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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, 2006 **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
Canadian Imperial Bank of Commerce
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)

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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&P500® 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&P500® Index-Linked Callable Notes due July 30, 2010	American Stock Exchange
Index-Linked Notes due June 30, 2011 (Linked to the S&P500® 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&P500® 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 Average sm)	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&P500® 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
CIBC Equity Target Redemption Premium Yield Generator Notes SM due December 26, 2012	American Stock Exchange
CIBC Equity Target Redemption Premium Yield Generator Notes SM due April 1, 2013	American Stock Exchange
CIBC Premium Yield Generator Notes SM due May 22, 2008 (Annual Coupons Linked To A Basket Of Ten Large-Cap U.S. Stocks)	American Stock Exchange

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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	335,976,647
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	3,058
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 check 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

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SIGNATURE
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ex-99.b.3(b)
ex-99.b.3(c)
ex-99.b.3(d)
ex-99.b.6(a)(1)
ex-99.b.6(a)(2)
ex-99.b.8
ex-99.b.9
ex-99.b.10
ex-99.d.9

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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 or transactions in said securities.

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 18, 2006

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

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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, 2006 excerpted from pages 76-130 of CIBC's 2006 Annual Accountability Report including Independent Auditors' Reports to Shareholders with respect to consolidated financial statements as of October 31, 2006 and 2005 and for each of the years in the three year period ended October 31, 2006 and internal controls as of October 31, 2006, under standards of the Public Company Accounting Oversight Board (United States)
B.3(c)	Management's discussion and analysis excerpted from pages 34-75 of CIBC's 2006 Annual Accountability Report
B.3(d)	Other Pages of Annual Accountability 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
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 7, 2006

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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 CIBC makes about the operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook of CIBC for 2007 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 CIBC 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: the possibility that the proposed FirstCaribbean International Bank transaction does not close when expected or at all, or that CIBC and Barclays Bank PLC may be required to modify aspects of the proposed transaction to achieve regulatory approval; legislative or regulatory developments in the jurisdictions where CIBC operates; 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 CIBC's estimates of reserves and allowances; changes in tax laws; that CIBC's estimate of its sustainable effective tax rate will not be achieved; political conditions and developments; the possible effect on CIBC's business of international conflicts and the war on terror; natural disasters, public health emergencies and other catastrophic events; 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 and 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 2006 Annual Accountability Report for the year ended October 31, 2006 (2006 AAR). The table below identifies pages from the 2006 AAR which are incorporated by reference into this AIF.

AIF Item	2006 AAR – Page Reference
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Unless otherwise specified, this AIF presents information as at October 31, 2006.

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 131 of the 2006 AAR.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Over the past few years, CIBC has refocused its business strategies, in addition to making significant investments in governance initiatives.

Beginning in 2002, the bank established four specific priorities as part of a new strategy to reduce CIBC's risk profile and earnings volatility:

1. Reduce risk
2. Shift the bank's business mix
3. Grow core businesses
4. Improve efficiency

CIBC set some specific goals. By 2004, many of these goals had been achieved:

- Economic capital[1] allocated to the large corporate loan portfolio was reduced by 69%, exceeding the stated target of 33%
- The carrying value of the merchant banking portfolio was reduced by 38.5%, exceeding the stated target of 33%
- Business mix[1], as measured by economic capital, had shifted to 72% retail/28% wholesale, exceeding the stated target of 70%/30%
- In addition to regular governance spending, $60 million was committed for extensive governance and control initiatives, including mandatory legal and reputational risk training for all CIBC employees

In 2005, CIBC's further progress against its priorities and solid operating results from its businesses were overshadowed by the settlement of long-outstanding Enron-related litigation.

CIBC's management team outlined three priorities for 2006:

1. Maintain core business strength
2. Improve productivity
3. Build balance sheet strength

CIBC's results in 2006 were a reflection of the progress that was made against its priorities:

Business strength

CIBC Retail Markets, consisting of CIBC's retail banking and wealth management operations, continues to perform well overall and remains solidly positioned in the marketplace. CIBC's focus on retail, heading into 2006, was to improve the credit quality of our portfolio. The

1 For additional information, see the Non-GAAP Measures section in the 2006 Management's Discussion and Analysis in the 2006 AAR.

combination of enhancements to credit adjudication and an emphasis on growing secured lending contributed to an improvement in loan loss performance. Retail Markets loan losses for the fourth quarter of 2006 were down $92 million (41%) from the same period in 2005.

CIBC Retail Markets net income was up 18% from 2005 and up 32% from 2004. CIBC's credit card business continues to be the leader in Canada with $11.7 billion in managed outstanding balances. Cards outstanding balances have been growing approximately 5-8% annually over the past three years. In the third quarter of 2006 CIBC's Aerogold franchise had its strongest quarter-over-quarter total outstandings growth in a number of years, as well as strong growth in new accounts. CIBC's residential mortgages business is in a strong #2 position. Recently, CIBC has experienced a shift to fixed rate mortgages from variable rate mortgages where CIBC has historically been strong. As in the past, CIBC is looking at further segmenting the marketplace and introducing new products to maintain its strong position in this business. CIBC's deposit business is sound and market share has stabilized at approximately 19%. In mutual funds, balances are up from approximately $36 billion at the end of 2003 to over $47 billion at the end of 2006. Imperial Service was created six years ago to provide personalized advice to the top 15% of branch banking clients. CIBC's focus is on extending its affluent client experience to more clients in high growth, high income markets. Today CIBC has the largest IDA-licensed, in-branch sales force and Imperial Service is accessible in twenty-eight markets. Funds managed per advisor is up approximately 21% since the end of 2003. CIBC Wood Gundy is the #2 full-service brokerage in Canada, as measured in assets. Growth in assets has been consistent over the past few years totalling $116 billion at the end of 2006.

CIBC's planned acquisition of an additional 43.7% of FirstCaribbean International Bank (FirstCaribbean) will further strengthen CIBC's retail business and provide international diversification of its earning base. FirstCaribbean is one of the largest regionally-listed banks in the Caribbean with over 3,400 staff, 100 branches and banking centres, and offices in 17 countries.

CIBC World Markets net income was $646 million compared with a loss of $1,671 million in 2005. The loss in 2005 includes the impact of an Enron-related settlement. Its 2006 performance reflects the progress CIBC has made to reduce risk and volatility in its wholesale business. CIBC has focused attention and resources in support of its client franchise, while continuing to further reduce its merchant banking portfolio.

In Canada, CIBC World Markets has been the leading equity underwriter for each of the past four years. In 2006, it maintained its #1 ranking in M&A for number of deals and transaction value. 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.

Productivity

CIBC remains committed to improving its productivity.

In 2005, CIBC set a goal of $250 million of annual expense reductions by the end of 2006 as measured by 2006 fourth quarter non-interest expenses, annualized, less 2005 second quarter non-interest expenses (excluding the $75 million provision related to hedge funds settlements), annualized. CIBC exceeded that goal, achieving reductions of $272 million.

CIBC continues to have a strategic target of an efficiency ratio that is at the median or better among its Canadian bank peers. CIBC has made progress in this regard.

Balance sheet strength and capital usage

A primary measure of CIBC's balance sheet strength is its Tier 1 capital ratio. CIBC has a stated Tier 1 capital ratio target of 8.5%.

Over the last year, our Tier 1 capital ratio increased from 8.5% to 10.4%.

In 2006, CIBC built its capital to fund its FirstCaribbean acquisition. CIBC is on track to close the first leg of this transaction by the end of calendar 2006. See page 43 of the 2006 AAR for more details.

In the area of capital usage, CIBC's first priority is to invest in its core businesses in order to sustain their strength and position in the market place.

After meeting its internal investment needs, CIBC's plan is to balance other capital deployment alternatives such as dividends, share buybacks and acquisition opportunities.

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 34 to 75 of the 2006 AAR.

DESCRIPTION OF THE BUSINESS

The CIBC Organization

CIBC's two strategic business lines are CIBC Retail Markets and CIBC World Markets. These business lines are supported by five functional groups: Administration, Technology and Operations; Corporate Development; Finance; Legal and Regulatory Compliance; and Treasury and Risk Management. Information about CIBC's business lines and functional groups is provided on pages 34 to 52 of the 2006 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 by CIBC Retail Markets and CIBC World Markets can be found in the 2006 AAR on page 46.

Competitive Conditions

CIBC is the fifth largest Canadian chartered bank in terms of market capitalization as of October 31, 2006.

With fairly similar distribution networks, products and services offered by CIBC's major competitors (the other five largest chartered banks), price competition in more traditional bank

businesses such as deposit-taking and lending, together with historically low levels of interest rates, has compressed net interest margins. Revenue growth has been supported by higher fee-based business, as the major banks have expanded their wealth management and wholesale operations over the past decade.

In recent years, competition has been increased by the growing presence of foreign subsidiaries offering traditional banking services. While they do not have the scale, infrastructure, knowledge of the market and regulatory flexibility to compete with the Canadian banks on a broad basis, they have competed directly in specific areas of business such as savings deposits, asset management and credit cards.

Given the slowing domestic growth opportunity, there has been an increasing commitment to international expansion to provide scale, presence and operational leverage. The attraction of potentially successful new growth opportunities must be assessed in light of the risks and cost of investment in a highly competitive U.S. market, or political, currency or other uncertainties associated with other international markets.

While the domestic environment is competitive, CIBC's core retail and wholesale franchises remain well positioned for further growth, albeit at industry growth rates that are likely to be slower than the past. CIBC's additional investment in the Caribbean, together with its continued wholesale operations in the U.S., Europe and Asia-Pacific markets, provide an important international footprint to complement its opportunities in Canada.

Employees

As at October 31, 2006, CIBC had a regular workforce headcount of 37,016.

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 13 to 29 of the 2006 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 53 to 66 of the 2006 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 132 to 141 of the 2006 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 99 to 101 of the 2006 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 its preferred and common shares on January 27, April 28, July 28 and October 27, 2006 and for dividends to be paid on its preferred and common shares on January 29, 2007 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

Management's Discussion and Analysis of CIBC for the year ended October 31, 2006 is provided on pages 34 to 75 of the 2006 AAR.

CAPITAL STRUCTURE

A description of CIBC's capital structure is provided on pages 99 to 101 of the 2006 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-1 (low)	—	P-1 (low) A-	—
SENIOR DEBT	AA (low)	Aa3	A+	AA-
SUBORDINATED DEBT	A (high)	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, 2006 has been obtained from the respective rating organization's website and is outlined in Appendix A.

MARKET FOR SECURITIES [2]

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:

- US Dollar Floating Rate Debentures Notes due 2084 with interest at 6-month US$ LIBOR plus 0.25%. To CIBC's knowledge the issue did not trade on the exchange during the year ended October 31, 2006;
- US Dollar Floating Rate Subordinated Capital Debentures due 2085 with interest at 6-month US$ LIBOR plus 0.125% which traded on the exchange at $83.25 on January 27, 2006.

The following subordinated debt security issued by CIBC World Markets plc (a wholly-owned subsidiary of CIBC) is listed on the Luxembourg Stock Exchange and to CIBC's knowledge did not trade on that exchange during the year ended October 31, 2006:

- 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.

2 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 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06	Aug 06	Sep 06	Oct 06
Common Shares												
High	$ 80.30	$ 78.71	$ 81.15	$ 80.42	$ 86.55	$ 86.52	$ 83.79	$ 79.75	$ 79.95	$ 83.98	$ 85.30	$ 88.16
Low	$ 72.10	$ 74.09	$ 76.15	$ 77.60	$ 79.27	$ 81.77	$ 79.51	$ 73.25	$ 74.45	$ 76.91	$ 79.48	$ 83.01
Vol ('000)	20525	19688	20005	19807	26025	16253	16830	21697	13080	15685	21026	24867
Pref. Series 18												
High	$ 27.24	$ 27.27	$ 27.29	$ 27.24	$ 27.25	$ 26.83	$ 26.74	$ 26.84	$ 26.44	$ 26.68	$ 27.40	$ 27.46
Low	$ 26.03	$ 26.80	$ 26.76	$ 26.70	$ 26.69	$ 25.94	$ 25.75	$ 26.02	$ 26.10	$ 26.19	$ 26.51	$ 26.70
Vol ('000)	457	71	88	122	137	73	108	109	88	94	262	142
Pref. Series 19												
High	$ 27.62	$ 27.55	$ 27.11	$ 27.03	$ 27.14	$ 27.00	$ 27.11	$ 27.09	$ 26.61	$ 27.43	$ 27.00	$ 26.86
Low	$ 27.31	$ 26.90	$ 26.43	$ 26.51	$ 26.45	$ 26.32	$ 26.56	$ 25.88	$ 26.20	$ 26.34	$ 26.41	$ 26.43
Vol ('000)	100	397	29	111	42	34	28	39	58	39	26	64
Pref. Series 23												
High	$ 27.84	$ 27.80	$ 27.19	$ 27.32	$ 27.89	$ 27.20	$ 26.86	$ 27.00	$ 27.98	$ 27.59	$ 27.40	$ 26.97
Low	$ 27.44	$ 26.92	$ 26.66	$ 26.65	$ 26.88	$ 26.42	$ 26.45	$ 26.36	$ 26.35	$ 26.65	$ 26.22	$ 26.61
Vol ('000)	83	557	34	91	233	40	77	255	26	200	668	994
Pref. Series 24												
High	$ 27.10	$ 27.15	$ 27.09	$ 26.93	$ 26.75	$ 26.39	$ 26.23	$ 26.43	$ 26.49	$ 26.54	$ 26.46	$ 26.20
Low	$ 26.34	$ 26.63	$ 26.75	$ 26.56	$ 26.21	$ 25.96	$ 26.03	$ 26.00	$ 25.96	$ 26.17	$ 26.02	$ 25.99
Vol ('000)	160	275	843	126	143	149	186	148	86	131	483	215
Pref. Series 25												
High	$ 27.10	$ 27.16	$ 27.20	$ 27.18	$ 27.09	$ 26.75	$ 26.63	$ 26.86	$ 26.99	$ 26.88	$ 26.79	$ 26.49
Low	$ 26.46	$ 26.65	$ 26.69	$ 26.80	$ 26.60	$ 25.90	$ 26.30	$ 26.40	$ 26.50	$ 26.60	$ 26.32	$ 26.32
Vol ('000)	150	341	167	141	158	136	202	253	745	117	86	190
Pref. Series 26												
High	$ 27.12	$ 27.39	$ 27.15	$ 27.20	$ 27.18	$ 26.82	$ 26.57	$ 26.89	$ 26.68	$ 27.08	$ 27.14	$ 27.23
Low	$ 26.34	$ 26.51	$ 26.75	$ 26.74	$ 26.50	$ 26.00	$ 26.02	$ 26.38	$ 26.31	$ 26.50	$ 26.60	$ 26.70
Vol ('000)	121	111	99	81	103	88	82	132	64	101	244	100
Pref. Series 27												
High	$ 27.09	$ 27.25	$ 27.03	$ 27.39	$ 27.29	$ 26.77	$ 26.69	$ 26.88	$ 26.70	$ 26.87	$ 26.99	$ 27.00
Low	$ 26.31	$ 26.73	$ 26.71	$ 26.62	$ 26.60	$ 25.77	$ 25.80	$ 26.18	$ 25.93	$ 26.45	$ 26.40	$ 26.42
Vol ('000)	178	85	91	159	122	98	134	88	83	84	104	99
Pref. Series 29												
High	$ 27.15	$ 27.40	$ 27.37	$ 27.22	$ 27.61	$ 26.94	$ 26.65	$ 26.80	$ 26.61	$ 26.99	$ 26.97	$ 27.21
Low	$ 25.87	$ 26.50	$ 26.30	$ 26.51	$ 26.70	$ 25.80	$ 25.87	$ 25.75	$ 25.76	$ 26.12	$ 26.20	$ 26.34
Vol ('000)	258	308	270	194	210	212	211	208	111	561	196	955
Pref. Series 30												
High	$ 25.69	$ 26.00	$ 25.94	$ 25.74	$ 25.99	$ 25.55	$ 25.00	$ 25.20	$ 24.95	$ 25.50	$ 25.63	$ 25.95
Low	$ 24.35	$ 25.45	$ 25.50	$ 25.45	$ 25.45	$ 24.72	$ 24.42	$ 24.56	$ 24.63	$ 24.63	$ 25.12	$ 25.03
Vol ('000)	663	796	402	444	461	372	642	445	176	204	265	307

Prior Sales

CIBC sold one issue of subordinated debt securities during the year ended October 31, 2006. The issue is not listed or quoted on an exchange:

§ $1.3 billion 4.55% Medium Term Notes due March 28, 2016 (Subordinated Indebtedness) were issued on March 28, 2006, at a price of 99.841%.

Subsequent to year-end

On November 15, 2006, CIBC issued 18 million Non-cumulative Class A Series 31 Preferred Shares with a par value of $25.00 each.

DIRECTORS AND OFFICERS

Directors and Board Committees

Information concerning the directors and board committees of CIBC is found on pages 30 to 33 of the 2006 AAR and is incorporated by reference.

All of the directors have held their business affiliations indicated on page 32 of the 2006 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) Margot A. Franssen who was formerly President and Partner, The Body Shop Canada from 1980 to 2004;

(iii) John S. Lacey who was formerly the Chairman of the Board of Directors of Alderwoods Group Inc. from 2002 to 2006;

(iv) 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;

(v) Cynthia M. Trudell, who was formerly Vice-President, Brunswick Corporation and President, Sea Ray Group from 2001 to 2006; and

(vi) Ronald W. Tysoe who was Vice-Chair of Federated Department Stores from 1990 to 2006.

Directors are elected annually. Under the Bank Act and CIBC's By-laws, a director's term expires at the close of the next annual meeting of common shareholders, which is scheduled on March 1, 2007.

