formal training and development opportunities. To strengthen our platform and improve succession capacity, we are investing in rotation programs for directors and associates in addition to training. Ongoing development opportunities include specialized product and skills training which provide a forum for employees to learn about our businesses through sessions held by our own professionals. These programs, along with CIBC leadership development for senior management, help build the expertise of employees and prepare them to better meet the needs of our clients.

Generating financial results CIBC World Markets' financial results were significantly affected by the provision for the Enron-related litigation matters. Operating results reflect strong Canadian equities markets as well as mergers and acquisition activity. Results also benefited from continued stability in wholesale credit quality. Merchant banking revenue was strong with improved market conditions and liquidity. These solid results were offset by lower activity in debt capital markets, U.S. investment banking and lower U.S. equity sales.

(1) For additional information, see the Non-GAAP measures section on page 42.


page 18
Our Clients Committed to responsible banking
> 11 million clients, including almost 500,000 small business clients
> 1,061 branches
> 3,801 automatic bank machines (ABMs)
page 22
Our People Creating a supportive work environment for our people
> Closed workforce representation gaps for women, visible minorities and persons with disabilities under the Employment Equity Act
> $69 million invested globally in employee training
> Reinforced CIBC's Vision, Mission and Values across the organization
Public Accountability Statement
CIBC in Society
Making a Difference
page 34
Our Suppliers Buying products and services responsibly
> Managed over $2.6 billion in procured goods and services
> Suppliers screened through Request for Proposal process
> Quality control monitoring
page 26
Our Communities Making a difference in our communities
> Over $42 million in corporate contributions worldwide
> $28 million in corporate contributions in Canada
> $854 million in taxes in Canada
page 30
Our Environment
Protecting the environment
> Assessed our loan portfolio's exposure to carbon risk
> Signatory to and participant in the Carbon Disclosure Project (CDP3)
> Initiated a program to proactively assess environmental risks across the branch network
This statement has been published for CIBC and the following affiliates of CIBC in Canada: Amicus Bank, CIBC World Markets Inc., CIBC Mortgages Inc., CIBC Life Insurance Company Limited, CIBC Trust Corporation, CIBC Securities Inc., CIBC Investor Services Inc., TAL Global Asset Management Inc., TAL Global Advisers Ltd., TAL Private Management Ltd., CIBC Asset Management Inc., CIBC FirstCaribbean International Bank Limited.

We are committed to being both financially successful and a responsible company. In fact, we believe the better we are at one, the better we will be at the other. Our framework for defining our responsibility to stakeholders, along with direction to our supporting policies and strategies, may be found below. For a comprehensive review, see our website at **www.cibc.com**.

Key Principles

Financial strength

We are committed to positioning CIBC for consistent performance over the long term. For more detail, see our opening pages, our Balanced Scorecard, and Management's discussion and analysis and consolidated financial statements **(pages 94–151)** for more about our financial performance.

Governance

Starting with our Board of Directors, we have set clear mandates, policies and processes as well as the CIBC Director Code of Ethics. Our Code of Conduct outlines the required standards for the conduct of our employees and our obligation as a company. The Code, along with policies and procedures such as our Reputation and Legal Risk Policy, form important components of our integrated governance framework. See the Chairman's letter **(page 4)**, our discussion about the Management of risk
(pages 63–80) and the Governance section **(pages 165–171)** for more on how we govern our businesses.

Clients

We are focused on building long-term relationships with our clients by understanding what they need and by providing the right financial solutions. We can only do this if we treat our clients with respect. Our client charter, Our Service Commitment to You, is available at www.cibc.com. For more about how we provide affordable, accessible banking and responsible products and services, see Our Clients section **(pages 18–21 and 172–178)**.

Employees

CIBC's Vision cannot be fully realized without the commitment and dedication of our employees. We are creating a supportive and productive work environment which reflects CIBC's Vision, Mission and Values where all employees can excel. Information regarding our global people strategy can be found in Our People section **(pages 22–25, and 179)**.

Long-term success means
creating value for
all who have a stake in CIBC

Society

There are many ways in which CIBC demonstrates its commitment to corporate responsibility. Through more than $42 million in corporate contributions, employee volunteerism, by actively protecting our environment and by developing sustainable procurement policies, CIBC is committed to making a difference in our society.

Engagement

Our success creates value for our stakeholders. In return, we are dependent on these stakeholders – our clients, employees, shareholders, advocacy groups, media – for our success. Engaging our stakeholders to inform them, to seek their opinion and to understand their needs is key to our sustainability.

Disclosure

We are committed to being transparent and providing fair and timely disclosure on our performance. Our Disclosure Policy (available at www.cibc.com) outlines our processes by which we intend to live up to that commitment. For the second consecutive year, CIBC complied with all requirements of section 404 of the U.S. Sarbanes-Oxley Act, ahead of the current 2006 reporting requirements.

In addition, we have increased the level of disclosure around our non-financial activities in this report as we believe that, by providing details about all of the factors that drive value in CIBC, our stakeholders will be in a better position to evaluate our performance. See our Balanced Scorecard **(pages 6–7)**.

This report includes key performance metrics based on widely recognized global non-financial reporting frameworks. We have used the 2002 Global Reporting Initiative (GRI) Guidelines, including the Financial Services Social Performance and Environmental Performance supplements, to help represent a balanced and reasonable presentation of CIBC's economic, environmental and social performance. An index of our report may be found on page 186.

Our Clients

Strategy Being a leader in client relationships includes providing products and services to address the needs of our diverse clients. CIBC is committed to providing affordable, accessible and responsible banking, providing transparency and dealing with clients' concerns quickly.

Priorities

- **Consistent client experience**
- **Protect our clients' privacy**
- **Resolve client issues quickly**
- **Continue to provide products and services with enhanced social value**

Measures

- **Client satisfaction**
- **Continue to enhance privacy protection for our clients through investment in improved procedures and training**
- **Resolution of complaints escalated to Customer Care Centre**

"Having access to expert financial advice is very important for my business. CIBC is invaluable in making it easy for me to go to them with an issue. They resolve it quickly, and to my complete satisfaction. My account manager always takes the time to explain matters clearly and thoroughly, to ensure I am headed in the right direction."

Diane Cameron
President & CEO, Victoria Industries

Being a Responsible Bank

Providing affordable, accessible banking

To meet the needs of modest-income clients, we offer affordable banking **products,** like the CIBC Everyday Chequing Account. This account, offered at a low monthly fee, was developed for clients with up to 10 transactions monthly. CIBC also provides a range of service packages tailored to meet the banking needs of seniors, students and young clients. For example, the CIBC Advantage for Seniors program offers banking advantages for clients 60 years of age and over, including free daily banking transactions and no monthly fee on the CIBC Everyday Chequing Account as well as discounted safety deposit box rentals.

Our variable-rate CIBC Better Than Prime Mortgage™ and our fixed-rate CIBC Better Than Posted Mortgage™ offer Canadians affordable mortgage choices.

Providing barrier free banking Through our CIBC Access for All™ ABM program, we're making banking easier for visually impaired clients, the elderly and persons with restricted mobility. At year-end, most of our branches had been equipped with at least one CIBC Access for All ABM.

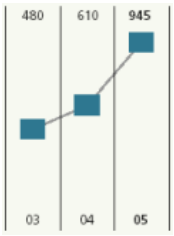
CIBC Telephone Banking offers advanced speech recognition and teletype (TTY) technology for our hearing impaired clients. CIBC also offers clients large print and Braille statements for many of our accounts, on request.

We provide accessible banking to our clients through multiple channels. CIBC's branch network continually evolves to meet the needs of our clients. At year-end, our national network consisted of 1,061 branches. When CIBC decides to close a branch, we consider the interests of the community, our clients and employees. For details as well as a complete list of branch openings and closings, see page 172. With 3,801 ABMs and almost 315 million transactions completed annually, CIBC's ABM channel continues to be the most popular point of access for our clients. For a list of ABM installations and removals, see page 172.

Enabling online access

CIBC is firmly committed to ensuring access to its websites through screen readers and other devices for the visually challenged by designing our websites to meet evolving industry accessibility standards.

Branches with Access for All ABMs



CIBC Access for All ABMs are installed at a lower height for easier wheelchair access, and have grab bars for persons with mobility impairments and improved task lighting.

Providing accessible banking
President's Choice Financial™

President's Choice Financial, CIBC's co-venture with Loblaw Companies Limited, offers an accessible banking option through in-store pavilions, telephone banking, ABMs and the Internet.

Protecting our clients' financial health

The CIBC Financial HealthCheck helps clients identify their financial goals, and the products and services they can use to help achieve them.

Helping small businesses grow

- Almost 500,000 clients
- More than 1,400 small business employees

CIBC and its listed affiliates extended in excess of $23 billion in total credit authorizations to Canadian small businesses at different stages of development. To view 2005 detailed information on CIBC and its listed affiliates' debt financing to firms in Canada, see page 176.

Providing alternative service points to meet our clients' needs

CIBC's call centres are ISO9000 certified.

315 million transactions completed annually, CIBC's ABM channel continues to be the most popular point of access for our clients. For a list of ABM installations and removals, see page 172.

Using advanced technology, CIBC provides our clients round-the-clock access to financial services through our online banking and telephone banking channels. This year, we extended our 24/7 automated telephone banking capability, available in English and French across Canada, to our Cantonese- and Mandarin-speaking clients in selected areas.

Small business is vital to the long-term health and growth of Canada's economy. CIBC is committed to delivering an exceptional banking experience to our small business clients.

Meeting the needs of small businesses

Our goal is to meet all the business and personal financial needs of our small business clients at every stage of their business growth. We are continually monitoring market trends and client needs to develop programs and services that will benefit the diverse requirements of these clients.

Understanding the needs of our clients Although 500,000 small business owners will retire in the next five years *(Source: CIBC – Are Canadian Entrepreneurs Ready for Retirement?)*, only two in five small business owners have a clear plan for exiting their businesses. In January, CIBC launched a succession planning program to raise awareness of the importance of succession planning and to help small business owners ease the transfer or sale of their businesses when they retire.

Recognizing the importance of specific expertise for assisting clients borrowing over $250,000, CIBC has more than doubled the number of specialists in the branch network supporting the credit needs of our clients.

By supporting financial literacy training for youth, women and Aboriginal Peoples, we are building capacity in our communities.

Aboriginal banking

We are seeking to better meet the financial needs of the Aboriginal Peoples in Canada. Our strategy involves a community approach to address the needs of the Aboriginal community at both a social and business level. In addition to our financial services for Métis and Inuit clients, CIBC is taking a more focused approach in providing a holistic offer for First Nations individuals and businesses.

Recognizing the uniqueness of Canada's Aboriginal community, CIBC established a centralized credit team with the required expertise to service the specific needs of this community.

As part of our overall strategy, in 2005 we continued to invest in the Aboriginal community, providing more than $900,000 in support of national and local programs. These included the National Aboriginal Achievement Foundation, the Odawa Hockey Tournament and the Canadian Council for Aboriginal Business.

Treating our clients with respect

We are committed to treating our clients with professionalism and respect, honouring the confidentiality of the information shared with us and actively seeking our clients' views to address any concerns they may have. Our goal is to keep privacy and the protection of client information top-of-mind for every employee. CIBC has established a Privacy Office under the Chief Privacy Officer to coordinate our efforts. Our Privacy Policy is consistent with the 10 principles of the Personal Information Protection and Electronic Document Act (PIPEDA), the highest standard in Canada. We will continue to invest in improved procedures and training and to leverage our learning from prior experience to prevent future issues.

At CIBC, we recognize that we may not always live up to the high standards our clients expect of us. When this occurs, we are determined to resolve complaints as quickly as possible through our branches, our Customer Care Centre and the CIBC Ombudsman.

Products and services for the future

We are seeking to meet the needs of our clients who want socially and environmentally sustainable financial products and services. Currently, CIBC offers clients access to over 50 mutual funds that meet sustainable performance criteria set out by the Social Investment Organization. In addition, TAL Global Asset Management Inc. manages a portion of its assets under socially and environmentally sustainable mandates. We also support alternative energy companies by underwriting capital issuance. We will continue to evaluate the demands of our clients to determine how we can create value for all our stakeholders, both today and in the future.

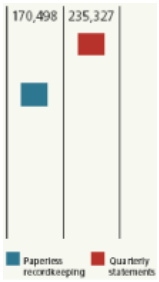
For contact information for the **CIBC Ombudsman,** *please visit our website: www.cibc.com*

Aboriginal banking

CIBC's centralized credit team has the expertise to provide financial services to the Aboriginal community.

Client choice in recordkeeping

Clients signed up as of September 30, 2005:



For our chequing and savings accounts, we provide clients with a choice in their recordkeeping: Paperless recordkeeping lets clients opt out of receiving paper statements, while quarterly statements allow customers to receive a paper statement once every three months.

Committed to transparency

As part of our service commitment to clients, we clearly explain the rates, terms and conditions that apply to our products and services.

Our People

Strategy Fulfilling our Mission to create a work environment where all employees can excel is fundamental to CIBC's Vision to be the leader in client relationships. Our holistic approach blends business priorities with the diverse needs of our employees globally by supporting employee needs and aspirations and investing in the health and well-being of our people.

Priorities

- Creating a supportive and productive work environment for our employees which reflects CIBC's Vision, Mission and Values
- Maintaining a positive work culture that allows our employees to continually strive to perform at their best and be rewarded appropriately
- Attracting and building CIBC's talent and leadership pool and creating opportunities to leverage the skills of our employees
- Ensuring all CIBC employees have a safe and healthy work environment where they are able to balance their work and life effectively and contribute to their communities

Measures

- Employee Commitment Index score
- Representation rates of women, visible minorities, Aboriginal Peoples and persons with disabilities in the CIBC workforce
- Alignment of individual and business goals
- Expenditure per employee on training
- New claim rates for short- and long-term disability

canadian abilities foundation

" The Canadian Abilities Foundation recognizes CIBC's contribution as the founding corporate sponsor of *Access Guide Canada*. Through their generous support and firm commitment to the principles of accessibility and inclusiveness, people with disabilities across Canada have greater access to an increasing range of opportunities."

Raymond Cohen
President, Canadian Abilities Foundation

Creating a Supportive Work Environment

Creating a winning culture for our employees, for our clients and for our communities builds employee commitment that supports CIBC's overall performance and success. We measure employee commitment through our bi-annual employee survey. The Employee Commitment Index score increased from 68 to 72 between 2003 and 2005 and survey results showed a high level of employee awareness of CIBC's Vision, Mission and Values. CIBC's Values Survey of Executives showed growing consensus around support for CIBC's values of trust, teamwork and accountability.

CIBC's Code of Conduct promotes CIBC's values and guarantees every employee the right to be respected, to receive fair and equitable treatment, to be free from harassment and discrimination, and to be protected from retaliation if they report contravention of the Code. In 2005, the Code was revised and simplified for easier understanding. We also implemented a process to ensure that all CIBC employees complete certification and testing on the Code each year. As of October 31, 2005, 43,038 employees completed this testing and certification.

In 2005, there were 14 official complaints with human rights commissions and one official complaint with privacy commissions on employment issues in Canada.