Executive Officers

The following are CIBC's executive officers, their titles and their municipalities of residence, as at December 7, 2006:

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
Capatides, M.G. (Mike)	Executive Vice President and General Counsel, Legal and Regulatory Compliance	Morristown, NJ
Dodig, V.G. (Victor)	Executive Vice President, Wealth Management	Toronto
Lalonde, R.A. (Ron)	Senior Executive Vice-President, Administration, Technology and Operations	Toronto
McGirr, S.R. (Steve)	Senior Executive Vice-President and Chief Risk Officer, Treasury and Risk Management	Toronto
Shaw, B. (Brian)	Senior Executive Vice-President, World Markets, 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
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, 2006, 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) 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) Mrs. Jalynn H. Bennett, a director of CIBC, who was a director of Nortel Networks Corporation and Nortel Networks Limited (collectively, the Nortel Companies), when the Nortel Companies announced on March 10, 2006 the need to restate certain of their previously reported financial results and the resulting delay in the filing of certain 2005 financial statements by the required filing dates. The Ontario Securities Commission (OSC) issued a final management cease trade order on April 10, 2006 prohibiting all of the directors, officers and certain current and former employees, including Mrs. Bennett, from trading in securities of the Nortel Companies until two business days following the receipt by the OSC of all of the filings the Nortel Companies are required to make under Ontario securities laws. The British Columbia Securities Commission (BCSC) and the Quebec Securities Commission (QSC) also issued similar orders. Mrs. Bennett was not subject to

the orders issued by the BCSC and the QSC. The OSC lifted the cease trade order effective June 8, 2006. The BCSC and the QSC also lifted their cease trade orders shortly thereafter. Mrs. Bennett remains a director of the Nortel Companies;

(ii) Mr. John S. Lacey, a director of CIBC, who 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 Companies' Creditors Arrangement Act (the CCAA) in June 1999. In January 2002, Loewen successfully emerged from Chapter 11 and CCAA proceedings as Alderwoods Group Inc. where Mr. Lacey remained as Chairman of the Board until November 2006;

(iii) Mr. John P. Manley, a director of CIBC, who was a director of the Nortel Companies, when the Nortel Companies announced on March 10, 2006 the need to restate certain of their previously reported financial results and the resulting delay in the filing of certain 2005 financial statements by the required filing dates. The OSC issued a final management cease trade order on April 10, 2006 prohibiting all of the directors, officers and certain current and former employees, including Mr. Manley, from trading in securities of the Nortel Companies until two business days following the receipt by the OSC of all of the filings the Nortel Companies are required to make under Ontario securities laws. The BCSC and QSC also issued similar orders. The OSC lifted the cease trade order effective June 8, 2006. The BCSC and the QSC also lifted their cease trade orders shortly thereafter;

Mr. Manley was also a director of the Nortel Companies, when 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 a director of the Nortel Companies; and

(iv) Mr. Charles Sirois, a director of CIBC, who was acting as Chairman of the Board of Microcell Telecommunications Inc. (Microcell) when it elected, and was granted protection, to restructure its capital under the 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.

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 significant legal proceedings to which CIBC is a party is provided under the heading “Contingent Liabilities” on Page 121 of the 2006 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 years 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 155 of the 2006 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, Chartered Accountants, Toronto, Ontario, is the external auditor who prepared the Independent Auditors' Reports to Shareholders — Report on Financial Statements and Report on Internal Controls Under Standards of the Public Company Accounting Oversight Board (United States). Ernst & Young LLP is independent with respect to CIBC within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario, United States federal securities laws and the rules and regulations thereunder, including the independence rules adopted by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002; and Rule 3600T of the Public Company Accounting Oversight Board, which designates as interim independence standards Rule 101 of the American Institute of Certified Public Accountants' Code of Professional Conduct and Standards Nos. 1, 2 and 3 of the Independence Standards Board.

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. Each Audit Committee member is an "audit committee financial expert" as defined by the rules of the U.S. Securities and Exchange Commission.

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.

Each member of the Audit Committee currently is, or has previously been, in charge of, or an advisor or a consultant to, a significant business operation, often as president or chief executive officer of a large public company, and in the case of the Honourable John Manley, the Minister of Finance for the government of Canada. 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 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. Before setting up her own consulting firm, Mrs. Bennett was associated for nearly 25 years with The Manufacturers Life Insurance Company. Mrs. Bennett is 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. She is also the Vice-Chair of The Public Accountants Council for the Province of Ontario.

Gary F. Colter

Mr. Colter is President of CRS Inc., a corporate restructuring and strategy management consulting company. Before 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., 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 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

Mr. 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. Mr. Manley was 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 a director of Nortel Networks Corporation and Nortel Networks Limited and a director and member of the Audit Committee of Canadian Pacific Railway. Mr. Manley is also a director of DG Acquisition Corp. Optosecurity Inc., CARE Canada, the National Arts Centre Foundation and MaRS Discovery District. He is also a member of the Board of Governors of the University of Waterloo.

Cynthia M. Trudell

Ms. Trudell is a company director. She 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. From 1999 until 2001 she served as Vice President of General Motors and Chairman and President of Saturn Corporation, a wholly owned subsidiary of General Motors. From 2001 until 2006 Ms. Trudell was Vice President of Brunswick Corporation and President of Sea Ray Group. Ms. Trudell is a director and member of

the Audit Committee of PepsiCo., Inc. and is a member of 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 Shareholders' Auditors

The information on professional service fees by Shareholder's Auditors is provided on page 138 of the 2006 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 Management's Discussion and Analysis 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-1 (low)
Superior credit quality. Supported by strong earnings and balance sheet characteristics. Generally Pfd-1 ratings correspond with companies whose senior bonds are rated AAA or AA categories. As is the case with all rating categories, the relationship between senior debt ratings and preferred share ratings should be understood as one where the senior debt rating effectively sets a ceiling for the preferred shares issued by the entity. However, there are cases where the preferred share rating could be lower that the normal relationship with the issuer's senior debt rating.

Senior Debt — Rating: AA (low)
Superior credit quality. Protection of interest and principal is considered high. In many cases they differ from long-term debt rated AAA only to a small degree. Given the extremely restrictive definition DBRS has for the AAA category, entities rated AA are also considered of strong credits, typically exemplifying above-average strength in key areas of consideration and unlikely to be significantly affected by reasonably foreseeable events.

Subordinated Debt — Rating: A (high)
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 securities.

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 extremely tough definition 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 auditors, 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 control 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 auditors 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 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 and within the meaning of United States federal securities laws and the rules and regulations thereunder, including the independence rules adopted by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002, and Rule 3600T of the Public Company Accounting Oversight Board.

(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, the Chief Auditor, the Controller and the Chief Compliance Officer.

(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), operational 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;

(v) CIBC's business continuity management and insurance programs, including, reviewing and recommending for Board approval a resolution establishing certain limits of insurance, to meet the requirements of the Protection of Assets (Banks) Regulations to the Bank Act; and

(vi) 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 the Chief Compliance Officer, the Controller, 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 June 1, 2006.

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

CIBC Policy on the Scope of Services of the Shareholders' Auditors

Approved by the Board and Audit Committee on December 6, 2006

This policy is effective from the date of Audit Committee approval, December 6, 2006 and applies to all subsequent engagements.

A. Purpose — The purpose of this policy is to set parameters for the engagement of the shareholders' auditors 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' auditors through engagements with CIBC or its subsidiaries.

C. Definition of Shareholders' Auditors as used in this Policy — The term shareholders' auditors 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' auditors 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 the Appendix. 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' auditors 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' auditors will only perform audit, audit-related and tax work. Definitions of "audit", "audit-related" and "tax work", along with examples, are included in the Appendix.
4. The shareholders' auditors 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' auditors. 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 the Appendix.

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' auditors 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' auditors 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' auditors 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' auditors.
3. On a quarterly basis, the shareholders' auditors will certify to the Audit Committee that all engagements with CIBC have been in compliance with this policy and will confirm that the shareholders' auditors continues to be "independent" under applicable laws, rules and guidelines. As well, quarterly the shareholders' auditors 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.

G. Currency

This policy will be reviewed at least annually and will be submitted to the Audit Committee of the Board of Directors for review and approval. Any significant updates will be communicated on CIBC Today.

Appendix

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	

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]
	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 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' auditors 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, 2006 excerpted from pages 76-130 of CIBC's 2006 Annual Accountability Report including Independent Auditors' Reports to Shareholders with respect to consolidated financial statements as of October 31, 2006 and 2005 and for each of the years in the three year period ended October 31, 2006 and internal controls as of October 31, 2006, under standards of the Public Company Accounting Oversight Board (United States)

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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 and management's discussion and analysis (MD&A), 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 (CSA), 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, document and test 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). 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 CSA pursuant to Multilateral Instrument 52-109.

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

Tom D. Woods
Chief Financial Officer

December 6, 2006

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, 2006 and 2005 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, 2006. 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, 2006 and 2005 and the results of its operations and its cash flows for each of the years in the three year period ended October 31, 2006 in conformity with Canadian generally accepted accounting principles.

As explained in Note 1 to the consolidated financial statements, in 2005, CIBC adopted the requirements of the Canadian Institute of Chartered Accountants Accounting Guideline 15, "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, 2006, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated December 6, 2006 expressed an unqualified opinion thereon.

Ernst & Young LLP
Chartered Accountants
Toronto, Canada
December 6, 2006

Report on Internal Controls Under Standards of the Public Company Accounting Oversight Board (United States)

We have audited management's assessment included on page 75 of this Annual Accountability Report, that Canadian Imperial Bank of Commerce (CIBC) maintained effective internal control over financial reporting as at October 31, 2006, 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, 2006, 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, 2006 based on the COSO criteria.

We have also 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, 2006 and 2005 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, 2006 and our report dated December 6, 2006 expressed an unqualified opinion thereon.

Ernst & Young LLP
Chartered Accountants
Toronto, Canada
December 6, 2006

Consolidated Balance Sheet

$ millions, as at October 31	2006	2005
ASSETS		
Cash and non-interest-bearing deposits with banks	**$ 1,317**	$ 1,310
Interest-bearing deposits with banks	**10,536**	10,542
Securities (Note 3)		
Investment	**21,167**	14,342
Trading	**62,331**	53,422
	83,498	67,764
Securities borrowed or purchased under resale agreements	**25,432**	18,514
Loans (Note 4)		
Residential mortgages	**81,358**	77,216
Personal	**28,052**	28,198
Credit card	**7,253**	6,655
Business and government	**30,404**	31,350
Allowance for credit losses	**(1,442)**	(1,636)
	145,625	141,783
Other		
Derivative instruments market valuation (Note 21)	**17,122**	20,309
Customers' liability under acceptances	**6,291**	5,119
Land, buildings and equipment (Note 6)	**2,032**	2,136
Goodwill (Note 7)	**982**	946
Other intangible assets (Note 7)	**192**	199
Other assets (Note 8)	**10,957**	11,748
	37,576	40,457
	$303,984	$280,370
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits (Note 9)		
Personal	**$ 81,829**	$ 75,973
Business and government	**107,468**	106,226
Bank	**13,594**	10,535
	202,891	192,734
Other		
Derivative instruments market valuation (Note 21)	**17,330**	20,128
Acceptances	**6,297**	5,119
Obligations related to securities sold short	**13,788**	14,883
Obligations related to securities lent or sold under repurchase agreements	**30,433**	14,325
Other liabilities (Note 10)	**14,716**	16,002
	82,564	70,457
Subordinated indebtedness (Note 11)	**5,595**	5,102
Preferred share liabilities (Note 12)	**600**	600
Non-controlling interests	**12**	746
Shareholders' equity		
Preferred shares (Note 12)	**2,381**	2,381
Common shares (Note 12)	**3,045**	2,952
Contributed surplus	**70**	58
Foreign currency translation adjustments	**(442)**	(327)
Retained earnings	**7,268**	5,667
	12,322	10,731
	$303,984	$280,370

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 Statement of Operations

$ millions, for the year ended October 31		2006	2005	2004
Interest income				
Loans		**$ 8,526**	$ 7,640	$ 7,551
Securities borrowed or purchased under resale agreements		**1,568**	1,107	524
Securities		**2,745**	2,173	1,961
Deposits with banks		**430**	336	152
		13,269	11,256	10,188
Interest expense				
Deposits		**6,105**	4,346	3,391
Other liabilities		**2,398**	1,668	1,219
Subordinated indebtedness		**300**	239	212
Preferred share liabilities (Note 12)		**31**	66	108
		8,834	6,319	4,930
Net interest income		**4,435**	4,937	5,258
Non-interest income				
Underwriting and advisory fees		**633**	727	797
Deposit and payment fees		**778**	794	760
Credit fees		**320**	346	314
Card fees		**251**	317	407
Investment management and custodial fees		**445**	391	353
Mutual fund fees		**748**	690	615
Insurance fees		**290**	265	176
Commissions on securities transactions		**869**	912	892
Trading revenue (Note 14)		**1,129**	801	618
Investment securities gains, net (Note 3)		**40**	577	236
Income from securitized assets		**515**	362	191
Foreign exchange other than trading		**300**	555	280
Other		**579**	799	878
		6,897	7,536	6,517
Total revenue		**11,332**	12,473	11,775
Provision for credit losses (Note 4)		**548**	706	628
Non-interest expenses				
Employee compensation and benefits		**4,288**	4,324	4,399
Occupancy costs		**562**	641	634
Computer and office equipment		**1,111**	1,166	1,138
Communications		**297**	324	331
Advertising and business development		**222**	260	279
Professional fees		**163**	325	326
Business and capital taxes		**135**	118	138
Other		**691**	3,682	1,006
		7,469	10,840	8,251
Income before income taxes and non-controlling interests		**3,315**	927	2,896
Income tax expense (Note 17)		**640**	789	790
		2,675	138	2,106
Non-controlling interests		**29**	170	15
Net income (loss)		**$ 2,646**	$ (32)	$ 2,091
Earnings (loss) per share (in dollars) (Note 18)	— Basic	**$ 7.50**	$ (0.46)	$ 5.60
	— Diluted	**$ 7.43**	$ (0.46)	$ 5.53
Dividends per common share (in dollars) (Note 12)		**$ 2.76**	$ 2.66	$ 2.20

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

Consolidated Statement of Changes in Shareholders' Equity

$ millions, for the year ended October 31	2006	2005	2004
Preferred shares (Note 12)			
Balance at beginning of year	**$ 2,381**	$ 1,783	$ 1,650
Issue of preferred shares	**—**	731	133
Conversion of preferred shares	**—**	(133)	—
Balance at end of year	**$ 2,381**	$ 2,381	$ 1,783
Common shares (Note 12)			
Balance at beginning of year	**$ 2,952**	$ 2,969	$ 2,950
Issue of common shares	**112**	134	162
Purchase of common shares for cancellation	**—**	(140)	(154)
Treasury shares	**(19)**	(11)	11
Balance at end of year	**$ 3,045**	$ 2,952	$ 2,969
Contributed surplus			
Balance at beginning of year	**$ 58**	$ 59	$ 50
Stock option expense	**6**	8	9
Stock options exercised	**(9)**	(9)	(6)
Net premium on treasury shares	**15**	—	6
Balance at end of year	**$ 70**	$ 58	$ 59
Foreign currency translation adjustments			
Balance at beginning of year	**$ (327)**	$ (376)	$ (180)
Foreign exchange (losses) gains from investment in subsidiaries and other items	**(686)**	667	(1,241)
Foreign exchange gains (losses) from hedging activities	**839**	(738)	1,662
Income tax (expense) benefit	**(268)**	120	(617)
Balance at end of year	**$ (442)**	$ (327)	$ (376)
Retained earnings			
Balance at beginning of year, as previously reported	**$ 5,667**	$ 7,745	$ 7,601
Adjustment for change in accounting policy	**—**	10(1)	6(2)
Balance at beginning of year, as restated	**5,667**	7,755	7,607
Net income (loss)	**2,646**	(32)	2,091
Dividends (Note 12)	**(1,056)**	(1,027)	(881)
Premium on purchase of common shares for cancellation	**—**	(1,035)	(1,084)
Other	**11**	6	12
Balance at end of year	**$ 7,268**	$ 5,667	$ 7,745
Shareholders' equity at end of year	**$ 12,322**	$ 10,731	$ 12,180

(1) 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.

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

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

Consolidated Statement of Cash Flows

$ millions, for the year ended October 31	2006	2005	2004
Cash flows provided by (used in) operating activities			
Net income (loss)	**$ 2,646**	$ (32)	$ 2,091
Adjustments to reconcile net income (loss) to cash flows provided by (used in) operating activities:			
Provision for credit losses	**548**	706	628
Amortization of buildings, furniture, equipment and leasehold improvements	**206**	214	264
Amortization of intangible assets	**29**	12	16
Stock-based compensation	**30**	5	58
Restructuring reversal, net	**—**	—	(18)
Future income taxes	**356**	252	139
Investment securities gains, net	**(40)**	(577)	(236)
Gains on divestitures	**—**	(115)	—
(Gains) losses on disposal of land, buildings and equipment	**—**	(8)	4
Changes in operating assets and liabilities			
Accrued interest receivable	**(203)**	21	187
Accrued interest payable	**542**	393	245
Amounts receivable on derivative contracts	**3,187**	3,404	(914)
Amounts payable on derivative contracts	**(2,798)**	(3,900)	2,045
Net change in trading securities	**(8,909)**	(259)	483
Current income taxes	**181**	173	(2,706)
Restructuring payments	**—**	—	(52)
Insurance proceeds received	**—**	—	11
Other, net	**(2,714)**	(398)	2,470
	(6,939)	(109)	4,715
Cash flows provided by (used in) financing activities			
Deposits, net of withdrawals	**10,157**	2,157	2,447
Obligations related to securities sold short	**(1,095)**	2,663	561
Net obligations related to securities lent or sold under repurchase agreements	**16,108**	(2,465)	(2,503)
Issue of subordinated indebtedness	**1,300**	1,300	1,250
Redemption/repurchase of subordinated indebtedness	**(770)**	(65)	(493)
Redemption of preferred share liabilities	**—**	(445)	(630)
Issue of preferred shares	**—**	598(1)	133
Issue of common shares	**112**	134	162
Purchase of common shares for cancellation	**—**	(1,175)	(1,238)
Net proceeds from treasury shares (purchased) sold	**(19)**	(11)	11
Dividends	**(1,056)**	(1,027)	(881)
Other, net	**489**	282	(522)
	25,226	1,946	(1,703)
Cash flows provided by (used in) investing activities			
Interest-bearing deposits with banks	**6**	287	(1,968)
Loans, net of repayments	**(12,933)**	(13,927)	(13,040)
Proceeds from securitizations	**8,549**	10,187	8,834
Purchase of investment securities	**(15,593)**	(8,238)	(12,977)
Proceeds from sale of investment securities	**6,064**	7,138	11,377
Proceeds from maturity of investment securities	**2,744**	2,894	3,138
Net securities borrowed or purchased under resale agreements	**(6,918)**	(349)	1,664
Proceeds from divestitures	**—**	347	—
Net cash used in acquisition of subsidiary(2)	**(75)**	—	—
Purchase of land, buildings and equipment	**(110)**	(263)	(235)
Proceeds from disposal of land, buildings and equipment	**8**	28	18
	(18,258)	(1,896)	(3,189)
Effect of exchange rate changes on cash and non-interest-bearing deposits with banks	**(22)**	(5)	(42)
Net increase (decrease) in cash and non-interest-bearing deposits with banks during year	**7**	(64)	(219)
Cash and non-interest-bearing deposits with banks at beginning of year	**1,310**	1,374	1,593
Cash and non-interest-bearing deposits with banks at end of year	**$ 1,317**	$ 1,310	$ 1,374
Cash interest paid	**$ 8,292**	$ 5,926	$ 4,685
Cash income taxes paid	**$ 103**	$ 364	$ 3,356

(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).

(2) On November 1, 2005, we purchased the remaining non-controlling interest in INTRIA Items Inc. (INTRIA).

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

Note 1 Summary of Significant Accounting Policies

Canadian Imperial Bank of Commerce (CIBC), including its subsidiaries 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 25.

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 sheet and statement of operations.

Investments in companies 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.

Use of estimates and assumptions

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net income and related disclosures. Estimates and assumptions are made in the areas of accounting for financial instruments, allowance for credit losses, securitizations and variable interest entities, asset impairment, income taxes, contingent liabilities and employee future benefits. Actual results could differ from these estimates and assumptions.

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. Non-monetary assets and liabilities are translated into functional currencies at historical rates. Revenue and expenses are translated using average monthly exchange rates. Realized and unrealized gains and losses arising from translation into functional currencies are included in the consolidated statement of operations.

Assets and liabilities of foreign operations with a functional currency other than the Canadian dollar are translated into Canadian dollars at the exchange rates prevailing 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. We hold these securities for a period of time in accordance with our originally established investment objectives. These securities may be sold in response to changes in such investment objectives arising from changing market conditions and liquidity preferences. Equity securities are stated at cost and debt securities at amortized cost other than mortgage-backed securities created by the securitization of residential mortgages which are stated at fair value. Changes in fair value are recognized in other non-interest income.

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). 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. 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.

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 revenue. 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.

We account for all of our securities carried at fair value using settlement date accounting for the consolidated balance sheet and trade date accounting for the consolidated statement of operations. Investment securities carried at cost and amortized cost are accounted for on a settlement date basis for both the consolidated balance sheet and statement of operations.

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 statement 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 recorded at amortized cost 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 a 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.

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 available market data. 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.

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 and to balances outstanding.

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.

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 securitizations accounted for as sales are recognized in non-interest income net of servicing 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 requires us to estimate the 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, based on expected cash flows as previously described, 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 statement 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 statement 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 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

Certain derivatives held for ALM purposes are carried at fair value because they do not meet the requirements for hedge accounting. Since these derivatives offset or mitigate market risks, we consider them to be economic hedges for the corresponding risks in the underlying positions. In addition, this category includes seller swaps whose risks are managed in the context of ALM 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 and losses on these derivatives are included in other non-interest income or foreign exchange other than trading, as appropriate.

Mortgage commitments

Mortgage interest rate 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. 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 mortgage that results.

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 other intangible assets with an indefinite life is based on a comparison of 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 periodically.

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.

Equity-linked deposit contracts

Equity-linked GICs or equity-linked notes deposit obligations vary according to the performance of certain equity levels or indices. These

deposit obligations are generally subject to a guaranteed minimum redemption amount, such as the obligation to return the investor's initial investment at maturity. 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.

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 10 years (2005: 12 years). The expected average remaining service life of employees covered by the other benefit plans is 12 years (2005: 14 years).

The accrued benefit asset or liability represents 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 statement 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 during the year 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 we receive, 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 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 the consolidated statement of operations with a corresponding offset 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. In the event of forfeitures of unvested grants, any market gains or losses arising from the forfeiture event are recorded in contributed surplus.

Compensation expense in respect of awards under the Performance Share Unit (PSU) program which meet certain criteria are recognized in the year for which the grant is made. The amount recognized is based on management's best estimate of the expected number of PSUs to vest.

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 year 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 fees are primarily investment, estate and trust management fees and are recorded on an accrual basis. Prepaid fees are deferred and amortized over the contract term.

Mutual fund fees are recorded on an accrual basis.

Accounting changes

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 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 5.

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 statement of operations.

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 27. A description of future U.S. accounting policy changes is provided in Note 25.

Note 2 Future Acquisition and Significant Disposition

FirstCaribbean International Bank

On June 29, 2006, we announced the signing of a definitive agreement with Barclays Bank PLC (Barclays) for the acquisition of 90% to 100% of its ownership interest in FirstCaribbean International Bank (FirstCaribbean). Barclays currently owns 43.7% of FirstCaribbean. The transaction, which is conditional upon regulatory approvals, is expected to close by the end of calendar year 2006. Pursuant to the definitive agreement, we will initially acquire 90% of Barclays' interest in FirstCaribbean for US$1.62 per FirstCaribbean common share. Promptly thereafter, we are required to initiate a tender offer at the same price for Barclays' remaining interest and the 12.6% interest held by minority shareholders. We will also pay an additional sum to Barclays, as well as the other shareholders who tender their shares to this offer, to reflect dividends in respect of their period of ownership prior to closing.

If we acquire 100% of the Barclays' stake and none of the other minority shareholders tender their shares, the total consideration will be approximately US$1.08 billion and, we will own approximately 87.4% of the common shares of FirstCaribbean. It is our intention to pay for the FirstCaribbean common shares in cash.

We currently own 43.7% of FirstCaribbean, which we account for under the equity method of accounting. The financial statements of FirstCaribbean will be consolidated from the closing date of the transaction.

Juniper Financial Corp.

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

Note 3 Securities

$ millions, as at October 31	Residual term to contractual maturity													
	Within 1 year		1 to 5 years		5 to 10 years		Over 10 years		No specific maturity		2006 Total		2005 Total	
	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	$ 3,904	3.5%	$ 3,826	3.4%	$ 12	4.5%	$ 55	8.0%	$ —	—%	**$ 7,797**	**3.5%**	$ 1,820	3.2%
Other Canadian governments	18	3.8	34	4.2	—	—	422	5.8	—	—	**474**	**5.6**	565	6.0
U.S. Treasury	24	3.3	79	3.7	4,579	3.6	—	—	—	—	**4,682**	**3.6**	4,934	3.6
Other U.S. agencies	—	—	—	—	157	6.9	—	—	—	—	**157**	**6.9**	928	6.6
Other foreign governments	11	3.3	235	7.4	—	—	—	—	—	—	**246**	**7.2**	250	7.3
Mortgage-backed securities(2)	3	6.9	4,656	4.0	32	5.6	732	3.9	—	—	**5,423**	**4.0**	4,222	3.8
Asset-backed securities	20	4.7	486	4.7	73	5.0	531	6.7	—	—	**1,110**	**5.7**	364	3.6
Corporate debt	84	5.1	6	5.1	111	4.7	—	—	—	—	**201**	**4.9**	118	3.5
Corporate equity	25	6.1	110	4.5	9	4.2	—	—	107	—	**251**	**—**	311	—
Private debt	353	8.3	57	6.5	6	11.9	14	13.1	16	8.7	**446**	**8.2**	436	6.4
Private equity	—	—	—	—	—	—	—	—	380	—	**380**	**—**	394	—
Total debt securities														
Carrying value	$ 4,417		$ 9,379		$4,970		$1,754		$ 16		**$ 20,536**		$ 13,637	
Fair value	$ 4,423		$ 9,432		$4,680		$1,855		$ 28		**$ 20,418**		$ 13,489	
Total equity securities														
Carrying value	$ 25		$ 110		$ 9		$ —		$ 487		**$ 631**		$ 705	
Fair value(3)	$ 25		$ 113		$ 10		$ —		$ 783		**$ 931**		$ 922	
Total investment securities														
Carrying value	$ 4,442		$ 9,489		$4,979		$1,754		$ 503		**$ 21,167**		$ 14,342	
Fair value(3)	$ 4,448		$ 9,545		$4,690		$1,855		$ 811		**$ 21,349**		$ 14,411	
Trading securities(4)														
Securities issued or guaranteed by:														
Canadian federal government	$ 3,440		$ 2,608		$ 689		$ 326		$ —		**$ 7,063**		$ 9,498	
Other Canadian governments	305		785		825		546		—		**2,461**		2,800	
U.S. Treasury and agencies	4,046		1,838		157		29		—		**6,070**		4,507	
Other foreign governments	2		91		142		—		—		**235**		212	
Mortgage-backed securities(5)	50		23		41		1,070		26		**1,210**		1,564	
Asset-backed securities	1,140		90		258		670		7		**2,165**		901	
Corporate debt	4,344		2,105		1,462		1,378		—		**9,289**		8,553	
Corporate equity	—		4		21		5		33,808		**33,838**		25,387	
Total trading securities	$ 13,327		$ 7,544		$3,595		$4,024		$ 33,841		**$ 62,331**		$ 53,422	
Total securities														
Carrying value(6)	$ 17,769		$ 17,033		$8,574		$5,778		$ 34,344		**$ 83,498**		$ 67,764	
Fair value(3)	$ 17,775		$ 17,089		$8,285		$5,879		$ 34,652		**$ 83,680**		$ 67,833	

(1) Represents the weighted-average yield, which is determined by applying the weighted average of the 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 $4.7 billion (2005: $3.6 billion) and a fair value of $4.7 billion (2005: $3.6 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 or for 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 $33 million (2005: $42 million).

(6) Includes securities denominated in U.S. dollars $34.8 billion (2005: $29.0 billion) and securities denominated in other foreign currencies $3.1 billion (2005: $1.7 billion).

Fair Value of Investment Securities

$ millions, as at October 31	2006				2005			
	Carrying value	**Unrealized gains**	**Unrealized losses**	**Fair value**	Carrying value	Unrealized gains	Unrealized losses	Fair value
Securities issued or guaranteed by:								
Canadian federal government	**$ 7,797**	**$ 20**	**$ (6)**	**$ 7,811**	$ 1,820	$ 12	$ (3)	$ 1,829
Other Canadian governments	**474**	**67**	**—**	**541**	565	79	—	644
U.S. Treasury	**4,682**	**—**	**(305)**	**4,377**	4,934	—	(341)	4,593
Other U.S. agencies	**157**	**10**	**—**	**167**	928	56	—	984
Other foreign governments	**246**	**19**	**—**	**265**	250	28	—	278
Mortgage-backed securities(1)	**5,423**	**12**	**(4)**	**5,431**	4,222	31	(5)	4,248
Asset-backed securities	**1,110**	**33**	**—**	**1,143**	364	7	—	371
Corporate debt	**201**	**2**	**—**	**203**	118	—	—	118
Corporate equity(2)	**251**	**145**	**(2)**	**394**	311	109	(7)	413
Private debt	**446**	**35**	**(1)**	**480**	436	23	(35)	424
Private equity	**380**	**182**	**(25)**	**537**	394	178	(63)	509
	$21,167	**$ 525**	**$ (343)**	**$21,349**	$14,342	$ 523	$ (454)	$14,411

(1) Includes securities issued or guaranteed by government, with a carrying value of $4.7 billion (2005: $3.6 billion) and a fair value of $4.7 billion (2005: $3.6 billion).

(2) Includes certain securities hedged by forward sale contracts with maturities in November 2006. The unrealized gains related to these securities would decrease by $40 million (2005: $18 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	2006						2005					
	Less than 12 months		**12 months or longer**		**Total**		Less than 12 months		12 months or longer		Total	
	Fair value	**Gross unrealized losses**	**Fair value**	**Gross unrealized losses**	**Fair value**	**Gross unrealized losses**	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses
Investment securities												
Securities issued or guaranteed by:												
Canadian federal government	**$3,795**	**$ (5)**	**$1,056**	**$ (1)**	**$4,851**	**$ (6)**	$1,135	$ (3)	$ —	$ —	$1,135	$ (3)
Other Canadian governments	**29**	**—**	**—**	**—**	**29**	**—**	24	—	—	—	24	—
U.S. Treasury	**1**	**—**	**4,274**	**(305)**	**4,275**	**(305)**	1	—	4,485	(341)	4,486	(341)
Other U.S. agencies	**—**	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—	—
Other foreign governments	**11**	**—**	**—**	**—**	**11**	**—**	4	—	—	—	4	—
Mortgage-backed securities	**154**	**(2)**	**41**	**(2)**	**195**	**(4)**	1,419	(5)	19	—	1,438	(5)
Asset-backed securities	**19**	**—**	**—**	**—**	**19**	**—**	—	—	—	—	—	—
Corporate debt	**56**	**—**	**—**	**—**	**56**	**—**	89	—	—	—	89	—
Corporate equity	**—**	**—**	**19**	**(2)**	**19**	**(2)**	126	(7)	1	—	127	(7)
Private debt	**7**	**(1)**	**5**	**—**	**12**	**(1)**	197	(35)	3	—	200	(35)
Private equity	**43**	**(11)**	**45**	**(14)**	**88**	**(25)**	125	(55)	6	(8)	131	(63)
	$4,115	**$ (19)**	**$5,440**	**$ (324)**	**$9,555**	**$ (343)**	$3,120	$ (105)	$4,514	$ (349)	$7,634	$ (454)

As at October 31, 2006, the carrying value of 97 investment securities exceeded their fair value by $343 million. The securities that have been in a gross unrealized loss position for more than a year include 23 securities, with a gross unrealized loss of $324 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; and
- Documentation of the results of these analyses.

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

Investment Securities Gains, Net

$ millions, for the year ended October 31	**2006**	2005	2004
Realized gains	**$ 148**	$ 725	$ 494
Realized losses	**(19)**	(41)	(74)
Impairment write-downs	**(89)**	(107)	(184)
Total	**$ 40**	$ 577	$ 236

Note 4 Loans

$ millions, as at October 31	**2006**					2005				
	Gross amount	**Specific allowance**	**General allowance**	**Total allowance**	**Net total**(1)(2)	Gross amount	Specific allowance	General allowance	Total allowance	Net total(1)(2)
Residential mortgages	**$ 81,358**	**$ 13**	**$ 12**	**$ 25**	**$ 81,333**	$ 77,216	$ 18	$ 19	$ 37	$ 77,179
Personal(3)	**28,052**	**245**	**380**	**625**	**27,427**	28,198	262	349	611	27,587
Credit card	**7,253**	**105**	**102**	**207**	**7,046**	6,655	101	106	207	6,448
Business and government(4)	**30,404**	**179**	**406**	**585**	**29,819**	31,350	280	501	781	30,569
	$147,067	**$ 542**	**$ 900**	**$ 1,442**	**$ 145,625**	$143,419	$ 661	$ 975	$ 1,636	$ 141,783

(1) Loans are net of unearned income of $113 million (2005: $123 million).

(2) Includes gross loans of $7.3 billion (2005: $8.1 billion) denominated in U.S. dollars and of $2.5 billion (2005: $2.3 billion) denominated in other foreign currencies.

(3) Includes $292 million (2005: $336 million), including a non-recourse portion of approximately $79 million (2005: $117 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, $205 million (2005: $200 million) relate to individuals who are no longer employed by CIBC.

(4) Includes $3.6 billion (2005: $3.0 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	**2006 Total**
Residential mortgages	$ 8,388	$64,438	$ 7,885	$ 647	**$ 81,358**
Personal	13,883	13,395	596	178	**28,052**
Credit card	7,253	—	—	—	**7,253**
Business and government	15,006	8,914	4,420	2,064	**30,404**
	$ 44,530	$86,747	$12,901	$ 2,889	**$147,067**
Sensitivity of loans due after one year to changes in interest rates					
Fixed interest rates		$34,411	$ 8,442	$ 1,312	**$ 44,165**
Floating interest rates		52,336	4,459	1,577	**58,372**
		$86,747	$12,901	$ 2,889	**$102,537**

Allowance for Credit Losses

	Specific allowance			General allowance			Total allowance		
$ millions, as at or for the year ended October 31	**2006**	2005	2004	**2006**	2005	2004	**2006**	2005	2004
Balance at beginning of year	**$ 663**	$ 803	$ 856	**$ 975**	$ 1,025	$ 1,100	**$ 1,638**	$ 1,828	$ 1,956
Provision for (recovery of) credit losses	**612**	756	703	**(64)**	(50)	(75)	**548**	706	628
Write-offs	**(866)**	(1,001)	(960)	**—**	—	—	**(866)**	(1,001)	(960)
Recoveries	**118**	124	215	**—**	—	—	**118**	124	215
Transfer from general to specific(1)	**11**	—	—	**(11)**	—	—	**—**	—	—
Foreign exchange and other adjustments	**6**	(19)	(11)	**—**	—	—	**6**	(19)	(11)
Balance at end of year	**$ 544**	$ 663	$ 803	**$ 900**	$ 975	$ 1,025	**$ 1,444**	$ 1,638	$ 1,828
Comprised of: Loans	**$ 542**	$ 661	$ 800	**$ 900**	$ 975	$ 1,025	**$ 1,442**	$ 1,636	$ 1,825
Letters of credit(2)	**2**	2	2	**—**	—	—	**2**	2	2
Loan substitute securities(3)	**—**	—	1	**—**	—	—	**—**	—	1

(1) Related to student loan portfolio.