At CIBC, employment equity is a clear priority and CIBC has achieved the goal of full representation of women, visible minorities and persons with disabilities in its workforce. This goal is based on national labour market availability rates provided by Statistics Canada for each of the designated groups. We continue our efforts to recruit and retain Aboriginal Peoples to also close that representation gap.

Through our sponsorship of the CIBC Access™ Awards, now in its fourth year, CIBC works with post-secondary educational institutions to help students with disabilities fund their education. This demonstrates our commitment to employment equity and to creating an inclusive work environment.

Senior management representation rates and goals
(as at Dec. 31, 2004)

%	Rate	Goal
Women	30.7	25.1
Visible minorities	8.7	8.2
Persons with disabilities	9.1	1.9
Aboriginal Peoples	0.4	2.6

Workforce representation rates and goals
(as at Dec. 31, 2004)

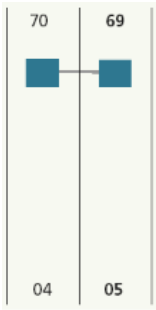
%	Rate	Goal
Women	69.5	62.4
Visible minorities	24.3	12.9
Persons with disabilities	4.8	3.7
Aboriginal Peoples	1.8	1.9

CIBC has closed the workforce representation gaps of women, visible minorities and persons with disabilities.

Michael "Pinball" Clemons Community Leadership Awards

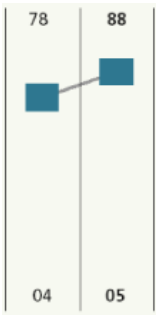
CIBC co-sponsored the Michael "Pinball" Clemons Community Leadership Awards with the City of Toronto, to recognize the contributions of African-Canadians to community leadership. The awards are named after the Toronto Argonauts head coach to commemorate his outstanding dedication to the community.

Investment in training globally
($ millions)



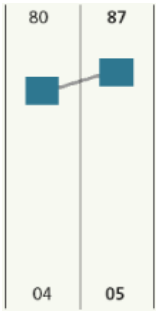
In 2005 CIBC invested $69 million globally in employee training.

Performance Management and Measurement scorecard
(%)



Employees indicating they understand how day-to-day activities support goals on the scorecard.

Performance Management and Measurement scorecard
(%)



Employees indicating they understand how their goals support their line of business.

At the Board of Directors level, women hold five of the 19 director positions, up from four positions in the previous year. As part of our ongoing Board renewal program, we regularly assess the skills and characteristics of CIBC Board members against current and anticipated needs. This enables the Board to maintain the appropriate skill set to oversee the businesses of CIBC.

CIBC's Retiree Advisory Committee was established in 1998 to give a voice to the views of CIBC's 10,000 retirees on issues affecting them. Some of their key accomplishments are the establishment of a retiree website, a semi-annual retiree newsletter, a Retirees as Ambassadors donation program, and a pension hardship process.

Staying focused on our performance

CIBC's Performance Management and Measurement (PMM) system uses a balanced scorecard that includes financial results, client relationships, operational efficiency, strategic priorities, and key competencies to assess employee and team performance. In 2005, the PMM scorecard for the Senior Leadership Team members was revised to reflect and reinforce our commitment to CIBC's Vision, Mission and Values, and to promote high standards of ethical behaviour.

In our 2005 Employee Survey, 88% of employees indicated they had an understanding of how their day-to-day activities support the goals on their scorecard, and 87% understand how their goals support the goals of their line of business.

Recognizing employee achievement is equally important. CIBC's pay-for-performance philosophy rewards individuals for both financial and non-financial results that are aligned with CIBC's overall strategy for building sustainable, long-term value for all our stakeholders. In 2005, the CIBC group of companies paid almost $2.4 billion in salaries and benefits to our workforce based in Canada and $2.8 billion worldwide. Senior management earns a large part of its compensation in the form of equity, which aligns to the long-term success of CIBC.

We are committed to attracting and building CIBC's talent and leadership pool and creating opportunities to leverage the skills of all employees productively.

Recruitment and development plans to attract and retain the best people

In 2005, we invested about $69 million globally, or $1,838 per employee, on training, including governance and regulatory compliance, client and customer service, product knowledge and a broad range of business and technical skills. New and updated CIBC-wide programs included Information Security General Awareness, e-orientation, Code of Conduct, Anti-money Laundering, and Global Reputation and Legal Risks. This year, our CIBC Enterprise e-learning System was launched, providing improved access to employee learning, and for employees and managers to track learning progress.

New initiatives were also taken to build CIBC Vision, Mission and Values into the culture of the organization by embedding these principles in recruitment, orientation, training and development, and performance assessment. In 2005, almost $2.7 million was invested to support this goal. Ninety-seven percent of CIBC executives attended leadership workshops to enhance their understanding of these principles and how to apply them in their own areas of responsibility.

Creating a safe and healthy work environment where all employees can balance their work and life effectively and contribute to their communities is very important to us. CIBC continues to lead the industry with Employment Insurance top-up benefits during maternity, parental, adoption and compassionate care leave.

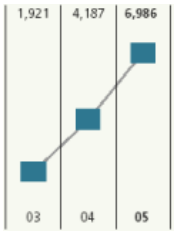
Since Wellness Checkpoint was launched in 2001, 6,986 employees have completed the questionnaire on the global health website which provides a personalized assessment as well as resources and information for a healthier lifestyle.

In 2004, CIBC reported a Disabling Injury Incidence Rate of 0.16, which indicates the number of disabling and fatal injuries on the job per 100 employees, in Canada.

In 2005, CIBC's global turnover rate* was 13.5%.

For detailed
employment figures
see page **179**

Wellness Checkpoint



Employees completing assessment questionnaire on Wellness Checkpoint.

Short-and long-term disability

	STD	LTD
New cases/1,000 employees	91.5	11.5

CIBC's Coordinated Return to Work Program focuses on communication between the employee and the manager to manage disability leave and facilitate return to work.

* Permanent employees, excluding retirements

Our Communities

Strategy Our aim is to make a difference in our communities through corporate donations, sponsorships and the volunteer spirit of employees. With a strategic focus on the education and skills development of youth, and employee commitment to causes supported by the CIBC Run for the Cure, the United Way and the CIBC World Markets Children's Miracle Foundation, we are investing in the social and economic development of communities across the country.

Priorities

- **Help young people achieve their full potential by investing in programs that provide education and skills development**
- **Support greater employee participation and results in key initiatives such as the CIBC Run for the Cure and our United Way campaign**
- **Encourage employee community volunteerism through the Employee as Ambassador Program**
- **Promote the CIBC World Markets Children's Miracle Day**

Measures

- **Imagine Caring Company designation, donating 1% of pre-tax profit to charity**
- **Total number of employees who receive funding for community organizations through CIBC's Employee as Ambassador Program**
- **Total funds raised through the CIBC Run for the Cure, the CIBC United Way campaign and the CIBC World Markets Children's Miracle Day**
- **External rankings for corporate citizenship/philanthropy, such as the *Globe and Mail*'s *Report on Business* annual Corporate Social Responsibility Report**

"As an Imagine Caring Company, CIBC is recognized for its leadership in corporate citizenship. Beyond its generous donations, CIBC demonstrates its tremendous commitment to community through its creative initiatives, addressing some of the key challenges facing community organizations today. We are proud to have CIBC as a Caring Company."

Georgina Steinsky-Schwartz
President & CEO, Imagine Canada

Supporting Communities where we do business

In 2005, the CIBC group of companies contributed more than $42 million worldwide to charitable organizations and community initiatives. Of this, $28 million was invested in Canada, including more than $23 million in charitable donations, to support a wide variety of national, regional and local organizations in the areas of health, education, community, arts and culture, the environment and the United Way.

Canada's youth is a priority. CIBC Youthvision™ includes all of our funding in support of youth. In 2005, we invested $11 million in a wide range of programs and initiatives in education, mentoring and skills development to help young people reach their full potential.

Our CIBC Youthvision Scholarship Program awards 30 scholarships annually, valued at up to $34,000 each, to Grade 10 students enrolled in mentoring programs with Big Brothers Big Sisters of Canada and YMCA Canada. Through this unique program, in addition to tuition funding for college or university, students can earn while they learn. Following Grade 11, until the completion of their post-secondary education, they can participate in summer internships at YMCA agencies across the country. Since the program was introduced in 1998, CIBC has awarded 210 scholarships to students across Canada.

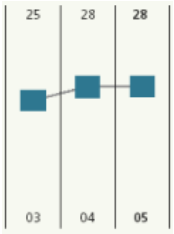
Other examples of CIBC's commitment to young people include the following:

We continued our support of $75,000 over three years to Social and Enterprise Development Innovations (SEDI) to fund the Financial Literacy for Youth Project. It will provide youth-serving organizations with a financial literacy tool to deliver to young people in their local communities, thereby improving their long-term economic self-sufficiency.

In B.C., we continued to support the Green Thumb Theatre for Young People, a professional not-for-profit theatre company that produces original issue-based Canadian plays for children, youth and young adults. Green Thumb Theatre tours its plays to elementary and high schools to entertain, engage, educate and encourage discussion, and to aid in the development of critical thinking skills.

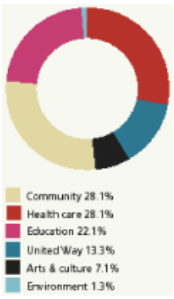
Community contributions in Canada

($ millions)



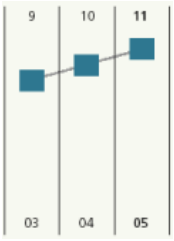
In the *Globe and Mail* 's *Report on Business* annual Corporate Social Responsibility Report, CIBC shared first place in the Community & Society section for the financial services sector.

Charitable donations in Canada by category



Contributions to youth

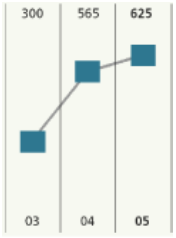
($ millions)



Through CIBC Youthvision, we fund hundreds of initiatives to assist young people in achieving their goals.

Employee as Ambassador Program

($ thousands)



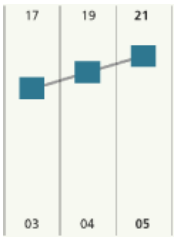
CIBC contributed more than $625,000 to not-for-profit organizations where more than 900 employees and retirees volunteer.

CIBC EMPLOYEES AT UNICEF

The Ontario Retail Operations employees, Peter Beecroft, Joanne Varvaro, Luxy Sritharan, Sinna Sarvanaddan, Vela Subramaniam, Vigita Arulrasan and Eva Alfonso raised $10,000 for UNICEF Canada for the tsunami relief effort.

CIBC Run for the Cure

($ millions)



More funds are raised every year for the Canadian Breast Cancer Foundation to fight breast cancer.

CIBC continued its commitment to CANFAR's Have a Heart, a national youth awareness program that encourages students between the ages of 11 and 24 to get involved in the fight against HIV/AIDS. It promotes fact-based information that enables Canadian students to make safer, informed decisions.

In Atlantic Canada, CIBC committed $25,000 to Moncton Youth Residences for the development of Youth Quest Central. This new facility will provide a wide range of services to youth aged 16 to 24 struggling with issues of homelessness and help them to take control of their future.

With CIBC's multi-year support, Learning for a Sustainable Future is integrating concepts and principles of sustainable development into education policy, school curricula and teacher education for kindergarten to Grade 12 in schools across Canada.

More than 2,500 Grade 4, 5 and 6 students in Saskatchewan attended Canadian Red Cross "Hear the Children" Peace Day events supported by CIBC in Saskatoon, Moose Jaw and Regina. They participated in a morning of activities that promoted co-operation, mutual respect and non-violence.

In Quebec, CIBC supports the Mental Illness Foundation, an organization committed to preventing mental illness and reducing suffering for those who are affected by it. The Foundation's *Partners for Life* program works to raise the awareness of youth aged 14 to 18 and the adults who are close to them about the fact that depression is a risk factor in youth suicide.

Our continuing support to the Foundation Fighting Blindness' *A Cure is in Sight* campaign has assisted in the establishment of the CIBC Children's Eye Patient Registry. The registry will ensure that, across the country, young patients receive timely access to new specialized treatments.

In 2005, CIBC continued to support the Program for Early Parent Support (PEPS) through Save the Children Canada. PEPS is a community-based program for parents with children aged up to three years, who may be isolated or need encouragement. Its mission is to meet the challenges of parenting through mutual support and shared information in environments that are positive, safe and comfortable.

CIBC employees enrich the communities where they live and work through their volunteer efforts. We strongly encourage employees and retirees to volunteer and we proudly recognize their contributions through the Employee as Ambassador Program. Through this program, we contribute up to $1,000 to community-based organizations where they volunteer.

Making miracles happen for children

Every year, on the first Wednesday in December, CIBC World Markets sales and trading staff and CIBC Wood Gundy investment advisors around the world create miracles for children. On Miracle Day, they donate their fees and commissions to children's charities. Last year, over $17 million was raised globally, including more than $4 million in Canada. Since it was founded in 1984, Children's Miracle Day has raised more than $147 million for deserving children's charities around the world. For more information, go to www.childrensmiracle.com.

A future without breast cancer

The Canadian Breast Cancer Foundation's CIBC Run for the Cure is our flagship event and the largest, single-day annual fundraiser in Canada dedicated to creating a future without breast cancer. This year's CIBC Run for the Cure, held on October 2, raised over $21 million for the Canadian Breast Cancer Foundation to support its fight against the disease. The 2005 event attracted over 170,000 participants in more than 40 communities across the country.

A further commitment to this cause was demonstrated as CIBC and its employees joined forces with The Weekend to End Breast Cancer in Calgary, Montreal, Toronto and Vancouver, raising almost $38 million by the 11,984 people who participated.

Giving to the United Way

As a community leader, CIBC has a history of giving to the United Way dating back to 1943. Over the years, our employees have championed fundraising drives to support agencies all across the country. In 2004, our employees and retirees contributed more than $5.7 million through their personal contributions and fundraising efforts. CIBC's corporate contribution was almost $3 million, for a total of more than $8 million.

Recognizing the outstanding campaign CIBC employees ran for the United Way of Lower Mainland in British Columbia, the United Way presented them with the Employee Campaign Team of the Year Award.

For a more complete listing of **CIBC's contributions to community organizations** *see page* ***180***

For information on **taxes paid in Canada** *see page* ***179***

Each year, the Foundation recognizes CIBC World Markets Miracle Makers™, individuals in our communities who have made extraordinary efforts on behalf of children's charities and programs.

CIBC Wood Gundy Climb for the Cure™

Twenty-seven people, including employees Peter and Sandra Lochead, participated in the second annual CIBC Wood Gundy Climb for the Cure™ scaling Africa's tallest peak, Mt. Kilimanjaro. They raised $295,000 for the Canadian Breast Cancer Foundation.

United Way heroes

CIBC celebrates the employees who raise funds, volunteer and contribute to United Way agencies across the country.

Our Environment

Strategy CIBC is committed to being an environmentally responsible organization. We demonstrate this commitment through continuing enhancements to our environmental risk management policies and procedures; initiatives to minimize CIBC's impact on the environment; promotion of environmental stewardship practices; and support of strategically aligned environmental organizations.