(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	2006			2005		
	Gross amount	**Specific allowance**	**Net total**	Gross amount	Specific allowance	Net total
Residential mortgages	**$ 118**	**$ 13**	**$ 105**	$ 141	$ 18	$ 123
Personal(1)	**268**	**245**	**23**	292	262	30
Credit card(1)	**—**	**105**	**(105)**	—	101	(101)
Business and government	**244**	**179**	**65**	516	280	236
Total impaired loans(2)	**$ 630**	**$ 542**	**$ 88**	$ 949	$ 661	$ 288

(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 in arrears and to balances outstanding; this may result in negative net impaired loans.

(2) Average balance of gross impaired loans totalled $0.8 billion (2005: $1.0 billion).

As at October 31, 2006, other past due loans totalled $45 million (2005: $54 million) all of which were in 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, 2006, the interest entitlements on loans classified as impaired totalled $46 million (2005: $64 million; 2004: $73 million), of which $45 million (2005: $58 million; 2004: $57 million) were in Canada and $1 million (2005: $6 million; 2004: $16 million) were outside Canada. During the year, interest recognized on loans before being classified as impaired totalled $56 million (2005: $63 million; 2004: $73 million), of which $56 million (2005: $62 million; 2004: $63 million) was in Canada and nil (2005: $1 million; 2004: $10 million) was outside Canada.

Net Interest Income after Provision for Credit Losses

$ millions, for the year ended October 31	**2006**	2005	2004
Interest income	**$ 13,269**	$ 11,256	$ 10,188
Interest expense	**8,834**	6,319	4,930
Net interest income	**4,435**	4,937	5,258
Provision for credit losses	**548**	706	628
Net interest income after provision for credit losses	**$ 3,887**	$ 4,231	$ 4,630

Note 5 Securitizations and Variable Interest Entities

Securitizations

Residential mortgages

We securitize insured fixed- and variable-rate residential mortgages through the creation of mortgage-backed securities under the Canada Mortgage Bond Program. Beginning in the current year, we also started securitizing uninsured fixed-rate mortgages to a qualifying special purpose entity (QSPE). Upon sale of these assets, 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. The following table summarizes our securitization and sales activity:

$ millions, for the year ended October 31	**2006**	2005	2004
Securitized	**$ 10,314**(1)	$ 10,178	$ 7,900
Sold(2)	**7,826**(1)	7,876	7,327
Net cash proceeds	**7,779**	7,842	7,282
Retained interests(3)	**127**	170	153
Gain on sale, net of transaction costs	**27**	32	52
Retained interest assumptions:			
Prepayment rate (annually)	**11.0 – 39.0%**	12.0 – 39.0%	12.0 – 40.0%
Discount rate	**3.5 – 4.8%**	2.6 – 4.2%	2.4 – 4.6%
Expected credit losses	**0.0 – 0.1%**	—	—

(1) Includes $1,158 million of uninsured fixed-rate mortgages securitized to a QSPE.

(2) Assets securitized and not sold are reported as investment securities on the consolidated balance sheet and stated at fair value.

(3) Retained interests arising from securitization are reported as investment securities on the consolidated balance sheet.

Commercial mortgages

During the year, we securitized and sold $380 million of commercial mortgages through a third-party trust that issues securities. We received net cash proceeds of $389 million on the sale and recognized a net gain of $7 million in income from securitized assets. We retained no beneficial interest, but we continue to service these mortgages, and recognize revenue as services are provided.

Credit cards

We securitize credit card receivables to a QSPE. We maintain the credit card client servicing responsibilities for the securitized receivables and recognize revenue as services are provided. The following table summarizes our securitization activity:

$ millions, for the year ended October 31	**2006**	2005	2004
Securitized and sold	**$ 381**	$ 2,345(1)	$ 1,551
Net cash proceeds	**381**	2,345(1)	1,552
Retained interests(2)	**32**	210	163(3)
Gain on sale, net of transaction costs	**1**	18	—
Retained interest assumptions:			
Payment rate (monthly)	**43.0%**	43.9%	42.5%
Discount rate	**9.0%**	9.0%	9.0%
Expected credit losses	**3.5%**	3.7%	4.0%

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

(2) Retained interests arising from securitization are reported as investment securities on the consolidated balance sheet.

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

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

$ millions, for the year ended October 31		Residential mortgages	Commercial mortgages	Credit card loans
2006	**Proceeds from new securitizations**	**$ 7,779**	**$ 389**	**$ 381**
	Proceeds from collections reinvested in previous credit card securitizations	**—**	**—**	**21,954**
	Servicing fees received	**48**	**—**	**87**
	Other cash flows received on retained interests	**165**	**—**	**474**
2005	Proceeds from new securitizations	$ 7,842	$ —	$ 2,345
	Proceeds from collections reinvested in previous credit card securitizations	—	—	11,957
	Servicing fees received	37	2	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	25	4	34
	Other cash flows received on retained interests	95	—	63

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	**2006**		2005	
	Residential mortgages	**Credit card loans**	Residential mortgages	Credit card loans
Carrying amount of retained interests	**$ 236**	**$ 336**	$ 264	$ 309
Fair value of retained interests	**247**	**341**	273	309
Weighted-average remaining life (in years)	**2.6**	**0.2**	3.2	0.2
Prepayment/payment rate	**7.0 – 39.0%**	**43.0%**(1)	7.0 – 39.0%	43.9%
Impact on fair value of a 10% adverse change	**(11)**	**(2)**	(12)	(2)
Impact on fair value of a 20% adverse change	**(21)**	**(4)**	(23)	(4)
Expected credit losses	**0.0 – 0.1%**	**3.5%**	—	3.7%
Impact on fair value of a 10% adverse change	**—**	**(3)**	—	(3)
Impact on fair value of a 20% adverse change	**—**	**(6)**	—	(6)
Residual cash flows discount rate (annual rate)	**4.3 – 5.1%**	**9.0%**	3.1 – 4.9%	9.0%
Impact on fair value of a 10% adverse change	**(1)**	**—**	(1)	—
Impact on fair value of a 20% adverse change	**(2)**	**—**	(2)	—

(1) Monthly payment rate.

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	2006		2005	
	Residential mortgages	**Credit card loans**	Residential mortgages	Credit card loans
Actual and projected credit losses	**0.0 – 0.1%**	**3.5%**	—	3.7%

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

$ millions, as at or for the year ended October 31	2006			2005		
Type of loan	**Total principal amount of loans**	**Impaired and other past due loans**	**Net write-offs**(1)	Total principal amount of loans	Impaired and other past due loans	Net write-offs(1)
Residential mortgages	**$ 101,254**	**$ 144**	**$ 13**	$ 94,685	$ 163	$ 7
Personal	**28,052**	**284**	**372**	28,198	314	353
Credit card	**11,722**	**33**	**384**	10,743	32	385
Business and government (2)	**30,779**	**250**	**129**	31,350	529	214
Total loans reported and securitized (3)	**171,807**	**711**	**898**	164,976	1,038	959
Less: loans securitized						
Residential mortgages	**19,896**	**3**	**1**	17,469	3	—
Credit card	**4,469**	**33**	**149**	4,088	32	82
Business and government (2)	**375**	**—**	**—**	—	—	—
Total loans securitized	**24,740**	**36**	**150**	21,557	35	82
Total loans reported on the consolidated balance sheet	**$ 147,067**	**$ 675**	**$ 748**	$ 143,419	$ 1,003	$ 877

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

(2) Includes commercial mortgages and investment grade loans.

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

Variable interest entities

We were considered the primary beneficiary of certain VIEs with total assets of approximately $0.1 billion as at October 31, 2006 (2005: $2.1 billion). The consolidation of these VIEs results in an increase to assets and liabilities of approximately $0.1 billion as at October 31, 2006 (2005: $1.9 billion). During the year, we sold mortgage assets of a consolidated VIE to a QSPE, which we are not required to consolidate. We also deconsolidated certain other VIEs, as we were no longer considered to be the primary beneficiary.

The assets that support the obligations of the consolidated VIEs primarily comprise residential mortgages of $14 million (2005: $1.0 billion) and securities of $68 million (2005: $0.9 billion). These securities include $24 million (2005: $841 million) relating to investment vehicles, managed by certain of our employees, that make private equity investments, and nil (2005: $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 $400 million as at October 31, 2006 (2005: $312 million). 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 are not 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, 2006, these VIEs had assets of approximately $25.1 billion (2005: $19.9 billion).

Our maximum exposure to loss as a result of our involvement with these VIEs was approximately $17.2 billion as at October 31, 2006 (2005: $15.2 billion). 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.

Note 6 Land, Buildings and Equipment

$ millions, as at October 31	2006			2005
	Cost(1)	**Accumulated amortization**(2)	**Net book value**	Net book value
Land(3)	**$ 238**	**$ —**	**$ 238**	$ 248
Buildings(3)	**883**	**243**	**640**	679
Computer equipment and software	**1,942**	**1,523**	**419**	409
Office furniture and other equipment	**839**	**353**	**486**	560
Leasehold improvements	**586**	**337**	**249**	240
	$ 4,488	**$ 2,456**	**$ 2,032**	$ 2,136

(1) Includes $242 million (2005: $316 million) of work in progress and not subject to amortization.

(2) Amortization of buildings, furniture, equipment and leasehold improvements for the year amounted to $206 million (2005: $214 million; 2004: $264 million).

(3) Land and buildings include amounts of $182 million and $433 million, respectively, for which we are deemed to have ownership for accounting purposes.

Note 7 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, for the year ended October 31		CIBC Retail Markets	CIBC World Markets	Corporate and Other	CIBC Total
2006	**Balance at beginning of year**	**$ 883**	**$ 57**	**$ 6**	**$ 946**
	Acquisitions	**—**	**—**	**37**(1)	**37**
	Adjustments(2)	**—**	**(1)**	**—**	**(1)**
	Balance at end of year	**$ 883**	**$ 56**	**$ 43**	**$ 982**
2005	Balance at beginning of year	$ 887	$ 57	$ 111	$ 1,055
	Dispositions	(4)(3)	—	(102)(4)	(106)
	Adjustments(2)	—	—	(3)	(3)
	Balance at end of year	$ 883	$ 57	$ 6	$ 946

(1) Pertains to the acquisition of the remaining non-controlling interest in INTRIA.

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

(3) Pertains to sale of EDULINX Canada Corporation.

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

The components of other intangible assets are as follows:

$ millions, as at October 31	2006			2005		
	Gross carrying amount	**Accumulated amortization**(1)	**Net carrying amount**	Gross carrying amount	Accumulated amortization(1)	Net carrying amount
Finite-lived other intangible assets						
Customer relationships(2)	**$ 121**	**$ 65**	**$ 56**	$ 121	$ 55	$ 66
Contract based(3)	**50**	**30**	**20**	28	11	17
	171	**95**	**76**	149	66	83
Indefinite-lived other intangible assets						
Contract based	**116**	**—**	**116**	116	—	116
Total other intangible assets	**$ 287**	**$ 95**	**$ 192**	$ 265	$ 66	$ 199

(1) Amortization of other intangible assets for the year amounted to $29 million (2005: $12 million; 2004: $16 million).

(2) Certain customer relationships assets were sold as part of Juniper sale in 2005 (Note 2).

(3) Includes certain contract based assets purchased as part of INTRIA. Certain contract based assets were sold as part of the EDULINX Canada Corporation sale in 2005.

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

$ millions	
2007	$11
2008	11
2009	11
2010	10
2011	10

Note 8 Other Assets

$ millions, as at October 31	**2006**	2005
Accrued interest receivable	**$ 1,089**	$ 886
Accrued benefit asset (Note 16)	**1,037**	977
Brokers' client accounts	**594**	958
Future income tax asset (Note 17)	**619**	1,002
Other prepayments and deferred items	**978**	925
Investment in limited partnerships	**615**	660
Equity-accounted investments	**1,096**	1,029
Cheques and other items in transit, net	**1,189**	1,160
Derivative collateral receivable	**1,710**	1,504
Current income tax receivable	**—**	288
Derivatives held for ALM, not carried at fair value (Note 21)	**959**	1,070
Accounts receivable	**645**	841
Other	**426**	448
	$ 10,957	$ 11,748

Note 9 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	**2006 Total[4]**	2005 Total
Personal	$ 5,201	$ 33,010	$28,225	$ 6,607	$3,208	$1,544	$1,455	$ 2,579	**$ 81,829**	$ 75,973
Business and government	21,430	6,835	53,382	13,488	5,667	3,656	2,348	662	**107,468**	106,226
Bank	1,262	1	10,493	8	—	1,076	—	754	**13,594**	10,535
	$ 27,893	$ 39,846	$92,100	$20,103	$8,875	$6,276	$3,803	$ 3,995	**$ 202,891**	$ 192,734
Total deposits include:										
Non-interest-bearing deposits										
In domestic offices									**$ 22,292**	$ 22,102
In foreign offices									**395**	302
Interest-bearing deposits										
In domestic offices									**129,657**	120,595
In foreign offices									**46,991**	48,400
U.S. federal funds purchased									**3,556**	1,335
									$ 202,891	$ 192,734

(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.

(4) Includes deposits of $54.3 billion (2005: $55.4 billion) denominated in U.S. dollars and deposits of $11.2 billion (2005: $10.0 billion) denominated in other foreign currencies.

Note 10 Other Liabilities

$ millions, as at October 31	2006	2005
Accrued interest payable	**$ 2,243**	$ 1,701
Accrued benefit liability (Note 16)	**872**	816
Gold and silver certificates	**47**	48
Brokers' client accounts	**2,766**	2,516
Derivative collateral payable	**1,396**	1,258
Deferred gain on sale of real estate properties (1)	**47**	63
Other deferred items	**112**	137
Negotiable instruments	**1,824**	1,939
Current income tax liability	**188**	—
Derivatives held for ALM, not carried at fair value (Note 21)	**1,053**	997
Accounts payable and accrued expenses	**1,539**	3,824(2)
Other	**2,629**	2,703
	$14,716	$16,002

(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 for Enron-related settlements. Refer to Note 22 for additional information.

Note 11 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. In accordance with the provisions of the Capital Adequacy Guideline issued by the Office of the Superintendent of Financial Institutions (OSFI), all redemptions are subject to regulatory approval.

Terms of Subordinated Indebtedness

$ millions, as at October 31					2006	2005
		Earliest date redeemable by CIBC				
Interest rate %	Maturity date	At greater of Canada Yield Price(1) and par	At par	Denominated in foreign currency		
7.40	January 31, 2011		January 31, 2006(2)		**—**	250
8.15	April 25, 2011	April 25, 2001	April 25, 2006(2)		**—**	250
7.00	October 23, 2011	October 23, 2001	October 23, 2006(2)		**—**	250
Floating(3)	August 14, 2012		August 14, 2007	US$ 300 million	**337**	355
4.75(4)	January 21, 2013	January 20, 2003	January 21, 2008		**250**	250
5.89(4)	February 26, 2013	February 26, 1998	February 26, 2008		**120**	120
4.25(4)	June 1, 2014	May 6, 2004	June 1, 2009		**750**	750
4.50(4)	October 15, 2014	September 14, 2004	October 15, 2009		**500**	500
9.65	October 31, 2014	November 1, 1999			**250**	250
3.75(4)	September 9, 2015	September 9, 2005	September 9, 2010		**1,300**	1,300
4.55(4)	March 28, 2016	March 28, 2006	March 28, 2011		**1,300**	—
8.70	May 25, 2029(5)				**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(5)				**25**	25
8.70	May 25, 2033(5)				**25**	25
8.70	May 25, 2035(5)				**25**	25
Floating(6)	July 31, 2084		July 27, 1990	US$ 198 million(7)	**222**	255
Floating(8)	August 31, 2085		August 20, 1991	US$ 103 million(9)	**116**	122
					$5,595	$5,102

(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) Redeemed for cash during the year.

(3) 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%.

(4) 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%.

(5) Not redeemable prior to maturity date.

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

(7) US$18 million of this issue was repurchased for cash during the year (2005: US$16 million).

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

(9) None of this issue was repurchased for cash during the year (2005: US$16 million).

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

Repayment Schedule

$ million	2006
Within 1 year	**$ —**
1 to 2 years	**—**
2 to 3 years	**—**
3 to 4 years	**—**
4 to 5 years	**—**
Over 5 years	**5,595**
Total	**$ 5,595**

Note 12 Preferred Share Liabilities and Share Capital

Preferred shares

CIBC is authorized to issue 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. There are no Class B Preferred Shares currently outstanding.