Priorities

- **Manage environmental risks inherent in our credit and investment activities**
- **Refine policies and implement processes to support our commitment to the Equator Principles**
- **Assess impacts of climate change and climate change mitigation policies on CIBC's credit and merchant banking portfolios**
- **Continue to demonstrate environmental responsibility in facilities and operations management**

Measures

- **Evaluate environmental risk in every small business, commercial, and corporate credit facility**
- **All project financing over US$50 million is subjected to social and environmental risk assessment consistent with the requirements of the Equator Principles**
- **Complete a study to assess the potential impact of climate change mitigation policies, such as the Kyoto Protocol, on large industrial borrowers in CIBC's portfolio**
- **Monitor and report on energy and water use, carbon dioxide emissions, and recycling efforts in our branch network and owned office buildings**

Innovest

"CIBC's environmental policies and practices are advanced relative to those of other North American banks, addressing both direct and indirect risks as well as opportunities. New programs, including the carbon risk portfolio review, demonstrate CIBC's efforts at continuous improvement and their awareness of the financial sector's potential role in decreasing greenhouse gas emissions."

Innovest Strategic Value Advisors

Building our environmental commitment

Since 1991, when CIBC first launched an environmental risk management program, we have demonstrated our commitment to the environment. From the approval of our first corporate environmental policy by the CIBC Board of Directors in 1993 to the revision of our Environmental Credit and Investment Risk Management Policy in 2004, we continue to integrate environmental considerations into our business activities and decision processes.

This includes lending and investment activities, supplier relations, facilities management and procurement.

CIBC's Corporate Environmental Program ensures that environmental issues are systematically addressed and procedures are continually improved to minimize environmental impacts, with their associated costs, while maximizing opportunities to support sustainable development.

Our Environmental Management Committee, comprising representatives from business and functional units, meets regularly to coordinate initiatives across CIBC facilities, and to review organization-wide compliance with our Corporate Environmental Policy.

CIBC takes a strategic, business-case approach to managing environmental issues and activities – our learnings are integrated into our planning processes, so that we can continue to evaluate and manage all forms of environmental risk associated with our activities and meet the requirements of our corporate policy.

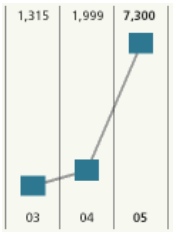
Environmental engagement

In recent years, proactive dialogue with clients and investors has helped us to improve our environmental program. Interaction with all of our stakeholders is important, as it moves us towards common goals for environmental performance in our operations and services.

Our "CIBC and the Environment" intranet and external website, environmental progress reports and our participation in a number of environmental initiatives, allow us

Paper recycling(1)

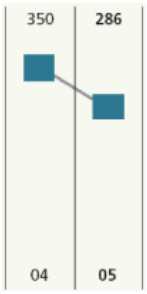
(tonnes)



With the full implementation of a national shredding contract, CIBC has significantly increased its ability to monitor and report accurately on the recycling of paper. In 2005, we recycled over 7,300 tonnes.

Water consumption(2)

(millions of litres)



In 2005, CIBC consumed 286 million litres of water, a reduction of 18% since last year.

Since 2003, CIBC has partnered with GWL Realty Advisors in celebrating Earth Week to promote environmental awareness with the tenants of Commerce Court in Toronto.

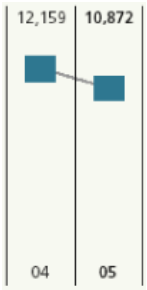
EARTH WEEK

(1) 2004 figures have been restated to include the figures from the national shredding contract (not available at the time of last year's report). Figures provided by third-party service provider and based on best estimate.

(2) In 2005, water consumption includes data from 560 branches and six owned office buildings.

Direct CO_2 emissions(1)

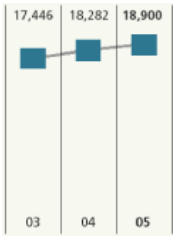
(tonnes)



Carbon dioxide emissions from the combustion of natural gas and fuel oil decreased by 11% since last year.

Indirect CO_2 emissions – Employee business travel(2)

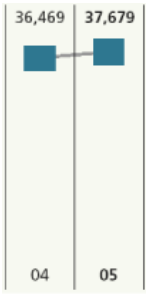
(tonnes)



An increase in employee business travel (see Our Suppliers section) resulted in an 8% increase in associated carbon dioxide emissions since 2003.

Indirect CO_2 emissions – Electricity purchases(3)(4)

(tonnes)



While electricity purchases across our branches and owned office buildings increased by 6% since last year, the associated CO_2 emissions increased by just 3%.

to create an environmental stewardship mindset among our employees and to communicate more effectively with customers.

CIBC is involved in a number of environmental initiatives, including the United Nations Environment Program Finance Initiative (UNEP FI), its North American Task Force, and the UNEP FI Climate Change Working Group. We are also members of the Canadian Bankers Association's Environmental Issues Specialists Group; the Environmental Bankers Association; and Environment Canada's informal Network on Linking Environmental Performance to Financial Value.

Environmental risk assessment

Environmental evaluations are fully integrated into our analysis of credit and investment banking transactions. Policies, procedures and guidelines to identify and manage these risks were first developed in the early 1990s and have evolved to reflect changing legal requirements and risk tolerances. For example, this year we continued the enhancement of our credit procedures, including refinement of project finance standards and procedures to reflect the requirements of the Equator Principles. CIBC's commitment to understanding and evaluating environmental risks has also helped our clients to improve their own environmental risk mitigation programs, and to re-evaluate environmental risk within their businesses.

The Environmental Risk Management Group supports credit risk assessment throughout the organization by providing expert advice on assessing and managing environmental risks. In 2005, there were 272 high-risk environmental credit enquiries subjected to further evaluation, compared to 260 in 2004. CIBC Environmental Risk Management is also involved in several initiatives to assess the potential impact of carbon risk on our business. Carbon risk includes the risks of global climate change, international greenhouse gas reduction policies such as the Kyoto Protocol, and Canada's national plan to meet its Kyoto commitments. This year, CIBC partnered with ICF Consulting to assess our existing portfolio exposure to carbon risk and establish a framework for assessing carbon risk in our portfolio on an ongoing basis. To complement our internal study,

(1) Source: Conversion factors were obtained from the Rocky Mountain Institute (www.rmi.org) and Carbon Dioxide Information Analysis Center. In 2005, natural gas consumption includes data from 734 branches and four owned office buildings. Fuel oil was used at 63 branches.

(2) Source: Conversion factors were obtained from Rocky Mountain Institute (www.rmi.org).

(3) In 2005, electricity consumption includes data from 1,045 branches and six owned office buildings.

(4) Source: Environment Canada's Annex A: Interim Guidance on Performance Measures for GHG Emissions (www.ec.gc.ca/emsInfo/pmsgoana_e.htm).

CIBC, along with other members of the UNEP FI North American Task Force, commissioned a study on climate change risks to the North American financial services industry and, more specifically, carbon risk to bank loans. CIBC is working with the UNEP FI's Climate Change Working Group to examine future climate policy frameworks beyond Kyoto's first commitment period, which runs from 2008 to 2012, and its implications for the financial services industry.

Furthermore, CIBC was both a signatory to and participant in the Carbon Disclosure Project's third information request (CDP3). This assessment by 155 institutional investors, representing over $21 trillion in assets, examines the extent to which the Financial Times Global 500 companies are responding to climate change risks and opportunities.

Facility management

CIBC's environmental program is based on proactive environmental management. Throughout our leased and owned facilities, and with the help of our service providers, we strive to ensure that environmental impacts from our operations are minimized, from design considerations through to daily facility management practices. We continue to improve energy conservation through heating, ventilation and air conditioning system upgrades, lighting retrofits, and other initiatives during major renovation or new construction projects.

CIBC's real estate service providers include industry-leading design and manufacturing companies with a demonstrated commitment to sustainability and the environment. In 2005, our retail and corporate premises were furnished with 42,741 square metres of environmentally friendly Climate Neutral Carpet. These installations have collectively reduced global greenhouse gas (GHG) emissions by approximately 800 metric tonnes.

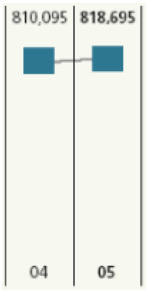
Minimizing waste is another important component of our program, as we strive to maximize our recycling and reuse practices. We have increased the amount of our office paper that is recycled to nearly 100%. For further information, see Our Suppliers, page 34.

For the second consecutive year, waste audits were conducted across 50 CIBC branch locations to track changes in our solid waste generation. Based on this year's audit results, we estimate that our 2005 total waste generation for the branch network is 2,032 metric tonnes, which is similar to last year. Also, CIBC performed 361 environmental assessments across the branch network in 2005 to identify and remediate, where necessary, any known hazardous materials at each location.

For more on CIBC and the **Environment** *visit www.cibc.com*

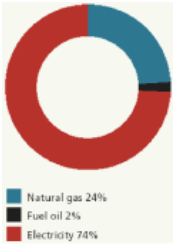
Energy consumption(1)

(gigajoules)



In 2005, CIBC consumed 818,695 gigajoules (GJ) of energy, a slight increase over last year.

Energy consumption breakdown(2)



Electricity purchases comprise 74% of CIBC's total energy mix, followed by natural gas (24%) and fuel oil (2%).

Computers for Schools

CIBC is a founding member and the largest corporate supporter of Industry Canada's Computers for Schools program. Since established in 1993, we have donated computer components valued at more than $3 million when refurbished and donated to schools and libraries.

(1) Source: Environment Canada's Annex A: Interim Guidance on Performance Measures for GHG Emissions (www.ec.gc.ca/emsInfo/pmsgoana_e.htm).

(2) Energy consumption from our retail branch network and owned office buildings.

Our Suppliers

Strategy CIBC is committed to taking a leadership role in the Canadian financial services sector by working with our suppliers and other stakeholders to procure high-quality, socially and environmentally sustainable services and products that allow us to continually improve our performance.

Priorities

- **Select suppliers who demonstrate corporate responsibility by providing information for CIBC to make informed decisions when purchasing goods and services**
- **Ensure key suppliers continue to meet CIBC performance standards**
- **Make responsible product and service choices to reduce CIBC's impact on the environment**
- **Develop a framework for gathering and analysing pertinent supplier information to set and measure key performance targets**

Measures

- **Screen suppliers through criteria incorporated into the CIBC Request for Proposal process**
- **Monitor suppliers for quality control and adherence to standards of performance**
- **Procure high-quality products and services that help reduce CIBC's environmental footprint**
- **Build supplier relationships with companies that maintain sustainability practices in their operations**



"HP's relationship with CIBC goes far beyond the role of simply a vendor or supplier. As one of CIBC's largest business partners, we understand the tremendous responsibility of helping to provide CIBC customers with outstanding service and value. I believe this is a model for the financial services industry today."

Paul Tsaparis

President and CEO, Hewlett-Packard Canada Co.

Managing our Supplier Relationships Responsibly

Managing CIBC's supplier relationships is a key factor in ensuring that we run our operations responsibly, efficiently and successfully. Promoting and maintaining CIBC as a sustainable organization is a top priority that entails purchasing guaranteed products and services from companies who demonstrate environmentally responsible practices within their own operations. At CIBC, we stand by our commitment to purchase products and services from suppliers who can best provide quality service and sustainable merchandise that will help reduce our impact on the environment. These products include Energy Star™ compliant office products and Eco-Choice certified office supplies.

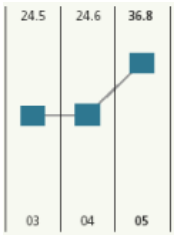
As part of our supplier selection process, CIBC has incorporated environmental criteria into our standard request for proposal. Prospective new suppliers are actively screened by questionnaire to ensure that these criteria are met. The environmental measure is then weighted alongside traditional criteria, such as quality, and factored into the final selection decision. Once approved, suppliers are monitored on an ongoing basis to track the quality of their products and services, and to ensure that standards of environmental performance are maintained.

Through money invested in outside goods and services, CIBC supports thousands of jobs in many sectors, from janitorial services to high-tech consultants. The total for 2005 was $2.6 billion worldwide, with approximately $2.0 billion spent in Canada.

Creating a high-quality sustainable supplier environment demands the best possible standards for the products and services we use, and for guaranteeing their safe and environmentally responsible disposal.

At CIBC, we recognize the importance of establishing and maintaining relationships with environmentally responsible suppliers to reduce our environmental footprint. Working with suppliers, we continue with initiatives that will help us to further advance our sustainability management practices.

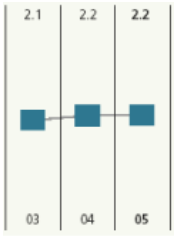
Share of purchased expenditures actively monitored (%)



Since 2003, CIBC's share of purchased expenditures actively monitored has increased by 12%.

Paper purchases(1)

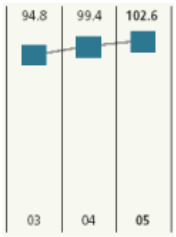
(kg millions)



CIBC's paper purchases increased from 2.1 million kg in 2003 to 2.2 million kg in 2005. All purchases are 100% elemental chlorine free.

Employee business travel mileage

(km millions)



Since 2003, CIBC has increased its employee business travel by 8%.

(1) Based on Canadian paper sales only from CIBC preferred vendor. Figures estimated based on orders and weight.

PRINCIPAL SUBSIDIARIES

Unaudited, $ millions, as at October 31, 2005

Subsidiary name[1][2]	Address of head or principal office	Book value[3] of shares owned by CIBC and other subsidiaries of CIBC
CIBC Asset Management Holdings Inc.	Toronto, Ontario, Canada	311
CIBC Asset Management Inc.	Montreal, Quebec, Canada	
CIBC BA Limited	Toronto, Ontario, Canada	(4)
CIBC Investor Services Inc.	Toronto, Ontario, Canada	25
CIBC Life Insurance Company Limited	Mississauga, Ontario, Canada	24
CIBC Mortgages Inc.	Toronto, Ontario, Canada	130
3877337 Canada Inc. (Home Loans Canada)	Toronto, Ontario, Canada	
CIBC Securities Inc.	Toronto, Ontario, Canada	2
CIBC Trust Corporation	Toronto, Ontario, Canada	411
CIBC World Markets Inc. (5)	Toronto, Ontario, Canada	306
CIBC Delaware Holdings Inc. (6)	New York, NY, U.S.A.	
Canadian Imperial Holdings Inc.	New York, NY, U.S.A.	
CIBC Inc.	New York, NY, U.S.A.	
CIBC World Markets Corp.	New York, NY, U.S.A.	
CIBC Israel Ltd.	Tel Aviv, Israel	
CIBC WM Real Estate (Quebec) Ltd.	Montreal, Quebec, Canada	
CIBC WM International Limited (7)	St. Michael, Barbados	1,548
INTRIA Items Inc. (90%) (8)	Mississauga, Ontario, Canada	25
TAL Global Asset Management Inc.	Montreal, Quebec, Canada	301
T.A.L. Asset Management (Cayman) Limited	George Town, Cayman Islands	
TAL Global Asset Management (Cayman) Limited	George Town, Cayman Islands	
TAL Global Asset Management Limited	Hong Kong, China	
TAL Global Asset Management (Bermuda) Limited	Hamilton, Bermuda	
T.A.L. Asset Management (Guernsey) Limited	St. Peter Port, Guernsey, Channel Islands	
TAL Global Advisers Ltd.	Montreal, Quebec, Canada	
TAL Global Advisers Management Inc.	New York, NY, U.S.A.	
CIBC Private Investment Counsel Inc.	Montreal, Quebec, Canada	
CIBC Capital Funding III, L.P.	New York, NY, U.S.A.	111
CIBC Holdings (Cayman) Limited (7)	George Town, Cayman Islands	2,962
CIBC Bank and Trust Company (Cayman) Limited	George Town, Cayman Islands	
CIBC Investments (Cayman) Limited	George Town, Cayman Islands	
CIBC Offshore Services Inc.	St. Michael, Barbados	
CIBC Reinsurance Company Limited	St. Michael, Barbados	
CIBC World Markets (International) Arbitrage Corp.	St. Michael, Barbados	
CIBC Trust Company (Bahamas) Limited	Nassau, The Bahamas	
CIBC World Markets Securities Ireland Limited	Dublin, Ireland	
CIBC Offshore Banking Services Corporation (5)	St. Michael, Barbados	5,448
CIBC Australia Holdings Limited	Sydney, New South Wales, Australia	63
CIBC Australia Limited	Sydney, New South Wales, Australia	
CIBC World Markets (Japan) Inc.	Tokyo, Japan	41
CIBC Asia Limited	Singapore City, Singapore	125
CIBC World Markets plc	London, England, U.K.	391

(1) CIBC and other subsidiaries of CIBC own 100% of the voting shares of each subsidiary, except as otherwise noted.

(2) Each subsidiary is incorporated or organized under the laws of the state or country in which the principal office is situated, except for CIBC World Markets (Japan) Inc., which was incorporated in Barbados;
CIBC Capital Funding III L.P., which was organized under the laws of the state of Nevada, U.S.A.; CIBC Delaware Holdings Inc., CIBC World Markets Corp., Canadian Imperial Holdings Inc., CIBC Inc., and TAL Global Advisors Management Inc., which were incorporated or organized under the laws of the state of Delaware, U.S.A.

(3) The book value of shares of subsidiaries is shown at cost and may include non-voting common and preferred shares.

(4) The book value of shares owned by CIBC is less than $1 million.

(5) CIBC directly or indirectly owns 100% of the non-voting shares of the subsidiaries.

(6) CIBC directly owns $3.7 billion of shares of CIBC Delaware Holdings Inc.

(7) On November 7, 2005, CIBC transferred ownership of CIBC WM International Limited to its wholly-owned subsidiary, CIBC Holdings (Cayman) Limited.

(8) On November 1, 2005, CIBC purchased the minority stake in INTRIA Items Inc. held by Fiserv Solutions of Canada Inc., a subsidiary of Fiserv Inc. INTRIA Items Inc. is now a wholly-owned subsidiary of CIBC.

AVERAGE BALANCE SHEET, NET INTEREST INCOME AND MARGIN

	Average balance			Interest			Average rate		
Unaudited, $ millions, for the years ended October 31	**2005**	2004(1)	2003(1)	**2005**	2004(1)	2003(1)	**2005**	2004(1)	2003(1)
Domestic assets(2)									
Cash and deposits with banks	**$ 1,888**	$ 1,724	$ 2,134	**$ 12**	$ 10	$ 19	**0.64%**	0.58%	0.89%
Securities Investment	**5,930**	6,567	9,071	**261**	265	419	**4.40**	4.04	4.62
Trading	**31,895**	26,288	25,026	**903**	748	856	**2.83**	2.85	3.42
Securities borrowed or purchased under resale agreements	**13,008**	12,124	9,880	**322**	277	278	**2.48**	2.28	2.81
Loans Residential mortgages	**74,794**	70,062	68,490	**3,261**	3,131	3,430	**4.36**	4.47	5.01
Personal and credit card	**33,835**	32,948	29,220	**2,509**	2,507	2,428	**7.42**	7.61	8.31
Business and government	**22,570**	22,881	22,916	**1,337**	1,355	1,444	**5.92**	5.92	6.30
Total loans	**131,199**	125,891	120,626	**7,107**	6,993	7,302	**5.42**	5.55	6.05
Other interest-bearing assets	**400**	366	421	**56**	97	156	**14.00**	26.50	37.05
Derivative instruments market valuation	**8,036**	7,443	6,031						
Customers' liability under acceptances	**5,108**	4,922	5,881						
Other non-interest-bearing assets	**9,388**	8,622	7,736						
Total domestic assets	**206,852**	193,947	186,806	**8,661**	8,390	9,030	**4.19**	4.33	4.83
Foreign assets(2)									
Cash and deposits with banks	**11,066**	9,773	8,090	**324**	142	116	**2.93**	1.45	1.43
Securities Investment	**8,639**	10,686	10,906	**362**	439	490	**4.19**	4.11	4.49
Trading	**26,102**	26,948	26,457	**647**	509	610	**2.48**	1.89	2.31
Securities borrowed or purchased under resale agreements	**8,174**	8,343	10,509	**785**	247	250	**9.60**	2.96	2.38
Loans Residential mortgages	**8**	12	61	**—**	1	4	**0.00**	8.33	6.56
Personal and credit card	**666**	927	1,536	**23**	31	60	**3.45**	3.34	3.91
Business and government	**7,954**	8,223	13,950	**415**	388	580	**5.22**	4.72	4.16
Total loans	**8,628**	9,162	15,547	**438**	420	644	**5.08**	4.58	4.14
Other interest-bearing assets	**692**	966	378	**39**	41	36	**5.64**	4.24	9.52
Derivative instruments market valuation	**14,549**	16,270	20,310						
Customers' liability under acceptances	**—**	—	6						
Other non-interest-bearing assets	**4,143**	4,715	5,730						
Total foreign assets	**81,993**	86,863	97,933	**2,595**	1,798	2,146	**3.16**	2.07	2.19
Total assets	**$288,845**	$280,810	$284,739	**$11,256**	$10,188	$11,176	**3.90%**	3.63%	3.92%
Domestic liabilities(2)									
Deposits Personal	**$ 70,085**	$ 67,400	$ 64,605	**$ 1,150**	$ 1,194	$ 1,280	**1.64%**	1.77%	1.98%
Business and government	**69,226**	59,771	54,760	**1,614**	1,185	1,268	**2.33**	1.98	2.32
Bank	**872**	525	541	**16**	9	12	**1.83**	1.71	2.22
Total deposits	**140,183**	127,696	119,906	**2,780**	2,388	2,560	**1.98**	1.87	2.14
Derivative instruments market valuation	**8,095**	7,144	6,132						
Acceptances	**5,109**	4,923	5,901						
Obligations related to securities sold short	**10,790**	8,039	6,241	**375**	270	235	**3.48**	3.36	3.77
Obligations related to securities lent or sold under repurchase agreements	**8,161**	7,482	9,876	**218**	190	295	**2.67**	2.54	2.99
Other liabilities	**10,189**	9,116	8,336	**—**	71	303	**—**	0.78	3.63
Subordinated indebtedness	**3,279**	2,691	2,275	**214**	198	181	**6.53**	7.36	7.96
Preferred share liabilities	**963**	1,631	1,896	**66**	108	113	**6.85**	6.62	5.96
Non-controlling interests	**386**	18	21	**—**	—	—	**—**	—	—
Total domestic liabilities	**187,155**	168,740	160,584	**3,653**	3,225	3,687	**1.95**	1.91	2.30
Foreign liabilities(2)									
Deposits Personal	**2,246**	2,747	3,075	**48**	42	50	**2.14**	1.53	1.63
Business and government	**41,875**	50,321	59,028	**1,255**	775	939	**3.00**	1.54	1.59
Bank	**10,171**	10,711	12,330	**263**	186	227	**2.59**	1.74	1.84
Total deposits	**54,292**	63,779	74,433	**1,566**	1,003	1,216	**2.88**	1.57	1.63
Derivative instruments market valuation	**14,658**	15,616	19,483						
Acceptances	**—**	—	6						
Obligations related to securities sold short	**4,996**	5,253	5,162	**93**	102	161	**1.86**	1.94	3.12
Obligations related to securities lent or sold under repurchase agreements	**9,263**	11,031	9,019	**794**	263	195	**8.57**	2.38	2.16
Other liabilities	**5,059**	3,185	3,751	**188**	323	378	**3.72**	10.14	10.08
Subordinated indebtedness	**777**	868	1,212	**25**	14	22	**3.22**	1.61	1.82
Non-controlling interests	**609**	6	3	**—**	—	—	**—**	—	—
Total foreign liabilities	**89,654**	99,738	113,069	**2,666**	1,705	1,972	**2.99**	1.71	1.74
Total liabilities	**276,809**	268,478	273,653	**6,319**	4,930	5,659	**2.28**	1.84	2.07
Shareholders' equity	**12,036**	12,332	11,086						
Total liabilities and shareholders' equity	**$288,845**	$280,810	$284,739	**$ 6,319**	$ 4,930	$ 5,659	**2.19%**	1.76%	1.99%
Net interest income and margin				**$ 4,937**	$ 5,258	$ 5,517	**1.71%**	1.87%	1.94%
Additional disclosures:									
Non-interest-bearing deposit liabilities									
Domestic	**$ 20,424**	$ 9,699	$ 8,147						
Foreign	**$ 922**	$ 769	$ 624						

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2005.

(2) Classification as domestic or foreign is based on domicile of debtor or customer.

VOLUME/RATE ANALYSIS OF CHANGES IN NET INTEREST INCOME

	2005/2004			2004/2003(1)		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
Unaudited, $ millions	**Average balance**	**Average rate**	**Total**	Average balance	Average rate	Total
Domestic assets(2)						
Cash and deposits with banks	**$ 1**	**$ 1**	**$ 2**	$ (4)	$ (5)	$ (9)
Securities Investment	**(26)**	**22**	**(4)**	(116)	(38)	(154)
Trading	**160**	**(5)**	**155**	43	(151)	(108)
Securities borrowed or purchased under resale agreements	**20**	**25**	**45**	63	(64)	(1)
Loans Residential mortgages	**211**	**(81)**	**130**	79	(378)	(299)
Personal and credit card	**67**	**(65)**	**2**	310	(231)	79
Business and government	**(18)**	**—**	**(18)**	(2)	(87)	(89)
Total loans	**260**	**(146)**	**114**	387	(696)	(309)
Other interest-bearing assets	**9**	**(50)**	**(41)**	(20)	(39)	(59)
Change in domestic interest income	**424**	**(153)**	**271**	353	(993)	(640)
Foreign assets(2)						
Cash and deposits with banks						
Interest-bearing deposits with banks	**19**	**163**	**182**	24	2	26
Securities Investment	**(84)**	**7**	**(77)**	(10)	(41)	(51)
Trading	**(16)**	**154**	**138**	11	(112)	(101)
Securities borrowed or purchased under resale agreements	**(5)**	**543**	**538**	(52)	49	(3)
Loans Residential mortgages	**—**	**(1)**	**(1)**	(3)	—	(3)
Personal and credit card	**(9)**	**1**	**(8)**	(24)	(5)	(29)
Business and government	**(13)**	**40**	**27**	(238)	46	(192)
Total loans	**(22)**	**40**	**18**	(265)	41	(224)
Other interest-bearing assets	**(12)**	**10**	**(2)**	56	(51)	5
Change in foreign interest income	**(120)**	**917**	**797**	(236)	(112)	(348)
Total change in interest income	**$ 304**	**$ 764**	**$ 1,068**	$ 117	$ (1,105)	$ (988)
Domestic liabilities(2)						
Deposits Personal	**$ 48**	**$ (92)**	**$ (44)**	$ 55	$ (141)	$ (86)
Business and government	**187**	**242**	**429**	116	(199)	(83)
Bank	**6**	**1**	**7**	–	(3)	(3)
Total deposits	**241**	**151**	**392**	171	(343)	(172)
Obligations related to securities sold short	**92**	**13**	**105**	68	(33)	35
Obligations related to securities lent or sold under repurchase agreements	**17**	**11**	**28**	(72)	(33)	(105)
Other liabilities	**8**	**(79)**	**(71)**	28	(260)	(232)
Subordinated indebtedness	**43**	**(27)**	**16**	33	(16)	17
Preferred share liabilities	**(44)**	**2**	**(42)**	(16)	11	(5)
Change in domestic interest expense	**357**	**71**	**428**	212	(674)	(462)
Foreign liabilities(2)						
Deposits Personal	**(8)**	**14**	**6**	(5)	(3)	(8)
Business and government	**(130)**	**610**	**480**	(139)	(25)	(164)
Bank	**(9)**	**86**	**77**	(30)	(11)	(41)
Total deposits	**(147)**	**710**	**563**	(174)	(39)	(213)
Obligations related to securities sold short	**(5)**	**(4)**	**(9)**	3	(62)	(59)
Obligations related to securities lent or sold under repurchase agreements	**(42)**	**573**	**531**	44	24	68
Other liabilities	**190**	**(325)**	**(135)**	(57)	2	(55)
Subordinated indebtedness	**(1)**	**12**	**11**	(6)	(2)	(8)
Change in foreign interest expense	**(5)**	**966**	**961**	(190)	(77)	(267)
Total change in interest expense	**$ 352**	**$ 1,037**	**$ 1,389**	$ 22	$ (751)	$ (729)
Change in total net interest income	**$ (48)**	**$ (273)**	**$ (321)**	$ 95	$ (354)	$ (259)

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2005.

(2) Classification as domestic or foreign is based on domicile of debtor or customer.

ANALYSIS OF NET LOANS AND ACCEPTANCES

	Canada[1]					U.S.[1]				
Unaudited, $ millions, as at October 31	**2005**	2004	2003	2002	2001	**2005**	2004	2003	2002	2001
Residential mortgages	**$ 77,172**	$ 72,543	$ 69,955	$ 66,251	$ 57,777	**$ 7**	$ 10	$ 14	$ 321	$ 239
Student	**1,575**	2,089	2,600	2,960	3,568	**—**	—	—	—	—
Personal	**25,545**	23,145	19,754	17,656	15,324	**298**	283	314	1,803	1,657
Credit card	**6,429**	8,098	8,844	7,194	6,707	**19**	249	246	278	4
Total consumer loans	**110,721**	105,875	101,153	94,061	83,376	**324**	542	574	2,402	1,900
Non-residential mortgages	**5,300**	5,025	4,515	3,821	3,085	**1,404**	—	—	—	—
Financial institutions	**1,498**	1,829	2,018	2,143	2,706	**403**	620	938	1,120	2,851
Retail	**2,092**	2,229	2,239	2,165	2,563	**166**	96	124	298	294
Business services	**3,501**	3,397	3,566	3,574	3,635	**503**	280	550	1,238	1,079
Manufacturing, capital goods	**948**	1,201	1,518	1,595	1,876	**310**	240	348	797	845
Manufacturing, consumer goods	**1,420**	1,512	1,737	1,863	2,278	**209**	294	157	559	533
Real estate and construction	**2,569**	2,358	2,101	2,135	2,058	**708**	1,809	1,709	2,121	1,599
Agriculture	**3,409**	4,085	4,232	4,177	3,807	**8**	35	22	—	—
Oil and gas	**2,197**	2,067	1,878	2,784	3,230	**112**	128	272	605	850
Mining	**147**	134	341	507	420	**8**	25	35	73	55
Forest products	**456**	346	537	559	598	**36**	10	89	356	297
Hardware and software	**216**	290	237	187	290	**37**	90	215	126	497
Telecommunications and cable	**338**	305	442	872	942	**398**	123	323	1,144	1,336
Publishing, printing and broadcasting	**551**	285	439	613	1,275	**29**	85	213	362	282
Transportation	**584**	643	828	1,063	1,246	**499**	472	506	667	612
Utilities	**305**	323	331	490	453	**86**	99	195	1,562	1,157
Education, health and social services	**1,276**	1,334	1,284	1,280	1,185	**432**	62	63	162	161
Governments	**691**	758	832	836	706	**12**	11	12	13	12
General allowance allocated to business and government loans[2]	**(298)**	(346)	(315)	(414)	—	**(159)**	(125)	(238)	(333)	—
Total business and government loans including acceptances	**27,200**	27,775	28,760	30,250	32,353	**5,201**	4,354	5,533	10,870	12,460
General allowance for credit losses[2]										
Total net loans and acceptances	**$137,921**	$133,650	$129,913	$124,311	$115,729	**$5,525**	$4,896	$6,107	$13,272	$14,360

(1) Classification by country is based on domicile of debtor or customer.