Outstanding Preferred Shares and Dividends Paid

$ millions, except per share amounts, as at or for the year ended October 31	2006				2005				2004			
	Shares outstanding		Dividends paid		Shares outstanding		Dividends paid		Shares outstanding		Dividends paid	
	No. of shares	Amount	Amount	per share	No. of shares	Amount	Amount	per share	No. of shares	Amount	Amount	per share
Class A Preferred Shares(1)												
Classified as liabilities												
Series 15	**—**	**$ —**	**$ —**	**$ —**	—	$ —	$ —	$ —	—	$ —	$ 13	$ 1.07
Series 16	**—**	**—**	**—**	**—**	—	—	—	—	—	—	10	US1.41
Series 17	**—**	**—**	**—**	**—**	—	—	—	—	—	—	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	**—**	**—**	**—**	**—**	—	—	6	US1.29	4,000,000	121	7	US 1.29
Series 21	**—**	**—**	**—**	**—**	—	—	9	1.13	8,000,000	200	12	1.50
Series 22	**—**	**—**	**—**	**—**	—	—	6	US1.18	4,000,000	122	8	US1.56
Series 23	**16,000,000**	**400**	**21**	**1.33**	16,000,000	400	21	1.33	16,000,000	400	21	1.33
Total		**$ 600**	**$ 31**			$ 600	$ 52			$ 1,043	$ 90	
Classified as equity												
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(2)	**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	14	1.44
Series 27	**12,000,000**	**300**	**17**	**1.40**	12,000,000	300	17	1.40	12,000,000	300	19	1.55
Series 28(3)	**3,058**	**—(4)**	**—(4)**	**0.08**	17,658(5)	—(4)	—(4)	0.08	13,250,000	133	3	0.20
Series 29	**13,232,342**	**331**	**18**	**1.35**	13,232,342	331	18	1.35	—	—	—	—
Series 30	**16,000,000**	**400**	**19**	**1.20**	16,000,000	400	12	0.77	—	—	—	—
Total		**$ 2,381**	**$ 132**			$ 2,381	$ 125			$ 1,783	$ 100	
Total preferred shares and dividends		**$ 2,981**	**$ 163**			$ 2,981	$ 177			$ 2,826	$ 190	

(1) Subsequent to the year-end, on November 15, 2006, we issued 18 million Non-cumulative Class A Series 31 Preferred Shares with a par value of $25.00 each for an aggregate amount of $450 million.

(2) Subsequent to the year-end, on November 3, 2006, we announced our intention to redeem on January 31, 2007, all outstanding Series 24 Preferred Shares at a price of $26.00 per share for an aggregate consideration of $416 million.

(3) 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 expire on the earlier of June 17, 2009 or the date the offer is withdrawn by CIBC. During the year, we repurchased 14,600 shares under this offer.

(4) Due to rounding.

(5) Over the course of 2005, 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.

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. Certain series provide CIBC, or 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. If 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.

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 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		
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

CIBC is authorized to issue 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 Common Shares and Dividends Paid

$ millions, except per share amounts, as at or for the year ended October 31	**2006**		2005		2004	
	Shares outstanding		Shares outstanding		Shares outstanding	
	No. of shares	**Amount**	No. of shares	Amount	No. of shares	Amount
Common shares						
Total common share capital at beginning of year	**334,007,626**	**$ 2,952**	347,488,472	$ 2,969	362,042,914	$ 2,950
Issued pursuant to stock option plans	**2,262,168**	**112**	2,866,907	134	3,666,817	162
Purchase of common shares for cancellation	**—**	**—**	(16,202,800)	(140)	(18,359,200)	(154)
Treasury shares	**(293,147)**	**(19)**	(144,953)	(11)	137,941	11
Total common share capital	**335,976,647**	**$ 3,045**	334,007,626	$ 2,952	347,488,472	$ 2,969
Total dividends paid		**$ 924**		$ 902		$ 781
Dividends per share		**$ 2.76**		$ 2.66		$ 2.20

Common shares repurchased

During 2004, we repurchased 18.4 million common shares at an average price of $67.43 for a total amount of $1.2 billion. During 2005, we repurchased 16.2 million common shares at an average price of $72.64 for a total amount of $1.2 billion. No shares were repurchased during 2006.

Shares reserved for issue

As at October 31, 2006, 17,677,700 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 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.

We obtained the approval of OSFI to pay dividends on our common shares and Class A Preferred Shares for each of the quarters for the year ended October 31, 2006. Subsequent to the year-end, we obtained the approval of OSFI to pay dividends on our common shares and Class A Preferred Shares for the quarter ending January 31, 2007.

As part of its periodic review of the Bank Act, the Department of Finance issued a discussion paper in June 2006 that, in part, proposes to repeal the requirement to obtain OSFI approval for the payment of dividends in the circumstances described above. The changes, if enacted, are expected to be effective prior to the end of 2007.

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 to preferred shareholders that are then payable have been declared and paid or set apart for payment.

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 maintain 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

$ million, as at October 31	**2006**	2005
Tier 1 capital	**$11,935**	$ 9,886
Total regulatory capital	**16,583**	14,771
Tier 1 capital ratio	**10.4%**	8.5%
Total capital ratio	**14.5%**	12.7%
Assets-to-capital multiple	**18.0x**	18.4x

In 2004, the Basel Committee on Banking Supervision issued new rules for the calculation of regulatory capital, which are effective from November 1, 2007 onwards. For further details, see “Management of Capital Resources” section in the MD&A.

Note 13 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**
2006	**Assets**							
	Cash and deposits with banks	$ 222	$ 6,508	$ 4,016	$ —	$ —	$ 1,107	**$ 11,853**
	Effective yield		4.96%	5.31%	—	—		
	Investment securities	1,093	3,336	1,659	8,952	5,624	503	**21,167**
	Effective yield		3.78%	3.77%	3.92%	4.12%		
	Trading securities	3,023	10,484	3,126	6,663	5,198	33,837	**62,331**
	Effective yield		4.76%	4.68%	4.65%	5.21%		
	Securities borrowed or purchased under resale agreements	—	24,186	1,246	—	—	—	**25,432**
	Effective yield		4.47%	4.25%	—	—		
	Loans	85,836	11,629	10,653	29,917	5,928	1,662	**145,625**
	Effective yield		6.38%	5.54%	5.26%	5.26%		
	Other	—	19,994	—	—	—	17,582	**37,576**
	Structural assumptions	(5,108)	1,039	2,998	2,518	—	(1,447)	**—**
	Total assets	$ 85,066	$ 77,176	$ 23,698	$ 48,050	$ 16,750	$ 53,244	**$ 303,984**
	Liabilities and shareholders' equity							
	Deposits	$ 63,786	$ 70,580	$ 30,599	$ 12,663	$ 2,576	$ 22,687	**$ 202,891**
	Effective yield		4.56%	3.86%	3.48%	4.35%		
	Obligations related to securities sold short	—	194	445	4,862	4,969	3,318	**13,788**
	Effective yield		4.14%	4.21%	4.17%	4.25%		
	Obligations related to securities lent or sold under repurchase agreements	—	30,433	—	—	—	—	**30,433**
	Effective yield		4.49%	—	—	—		
	Subordinated indebtedness	—	559	116	4,220	700	—	**5,595**
	Effective yield		5.38%	5.63%	4.29%	10.32%		
	Preferred share liabilities	—	—	87	362	151	—	**600**
	Effective yield		—	5.18%	5.18%	5.18%		
	Other	—	19,788	16	190	2,169	28,514	**50,677**
	Structural assumptions	(8,468)	6,238	17,934	15,146	—	(30,850)	**—**
	Total liabilities and shareholders' equity	$ 55,318	$ 127,792	$ 49,197	$ 37,443	$ 10,565	$ 23,669	**$ 303,984**
	On-balance sheet gap	$ 29,748	$ (50,616)	$ (25,499)	$ 10,607	$ 6,185	$ 29,575	**$ —**
	Off-balance sheet gap	—	(24,126)	35,583	(2,797)	(8,660)	—	**—**
	Total gap	$ 29,748	$ (74,742)	$ 10,084	$ 7,810	$ (2,475)	$ 29,575	**$ —**
	Total cumulative gap	$ 29,748	$ (44,994)	$ (34,910)	$ (27,100)	$ (29,575)	$ —	**$ —**
	Gap by currency							
	On-balance sheet gap							
	Canadian currency	$ 37,108	$ (34,709)	$ (24,012)	$ 8,754	$ (3,668)	$ 16,527	**$ —**
	Foreign currencies	(7,360)	(15,907)	(1,487)	1,853	9,853	13,048	**—**
	Total on-balance sheet gap	29,748	(50,616)	(25,499)	10,607	6,185	29,575	**—**
	Off-balance sheet gap							
	Canadian currency	—	(23,923)	25,988	(2,356)	291	—	**—**
	Foreign currencies	—	(203)	9,595	(441)	(8,951)	—	**—**
	Total off-balance sheet gap	—	(24,126)	35,583	(2,797)	(8,660)	—	**—**
	Total gap	$ 29,748	$ (74,742)	$ 10,084	$ 7,810	$ (2,475)	$ 29,575	**$ —**
2005	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	$ —
	Total cumulative gap	$ 37,498	$ (24,386)	$ (28,871)	$ (22,511)	$ (20,533)	$ —	$ —

Note 14 Trading Revenue

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

Trading Revenue

$ millions, for the year ended October 31	**2006**	2005	2004
Trading revenue consists of:			
Net interest income	**$ (444)**	$ 19	$ 107
Non-interest income	**1,129**	801	618
Trading revenue	**$ 685**	$ 820	$ 725
Trading revenue by product line:			
Interest rates	**$ 156**	$ 198	$ 231
Foreign exchange	**163**	169	169
Equities(1)	**79**	225	115
Commodities	**39**	31	54
Other(2)	**248**	197	156
Trading revenue	**$ 685**	$ 820	$ 725

(1) Includes $28 million (2005: $156 million; 2004: nil) of non-controlling interests in VIEs.

(2) Comprises primarily loan trading activities.

Note 15 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 on the attainment of 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 our 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, vested 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 2006 has been estimated at $9.85 (2005: $9.56; 2004: $10.55) 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 year ended October 31	**2006**	2005	2004
Weighted-average assumptions			
Risk-free interest rate	**4.20%**	4.13%	4.52%
Expected dividend yield	**4.88%**	4.84%	4.45%
Expected share price volatility	**19.50%**	20.13%	21.00%
Expected life	**6 years**	7 years	6 years

Compensation expense in respect of stock options and SARs totalled $30 million for 2006 (2005: $5 million; 2004: $58 million). Liability in respect of SARs is recorded in other liabilities and totalled $66 million as at October 31, 2006 (2005: $63 million; 2004: $97 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% of eligible earnings, 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 2006 (2005: $28 million; 2004: $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 Award (RSA) Plan, which began in 2000, certain key employees are granted awards to receive CIBC common shares. 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. Certain RSAs vest on the attainment of specified performance conditions. 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 conditions have been met. Compensation expense in respect of RSAs totalled $235 million in 2006 (2005: $244 million; 2004: $258 million).

Other restricted share plans

In prior years, we have made grants under two other restricted share programs, specifically the Stock Participation Plan (SPP) and Special Incentive Program (SIP). While we have not made any new grants under these programs in 2006, awards made under these programs in prior years are still outstanding.

Under both programs, certain key employees were granted awards to receive CIBC common shares. 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.

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 both plans totalled $(3) million in 2006 (2005: $(5) million; 2004: $(6) million).

Performance Share Unit Program

During 2005, we introduced a new Performance Share Unit (PSU) program. Under the program, certain key executives are granted awards to receive CIBC common shares or an equivalent dollar value. 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 $7 million in 2006 (2005: $5 million).

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.

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).

Compensation expense in respect of these plans totalled $3 million (2005: $3 million; 2004: $4 million).

Stock Option Plans

As at or for the year ended October 31	**2006**		2005		2004	
	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	**10,992,741**	**$ 45.28**	13,424,875	$ 41.96	17,776,232	$ 41.02
Granted	**419,658**	**76.49**	976,813	72.27	18,344	67.22
Exercised	**(2,262,168)**	**40.84**	(2,866,907)	40.62	(3,666,817)	38.05
Forfeited/cancelled	**(111,376)**	**58.32**	(129,181)	49.77	(294,221)	48.68
Exercised as SARs	**(104,624)**	**34.29**	(412,859)	31.92	(408,663)	32.43
Outstanding at end of year	**8,934,231**	**$ 47.84**	10,992,741	$ 45.28	13,424,875	$ 41.96
Exercisable at end of year	**7,367,737**	**$ 44.05**	8,593,165	$ 41.87	9,610,229	$ 40.09

Available for grant	**8,743,469**	9,051,751	9,899,383

Stock Options Outstanding and Vested

As at October 31, 2006	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
$31.70 – $39.85	**3,102,913**	**2.56**	**$ 37.41**	**3,102,913**	**$ 37.41**	**919,145**
$40.35 – $49.94	**2,660,642**	**4.10**	**42.93**	**2,256,428**	**42.90**	**412,725**
$50.33 – $57.19	**1,850,796**	**4.90**	**54.12**	**1,850,291**	**54.12**	**—**
$65.59 – $69.68	**17,520**	**7.54**	**67.11**	**8,348**	**66.98**	**—**
$70.00 – $74.62	**901,382**	**8.33**	**72.20**	**149,757**	**73.04**	**—**
$75.80 – $84.69	**400,978**	**9.18**	**76.51**	**—**	**—**	**—**
Total	**8,934,231**	**4.39**	**$ 47.84**	**7,367,737**	**$ 44.05**	**1,331,870**

Note 16 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.

$ millions, as at or for the year ended October 31	Pension benefit plans 2006	2005	2004	Other benefit plans 2006	2005	2004
Accrued benefit obligation						
Balance at beginning of year	**$ 3,577**	$ 2,956	$ 2,798	**$ 947**	$ 788	$ 803
Adjustment for inclusion of subsidiary plans	**—**	—	—	**—**	—	2
Current service cost	**123**	94	89	**32**	24	44
Employee contributions	**7**	7	8	**—**	—	—
Interest cost on accrued benefit obligation	**191**	186	175	**46**	46	43
Benefits paid	**(197)**	(161)	(166)	**(50)**	(50)	(42)
Foreign exchange rate changes	**(1)**	(21)	(5)	**(1)**	(2)	(2)
Actuarial losses (gains)	**65**	475	36	**(32)**	143	18
Net transfer out	**(7)**	—	—	**—**	—	—
Plan amendments	**2**	25	16	**—**	(2)	(78)
Acquisitions	**—**	—	2	**—**	—	—
Corporate restructuring giving rise to:						
Curtailments losses	**—**	16	3	**—**	—	—
Balance at end of year	**$ 3,760**	$ 3,577	$ 2,956	**$ 942**	$ 947	$ 788
Plan assets						
Fair value at beginning of year	**$ 3,290**	$ 2,826	$ 2,442	**$ 100**	$ 121	$ 116
Actual return on plan assets	**317**	405	236	**5**	11	10
Employer contributions	**274**	231	309	**25**	18	37
Employee contributions	**7**	7	8	**—**	—	—
Benefits paid	**(197)**	(161)	(166)	**(50)**	(50)	(42)
Foreign exchange rate changes	**(1)**	(18)	(4)	**—**	—	—
Acquisitions	**—**	—	1	**—**	—	—
Net transfer out	**(7)**	—	—	**—**	—	—
Fair value at end of year	**$ 3,683**	$ 3,290	$ 2,826	**$ 80**	$ 100	$ 121
Funded status (deficit)	**$ (77)**	$ (287)	$ (130)	**$ (862)**	$ (847)	$ (667)
Unamortized net actuarial losses	**906**	1,053	860	**209**	252	124
Unamortized past service costs (gains)	**65**	71	53	**(59)**	(67)	(72)
Unamortized transitional asset	**—**	—	—	**2**	3	4
Accrued benefit asset (liability)	**894**	837	783	**(710)**	(659)	(611)
Valuation allowance	**(19)**	(17)	(17)	**—**	—	—
Accrued benefit asset (liability), net of valuation allowance	**$ 875**	$ 820	$ 766	**$ (710)**	$ (659)	$ (611)

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

$ millions, as at October 31	Pension benefit plans 2006	2005	2004	Other benefit plans 2006	2005	2004
Accrued benefit asset (liability), net of valuation allowance, recorded in:						
Other assets (Note 8)	**$ 1,037**	$ 977	$ 915	**$ —**	$ —	$ —
Other liabilities (Note 10)	**(162)**	(157)	(149)	**(710)**	(659)	(611)
Accrued benefit asset (liability), net of valuation allowance	**$ 875**	$ 820	$ 766	**$ (710)**	$ (659)	$ (611)

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:

$ millions, as at October 31	Pension benefit plans 2006	2005	2004	Other benefit plans 2006	2005	2004
Accrued benefit obligation						
Unfunded plans	**$ 182**	$ 168	$ 149	**$ 765**	$ 751	$ 591
Funded plans	**262**	3,396	202	**177**	196	197
	444	3,564	351	**942**	947	788
Fair value of plan assets	**240**	3,259	175	**80**	100	121
Funded status (deficit)	**$ (204)**	$ (305)	$ (176)	**$ (862)**	$ (847)	$ (667)

The net defined benefit plan expense is as follows:

	Pension benefit plans			Other benefit plans		
$ millions, for the year ended October 31	**2006**	2005	2004	**2006**	2005	2004
Current service cost	**$ 123**	$ 94	$ 89	**$ 32**	$ 24	$ 44
Interest cost on accrued benefit obligation	**191**	186	175	**46**	46	43
Actual (positive) negative return on plan assets	**(317)**	(405)	(236)	**(5)**	(11)	(10)
Plan amendments	**2**	25	16	**—**	(2)	(78)
Actuarial losses (gains)	**65**	475	36	**(32)**	143	18
Curtailment losses	**—**	17	3	**—**	—	—
Benefit plan expense, before adjustments to recognize the long-term nature of employee future benefit costs	**$ 64**	$ 392	$ 83	**$ 41**	$ 200	$ 17
Adjustments to recognize the long-term nature of employee future benefit costs						
Difference between actual and expected return on plan assets	**$** 114(1)	$ 216(1)	$ 65(1)	**$** —(2)	$ 4(2)	$ 3(2)
Difference between actuarial (gains) losses arising and actuarial (gains) losses amortized	**33(3)**	(418)(3)	28(3)	**43**(4)	(135)(4)	(8)(4)
Difference between plan amendment costs arising and plan amendment costs amortized	**6**(5)	(18)(5)	(11)(5)	**(7)(6)**	(5)(6)	72(6)
Amortization of transitional obligation	**—**	—	(20)	**—**	—	1
	153	(220)	62	**36**	(136)	68
Change in valuation allowance	**2**	1	—	**—**	—	—
Defined benefit plan expense recognized	**$ 219**	$ 173	$ 145	**$ 77**	$ 64	$ 85

(1) Expected return on plan assets of $203 million (2005: $189 million; 2004: $171 million), less deferral of actual return on plan assets of $317 million (2005: $405 million; 2004: $236 million).