(2) Pursuant to an OSFI guideline issued in October 2001, the general allowance has been allocated to related asset categories beginning 2002 onwards.

SUMMARY OF ALLOWANCE FOR CREDIT LOSSES

Unaudited, $ millions, for the years ended October 31	**2005**	2004	2003	2002	2001
Balance at beginning of year	**$ 1,828**	$ 1,956	$ 2,289	$ 2,295	$ 2,238
Provision for credit losses	**706**	628	1,143	1,500	1,100
Write-offs					
Domestic					
Residential mortgages	**7**	3	6	6	4
Student	**40**	77	108	145	131
Personal and credit card	**698**	662	560	430	349
Other business and government	**171**	157	295	183	90
Foreign					
Personal and credit card	**1**	12	22	20	7
Other business and government	**84**	49	321	921	668
Total write-offs	**1,001**	960	1,312	1,705	1,249
Recoveries					
Domestic					
Student	**5**	18	36	63	89
Personal and credit card	**78**	88	72	60	48
Other business and government	**19**	20	12	30	25
Foreign					
Personal and credit card	**—**	—	—	2	4
Other business and government	**22**	89	62	62	19
Total recoveries	**124**	215	182	217	185
Net write-offs	**877**	745	1,130	1,488	1,064
Transfer to loans held for sale	**—**	—	(292)	—	—
Foreign exchange and other adjustments	**(19)**	(11)	(54)	(18)	21
Balance at end of year	**$ 1,638**	$ 1,828	$ 1,956	$ 2,289	$ 2,295
Comprised of:					
Loans	**$ 1,636**	$ 1,825	$ 1,952	$ 2,288	$ 2,294
Letters of credit	**2**	2	1	1	1
Loans substitute securities	**—**	1	3	—	—
Ratio of net write-offs during year to average loans outstanding during year	**0.63%**	0.55%	0.83%	1.10%	0.83%

ANALYSIS OF NET LOANS AND ACCEPTANCES (continued)

					Other [1]					Total
Unaudited, $ millions, as at October 31	**2005**	2004	2003	2002	2001	**2005**	2004	2003	2002	2001
Residential mortgages	**$ —**	$ —	$ —	$ —	$ 712	**$ 77,179**	$ 72,553	$ 69,969	$ 66,572	$ 58,728
Student	**—**	—	—	—	—	**1,575**	2,089	2,600	2,960	3,568
Personal	**169**	272	209	192	589	**26,012**	23,700	20,277	19,651	17,570
Credit card	**—**	—	—	—	60	**6,448**	8,347	9,090	7,472	6,771
Total consumer loans	**169**	272	209	192	1,361	**111,214**	106,689	101,936	96,655	86,637
Non-residential mortgages	**—**	5	9	15	170	**6,704**	5,030	4,524	3,836	3,255
Financial institutions	**1,173**	1,198	783	866	1,315	**3,074**	3,647	3,739	4,129	6,872
Retail	**91**	38	101	64	329	**2,349**	2,363	2,464	2,527	3,186
Business services	**298**	403	448	692	1,273	**4,302**	4,080	4,564	5,504	5,987
Manufacturing, capital goods	**779**	369	142	167	291	**2,037**	1,810	2,008	2,559	3,012
Manufacturing, consumer goods	**47**	58	9	109	378	**1,676**	1,864	1,903	2,531	3,189
Real estate and construction	**26**	7	18	69	357	**3,303**	4,174	3,828	4,325	4,014
Agriculture	**—**	—	1	—	39	**3,417**	4,120	4,255	4,177	3,846
Oil and gas	**27**	70	40	96	263	**2,336**	2,265	2,190	3,485	4,343
Mining	**26**	66	130	264	370	**181**	225	506	844	845
Forest products	**73**	76	86	116	185	**565**	432	712	1,031	1,080
Hardware and software	**20**	28	5	59	139	**273**	408	457	372	926
Telecommunications and cable	**285**	309	519	2,247	2,384	**1,021**	737	1,284	4,263	4,662
Publishing, printing and broadcasting	**44**	26	29	278	222	**624**	396	681	1,253	1,779
Transportation	**289**	678	412	734	830	**1,372**	1,793	1,746	2,464	2,688
Utilities	**153**	171	304	553	753	**544**	593	830	2,605	2,363
Education, health and social services	**—**	—	—	—	26	**1,708**	1,396	1,347	1,442	1,372
Governments	**—**	—	—	18	137	**703**	769	844	867	855
General allowance allocated to business and government loans[2]	**(44)**	(38)	(192)	(205)	—	**(501)**	(509)	(745)	(952)	—
Total business and government loans including acceptances	**3,287**	3,464	2,844	6,142	9,461	**35,688**	35,593	37,137	47,262	54,274
General allowance for credit losses[2]	**—**	—	—	—	—	**—**	—	—	—	(1,250)
Total net loans and acceptances	**$3,456**	$3,736	$3,053	$6,334	$10,822	**$146,902**	$142,282	$139,073	$143,917	$139,661

(1) Classification by country is based on domicile of debtor or customer.

(2) Pursuant to an OSFI guideline issued in October 2001, the general allowance has been allocated to related asset categories beginning 2002 onwards.

ALLOWANCE FOR CREDIT LOSSES AS A PERCENTAGE OF EACH LOAN CATEGORY (1)

	Allowance for credit losses					Allowance as a % of each loan category				
Unaudited, $ millions, as at October 31	**2005**	2004	2003	2002	2001	**2005**	2004	2003	2002	2001
Domestic										
Residential mortgages	**$ 37**	$ 39	$ 45	$ 40	$ 23	**0.05%**	0.05%	0.06%	0.06%	0.04%
Personal and credit card	**812**	843	714	680	488	**2.36**	2.47	2.24	2.39	1.87
Other business and government	**534**	608	585	795	396	**2.36**	2.58	2.42	3.29	1.61
Total domestic	**1,383**	1,490	1,344	1,515	907	**1.03**	1.14	1.07	1.27	0.84
Foreign										
Personal and credit card	**6**	21	14	21	14	**1.22**	2.55	1.79	0.92	0.60
Other business and government	**247**	314	594	752	123	**2.83**	3.86	6.62	4.23	0.56
Total foreign	**253**	335	608	773	137	**2.74**	3.74	6.23	3.79	0.54
General allowance for credit losses(2)	**—**	—	—	—	1,250	**—**	—	—	—	—
Total allowance	**$ 1,636**	$ 1,825	$ 1,952	$ 2,288	$ 2,294	**1.14%**	1.31%	1.44%	1.64%	1.71%

(1) Percentage is calculated on loan portfolio excluding acceptances.

(2) Pursuant to an OSFI guideline issued in October 2001, the general allowance has been allocated to related asset categories beginning 2002 onwards.

NET LOANS AND ACCEPTANCES BY GEOGRAPHIC LOCATION

Unaudited, $ millions, as at October 31	**2005**	2004	2003	2002	2001
Canada					
Atlantic provinces	**$ 7,934**	$ 8,168	$ 8,274	$ 8,018	$ 7,020
Quebec	**12,295**	11,601	11,601	10,691	9,670
Ontario	**68,753**	66,293	63,360	60,642	56,702
Prairie provinces	**5,981**	6,079	6,197	6,117	5,476
Alberta, Northwest Territories and Nunavut	**20,184**	19,780	19,225	18,614	17,397
British Columbia and the Yukon	**23,540**	22,581	21,920	20,926	19,464
General allowance allocated to Canada	**(766)**	(852)	(664)	(697)	—
Total Canada	**137,921**	133,650	129,913	124,311	115,729
United States	**5,525**	4,896	6,107	13,272	14,360
Other countries	**3,456**	3,736	3,053	6,334	10,822
Total loans and acceptances	**146,902**	142,282	139,073	143,917	140,911
General allowance for credit losses (1)	**—**	—	—	—	(1,250)
Total net loan and acceptances	**$ 146,902**	$ 142,282	$ 139,073	$ 143,917	$ 139,661

(1) Pursuant to an OSFI guideline issued in October 2001,the general allowance has been allocated to related asset categories beginning 2002 onwards.

IMPAIRED LOANS BEFORE GENERAL ALLOWANCES

	Canada[1]					U.S.[1]				
Unaudited, $ millions, as at October 31	**2005**	2004	2003	2002	2001	**2005**	2004	2003	2002	2001
Gross impaired loans										
Residential mortgages	**$ 141**	$ 120	$ 177	$ 172	$ 182	**$ —**	$ —	$ —	$ —	$ —
Student	**71**	90	86	123	177	**—**	—	—	—	—
Credit card	**—**	—	—	—	—	**—**	—	—	—	—
Personal	**221**	176	137	114	101	**—**	—	1	2	1
Total gross impaired consumer loans	**433**	386	400	409	460	**—**	—	1	2	1
Non-residential mortgages	**6**	10	28	28	28	**—**	—	—	—	—
Financial institutions	**6**	4	5	7	9	**8**	12	23	45	50
Service and retail industries	**113**	130	219	253	197	**39**	53	13	30	15
Manufacturing, consumer and capital goods	**93**	70	82	54	128	**6**	4	35	55	37
Real estate and construction	**17**	28	54	51	84	**—**	—	—	24	—
Agriculture	**150**	155	73	35	42	**—**	—	—	—	—
Resource-based industries	**5**	10	11	17	23	**2**	2	16	93	12
Telecommunications, media and technology	**13**	9	6	87	62	**2**	2	27	372	77
Transportation	**12**	9	34	236	236	**—**	1	1	32	33
Utilities	**—**	—	1	8	9	**—**	—	7	80	—
Other	**6**	7	6	9	9	**—**	1	2	4	2
Total gross impaired — business and government loans	**421**	432	519	785	827	**57**	75	124	735	226
Total gross impaired loans	**854**	818	919	1,194	1,287	**57**	75	125	737	227
Other past due loans[2]	**54**	54	64	38	67	**—**	1	—	—	—
Total gross impaired and other past due loans	**$ 908**	$ 872	$ 983	$ 1,232	$ 1,354	**$ 57**	$ 76	$ 125	$ 737	$ 227
Allowance for credit losses										
Residential mortgages	**$ 18**	$ 17	$ 18	$ 21	$ 23	**$ —**	$ —	$ —	$ —	$ —
Student	**36**	71	166	237	320	**—**	—	—	—	—
Credit card	**101**	122	126	99	99	**—**	11	8	—	—
Personal	**226**	166	100	80	69	**—**	—	—	6	—
Total allowance — consumer loans[3]	**381**	376	410	437	511	**—**	11	- 8	6	—
Non-residential mortgages	**3**	6	16	14	16	**—**	—	—	—	—
Financial institutions	**6**	4	4	5	8	**6**	7	16	26	29
Service and retail industries	**78**	86	113	117	93	**21**	25	8	2	3
Manufacturing, consumer and capital goods	**51**	40	38	45	72	**3**	4	18	8	7
Real estate and construction	**9**	14	24	30	65	**—**	—	—	1	—
Agriculture	**68**	85	38	13	9	**—**	—	—	—	—
Resource-based industries	**3**	8	10	15	17	**—**	1	2	8	7
Telecommunications, media and technology	**6**	8	3	52	33	**—**	—	3	33	29
Transportation	**8**	7	23	76	74	**—**	1	1	1	1
Utilities	**—**	—	—	8	3	**—**	—	1	49	—
Other	**4**	5	4	6	6	**—**	—	—	—	—
Total allowance — business and government loans	**236**	263	273	381	396	**30**	38	49	128	76
Total allowance	**$ 617**	$ 639	$ 683	$ 818	$ 907	**$ 30**	$ 49	$ 57	$ 134	$ 76
Net impaired loans										
Residential mortgages	**$ 123**	$ 103	$ 159	$ 151	$ 159	**$ —**	$ —	$ —	$ —	$ —
Student	**35**	19	(80)	(114)	(143)	**—**	—	—	—	—
Credit card	**(101)**	(122)	(126)	(99)	(99)	**—**	(11)	(8)	—	—
Personal	**(5)**	10	37	34	32	**—**	—	1	(4)	1
Total net impaired consumer loans[3]	**52**	10	(10)	(28)	(51)	**—**	(11)	(7)	(4)	1
Non-residential mortgages	**3**	4	12	14	12	**—**	—	—	—	—
Financial institutions	**—**	—	1	2	1	**2**	5	7	19	21
Service and retail industries	**35**	44	106	136	104	**18**	28	5	28	12
Manufacturing, consumer and capital goods	**42**	30	44	9	56	**3**	—	17	47	30
Real estate and construction	**8**	14	30	21	19	**—**	—	—	23	—
Agriculture	**82**	70	35	22	33	**—**	—	—	—	—
Resource-based industries	**2**	2	1	2	6	**2**	1	14	85	5
Telecommunications, media and technology	**7**	1	3	35	29	**2**	2	24	339	48
Transportation	**4**	2	11	160	162	**—**	—	—	31	32
Utilities	**—**	—	1	—	6	**—**	—	6	31	—
Other	**2**	2	2	3	3	**—**	1	2	4	2
Total net impaired — business and government loans	**185**	169	246	404	431	**27**	37	75	607	150
Total net impaired loans	**$ 237**	$ 179	$ 236	$ 376	$ 380	**$ 27**	$ 26	$ 68	$ 603	$ 151

(1) Classification by country is based on domicile of debtor or customer.

(2) Other past due loans, which have not been classified as impaired, are described in Note 4 to the consolidated financial statements.

(3) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or interest is contractually 90 days in arrears.

IMPAIRED LOANS BEFORE GENERAL ALLOWANCES (continued)

					Other[1]					Total
Unaudited, $ millions, as at October 31	**2005**	2004	2003	2002	2001	**2005**	2004	2003	2002	2001
Gross impaired loans										
Residential mortgages	**$ —**	$ —	$ —	$ —	$ —	**$ 141**	$ 120	$ 177	$ 172	$ 182
Student	**—**	—	—	—	—	**71**	90	86	123	177
Credit card	**—**	—	—	—	—	**—**	—	—	—	—
Personal	**—**	—	—	—	44	**221**	176	138	116	146
Total gross impaired consumer loans	**—**	—	—	—	44	**433**	386	401	411	505
Non-residential mortgages	**—**	—	—	—	—	**6**	10	28	28	28
Financial institutions	**23**	113	1	3	9	**37**	129	29	55	68
Service and retail industries	**11**	73	225	—	33	**163**	256	457	283	245
Manufacturing, consumer and capital goods	**3**	—	—	—	4	**102**	74	117	109	169
Real estate and construction	**—**	—	3	9	23	**17**	28	57	84	107
Agriculture	**1**	2	2	3	6	**151**	157	75	38	48
Resource-based industries	**—**	—	28	34	—	**7**	12	55	144	35
Telecommunications, media and technology	**—**	22	25	274	56	**15**	33	58	733	195
Transportation	**—**	—	—	—	1	**12**	10	35	268	270
Utilities	**—**	6	48	21	12	**—**	6	56	109	21
Other	**—**	—	—	—	—	**6**	8	8	13	11
Total gross impaired — business and government loans	**38**	216	332	344	144	**516**	723	975	1,864	1,197
Total gross impaired loans	**38**	216	332	344	188	**949**	1,109	1,376	2,275	1,702
Other past due loans[2]	**—**	—	—	—	1	**54**	55	64	38	68
Total gross impaired — and other past due loans	**$ 38**	$ 216	$ 332	$ 344	$ 189	**$ 1,003**	$ 1,164	$ 1,440	$ 2,313	$ 1,770
Allowance for credit losses										
Residential mortgages	**$ —**	$ —	$ —	$ —	$ —	**$ 18**	$ 17	$ 18	$ 21	$ 23
Student	**—**	—	—	—	—	**36**	71	166	237	320
Credit card	**—**	—	—	—	—	**101**	133	134	99	99
Personal	**—**	—	—	—	14	**226**	166	100	86	83
Total allowance — consumer loans[3]	**—**	—	—	—	14	**381**	387	418	443	525
Non-residential mortgages	**—**	—	—	—	—	**3**	6	16	14	16
Financial institutions	**3**	56	1	2	4	**15**	67	21	33	41
Service and retail industries	**9**	42	79	—	5	**108**	153	200	119	101
Manufacturing, consumer and capital goods	**1**	—	—	—	2	**55**	44	56	53	81
Real estate and construction	**—**	—	3	9	13	**9**	14	27	40	78
Agriculture	**1**	2	2	3	4	**69**	87	40	16	13
Resource-based industries	**—**	—	15	18	—	**3**	9	27	41	24
Telecommunications, media and technology	**—**	9	11	38	7	**6**	17	17	123	69
Transportation	**—**	—	—	—	—	**8**	8	24	77	75
Utilities	**—**	4	4	16	12	**—**	4	5	73	15
Other	**—**	—	—	—	—	**4**	5	4	6	6
Total allowance — business and government loans	**14**	113	115	86	47	**280**	414	437	595	519
Total allowance	**$ 14**	$ 113	$ 115	$ 86	$ 61	**$ 661**	$ 801	$ 855	$ 1,038	$ 1,044
Net impaired loans										
Residential mortgages	**$ —**	$ —	$ —	$ —	$ —	**$ 123**	$ 103	$ 159	$ 151	$ 159
Student	**—**	—	—	—	—	**35**	19	(80)	(114)	(143)
Credit card	**—**	—	—	—	—	**(101)**	(133)	(134)	(99)	(99)
Personal	**—**	—	—	—	30	**(5)**	10	38	30	63
Total net impaired consumer loans[3]	**—**	—	—	—	30	**52**	(1)	(17)	(32)	(20)
Non-residential mortgages	**—**	—	—	—	—	**3**	4	12	14	12
Financial institutions	**20**	57	—	1	5	**22**	62	8	22	27
Service and retail industries	**2**	31	146	—	28	**55**	103	257	164	144
Manufacturing, consumer and capital goods	**2**	—	—	—	2	**47**	30	61	56	88
Real estate and construction	**—**	—	—	—	10	**8**	14	30	44	29
Agriculture	**—**	—	—	—	2	**82**	70	35	22	35
Resource-based industries	**—**	—	13	16	—	**4**	3	28	103	11
Telecommunications, media and technology	**—**	13	14	236	49	**9**	16	41	610	126
Transportation	**—**	—	—	—	1	**4**	2	11	191	195
Utilities	**—**	2	44	5	—	**—**	2	51	36	6
Other	**—**	—	—	—	—	**2**	3	4	7	5
Total net impaired — business and government loans	**24**	103	217	258	97	**236**	309	538	1,269	678
Total net impaired loans	**$ 24**	$ 103	$ 217	$ 258	$ 127	**$ 288**	$ 308	$ 521	$ 1,237	$ 658

(1) Classification by country is based on domicile of debtor or customer.

(2) Other past due loans, which have not been classified as impaired, are described in Note 4 to the consolidated financial statements.

(3) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or interest is contractually 90 days in arrears.

DEPOSITS

Unaudited, $ millions, for the years ended October 31	Average balance			Interest			Rate		
	2005	2004	2003	**2005**	2004	2003	**2005**	2004	2003
Deposits in domestic bank offices (1)									
Payable on demand									
Personal	**$ 4,969**	$ 5,422	$ 5,774	**$ 6**	$ 39	$ 60	**0.12%**	0.72%	1.04%
Business and government	**17,788**	16,726	15,525	**167**	117	143	**0.94**	0.70	0.92
Bank	**833**	559	429	**5**	3	4	**0.60**	0.54	0.93
Payable after notice									
Personal	**31,300**	28,284	25,015	**203**	160	151	**0.65**	0.57	0.60
Business and government	**6,371**	6,008	5,955	**118**	95	126	**1.85**	1.58	2.12
Bank	**3**	1	1	**—**	—	—	**—**	—	—
Payable on a fixed date									
Personal	**35,439**	35,343	35,525	**973**	1,021	1,100	**2.75**	2.89	3.10
Business and government	**46,325**	38,547	34,519	**1,355**	986	1,013	**2.92**	2.56	2.93
Bank	**558**	570	628	**15**	8	12	**2.69**	1.40	1.91
Total domestic	**143,586**	131,460	123,371	**2,842**	2,429	2,609	**1.98**	1.85	2.11
Deposits in foreign bank offices									
Payable on demand									
Personal	**73**	131	254	**—**	—	—	**—**	—	—
Business and government	**326**	354	308	**6**	2	1	**1.84**	0.56	0.32
Bank	**28**	61	94	**1**	1	2	**3.57**	1.64	2.13
Payable after notice									
Personal	**92**	91	87	**2**	1	1	**2.17**	1.10	1.15
Business and government	**43**	46	8	**—**	—	—	**—**	—	—
Bank	**17**	77	111	**—**	1	1	**—**	1.30	0.90
Payable on a fixed date									
Personal	**458**	876	1,025	**14**	15	18	**3.06**	1.71	1.76
Business and government	**40,248**	48,412	57,473	**1,223**	760	924	**3.04**	1.57	1.61
Bank	**9,604**	9,967	11,608	**258**	182	220	**2.69**	1.83	1.90
Total foreign	**50,889**	60,015	70,968	**1,504**	962	1,167	**2.96**	1.60	1.64
Total deposits	**$ 194,475**	$ 191,475	$ 194,339	**$ 4,346**	$ 3,391	$ 3,776	**2.23%**	1.77%	1.94%

(1) Deposits by foreign depositors in our domestic bank offices amounted to $3.8 billion (2004: $3.6 billion; 2003: $4.4 billion).

SHORT-TERM BORROWINGS

Unaudited, $ millions, as at or for the years ended October 31	**2005**	2004	2003
Amounts outstanding at end of year			
Obligations related to securities sold short	**$ 14,883**	$ 12,220	$ 11,659
Obligations related to securities lent or sold under repurchase agreements	**14,325**	16,790	19,293
Total short-term borrowings	**$ 29,208**	$ 29,010	$ 30,952
Obligations related to securities sold short			
Average balance	**$ 15,786**	$ 13,292	$ 11,403
Maximum month-end balance	**16,230**	15,507	12,568
Average interest rate	**2.96%**	2.80%	3.47%
Obligations related to securities lent or sold under repurchase agreements			
Average balance	**17,424**	18,513	18,895
Maximum month-end balance	**24,381**	23,571	21,584
Average interest rate	**5.81%**	2.45%	2.59%

FEES PAID TO THE SHAREHOLDERS' AUDITORS

Unaudited, $ millions, for the years ended October 31	**2005**	2004	2003
Audit fees (1)	**$ 16.1**	$ 16.1	$ 7.3
Audit related fees (2)	**1.5**	1.6	2.3
Tax fees (3)	**0.4**	0.2	0.1
All other fees (4)	**—**	3.8	—
Total	**$ 18.0**	$ 21.7	$ 9.7

(1) For the audit of CIBC's annual financial statement and services normally provided by the principal auditor in connection with CIBC's statutory and regulatory filings. Audit fees for 2004 and 2005 include the audit of internal control over financial reporting under standards of the Public Company Accounting Oversight Board (United States).

(2) For the assurance and related services that are reasonably related to the performance of the audit or review of CIBC's financial statements, including accounting consultation, various agreed upon procedures and translation of financial reports.

(3) For tax compliance services.

(4) For products and services other than the fees reported in (1) to (3), including fees paid for a Board of Directors' reporting project.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited, $ millions, for the quarter	2005 Q4	Q3	Q2	Q1	2004(1) Q4	Q3	Q2	Q1
Net interest income	$ 1,172	$ 1,219	$ 1,224	$ 1,322	$ 1,287	$ 1,320	$ 1,260	$ 1,391
Non-interest income	2,251	1,932	1,596	1,757	1,614	1,586	1,767	1,550
Total revenue	3,423	3,151	2,820	3,079	2,901	2,906	3,027	2,941
Provision for credit losses	170	199	159	178	175	91	207	155
Non-interest expenses	2,057	4,850	2,032	1,901	2,266	1,968	2,074	1,943
Income (loss) before income taxes and non-controlling interests	1,196	(1,898)	629	1,000	460	847	746	843
Income taxes	436	(106)	176	283	46	250	238	256
Non-controlling interests	32	115	13	10	12	1	1	1
Net income (loss)	$ 728	$ (1,907)	$ 440	$ 707	$ 402	$ 596	$ 507	$ 586
Dividends on preferred shares	33	36	28	28	27	23	24	26
Net income (loss) applicable to common shares	$ 695	$ (1,943)	$ 412	$ 679	$ 375	$ 573	$ 483	$ 560

CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited, $ millions, as at quarter-end	2005 Q4	Q3	Q2	Q1	2004(1) Q4	Q3	Q2	Q1
Assets								
Cash and non-interest-bearing deposits with banks	$ 1,310	$ 1,417	$ 1,279	$ 1,267	$ 1,374	$ 1,273	$ 1,128	$ 1,359
Interest-bearing deposits with banks	10,542	12,376	10,823	10,952	10,829	9,447	12,409	10,137
Securities	67,764	72,945	74,096	69,868	67,316	70,465	70,074	71,656
Securities borrowed or purchased under resale agreements	18,514	20,575	20,393	21,424	18,165	18,612	21,169	21,652
Loans Residential mortgages	77,216	76,881	74,520	73,464	72,592	71,214	69,955	69,018
Personal and credit card	34,853	35,667	35,141	35,343	35,000	35,610	34,861	33,656
Business and government	31,350	31,306	31,367	31,969	31,737	32,479	32,630	32,250
Allowance for credit losses	(1,636)	(1,713)	(1,732)	(1,796)	(1,825)	(1,879)	(1,989)	(1,948)
Derivative instruments market valuation	20,309	21,539	21,752	22,843	23,710	20,789	23,904	25,423
Customers' liability under acceptances	5,119	5,216	5,428	4,651	4,778	5,151	4,695	4,767
Other assets	15,029	16,645	14,643	15,198	15,088	14,718	15,339	16,965
	$ 280,370	$ 292,854	$ 287,710	$ 285,183	$ 278,764	$ 277,879	$ 284,175	$ 284,935
Liabilities and shareholders' equity								
Deposits Personal	$ 73,790	$ 73,895	$ 73,417	$ 72,663	$ 72,049	$ 71,754	$ 71,247	$ 70,419
Business and government	108,409	112,738	112,436	110,407	106,705	109,260	115,138	111,349
Bank	10,535	10,510	10,631	10,231	11,823	12,006	9,252	11,446
Derivative instruments market valuation	20,128	22,150	21,553	22,392	23,990	20,098	22,321	24,323
Acceptances	5,119	5,216	5,431	4,651	4,778	5,151	4,695	4,778
Obligations related to securities lent or sold short or under repurchase agreements	29,208	33,120	30,645	31,944	29,010	28,685	32,071	32,380
Other liabilities	16,002	19,007	14,770	14,506	13,258	12,882	12,145	12,936
Subordinated indebtedness	5,102	3,853	3,915	3,904	3,889	3,861	3,146	3,201
Preferred share liabilities	600	1,045	1,052	1,048	1,043	1,711	1,726	1,710
Non-controlling interests	746	1,094	1,000	1,034	39	21	21	21
Shareholders' equity	10,731	10,226	12,860	12,403	12,180	12,450	12,413	12,372
	$ 280,370	$ 292,854	$ 287,710	$ 285,183	$ 278,764	$ 277,879	$ 284,175	$ 284,935

SELECT FINANCIAL MEASURES

Unaudited, as at or for the quarter	2005 Q4	Q3	Q2	Q1	2004(1) Q4	Q3	Q2	Q1
Return on equity	34.2%	(75.1)%	16.2%	25.7%	14.2%	21.3%	18.4%	21.0%
Return on average assets	1.01	(2.59)	0.63	0.97	0.57	0.85	0.73	0.83
Average common shareholders' equity ($ millions)	$ 8,045	$ 10,262	$ 10,425	$ 10,503	$ 10,545	$ 10,704	$ 10,693	$ 10,591
Average assets ($ millions)	$ 287,119	$ 292,136	$ 287,802	$ 288,288	$ 278,535	$ 279,008	$ 284,242	$ 281,529
Average assets to average common equity	35.7	28.5	27.6	27.4	26.4	26.1	26.6	26.6
Tier 1 capital ratio	8.5%	7.5%	10.7%	10.5%	10.5%	10.9%	11.0%	11.1%
Total capital ratio	12.7	10.5	13.4	13.1	12.8	13.3	12.8	13.0
Net interest margin	1.62	1.66	1.74	1.82	1.84	1.88	1.80	1.97
Efficiency ratio	60.1	153.9	72.1	61.7	78.1	67.7	68.5	66.1

COMMON SHARE INFORMATION

Unaudited, as at or for the quarter	2005 Q4	2005 Q3	2005 Q2	2005 Q1	2004 Q4	2004 Q3	2004 Q2	2004(1) Q1
Average shares outstanding (thousands)	**333,876**	**336,486**	**340,461**	**346,269**	349,128	354,003	358,895	359,742
Per share — basic earnings (loss)	**$ 2.08**	**$ (5.77)**	**$ 1.21**	**$ 1.96**	$ 1.08	$ 1.62	$ 1.35	$ 1.56
— diluted earnings (loss)(2)	**2.06**	**(5.77)**	**1.20**	**1.94**	1.06	1.60	1.33	1.54
— dividends	**0.68**	**0.68**	**0.65**	**0.65**	0.60	0.60	0.50	0.50
— book value(3)	**25.00**	**23.51**	**30.95**	**30.62**	29.92	30.40	30.17	29.70
Share price(4) — high	**80.64**	**80.80**	**74.75**	**73.70**	73.90	69.68	71.46	68.60
— low	**68.82**	**72.15**	**68.36**	**67.95**	64.50	62.20	64.80	59.35
— close	**72.20**	**80.01**	**74.75**	**68.45**	73.90	66.28	67.19	66.66
Price to earnings multiple (12-month trailing)	**n/m**	**n/m**	**12.7**	**11.4**	13.2	11.4	10.8	11.8
Dividend payout ratio	**32.7%**	**>100%**	**53.6%**	**33.2%**	55.7%	37.0%	37.1%	32.3%

(1) Certain prior period financial information has been reclassified to conform with the presentation adopted in 2005.