(2) Expected return on plan assets of $5 million (2005: $7 million; 2004: $7 million), less deferral of actual return on plan assets of $5 million (2005: $11 million; 2004: $10 million).

(3) Actuarial (gains) losses amortized of $98 million (2005: $57 million; 2004: $64 million), less actual actuarial (gains) losses incurred of $65 million (2005: $475 million; 2004: $36 million).

(4) Actuarial (gains) losses amortized of $11 million (2005: $8 million; 2004: $10 million), less actual actuarial (gains) losses incurred of $(32) million (2005: $143 million; 2004: $18 million).

(5) Amortization of plan amendments of $8 million (2005: $6 million; 2004: $5 million), less actual plan amendments of $2 million (2005: $25 million; 2004: $16 million).

(6) Amortization of plan amendments of $(7) million (2005: $(7) million; 2004: $(6) million), less actual plan amendments of nil (2005: $(2) million; 2004: $(78) million).

Benefit changes

2006 and 2005

There were no material changes to the terms of our defined benefit pension plans or other benefit plans in 2006 or 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	**2007**	**2006**	2005	**2007**	**2006**	2005

Equity securities(1)	**54%**	**53%**	54%	**20%**	**29%**	38%
Debt securities(1)	**41**	**42**	43	**80**	**71**	62
Real estate	**5**	**5**	3	**—**	**—**	—
Total	**100%**	**100%**	100%	**100%**	**100%**	100%

(1) Pension benefit plans include CIBC securities of $7 million (2005: $12 million), representing 0.2% of total plan assets (2005: 0.4%). 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 CIBC 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 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	**2006**	2005	2004	**2006**	2005	2004
Accrued benefit obligation as at October 31						
Discount rate at end of the period	**5.3%**	5.2%	6.2%	**5.1%**	5.1%	6.0%
Rate of compensation increase	**3.5%**	3.5%	3.5%	**3.5%**	3.2%	3.2%
Net benefit plan expense for the year ended October 31						
Discount rate at beginning of the period	**5.2%**	6.2%	6.2%	**5.1%**	6.0%	6.1%
Expected long-term rate of return on plan assets	**6.5%**	7.0%	7.0%	**6.0%**	6.5%	6.5%
Rate of compensation increase	**3.5%**	3.5%	3.6%	**3.2%**	3.2%	3.3%

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

For the year ended October 31	**2006**	2005	2004
Health-care cost trend rates assumed for next year	**10.0%**	7.8%	9.3%
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	**2014**	2012	2012

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 year ended October 31	**2006**	2005	2004	**2006**	2005	2004
Effect on total benefit plan expense	**$ 11**	$ 13	$ 12	**$ (8)**	$ (12)	$ (11)
Effect on accrued benefit obligation	**111**	125	89	**(79)**	(97)	(71)

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 year ended October 31	**2006**	2005	2004
Defined contribution pension plans	**$ 15**	$ 14	$ 18
Government pension plans (1)	**74**	75	74

(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, 2005. The next actuarial valuation of the plan will be required as at a date not later than October 31, 2008. 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 year ended October 31	**2006**	2005	2004	**2006**	2005	2004
Funded plans	**$ 263**	$ 223	$ 303	**$ —**	$ 3	$ 23
Beneficiaries of unfunded plans	**11**	8	6	**25**	15	14
Defined contribution pension plans	**15**	14	18	**—**	—	—
Total	**$ 289**	$ 245	$ 327	**$ 25**	$ 18	$ 37

The minimum contributions for 2007 are anticipated to be $24 million for defined benefit pension plans and $31 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
2007	$ 162	$ 56
2008	167	56
2009	172	56
2010	178	57
2011	185	58
2012 – 2016	1,059	305

Note 17 Income Taxes

Total Income Taxes

$ millions, for the year ended October 31	2006	2005	2004
Consolidated statement of operations			
Provision for income taxes — Current	**$ 284**	$ 537	$ 650
— Future	**356**	252	140
	640	789	790
Consolidated statement of changes in shareholders' equity			
Foreign currency translation adjustments	**268**	(120)	617
Accounting policy changes	**—**	11(1)	3(2)
Other	**(5)**	(11)	4
	263	(120)	624
	$ 903	$ 669	$ 1,414

(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."

Components of Income Tax

$ millions, for the year ended October 31	2006	2005	2004
Current income taxes			
Federal	**$ 357**	$ 192	$ 833
Provincial	**192**	107	386
Foreign	**(14)**	162	9
	535	461	1,228
Future income taxes			
Federal	**81**	23	81
Provincial	**36**	12	(10)
Foreign	**251**	173	115
	368	208	186
	$ 903	$ 669	$ 1,414

Future income tax balances are included in other assets (Note 8) and result from temporary differences between the tax basis of assets and liabilities and their carrying amounts on the consolidated balance sheet.

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 $567 million (2005: $420 million; 2004: $400 million).

The effective rates of income tax in the consolidated statement of operations are different from the combined Canadian federal and provincial income tax rate of 34.8% (2005: 35.0%; 2004: 35.3%) as set out in the following table:

Reconciliation of Income Taxes

$ millions, for the year ended October 31	2006		2005		2004	
Combined Canadian federal and provincial income tax rate applied to income before income taxes and non-controlling interests	**$ 1,155**	**34.8%**	$ 324	35.0%	$ 1,022	35.3%
Income taxes adjusted for the effect of:						
Earnings of foreign subsidiaries	**(267)**	**(8.1)**	(159)	(17.2)	(61)	(2.1)
Non-tax effected litigation provisions	**9**	**0.3**	699	75.4	—	—
Net realized foreign exchange gains on investments in foreign operations	**31**	**0.9**	203	21.9	—	—
Non-controlling interest portion of VIE income	**(10)**	**(0.2)**	(55)	(5.9)	—	—
Tax-exempt income and gains	**(152)**	**(4.6)**	(167)	(18.1)	(120)	(4.1)
Preferred share dividends treated as interest	**11**	**0.3**	23	2.5	38	1.3
Earnings of domestic subsidiaries	**2**	**0.1**	(1)	(0.1)	23	0.8
Future tax rate reductions (increases)	**9**	**0.3**	4	0.4	(50)	(1.7)
Other	**(148)**	**(4.5)**	(82)	(8.8)	(62)	(2.2)
Income taxes in the consolidated statement of operations	**$ 640**	**19.3%**	$ 789	85.1%	$ 790	27.3%

In 2006, various federal and provincial tax rate decreases were passed into law that resulted in or will result in phased-in net income tax rate reductions over the next four years. As a result, we decreased our future income tax asset by $9 million, thereby increasing income tax expense. The repatriation of capital and retained earnings from our foreign operations resulted in a $47 million increase in income tax expense arising from the reversal of related accumulated balances in the foreign currency translation adjustments component of shareholders' equity.

In 2005, we recorded the expected minimum tax benefit of $297 million relating to the Enron-related litigation settlements. This amount has not changed as there continues to be significant uncertainty associated with the ultimate tax benefits to be realized on the settlements. 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 2004 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, in 2004, we increased our future income tax asset by $50 million, thereby reducing income tax expense.

Sources of Future Income Tax Balances

$ millions, as at October 31	2006	2005
Future income tax assets		
Allowance for credit losses	**$ 380**	$ 481
Buildings and equipment	**57**	51
Pension and employee benefits	**24**	73
Unearned income	**83**	101
Investment revaluations	**—**	136
Tax loss carryforwards	**649**	871
Provisions	**398**	286
Goodwill	**12**	—
Other	**48**	160
	1,651	2,159
Valuation allowance (VA)	**(107)**	(125)
	1,544	2,034
Future income tax liabilities		
Lease receivables	**631**	822
Buildings and equipment	**60**	26
Goodwill	**55**	48
Investment revaluation	**34**	—
Unearned income	**5**	—
Pension and employee benefits	**82**	73
Other	**58**	63
	925	1,032
Net future income tax asset net of VA	**$ 619**	$ 1,002

Included in the tax loss carryforwards amount is a $128 million (2005: $131 million) future tax asset related to Canadian capital losses, which have no expiry date. Also included in the tax loss carryforwards amount is $521 million of future tax assets related to losses in our U.S. operations (2005: $705 million) which expire in five to 20 years from origination. As other future income tax assets in the U.S. naturally reverse into tax losses, we will have between five to 20 years from the date such temporary differences become tax losses to use them before they expire under current tax law. The total amount of the net future income tax asset net of the valuation allowance related to our U.S. operations, is $95 million (2005: $365 million). We believe that, based on all available evidence, it is more likely than not that all of the net future income tax asset, net of the valuation allowance, will be realized prior to its expiration.

Note 18 Earnings (Loss) per Share

$ millions, except per share amounts, for the year ended October 31	2006	2005	2004
Basic EPS			
Net income (loss)	**$ 2,646**	$ (32)	$ 2,091
Preferred share dividends	**(132)**	(125)	(100)
Net income (loss) applicable to common shares	**$ 2,514**	$ (157)	$ 1,991
Weighted-average common shares outstanding (thousands)	**335,135**	339,263	355,735
Basic EPS	**$ 7.50**	$ (0.46)	$ 5.60
Diluted EPS			
Net income (loss) applicable to common shares	**$ 2,514**	$ (157)	$ 1,991
Weighted-average common shares outstanding (thousands)	**335,135**	339,263	355,735
Add: stock options potentially exercisable (1) (thousands)	**3,225**	3,646	4,041
Weighted-average diluted common shares outstanding (2) (thousands)	**338,360**	342,909	359,776
Diluted EPS (3)	**$ 7.43**	$ (0.46)	$ 5.53

(1) Excludes average options outstanding of 9,894 with a weighted-average exercise price of $84.69; average options outstanding of 460,560 with a weighted-average exercise price of $73.08; and average options outstanding of 3,923 with a weighted-average exercise price of $69.34 for the years ended October 31, 2006, 2005 and 2004, 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; and average options outstanding of 258,630 with a weighted-average exercise price of $37.60 for the years ended October 31, 2005 and 2004, 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 19 Related-party Transactions

In the ordinary course of business, we provide banking services and enter into transactions with related parties on terms similar to those offered to non-related parties. Related parties include directors, senior officers and their affiliates(1), joint ventures and investments accounted for under the equity method. Loans to these related parties are based on market terms and conditions. We also offer a subsidy on annual fees and preferential interest applied to credit card balances to senior officers which is the same offered to any of our employees of the bank.

Directors, senior officers and their affiliates (1)

As at October 31, 2006, loans to directors and their affiliates totalled $28 million (2005: $34 million), letters of credit and guarantees totalled $120 million (2005: $150 million) and the undrawn credit commitments totalled $292 million (2005: $211 million).

As at October 31, 2006, loans to senior officers and their affiliates totalled $21 million (2005: $22 million), and the undrawn credit commitments totalled $4 million (2005: $4 million).

We offer various stock-based compensation plans to senior officers and directors. See Note 15 for details.

Joint ventures

CIBC is a joint venture partner with CIT Financial Ltd. in CIT Business Credit Canada Inc., a joint venture which is engaged in asset-based lending in Canada. Both CIBC and CIT Financial Ltd. have a 50% ownership interest in the joint venture. As at October 31, 2006, our loans to and common share investment in the joint venture totalled $313 million (2005: $318 million) and $1 million (2005: $1 million), respectively, which are eliminated upon proportionate consolidation. In addition, as at October 31, 2006, we had letters of credit and guarantees of $126 million (2005: $131 million) and undrawn credit commitments of $68 million (2005: $66 million) to the joint venture. The loans were made to the joint venture under a Master Funding agreement, under which the joint venture borrows money equally from both of its joint investors. Interest is charged at prime on Canadian dollar loans and at Base Rate (Canada) for U.S. dollar loans.

CIBC is a 50/50 joint venture partner with Mellon Financial Corporation in two joint ventures: CIBC Mellon Trust Company (CMT), which provides trust services; and CIBC Mellon Global Securities Services Company (GSS), which provides custodial and asset services, both in Canada. As at October 31, 2006, our common share investments in the joint ventures totalled $99 million (2005: $99 million), which are eliminated upon proportionate consolidation. In addition, CIBC holds client overdraft balances on behalf of GSS of nil (2005: $66 million).

Equity-accounted entities

CIBC is a partner with Barclays in FirstCaribbean which provides banking services in the Caribbean. Our investment in this entity is accounted for under the equity method. As at October 31, 2006, our investment in and loan to the joint venture totalled $790 million (2005: $805 million) and nil (2005: $2 million), respectively.

As at October 31, 2006, investments in and loans to other equity-accounted entities totalled $306 million (2005: $238 million) and the undrawn investment and credit commitments totalled $37 million (2005: $43 million).

(1) Affiliates definition has been amended in the current year (prior year information has not been restated) and includes spouses, children under 18 and supported family members (“dependants”) of directors and senior officers. It also includes entities over which directors, senior officers and their dependants have significant influence. Significant influence can be exerted by: greater than 10% voting interest; entities in which they have a management contract; entities in which they have positions of management authority/senior positions; entities in which they are a general partner; and trusts in which they are trustees or substantial beneficiaries.

Note 20 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 forwards, futures, swaps and options, such as precious metal and energy-related products in both over-the-counter and exchange markets.

Notional amounts

The following table 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	Less than 1 year	1 to 5 years	Over 5 years	**2006 total notional amounts**	**Trading**	**2006 ALM**	Trading	2005 ALM
Interest rate derivatives								
Over-the-counter								
Forward rate agreements	$ 29,833	$ 60	$ 26	**$ 29,919**	**$ 29,834**	**$ 85**	$ 39,524	$ 45
Swap contracts	168,454	303,861	124,537	**596,852**	**466,316**	**130,536**	498,255	111,879
Purchased options	14,032	11,425	9,172	**34,629**	**31,844**	**2,785**	36,767	896
Written options	20,688	18,411	6,706	**45,805**	**43,222**	**2,583**	45,732	2,196
	233,007	333,757	140,441	**707,205**	**571,216**	**135,989**	620,278	115,016
Exchange traded								
Futures contracts	98,450	16,169	650	**115,269**	**107,060**	**8,209**	68,590	4,449
Purchased options	29,931	8,929	—	**38,860**	**38,860**	**—**	4,371	—
Written options	31,927	16,004	—	**47,931**	**47,931**	**—**	11,051	—
	160,308	41,102	650	**202,060**	**193,851**	**8,209**	84,012	4,449
Total interest rate derivatives	393,315	374,859	141,091	**909,265**	**765,067**	**144,198**	704,290	119,465
Foreign exchange derivatives								
Over-the-counter								
Forward contracts	59,596	2,734	665	**62,995**	**54,897**	**8,098**	46,632	18,000
Swap contracts	16,929	40,610	20,202	**77,741**	**59,677**	**18,064**	57,523	17,724
Purchased options	2,614	488	406	**3,508**	**3,508**	**—**	3,480	—
Written options	2,904	562	280	**3,746**	**3,654**	**92**	3,428	105
	82,043	44,394	21,553	**147,990**	**121,736**	**26,254**	111,063	35,829
Exchange traded								
Future contracts	—	—	—	**—**	**—**	**—**	191	—
Total foreign exchange derivatives	82,043	44,394	21,553	**147,990**	**121,736**	**26,254**	111,254	35,829
Credit derivatives								
Over-the-counter								
Swap contracts	654	1,440	83	**2,177**	**2,177**	**—**	2,025	—
Purchased options	2,476	21,262	40,451	**64,189**	**55,943**	**8,246**	24,658	8,636
Written options[1]	6,794	13,655	39,320	**59,769**	**59,585**	**184**	29,179	193
Total credit derivatives	9,924	36,357	79,854	**126,135**	**117,705**	**8,430**	55,862	8,829
Equity derivatives[2]								
Over-the-counter	26,122	15,508	1,578	**43,208**	**42,829**	**379**	41,610	544
Exchange traded	32,486	19,891	224	**52,601**	**52,482**	**119**	40,243	200
Total equity derivatives	58,608	35,399	1,802	**95,809**	**95,311**	**498**	81,853	744
Other derivatives[3]								
Over-the-counter	9,657	14,203	772	**24,632**	**24,493**	**139**	23,449	—
Exchange traded	2,723	1,392	4	**4,119**	**4,102**	**17**	2,305	—
Total other derivatives	12,380	15,595	776	**28,751**	**28,595**	**156**	25,754	—
	$ 556,270	$ 506,604	$ 245,076	**$ 1,307,950**	**$ 1,128,414**	**$ 179,536**	$ 979,013	$ 164,867

(1) ALM written options are reported as financial guarantees in Note 22.