(2) In case of loss, the effect of stock options potentially exercisable on diluted earnings(loss) per share will be anti-dilutive;therefore,basic and diluted earnings(loss) per share will be the same.

(3) Common shareholders' equity divided by the number of common shares issued and outstanding at end of quarter.

(4) The high and low price during the period, and closing price on the last trading day of the period, on the TSX.

n/m — not meaningful due to the net loss.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited, $ millions, for the years ended October 31	**2005**	2004[1]	2003[1]	2002[1]	2001[1]	2000[1]	1999[1]	1998[1]	1997[1]	1996[1]
Net interest income	**$ 4,937**	$ 5,258	$ 5,517	$ 5,389	$ 4,445	$ 4,154	$ 4,313	$ 4,227	$ 4,427	$ 4,404
Non-interest income	**7,536**	6,517	5,946	5,541	6,613	7,797	5,728	4,804	3,980	2,892
Total revenue	**12,473**	11,775	11,463	10,930	11,058	11,951	10,041	9,031	8,407	7,296
Provision for credit losses	**706**	628	1,143	1,500	1,100	1,220	750	480	610	480
Non-interest expenses	**10,840**	8,251	8,128	9,129	8,226	8,096	7,998	7,125	5,372	4,584
Income before income taxes and non-controlling interests	**927**	2,896	2,192	301	1,732	2,635	1,293	1,426	2,425	2,232
Income taxes	**789**	790	239	(279)	92	641	320	460	937	911
Non-controlling interests	**170**	15	3	38	58	62	39	20	27	14
Net (loss) income	**$ (32)**	$ 2,091	$ 1,950	$ 542	$ 1,582	$ 1,932	$ 934	$ 946	$ 1,461	$ 1,307
Dividends on preferred shares	**125**	100	75	50	17	17	17	16	8	53
Premiums on preferred shares	**—**	—	—	—	—	—	—	—	—	34
Net (loss) income applicable to common shares	**$ (157)**	$ 1,991	$ 1,875	$ 492	$ 1,565	$ 1,915	$ 917	$ 930	$ 1,453	$ 1,220

CONDENSED CONSOLIDATED BALANCE SHEETS

Unaudited, $ millions, as at October 31	**2005**	2004[1]	2003[1]	2002[1]	2001[1]	2000[1]	1999[1]	1998[1]	1997[1]	1996[1]
Assets										
Cash and deposits with banks	**$ 11,852**	$ 12,203	$ 10,454	$ 9,512	$ 11,350	$ 10,679	$ 12,527	$ 10,795	$ 7,931	$ 8,120
Securities	**67,764**	67,316	69,628	64,273	74,794	69,242	59,492	60,970	45,252	39,817
Securities borrowed or purchased under resale agreements	**18,514**	18,165	19,829	16,020	24,079	20,461	19,158	36,293	37,629	32,534
Loans										
Residential mortgages	**77,216**	72,592	70,014	66,612	58,751	51,921	46,637	43,199	40,039	36,932
Personal and credit card	**34,853**	35,000	32,695	30,784	28,411	27,939	24,751	24,563	22,305	20,132
Business and government	**31,350**	31,737	33,177	41,961	46,693	47,567	47,552	49,811	47,107	45,642
Allowance for credit losses	**(1,636)**	(1,825)	(1,952)	(2,288)	(2,294)	(2,236)	(1,748)	(1,609)	(1,591)	(1,422)
Derivative instruments market valuation	**20,309**	23,710	22,796	24,717	25,723	23,847	24,449	37,157	21,977	13,314
Customers' liability under acceptances	**5,119**	4,778	5,139	6,848	8,100	9,088	9,296	10,995	10,375	8,733
Other assets	**15,029**	15,088	15,367	14,854	11,867	9,194	8,217	9,256	6,965	6,430
	$ 280,370	$ 278,764	$ 277,147	$ 273,293	$ 287,474	$ 267,702	$ 250,331	$ 281,430	$ 237,989	$ 210,232
Liabilities and shareholders' equity										
Deposits										
Personal	**$ 73,790**	$ 72,049	$ 69,202	$ 67,975	$ 66,826	$ 63,109	$ 60,878	$ 59,993	$ 59,188	$ 61,484
Business and government	**108,409**	106,705	106,768	117,986	114,270	103,141	85,940	84,862	60,272	43,705
Bank	**10,535**	11,823	12,160	10,669	13,256	13,382	13,223	15,020	19,438	22,232
Derivative instruments market valuation	**20,128**	23,990	21,945	24,794	26,395	24,374	25,097	36,245	21,376	12,500
Acceptances	**5,119**	4,778	5,147	6,878	8,100	9,088	9,296	10,995	10,375	8,733
Obligations related to securities lent or sold short or under repurchase agreements	**29,208**	29,010	30,952	18,051	32,616	28,191	29,203	48,659	43,932	41,907
Other liabilities	**16,002**	13,258	13,976	10,869	9,863	10,382	10,888	9,576	8,141	6,970
Subordinated indebtedness	**5,102**	3,889	3,197	3,627	3,999	4,418	4,544	4,714	4,894	3,892
Preferred share liabilities	**600**	1,043	1,707	1,988	1,999	1,576	1,633	1,661	1,518	851
Non-controlling interests	**746**	39	22	111	249	248	204	230	126	71
Shareholders' equity										
Preferred shares	**2,381**	1,783	1,650	1,100	300	300	300	300	—	217
Common shares	**2,952**	2,969	2,950	2,842	2,827	2,868	3,035	3,128	3,105	3,055
Contributed surplus	**58**	59	50	26	—	—	—	—	—	—
Retained earnings	**5,340**	7,369	7,421	6,377	6,774	6,625	6,090	6,047	5,624	4,615
	$ 280,370	$ 278,764	$ 277,147	$ 273,293	$ 287,474	$ 267,702	$ 250,331	$ 281,430	$ 237,989	$ 210,232

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2005.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Unaudited, $ millions, for the years ended October 31	**2005**	2004(1)	2003(1)	2002(1)	2001(1)	2000(1)	1999(1)	1998(1)	1997(1)	1996(1)
Balance at beginning of year	**$ 12,180**	12,071	$ 10,345	$ 9,901	$ 9,793	$ 9,425	$ 9,475	$ 8,729	$ 7,887	$ 8,027
Adjustment for change in accounting policy	**10**(2)	6(3)	—	(42)(4)	(140)(5)	—	—	—	—	(94)(6)
Premium on redemption/repurchase of share capital Preferred	**—**	—	—	—	—	—	—	—	—	(34)
Common	**(1,035)**	(1,084)	—	(269)	(736)	(873)	(397)	—	—	(281)
Changes in share capital Preferred	**598**	133	550	800	—	—	—	300	(217)	(486)
Common	**(17)**	19	108	15	(41)	(167)	(93)	23	50	(147)
Changes in contributed surplus	**(1)**	9	24	26	—	—	—	—	—	—
Changes in foreign currency translation adjustments	**49**	(196)	(222)	2	38	8	(4)	1	10	5
Net (loss) income	**(32)**	2,091	1,950	542	1,582	1,932	934	946	1,461	1,307
Dividends Preferred	**(125)**	(100)	(75)	(50)	(17)	(17)	(17)	(16)	(8)	(53)
Common	**(902)**	(781)	(591)	(577)	(536)	(501)	(492)	(498)	(434)	(352)
Other	**6**	12	(18)	(3)	(42)	(14)	19	(10)	(20)	(5)
Balance at end of year	**$ 10,731**	$ 12,180	$ 12,071	$ 10,345	$ 9,901	$ 9,793	$ 9,425	$ 9,475	$ 8,729	$ 7,887

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2005.

(2) Represents the effect of implementing the CICA AcG-15, "Consolidation of Variable Interest Entities," which provides a framework for identifying a VIE and requires a primary beneficiary to consolidate a VIE.

(3) Represents the effect of implementing the CICA AcG-17, "Equity-Linked Deposit Contracts," which introduced the requirements to bifurcate the equity-linked contracts and measure the derviative at fair value.

(4) Represents the effect of implementing the CICA handbook section 3870, "Stock-based Compensation and Other Stock-based Payments," which introduced the requirement to account for SARs based on quoted market price on an ongoing basis. Additionally, CIBC adopted the fair value-based method to account for stock transactions with employees and non-officerdirectors, as encouraged by section 3870.

(5) Represents the effect of implementing the CICA handbook section 3461, "Employee Future Benefits," which introduced the requirement to accrue the cost of post-retirement and post-employment benefits during the years employees provide services to CIBC.

(6) Represents the effect of implementing the CICA handbook section 3025, "Impaired Loans," which introduced the requirement to discount expected cash flows on impaired loans when determining the allowance for credit losses.

SELECT FINANCIAL MEASURES

Unaudited, as at or for the years ended October 31	**2005**	2004(1)	2003(1)	2002(1)	2001(1)	2000(1)	1999(1)	1998(1)	1997(1)	1996(1)
Return on equity	**(1.6)%**	18.7%	19.2%	5.1%	16.1%	20.5%	9.8%	10.3%	17.7%	17.1%
Return on average assets	**(0.01)**	0.74	0.68	0.19	0.57	0.73	0.34	0.34	0.62	0.67
Average common shareholders' equity ($ millions)	**$ 9,804**	$ 10,633	$ 9,764	$ 9,566	$ 9,739	$ 9,420	$ 9,323	$ 9,100	$ 8,195	$ 7,332
Average assets ($ millions)	**$288,845**	$280,810	$284,739	$292,510	$278,798	$263,119	$271,844	$278,823	$236,025	$196,063
Average assets to average common equity	**29.5**	26.4	29.2	30.6	28.6	27.9	29.2	30.6	28.8	26.7
Tier 1 capital ratio	**8.5%**	10.5%	10.8%	8.7%	9.0%	8.7%	8.3%	7.7%	7.0%	6.6%
Total capital ratio	**12.7**	12.8	13.0	11.3	12.0	12.1	11.5	10.8	9.8	9.0
Net interest margin	**1.71**	1.87	1.94	1.84	1.59	1.58	1.59	1.52	1.88	2.25
Efficiency ratio	**86.9**	70.1	70.9	83.5	74.4	67.7	79.7	78.9	63.9	62.8

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2005.

Board structure and members — Sustaining our governance practices

The Board's duty is to supervise the management of the business and affairs of CIBC. To assist in this work, the Board uses a comprehensive governance framework. This framework includes a qualified board of directors with diverse backgrounds and skills; a constructive relationship between the Board and senior management to provide access to required information; and a robust set of governance and control policies and procedures.

CIBC's Board has made excellent progress in renewing its membership. Since 2001, 10 directors have retired and eight new directors have joined the Board, with three new members joining in 2005. By continually and systematically assessing the skills and characteristics of CIBC's Board members against CIBC's current and anticipated needs, the Board is able to seek out the appropriate skill set to oversee the businesses of CIBC.

Committed to continuous improvement

As in previous years, the Board engaged an external governance specialist to conduct an assessment of the Board's performance. The assessment resulted in two performance reports. The first report was based on the feedback obtained from directors in response to tailored questionnaires that covered the Board, each Board committee, each committee chair, the Chairman and the Chief Executive Officer. The questionnaires covered a range of dimensions, such as roles and structure, Board decision-making, culture, Board-management relations, strategic planning, risk management and performance and succession management. The external consultant compiled, analyzed and scored the data obtained from these questionnaires and provided the Board with a formal performance assessment. The second report was based on feedback obtained from directors in individual one-on-one interviews that the Chairman conducted with each director to discuss the director's performance, development needs and peer feedback. The Chairman used an evaluation framework developed by the external consultant and the consultant prepared a report on the results, which were reported to the Board. These reports identified opportunities for continuing Board and director development and formed the basis of action plans for improvement. These action plans were developed by the Board committees, the Chairman and the Chief Executive Officer and then reviewed by the Corporate Governance Committee and approved by the Board. The Corporate Governance Committee monitors progress against these plans.

Strengthening our competency matrix

The Board has developed a competency matrix, which outlines the desired complement of directors' skills and characteristics based on CIBC's current and anticipated needs. We use the matrix to assist in identifying and recruiting suitable new directors. This matrix is reviewed and enhanced annually by the Corporate Governance Committee so that the Chairman and the Corporate Governance Committee can assess and address any gaps in the Board's collective skill set. During the year, with the appointment of three new directors with particular strengths in retailing and finance, we enhanced the Board's diversity and financial institution strength.

Governance

We remain committed to strong governance — we believe this is an important building block for our long-term success. Through extensive work and significant investment over the past four years, we have enhanced an integrated framework that serves as the foundation for sustaining excellence in governance for the future.

Focusing on director development

The Board believes that continuous director development is critical to sustaining good governance. During the year, the Board approved a policy designed to formalize CIBC's Director Development Program and to foster the continuous education of Board members. The program has two components: 1) New Director Orientation and 2) Ongoing Director Development. The Board's target over time is to have 10% of the combined time at regularly scheduled Board and committee meetings dedicated to educational presentations in addition to review or decision items.

The New Director Orientation program is comprised of written materials and scheduled orientation events. CIBC's Director's Manual reviews the Board's policies and procedures; CIBC's bylaw and current organizational structure; CIBC's current strategic, financial and capital plans; the most recent annual and quarterly financial reports; and a report on key business issues. In addition, a new director has separate one-on-one meetings with the Chairman and the Chief Executive Officer as well as members of senior management and representatives of CIBC's Compliance Department. The chair of a Board committee also arranges an orientation session for any new director who joins the committee. To assist a new director in understanding the role of the Board and its committees and the commitment expected of a director, the Chairman may arrange for a current Board member to act as mentor to a new director. When a new director joins the Board, he or she is required to review the CIBC Director Code of Ethics, available at www.cibc.com, and acknowledge in writing that he or she has reviewed the code and agrees to abide by its terms. As an annual follow-up, directors sign an assertion every year that they continue to abide by the Director Code of Ethics.

The Ongoing Director Development program is comprised of a combination of external course offerings; self-education through CIBC's online learning network and review of written materials relevant to a director's role; regular education presentations provided by internal and external experts; and one-on-one sessions between a director and an internal or external expert on specific subject matters. The Chairman is responsible for coordinating continuous education programs at the Board level. Each Board committee chair has the same responsibility for the continuous education of committee members in relation to a committee's mandate. All Board members are invited to attend any continuing education session of a Board committee.The Board of Directors' website is an important component of the Ongoing Director Development program, providing an online reference library for directors with key contact information and a complete repository of policies and procedures affecting the operation of the Board. During the year, the Board had four educational sessions focused on risk management and Basel II (described in more detail on page 80). As well, members of Board committees participated in educational sessions relevant to their respective mandates. The Risk Management Committee participated in five educational sessions, which included programs on liquidity, market risk and Basel II. The Audit Committee participated in two educational sessions, which included programs on derivatives and information technology. The Management Resources and Compensation Committee participated in two educational sessions on pension governance. The Corporate Governance Committee participated in two educational sessions on emerging regulatory and other governance developments.