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

(3) Comprises 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, 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 following table 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

$ millions, as at October 31	2006					2005				
	Current replacement cost			Credit equivalent amount	Risk-weighted amount	Current replacement cost			Credit equivalent amount	Risk-weighted amount
	Trading	ALM	Total			Trading	ALM	Total		
Interest rate derivatives										
Forward rate agreements	**$ 11**	**$ 1**	**$ 12**	**$ 13**	**$ 5**	$ 7	$ —	$ 7	$ 9	$ 3
Swap contracts	**6,428**	**933**	**7,361**	**10,617**	**2,217**	8,116	1,070	9,186	12,283	2,614
Purchased options	**645**	**20**	**665**	**860**	**211**	777	9	786	975	242
	7,084	**954**	**8,038**	**11,490**	**2,433**	8,900	1,079	9,979	13,267	2,859
Foreign exchange derivatives										
Forward contracts	**511**	**38**	**549**	**1,161**	**384**	676	40	716	1,413	412
Swap contracts	**3,739**	**120**	**3,859**	**7,574**	**1,463**	4,267	147	4,414	7,892	1,544
Purchased options	**98**	**—**	**98**	**179**	**54**	127	—	127	215	68
	4,348	**158**	**4,506**	**8,914**	**1,901**	5,070	187	5,257	9,520	2,024
Credit derivatives(1)										
Swap contracts	**48**	**—**	**48**	**263**	**114**	55	—	55	197	75
Purchased options	**93**	**—**	**93**	**6,948**	**3,013**	87	—	87	1,818	700
Written options(2)	**197**	**—**	**197**	**197**	**45**	44	—	44	44	22
	338	**—**	**338**	**7,408**	**3,172**	186	—	186	2,059	797
Equity derivatives(3)	**2,077**	**19**	**2,096**	**4,262**	**1,345**	2,259	3	2,262	4,343	1,466
Other derivatives(4)	**1,483**	**35**	**1,518**	**3,851**	**1,501**	2,573	—	2,573	4,750	1,940
	15,330	**1,166**	**16,496**	**35,925**	**10,352**	18,988	1,269	20,257	33,939	9,086
Less: effect of master netting agreements	**(10,799)**	**—**	**(10,799)**	**(18,962)**	**(5,222)**	(13,315)	—	(13,315)	(18,565)	(4,766)
	$ 4,531	**$ 1,166**	**$ 5,697**	**$ 16,963**	**$ 5,130**	$ 5,673	$ 1,269	$ 6,942	$ 15,374	$ 4,320

(1) ALM credit derivative options, with a replacement cost of $40 million (2005: $34 million), are given financial guarantee treatment for credit risk capital purposes and are excluded from the table above.

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

(3) Comprises forwards, swaps and options.

(4) Comprises precious metals and other commodity forwards, swaps and options.

Note 21 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 an independent 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-priced 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. 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, 2006, 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 3 on page 117).

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 independent 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 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. 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 following table 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.

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 credit exposure taking into account both collateral and netting arrangements. Administrative cost adjustments reflect the expected future costs to maintain the derivative to maturity.

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

$ millions, as at October 31	2006			2005		
	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	**$ 1,317**	**$ 1,317**	**$ —**	$ 1,310	$ 1,310	$ —
Interest-bearing deposits with banks	**10,536**	**10,536**	**—**	10,542	10,542	—
Securities	**83,498**	**83,680**	**182**	67,764	67,833	69
Securities borrowed or purchased under resale agreements	**25,432**	**25,432**	**—**	18,514	18,514	—
Loans	**145,625**	**145,986**	**361**	141,783	142,043	260
Derivative instruments market valuation(1)	**17,122**	**17,122**	**—**	20,309	20,309	—
Customers' liability under acceptances	**6,291**	**6,291**	**—**	5,119	5,119	—
Other assets(2)	**6,155**	**6,529**	**374**	6,239	6,511	272
Liabilities						
Deposits	**$ 202,891**	**$202,756**	**$ (135)**	$192,734	$192,674	$ (60)
Derivative instruments market valuation(1)	**17,330**	**17,330**	**—**	20,128	20,128	—
Acceptances	**6,297**	**6,297**	**—**	5,119	5,119	—
Obligations related to securities sold short	**13,788**	**13,788**	**—**	14,883	14,883	—
Obligations related to securities lent or sold under repurchase agreements	**30,433**	**30,433**	**—**	14,325	14,325	—
Other liabilities	**9,977**	**9,977**	**—**	11,537	11,537	—
Subordinated indebtedness	**5,595**	**5,963**	**368**	5,102	5,468	366
Preferred share liabilities	**600**	**642**	**42**	600	660	60
ALM derivatives not carried at fair value(1)(3)(4)	**$ (94)**	**$ (179)**	**$ (85)**	$ 73	$ 82	$ 9

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

(2) Excludes FirstCaribbean with a book value of $790 million as at October 31, 2006 (2005: $805 million).

(3) The book value includes both the ALM derivatives not carried at fair value net $(234) million (2005: net $(281) million) and unamortized hedge-related deferred balances, net $140 million (2005: net $354 million), which are included in other assets and other liabilities.

(4) The fair value over (under) book value includes deferred gains of $222 million (2005: $266 million) related to derivative hedges for anticipated transactions in respect of certain deposit programs and expenses. These transactions and related hedges will be recognized in the consolidated financial statements over the next seven years.

Fair Value of Derivative Instruments

$ millions, as at October 31	2006 fair value			2005 fair value		
	Positive	**Negative**	**Net**	Positive	Negative	Net
Held for trading(1)						
Interest rate derivatives						
Forward rate agreements	**$ 11**	**$ 2**	**$ 9**	$ 7	$ 10	$ (3)
Swap contracts	**6,428**	**5,867**	**561**	8,116	7,711	405
Purchased options	**647**	**—**	**647**	779	—	779
Written options	**—**	**658**	**(658)**	—	618	(618)
Total interest rate derivatives	**7,086**	**6,527**	**559**	8,902	8,339	563
Foreign exchange derivatives						
Forward contracts	**511**	**454**	**57**	676	695	(19)
Swap contracts	**3,739**	**3,098**	**641**	4,267	3,885	382
Purchased options	**98**	**—**	**98**	127	—	127
Written options	**—**	**74**	**(74)**	—	120	(120)
Total foreign exchange derivatives	**4,348**	**3,626**	**722**	5,070	4,700	370
Credit derivatives						
Swap contracts	**48**	**95**	**(47)**	55	48	7
Purchased options	**93**	**154**	**(61)**	87	46	41
Written options	**197**	**43**	**154**	44	30	14
Total credit derivatives	**338**	**292**	**46**	186	124	62
Equity derivatives(2)	**3,543**	**5,009**	**(1,466)**	3,109	3,405	(296)
Other derivatives(3)	**1,490**	**1,437**	**53**	2,659	2,840	(181)
Total held for trading (4)	**16,805**	**16,891**	**(86)**	19,926	19,408	518
Held for ALM(5)						
Interest rate derivatives						
Forward rate agreements	**1**	**—**	**1**	—	—	—
Swap contracts	**933**	**745**	**188**	1,070	731	339
Purchased options	**20**	**—**	**20**	9	—	9
Written options	**—**	**4**	**(4)**	—	27	(27)
Total interest rate derivatives	**954**	**749**	**205**	1,079	758	321
Foreign exchange derivatives						
Forward contracts	**38**	**3**	**35**	40	53	(13)
Swap contracts	**120**	**622**	**(502)**	147	680	(533)
Written options	**—**	**1**	**(1)**	—	—	—
Total foreign exchange derivatives	**158**	**626**	**(468)**	187	733	(546)
Credit derivatives						
Purchased options	**39**	**45**	**(6)**	32	26	6
Written options(6)	**1**	**—**	**1**	2	2	—
Total credit derivatives	**40**	**45**	**(5)**	34	28	6
Equity derivatives(2)	**19**	**43**	**(24)**	3	38	(35)
Other derivatives(3)	**35**	**43**	**(8)**	—	—	—
Total held for ALM	**1,206**	**1,506**	**(300)**	1,303	1,557	(254)
Total fair value	**18,011**	**18,397**	**(386)**	21,229	20,965	264
Less: effect of master netting agreements	**(10,799)**	**(10,799)**	**—**	(13,315)	(13,315)	—
	$ 7,212	**$ 7,598**	**$ (386)**	$ 7,914	$ 7,650	$ 264
Average fair value of derivatives held for trading(7)						
Interest rate derivatives	**$ 7,588**	**$ 7,065**	**$ 523**	$ 11,571	$ 11,043	$ 528
Foreign exchange derivatives	**4,963**	**4,308**	**655**	5,672	5,318	354
Credit derivatives	**218**	**176**	**42**	155	117	38
Equity derivatives	**3,236**	**4,200**	**(964)**	2,492	3,157	(665)
Other derivatives	**2,414**	**2,317**	**97**	2,694	3,118	(424)
	$ 18,419	**$ 18,066**	**$ 353**	$ 22,584	$ 22,753	$ (169)

(1) Includes positive and negative fair values of $1,475 million (2005: $938 million) and $1,642 million (2005: $1,156 million), respectively, for exchange traded options.

(2) Comprises swaps and options.

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

(4) Derivative instruments held for trading and ALM derivative instruments carried at fair value (included in footnote 5 below) are reported as derivative instruments market valuation on the consolidated balance sheet.

(5) 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, 2006, include positive and negative fair values of $318 million (2005: $383 million) and $439 million (2005: $720 million), respectively, in respect of derivative instruments held for economic hedging purposes.

(6) Reported as guarantees in Note 22.

(7) Average fair value represents monthly averages.

Note 22 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, there are certain exposures for which we could be obligated to extend credit, that are not recorded on-balance sheet. 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 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	**2006**	2005
Securities lending(1)(2)	**$ 61,593**	$ 45,817
Unutilized credit commitments(3)	**39,267**	38,593
Backstop liquidity facilities(3)	**16,733**	16,654
Standby and performance letters of credit	**6,094**	6,529
ALM credit derivatives written options (4)	**184**	193
Documentary and commercial letters of credit	**90**	136
Other	**374**	414
	$124,335	$108,336

(1) Includes the full contract amount of custodial client securities totalling $44.6 billion (2005: $30.3 billion) lent by GSS.

(2) Excludes securities lending of $5.4 billion (2005: $2.5 billion) for cash because it is reported on the consolidated balance sheet as obligations related to securities lent or sold under repurchase agreements.

(3) Includes irrevocable lines of credit totalling $45.1 billion (2005: $39.1 billion), of which $31.2 billion (2005: $28.6 billion) will expire in one year or less, and excludes personal lines of credit and credit card lines, which are revocable at our discretion at any time.

(4) Represents notional amount of ALM credit derivatives written options which are also reported as derivatives in Note 20.

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.

Unutilized credit commitments

Unutilized credit commitments include the undrawn portion of lending facilities that we have approved to meet the business requirements of clients, as well as undrawn commitments in our mortgage business. These lines are subject to review at least annually, and may include various conditions that must be satisfied prior to drawdown. The credit risk associated with these lines arises from the possibility that a commitment will be drawn down 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.

Backstop liquidity facilities

We provide backstop liquidity facilities to asset-backed commercial paper conduits, administered by us and by third parties. These facilities provide an alternative source of funding, in the event market disruption prevents the conduit from issuing commercial paper. These facilities do not require us to fund for any other reason or to purchase or indemnify non-performing assets.

Standby and performance letters of credit

These 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.

ALM credit derivatives written options

Credit default swaps for ALM purposes are written to create synthetic loan exposures to a reference borrower, to manage credit portfolio diversification. The notional amount of these contracts is included in the table above. The notional amount represents the maximum amount at risk in the event of a default of the reference 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)(4)

$ millions	
2007	$ 308
2008	269
2009	237
2010	209
2011	179
2012 and thereafter	1,032

(1) Total rental expense (excluding servicing agreements) in respect of buildings and equipment charged to the consolidated statement of operations was $337 million (2005: $409 million; 2004: $394 million).

(2) Includes future minimum lease commitments under sale-leaseback amounting to $53 million in 2007, $44 million in 2008, $39 million in 2009, $31 million in 2010, $26 million in 2011 and $43 million in 2012 and thereafter.

(3) We sublet some of our premises and expect to receive $29 million from third-party tenants on the sub-leases. Our lease commitments in the table above are gross of the sub-lease income.

(4) Includes $41 million of assigned lease commitments in connection with our sale of the U.S. private client and asset management division to Oppenheimer Holdings Inc. (Oppenheimer). We remain contingently liable under the terms of the leases that have been assigned to Oppenheimer in the event of an Oppenheimer default.

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 $355 million as at October 31, 2006 (2005: $471 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 a third-party to pay its indebtedness when due.

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

Guarantees(1)

$ millions, as at October 31	**2006**	2005
	Maximum potential future payment	Maximum potential future payment
Securities lending with indemnification (2)	**$ 37,921**	$ 26,044
Standby and performance letters of credit	**6,094**	6,529
Credit enhancement facilities	**—**	—
Credit derivatives written options	**59,769**	29,372
Other derivative contracts	**See narrative**	See narrative
Other indemnification agreements	**See narrative**	See narrative

(1) The total collateral available relating to these guarantees was $48.9 billion (2005: $29.3 billion).

(2) Securities lending with indemnification is the full contract amount of custodial client securities lent by GSS.

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, 2006, we had a liability of $43 million (2005: $32 million) on our consolidated balance sheet related to the guarantees noted above (excluding other derivative contracts). For other derivative contracts, we had a liability of $5.4 billion as at October 31, 2006 (2005: $4.5 billion) on our consolidated balance sheet. See narrative for additional details on other derivative contracts.

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.

Credit derivatives written options

Credit derivatives written options represent an indirect guarantee of indebtedness of another party as they require us to transfer funds to a counterparty upon the occurrence of specified events related to the credit worthiness of a reference obligor. For these types of derivatives, determination of our counterparties' exposure related to the obligor outside of the derivative contract is not required in order to classify the derivative as a guarantee.

Other derivative contracts

Derivative contracts include 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. The derivative would be considered a guarantee if the counterparty held an asset, liability or equity security related to the underlying in the derivative contract. We do not track the intention or holdings 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. 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 as at October 31, 2006.

Pledged assets

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

$ millions, as at October 31	**2006**	2005
Sources of pledged assets and collateral		
CIBC assets		
Deposits with banks	**$ —**	$ 6
Securities	**23,775**	13,696
Other assets	**1,710**	1,504
	25,485	15,206
Client assets		
Collateral received and available for sale or repledged (1)	**89,825**	66,871
Not sold or repledged	**5,978**	2,931
	83,847	63,940
	$109,332	$79,146
Uses of pledged assets and collateral		
Foreign governments and central banks (2)	**$ 547**	$ 557
Clearing systems, payment systems and depositories (2)	**528**	499
Margins for exchange traded futures and options, and collateralized derivative transactions	**2,443**	3,065
Securities lent (3)	**61,593**	45,817
Obligations related to securities sold short	**13,788**	14,883
Obligations related to securities lent or sold under repurchase agreements	**30,433**	14,325
	$109,332	$79,146

(1) Includes the full contract amount totalling $47.2 billion (2005: $32.0 billion) of collateral received for custodial client securities lent by GSS.

(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 $44.6 billion (2005: $30.3 billion) lent by GSS.

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. 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

In 2005, CIBC settled two major Enron-related litigation matters, *Newby, et al. v. Enron Corp., et al.* , and the so-called *Megaclaim* bankruptcy court action.

CIBC is still a defendant in certain remaining Enron-related actions. In 2005, 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-related actions, the adequacy of which we regularly assess.

Hedge funds

In 2005, CIBC reached settlements with the SEC and the Office of the New York State Attorney General (NYAG) with respect to matters involving CIBC's dealings with certain hedge funds that engaged in the market timing of mutual funds. We had accrued $158 million to cover the settlements, which was allocated equally to CIBC Retail Markets and CIBC World Markets business lines.

In addition, two CIBC subsidiaries and a former employee were named in a number of mutual fund market timing class and derivative actions coordinated before the U.S. District Court for the District of Maryland. All but two of these actions have been formally dismissed against the CIBC related defendants. The court has indicated its intention to also dismiss the two remaining actions.

Note 23 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

$ millions, as at October 31	2006				2005			
	Canada	**United States**	**Other countries**	**Total**	Canada	United States	Other countries	Total
On-balance sheet								
Major assets(1)(2)(3)	**$213,546**	**$47,265**	**$29,010**	**$289,821**	$198,140	$40,913	$26,288	$265,341
Off-balance sheet								
Credit-related arrangements								
Lines of credit								
Financial institutions	**$ 18,449**	**$ 1,982**	**$ 2,333**	**$ 22,764**	$ 18,854	$ 2,098	$ 713	$ 21,665
Governments	**3,419**	**—**	**—**	**3,419**	2,787	—	—	2,787
Other	**25,984**	**2,846**	**987**	**29,817**	26,994	3,036	765	30,795
	47,852	**4,828**	**3,320**	**56,000**	48,635	5,134	1,478	55,247
Other credit-related arrangements(4)								
Financial institutions	**54,718**	**7,635**	**460**	**62,813**	36,711	10,344	538	47,593
Governments	**13**	**—**	**201**	**214**	26	—	197	223
Other	**3,280**	**789**	**1,239**	**5,308**	3,197	437	1,639	5,273
	58,011	**8,424**	**1,900**	**68,335**	39,934	10,781	2,374	53,089
	$105,863	**$13,252**	**$ 5,220**	**$124,335**	$ 88,569	$15,915	$ 3,852	$108,336
Derivative instruments								
By counterparty type								
Financial institutions	**$ 2,671**	**$ 3,670**	**$ 5,988**	**$ 12,329**	$ 2,651	$ 4,839	$ 6,621	$ 14,111
Governments	**1,764**	**—**	**—**	**1,764**	2,527	1	113	2,641
Other	**1,548**	**622**	**233**	**2,403**	2,038	1,182	285	3,505
	5,983	**4,292**	**6,221**	**16,496**	7,216	6,022	7,019	20,257
Less: effect of master netting agreements	**(3,419)**	**(3,417)**	**(3,963)**	**(10,799)**	(3,947)	(4,793)	(4,575)	(13,315)
Total derivative instruments	**$ 2,564**	**$ 875**	**$ 2,258**	**$ 5,697**	$ 3,269	$ 1,229	$ 2,444	$ 6,942

(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 $218.5 billion (2005: $197.8 billion) and foreign currencies of $71.3 billion (2005: $67.5 billion).