Working with senior management

It is critical that the Board and management maintain a trusting, open relationship. Directors work with senior management to obtain and review appropriate information that is needed for the Board to provide strategic direction. During the year, the Board's guidance assisted in the smooth transition of organizational changes, in particular, the succession of the Chief Executive Officer role to Gerry McCaughey.

Policies and principles establish guidelines for Board operations

To facilitate its operations, the Board has developed a sound framework of policies and principles. Significant policies established over the past two years include those that guide director meeting attendance and preparation and the Director Tenure Policy that outlines the circumstances under which a director resigns from the Board. The Board recently revised its Director Tenure Policy to require any director who does not receive majority support in an uncontested election to submit his or her resignation to the Board's Corporate Governance Committee. In the absence of extenuating circumstances the Corporate Governance Committee would be expected to recommend that the Board accept the resignation.This framework of policies, procedures and oversight provides a solid foundation for sustained Board renewal and governance strength.

Board members — Facilitating independent assessment and oversight

The Board continues to recognize the importance of maintaining its independence. The Directors Independence Standards are available at www.cibc.com and reflect independence standards derived from the Affiliated Persons regulations under the Bank Act (Canada) and the corporate governance rules and guidelines of the New York Stock Exchange (NYSE) and the Canadian Securities Administrators. Under these standards, 17 of CIBC's 19 directors are considered to be independent.

Board members — 19 directors

Brent S. Belzberg B. Comm., J.D. (2005)
President and Chief Executive Officer, Torquest Partners Inc.
(Toronto, Ontario, Canada)

Jalynn H. Bennett C.M. (1994)
President, Jalynn H. Bennett and Associates Ltd.
(Toronto, Ontario, Canada)

Gary F. Colter F.C.A. (2003)
President, CRS Inc.
(Toronto, Ontario, Canada)

William L. Duke (1991)
Farmer
President, Annandale Farms Inc.
(Redvers, Saskatchewan, Canada)

Ivan E.H. Duvar B.E., P.Eng., LL.D. (Hon.) (1989)
President and Chief Executive Officer, MIJAC Inc.
(Amherst, Nova Scotia, Canada)

William A. Etherington (1994)
Chairman of the Board, CIBC
(Toronto, Ontario, Canada)

A.L. Flood C.M. (1989)
Company Director, CIBC
(Toronto, Ontario, Canada)

Margot A. Franssen O.C. (1992)
President and Chief Executive Officer, Bibelot Inc.
(Toronto, Ontario, Canada)

Hon. Gordon D. Giffin (2001)
Senior Partner, McKenna Long & Aldridge LLP
(Atlanta, Georgia, U.S.A.)

Hon. James A. Grant P.C., C.M., Q.C. (1991)
Chair Emeritus, Stikeman Elliott LLP
(Montréal, Québec, Canada)

Linda S. Hasenfratz (2004)
Chief Executive Officer, Linamar Corporation
(Guelph, Ontario, Canada)

Pat M. Hayles (1993)
President, PDA Inc.
(Toronto, Ontario, Canada)

John S. Lacey (2004)
Chairman, Alderwoods Group, Inc.
(Toronto, Ontario, Canada)

Hon. John P. Manley P.C. (2005)
Senior Counsel, McCarthy Tétrault LLP
(Ottawa, Ontario, Canada)

Gerald T. McCaughey (2005)
President and Chief Executive Officer, CIBC
(Toronto, Ontario, Canada)

Charles Sirois C.M., B.Fin., M.Fin. (1997)
Chairman and Chief Executive Officer, Telesystem Ltd.
(Montréal, Québec, Canada)

Stephen G. Snyder B.Sc., M.B.A., LL.D. (Hon.),B.ofAT. (Hon.) (2000)
President and Chief Executive Officer, TransAlta Corporation
(Calgary, Alberta, Canada)

Cynthia M. Trudell B.Sc., Ph.D. (2005)
Vice-President, Brunswick Corporation and President, Sea Ray Division
(Knoxville, Tennessee, U.S.A.)

Ronald W. Tysoe (2004)
Vice-Chair, Federated Department Stores, Inc.
(Cincinnati, Ohio, U.S.A.)

Board committees — Active participation for effective governance

There are four committees of the Board: Corporate Governance Committee, Audit Committee, Management Resources and Compensation Committee, and Risk Management Committee. Each year, the Board reviews, revises and approves the mandate for each of these committees, which outlines their responsibilities and accountabilities. These mandates are available at www.cibc.com. The structure, membership and organization of the Board's committees enhance their overall effectiveness. A substantial majority of the members of the Risk Management Committee meet the independence standards established by the Board and all of the members of the other committees meet these independence standards. The Board's independence standards are available at www.cibc.com. In addition, each committee chair is a member of the Corporate Governance Committee, which promotes enhanced communication. The Chairman and the Chief Executive Officer attend committee meetings at the invitation of the committee chair.

Corporate Governance Committee The primary function of the Corporate Governance Committee is to assist the Board of Directors in fulfilling its corporate governance oversight responsibilities. The Corporate Governance Committee also acts as the conduct review committee of CIBC under the Bank Act (Canada).

Members: J.H. Bennett (Chair), G.F. Colter, J.S. Lacey, C. Sirois, S.G. Snyder

Audit Committee The primary functions of the Audit Committee are to fulfill its responsibilities in relation to reviewing the integrity of CIBC's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring CIBC's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; reviewing the qualifications, independence and performance of the external auditors; reviewing the qualifications, independence and performance of CIBC's internal auditors; and acting as the Audit Committee for certain federally regulated subsidiaries.

Members: J.H. Bennett, G.F. Colter (Chair), I.E.H. Duvar, J.P. Manley, C.M. Trudell

Management Resources and Compensation Committee The primary function of the Management Resources and Compensation Committee is to assist the Board of Directors in fulfilling its supervisory responsibilities in relation to CIBC's human resource policies and practices, including the oversight of the CIBC pension plans.

Members: W.L. Duke, M.A. Franssen, L.S. Hasenfratz, J.S. Lacey, C. Sirois (Chair)

Risk Management Committee The primary function of the Risk Management Committee is to assist the Board of Directors in fulfilling its responsibilities in relation to the identification, measurement, monitoring and controlling of CIBC's principal business risks.

Members: B.S. Belzberg,A.L. Flood, G.D. Giffin,J.A. Grant, P.M.Hayles, S.G. Snyder(Chair), R.W. Tysoe

Strengthening our framework for compliance and managing sustainable governance practices

During the year, CIBC further enhanced its governance and control coordination through the implementation of a comprehensive control framework. This framework, developed using the principles set by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), provides us with the means to assess the overall design and effectiveness of the CIBC-wide internal control environment against our own objectives, as well as Canadian and U.S. regulatory developments. The framework also outlines how our control streams meet our strategic objectives, documents CIBC's governance principles and clarifies roles and accountabilities.

Some of these control streams form the basis of our ability to continue to meet the management reporting requirements of section 404 of the U.S. Sarbanes-Oxley Actof 2002. CIBC complied with section 404 at the end of 2004, two years ahead of that required by current legislation.

Our continuing focus on CIBC's vision, mission and value work is an important component of our governance program. We further strengthened our work in this area by integrating vision and values into the 2005 performance measurement of our senior leaders and by conducting ongoing development programs for our leaders.

We introduced a new CIBC Policy Framework that outlines roles and responsibilities regarding policy-related activities and processes. This framework provides a structure for us to identify, develop and renew our policies across CIBC.

To coordinate and enhance our ongoing efforts to safeguard the privacy of our clients' information, CIBC established aPrivacy Office under the Chief Privacy Officer.

The practices and procedures of CIBC's management and the Board foster compliance with governance rules and best practices. NYSE governance rules require that we disclose any significant differences between our governance practices and the NYSE governance rules. For the approval of equity compensation plans, there is a significant difference. Unlike the NYSE rules, there is no requirement in Canada for shareholder approval of compensation arrangements involving share purchases in the open market at fair value. CIBC complies with the Toronto Stock Exchange rules to obtain shareholder approval of share compensation arrangements that involve a new issue of shares.

Senior management — Accountable for ongoing good governance

All employees of CIBC have a role in the effective governance of CIBC. During the year, a revised Employee Code of Conduct was introduced, along with a new annual certification and testing program. The Code outlines the standards of conduct required from our employees as well as CIBC's obligations. In addition, the Code helps to reinforce CIBC's vision to be the leader in client relationships by promoting conduct that is consistent with our values of trust, teamwork and accountability.

Senior management has responsibility for CIBC's business activities as well as for the design and effectiveness of governance and controls. The Senior Executive Team (SET) is comprised of CIBC's top senior executives. Through the SET, the Chief Executive Officer and senior management communicate and share information regarding enterprise-wide governance and control, strategic direction, policy approvals, financial affairs and risk management issues.

Shareholder investment plan

Registered holders of CIBC common shares may participate in one or more of the following options, and pay no brokerage commissions or service charges:

Dividend reinvestment option: Common dividends may be reinvested in additional CIBC common shares. Residents of the United States and Japan are not eligible.

Share purchase option: Up to $50,000 of additional CIBC common shares may be purchased during the fiscal year. Residents of the United States and Japan are not eligible.

Stock dividend option: U.S. residents may elect to receive stock dividends on CIBC common shares.

For further information and a copy of the offering circular, contact CIBC Mellon Trust Company (see Transfer agent and registrar).

Price of common shares purchased under the shareholder investment plan

Date purchased	Share purchase option	Dividend reinvestment & stock dividend options
Oct. 28/05		$ 72.16
Oct. 3/05	$ 72.63	
Sep. 1/05	$ 70.40	
Aug. 2/05	$ 81.00	
Jul. 28/05		$ 80.94
Jul. 4/05	$ 75.94	
Jun. 1/05	$ 72.72	
May 2/05	$ 75.21	
Apr. 28/05		$ 74.05
Apr. 1/05	$ 73.75	
Mar. 1/05	$ 69.40	
Feb. 1/05	$ 68.28	
Jan. 28/05		$ 68.66
Jan. 4/05	$ 72.33	
Dec. 1/04	$ 72.64	
Nov. 1/04	$ 73.57	

Direct dividend deposit service

Canadian-resident holders of common shares may have their dividends deposited by electronic transfer directly into their account at any financial institution that is a member of the Canadian Payments Association. To arrange, please contact CIBC Mellon Trust Company (see Transfer agent and registrar).

Transfer agent and registrar

For information relating to shareholdings, dividends, dividend reinvestment accounts, lost certificates or to eliminate duplicate mailings of shareholder material, please contact:

CIBC Mellon Trust Company
P.O. Box 7010, Adelaide Street Postal Station
Toronto, Ontario
M5C 2W9
416-643-5500 or fax 416-643-5501
1-800-387-0825 (toll-free in Canada and the U.S.)
e-mail: inquiries@cibcmellon.com

Common and preferred shares are transferable in Canada at the offices of our agent,CIBC Mellon Trust Company, in Toronto, Montreal, Halifax, Calgary and Vancouver.

In the United States, common shares are transferable at:
Mellon Investor Services LLC
480 Washington Blvd., 27th Floor
Jersey City, New Jersey 07310

*Visit **www.cibc.com, Investor Relations section** for additional shareholder information.*

Exhibit B.6(a)(1) Certifications required by Rule 13a-14(a)

CERTIFICATIONS

I, Gerald T. McCaughey, certify that:

1. I have reviewed this annual report on Form 40-F of Canadian Imperial Bank of Commerce;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 12, 2005

/s/ Gerald T. McCaughey
Gerald T. McCaughey
President and Chief Executive Officer

I, Tom D. Woods, certify that:

1. I have reviewed this annual report on Form 40-F of Canadian Imperial Bank of Commerce;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 12, 2005

/s/ Tom D. Woods

Tom D. Woods
Senior Executive Vice President and Chief Financial Officer

Exhibit B.6(a)(2): Certifications required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code

Certificates pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Certifications

In connection with the annual report of Canadian Imperial Bank of Commerce (the "Bank") filed under cover of a Form 40-F for the period ended October 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gerald T. McCaughey, President and Chief Executive Officer of the Bank, certify that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

/s/ Gerald T. McCaughey
Gerald T. McCaughey
President and Chief Executive Officer

Date: December 12, 2005

In connection with the annual report of Canadian Imperial Bank of Commerce (the "Bank") filed under cover of a Form 40-F for the period ended October 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tom D. Woods, Senior Executive Vice President and Chief Financial Officer of the Bank, certify that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Bank.

/s/ Tom D. Woods
Tom D. Woods
Senior Executive Vice President and Chief Financial Officer

Date: December 12, 2005

Exhibit B.8: Disclosure regarding audit committee financial expert

CIBC's Board of Directors has determined that (i) CIBC has at least one "audit committee financial expert" (as that term is defined in General Instruction B(8)(b) of the General Instructions to Form 40-F) serving on its audit committee, (ii) that Mr. Gary Colter is a "financial expert" (as so defined) and (iii) that Mr. Gary Colter is "independent" (as that term is defined in 17 CFR 240.10A-3).

Exhibit B.9: Disclosure regarding code of ethics

CIBC has adopted a Code of Conduct applicable to all its officers and employees, including CIBC's Chief Executive Officer, Chief Financial Officer, Chief Accountant and Controller. The Code of Conduct meets the definition of a "code of ethics" (as that term is defined in General Instruction B(9)(b) of the General Instructions to Form 40-F). The Code of Conduct is available on CIBC's website at www.cibc.com. No waivers from the provisions of the Code of Conduct were granted in the fiscal year ended October 31, 2005 to the Chief Executive Officer, Chief Financial Officer, Chief Accountant or Controller of CIBC.

In August 2005, CIBC issued a revised Code of Conduct, designed to enhance its visibility and ease of use. The revised Code of Conduct was made available on CIBC's website within five business days following the date of its adoption. Any further revisions or amendments to the Code of Conduct will be similarly posted on CIBC's website. All employees, including CIBC's Chief Executive Officer, Chief Financial Officer, Chief Accountant and Controller are required to complete an annual test and certification regarding the Code of Conduct. The Chief Compliance Officer reports annually to the Corporate Governance Committee of the Board of Directors of CIBC regarding compliance with the Code of Conduct.

Exhibit D.9: Consent of Independent Registered Public Accounting Firm

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our Firm under the caption “Experts” and to the incorporation by reference in the Registration Statements (Form F-3 no. 333-104577 and Form S-8 no. 333-09874) of Canadian Imperial Bank of Commerce (“CIBC”) of our reports dated November 30, 2005, with respect to the consolidated financial statements of CIBC, CIBC management’s assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of CIBC, included in this Annual Report (Form 40-F) for the year ended October 31, 2005.

/s/ Ernst & Young LLP

Ernst & Young LLP
Chartered Accountants
Toronto, Canada
December 12, 2005