(3) Includes loans and acceptances, net of allowance for credit losses, totalling $151.9 billion (2005: $146.9 billion). No industry or foreign jurisdiction accounts for more than 10% of this amount in either 2006 or 2005.

(4) Includes the full contract amount of custodial client securities totalling $44.6 billion (2005: $30.3 billion) lent by GSS.

Note 24 Segmented and Geographic Information

CIBC 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. This organizational structure, which is the basis upon which we report our segmented information, was initially adopted in 2005 at which time the comparative amounts for 2004 were reclassified.

CIBC Retail Markets comprises CIBC's retail and wealth management businesses. We provide a full range of financial products and services to individual and small business clients, as well as investment management services to retail and institutional clients globally.

CIBC World Markets is the wholesale and corporate 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 provide capital solutions and advisory expertise across a wide range of industries as well as research for our corporate, government and institutional clients.

These business lines are supported by five functional groups —Administration, Technology and Operations; Corporate Development; Finance; Legal and Regulatory Compliance; 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 (sold during the year), and other income statement and balance sheet items not directly attributable to the business lines.

During the year, we merged the Administration and Technology and Operations functional groups and renamed it "Administration, Technology and Operations." We also moved certain administrative functions from this group into a new "Legal and Regulatory Compliance" functional group.

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 attributed to the segment 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. Periodically, the sales and trailer commission rates paid to segments for certain products are revised and applied prospectively. Revenue, expenses and balance sheet resources relating to certain activities are fully allocated to other business lines. Management uses this model to assess the performance of our customer segments, products and delivery channels.

Results by Business Line and Geographic Distribution

$ millions, for the year ended October 31		CIBC Retail Markets	CIBC World Markets	Corporate and Other	CIBC Total	Canada(1)	United States(1)	Caribbean(1)	Other countries(1)
2006	**Net interest income**	**$ 4,401**	**$ (213)**	**$ 247**	**$ 4,435**	**$ 3,654**	**$ 143**	**$ 517**	**$ 121**
	Non-interest income	**3,924**	**2,651**	**322**	**6,897**	**4,967**	**1,284**	**366**	**280**
	Intersegment revenue(2)	**(217)**	**222**	**(5)**	**—**	**n/a**	**n/a**	**n/a**	**n/a**
	Total revenue	**8,108**	**2,660**	**564**	**11,332**	**8,621**	**1,427**	**883**	**401**
	Provision for credit losses	**651**	**(39)**	**(64)(3)**	**548**	**603(3)**	**(48)**	**(1)**	**(6)**
	Amortization(4)	**80**	**21**	**133**	**234**	**202**	**26**	**1**	**5**
	Other non-interest expenses	**4,889**	**2,020**	**326**	**7,235**	**6,010**	**856**	**97**	**272**
	Income before income taxes and non-controlling interests	**2,488**	**658**	**169**	**3,315**	**1,806**	**593**	**786**	**130**
	Income taxes	**630**	**9**	**1**	**640**	**421**	**178**	**6**	**35**
	Non-controlling interests	**—**	**3**	**26**	**29**	**—**	**29**	**—**	**—**
	Net income	**$ 1,858**	**$ 646**	**$ 142**	**$ 2,646**	**$ 1,385**	**$ 386**	**$ 780**	**$ 95**
	Average assets(5)	**$ 187,790**	**$ 102,874**	**$ 613**	**$ 291,277**	**$ 216,500**	**$ 43,739**	**$ 12,685**	**$ 18,353**
2005	Net interest income	$ 4,445	$ 279	$ 213	$ 4,937	$ 4,148	$ 371	$ 306	$ 112
	Non-interest income	3,933	2,883	720	7,536	5,462	1,379	350	345
	Intersegment revenue(2)	(218)	222	(4)	—	n/a	n/a	n/a	n/a
	Total revenue	8,160	3,384	929	12,473	9,610	1,750	656	457
	Provision for credit losses	772	(17)	(49)(3)	706	737(3)	(17)	—	(14)
	Amortization(4)	89	23	114	226	193	26	2	5
	Other non-interest expenses	5,037	5,126(6)	451	10,614	6,169	4,079(6)	87	279
	Income (loss) before income taxes and non-controlling interests	2,262	(1,748)	413	927	2,511	(2,338)	567	187
	Income taxes	689	(148)	248	789	842	(184)	72	59
	Non-controlling interests	—	71	99	170	34	136	—	—
	Net income (loss)	$ 1,573	$ (1,671)	$ 66	$ (32)	$ 1,635	$ (2,290)	$ 495	$ 128
	Average assets(5)	$ 185,145	$ 103,018	$ 682	$ 288,845	$ 207,983	$ 48,168	$ 12,281	$ 20,413
2004	Net interest income	$ 4,484	$ 515	$ 259	$ 5,258	$ 4,496	$ 487	$ 141	$ 134
	Non-interest income	3,438	2,769	310	6,517	4,794	1,204	98	421
	Intersegment revenue(2)	(211)	213	(2)	—	n/a	n/a	n/a	n/a
	Total revenue	7,711	3,497	567	11,775	9,290	1,691	239	555
	Provision for credit losses	740	(55)	(57)(3)	628	705(3)	(64)	—	(13)
	Amortization(4)	132	25	123	280	239	33	2	6
	Other non-interest expenses	4,707	2,716	548	7,971	5,959	1,614	35	363
	Income (loss) before income taxes and non-controlling interests	2,132	811	(47)	2,896	2,387	108	202	199
	Income taxes	726	139	(75)	790	690	51	2	47
	Non-controlling interests	—	12	3	15	3	12	—	—
	Net income	$ 1,406	$ 660	$ 25	$ 2,091	$ 1,694	$ 45	$ 200	$ 152
	Average assets(5)	$ 180,938	$ 99,177	$ 695	$ 280,810	$ 195,263	$ 51,545	$ 13,304	$ 20,698

(1) Net income (loss) and average assets are allocated based on the geographic location where they are recorded.

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

(3) Includes $64 million (2005: $50 million; 2004: $75 million) reversal of the general allowance.

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

(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 (sold during the year) and other average assets not directly attributable to specific business lines are not allocated to the business lines.

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

Note 25 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. We have not included a consolidated statement of cash flows prepared under U.S. GAAP because the differences from the consolidated statement of cash flows prepared under Canadian GAAP are not material.

Condensed Consolidated Balance Sheet

$ millions, as at October 31	2006			2005		
	Canadian GAAP	**Adjustments**	**U.S. GAAP**	Canadian GAAP	Adjustments	U.S. GAAP
ASSETS						
Cash and non-interest-bearing deposits with banks	**$ 1,317**	**$ —**	**$ 1,317**	$ 1,310	$ —	$ 1,310
Interest-bearing deposits with banks	**10,536**	**—**	**10,536**	10,542	—	10,542
Securities						
Investment	**21,167**	**(21,167)**	**—**	14,342	(14,342)	—
Available for sale	—	**20,828**	**20,828**	—	13,903	13,903
Trading	**62,331**	**1,368**	**63,699**	53,422	1,115	54,537
Securities borrowed or purchased under resale agreements	**25,432**	**—**	**25,432**	18,514	—	18,514
Loans	**145,625**	**2**	**145,627**	141,783	3	141,786
Other						
Derivative instruments market valuation	**17,122**	**889**	**18,011**	20,309	920	21,229
Customers' liability under acceptances	**6,291**	**—**	**6,291**	5,119	—	5,119
Land, buildings and equipment	**2,032**	**—**	**2,032**	2,136	—	2,136
Goodwill	**982**	**—**	**982**	946	—	946
Other intangible assets	**192**	**18**	**210**	199	19	218
Other assets	**10,957**	**(567)**	**10,390**	11,748	(582)	11,166
	$303,984	**$ 1,371**	**$ 305,355**	$280,370	$ 1,036	$ 281,406
LIABILITIES AND SHAREHOLDERS' EQUITY						
Deposits	**$202,891**	**$ (4,349)**	**$ 198,542**	$192,734	$ (3,457)	$ 189,277
Other						
Derivative instruments market valuation	**17,330**	**1,045**	**18,375**	20,128	807	20,935
Acceptances	**6,297**	**—**	**6,297**	5,119	—	5,119
Obligations related to securities sold short	**13,788**	**1,301**	**15,089**	14,883	749	15,632
Obligations related to securities lent or sold under repurchase agreements	**30,433**	**—**	**30,433**	14,325	—	14,325
Other liabilities	**14,716**	**3,383**	**18,099**	16,002	3,106	19,108
Subordinated indebtedness	**5,595**	**—**	**5,595**	5,102	—	5,102
Preferred share liabilities	**600**	**(600)**	**—**	600	(600)	—
Non-controlling interests	**12**	**—**	**12**	746	—	746
Shareholders' equity						
Preferred shares	**2,381**	**600**	**2,981**	2,381	600	2,981
Common shares	**3,045**	**(92)**	**2,953**	2,952	(55)	2,897
Contributed surplus	**70**	**—**	**70**	58	—	58
Foreign currency translation adjustments	**(442)**	**442**	**—**	(327)	327	—
Retained earnings	**7,268**	**92**	**7,360**	5,667	(112)	5,555
Accumulated other comprehensive (loss) income (net of taxes)						
Foreign currency translation adjustments	—	**(520)**	**(520)**	—	(401)	(401)
Unrealized gains on securities available for sale	—	**(29)**	**(29)**	—	(55)	(55)
Unrealized gains on derivatives designated as hedges(1)	—	**157**	**157**	—	182	182
Additional pension obligation	—	**(59)**	**(59)**	—	(55)	(55)
	$303,984	**$ 1,371**	**$ 305,355**	$280,370	$ 1,036	$ 281,406

(1) A net gain of $24 million, deferred in accumulated other comprehensive income, as at October 31, 2006, 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 13 years thereafter.

Condensed Consolidated Statement of Operations

$ millions, except share and per share amounts, for the year ended October 31	2006	2005	2004
Net income (loss) as reported	**$ 2,646**	$ (32)	$ 2,091
Net interest income			
Variable interest entities	**—**	—	1
Preferred share liabilities	**31**	66	108
Non-interest income			
Capital repatriation	**(23)**	(301)	—
Derivative instruments and hedging activities	**11**	57	(118)
Equity accounting	**36**	(15)	27
Impairment measurement	**2**	4	—
Other	**—**	69	—
Valuation adjustments	**(2)**	(6)	(3)
Variable interest entities	**—**	—	90
Insurance reserves and deferred acquisition costs	**(31)**	—	—
Non-interest expenses			
Employee future benefits	**(27)**	15	17
Stock-based compensation	**260**	(7)	31
Variable interest entities	**—**	—	(4)
Net change in income taxes due to the above noted items	**(58)**	357	(5)
Non-controlling interests in net income of variable interest entities	**—**	—	(63)
Change in accounting policy, net of income taxes (1)	**36**	—	—
	235	239	81
Net income based on U.S. GAAP	**2,881**	207	2,172
Preferred share dividends and premiums	**(163)**	(191)	(208)
Net income applicable to common shareholders	**$ 2,718**	$ 16	$ 1,964
Weighted-average basic shares outstanding (thousands)	**335,135**	339,263	355,735
Add: stock options potentially exercisable (2)	**3,709**	4,261	4,852
Weighted-average diluted shares outstanding (thousands)	**338,844**	343,524	360,587
Basic EPS	**$ 8.11**	$ 0.05	$ 5.52
Diluted EPS	**$ 8.02**	$ 0.05	$ 5.45

(1) Represents the effect of implementing the Statement of Financial Accounting Standard (SFAS) 123 (revised 2004), “Share-based Payment.”

(2) For the portion of the awards for which the holder has the option to exercise in cash or shares, it is assumed that 73% of the awards will be exercised for shares.

Consolidated Statement of Comprehensive Income (Loss)

$ millions, for the year ended October 31	2006	2005	2004
Net income based on U.S. GAAP	**$ 2,881**	$ 207	$ 2,172
Other comprehensive (loss) income, net of tax			
Change in foreign currency translation adjustments (1)	**(119)**	(25)	(196)
Change in net unrealized gains (losses) on securities available for sale (2)(3)	**26**	(435)	246
Change in net unrealized (losses) gains on derivative instruments designated as hedges (4)	**(25)**	136	(197)
Change in additional pension obligation (5)	**(4)**	—	(15)
Total other comprehensive loss	**(122)**	(324)	(162)
Comprehensive income (loss)	**$ 2,759**	$ (117)	$ 2,010

(1) Net of income tax expense of $295 million (2005: $255 million; 2004: $617 million).

(2) Net of income tax benefit (expense) of $(13) million (2005: $236 million; 2004: $(130) million).

(3) Net of reclassification adjustments for net realized gains (including other-than-temporary impairments) included in net income of $14 million (2005: $332 million; 2004: $90 million).

(4) Net of income tax expense (benefit) of $(14) million (2005: $74 million; 2004: $(121) million).

(5) Net of income tax expense (benefit) of $(2) million (2005: $1 million; 2004: $(9) million).

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 sheet 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 statement 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 year ended October 31	**2006**	2005	2004
Proceeds from sales	**$ 5,992**	$ 6,809	$13,913
Gross realized gains	**101**	568	288
Gross realized losses	**18**	27	68

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 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. In addition, actuarial gains and losses related to post-employment benefits are not permitted to be deferred under U.S. GAAP.

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 year ended October 31	**2006**	2005	2004
Accumulated benefit obligations	**$ 386**	$ 364	$ 334
Fair value of assets	**197**	182	175

Unfunded accumulated benefit obligations	**189**	182	159
Accrued benefit (asset) liability	**81**	78	66
Additional minimum liability	**108**	104	93
Intangible asset	**18**	19	7
Accumulated other comprehensive income, pre-tax	**90**	85	86

H. Stock-based compensation

Effective November 1, 2005 we adopted the SFAS123 (revised 2004), “Share-based Payment” (123-R) using the modified prospective transition method. 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 new standard requires the cost of awards to be recognized in

the consolidated statement of operations over the vesting period. In addition, forfeitures are required to be estimated upfront in the year an award is granted.

We had prospectively adopted the fair value method of accounting as of November 1, 2001 under SFAS 123, “Accounting for Stock-based Compensation” and the CICA handbook section 3870, “Stock-based Compensation and Other Stock-based Payments.” Under Canadian GAAP and SFAS 123, we recognize compensation expense in the year of grant for past service awards regardless of the vesting provisions. However, SFAS 123-R requires the costs to be recognized over the vesting period of the award for awards granted after November 1, 2005. We recognized forfeitures as they occurred under SFAS 123 as we currently do under Canadian GAAP, whereas, upon the adoption of SFAS 123-R, a cumulative adjustment for a change in accounting policy has been recognized for estimated forfeitures on all unvested awards totalling $36 million after-tax. A compensation expense difference for estimated forfeitures will exist for all new awards granted subsequent to the adoption of SFAS 123-R.

Under Canadian GAAP, the cost of SARs is measured assuming that all options eligible for SARs are exercised for cash. Under U.S. GAAP, for SARs granted prior to the date of adoption of SFAS 123, the FASB Interpretation No. (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.

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 statement of operations rather than as dividends within the consolidated statement 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 our 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 $23 million (2005: $301 million), and a decrease in the tax expense by $27 million (2005: $375 million) for the year ended October 31, 2006. This would result in a net increase to income of $4 million (2005: $74 million) for the year ended October 31, 2006. This would also decrease the foreign currency translation adjustment account within accumulated other comprehensive income by $78 million (2005: $74 million) as at October 31, 2006.

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. 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.

M. Insurance accounting

Policy benefit liabilities and policy acquisition costs

Under U.S. GAAP, the liabilities for traditional term and accidental death insurance contracts are determined using the net level premium method, which includes assumptions for mortality, morbidity, policy lapses, surrenders, investment yields, policy dividends and direct operating expenses. These assumptions are not revised unless it is determined that existing deferred acquisition costs cannot be recovered. Under Canadian GAAP, the liabilities for insurance contracts are determined using the Canadian asset liability method, which incorporates assumptions for mortality, morbidity, policy lapses and surrenders, investments yields, policy dividends, operating and policy maintenance expenses. To recognize the uncertainty in the assumptions underlying the calculation of the liabilities, a margin (provision for adverse deviations) is added to each assumption. These assumptions are reviewed at least annually and updated in response to actual experience and market conditions.

Under U.S. GAAP, the policy acquisition costs which vary with and are primarily related to the production of new business are deferred and amortized in proportion to the premium revenue. Under Canadian GAAP, the costs of acquiring new life insurance and annuity business are implicitly recognized as a reduction in insurance claims and policy benefit liabilities.

N. Trade date accounting

For securities transactions, the trade date basis of accounting is used under U.S. GAAP for both the consolidated balance sheet and statement of operations. However, under Canadian GAAP, the settlement date basis of accounting is used for the consolidated balance sheet whereas the trade date basis of accounting is used for the consolidated statement of operations.

O. Future U.S. accounting policy changes

We are currently evaluating the impact of adopting the standards listed below:

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.

Accounting changes and error corrections

In May 2005, the FASB issued SFAS 154, "Accounting Changes and Error Corrections." The statement provides entities with guidance on reporting a change in accounting estimate, a change in accounting policies, the correction of an error in previously issued financial statements, and the reporting and disclosure of accounting changes in interim-period information. SFAS 154 will become effective beginning November 1, 2006. This guidance will harmonize U.S. GAAP with existing Canadian GAAP for these matters.

Accounting for certain hybrid financial instruments

In February 2006, the FASB issued SFAS 155, "Accounting for Certain Hybrid Financial Instruments – an amendment of SFAS 133 and 140", which provide entities a fair value measurement election on an instrument-by-instrument basis for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation. SFAS 155 will become effective beginning November 1, 2006.

Accounting for servicing financial assets

In May 2006, the FASB issued SFAS 156, "Accounting for Servicing of Financial Assets – an amendment of SFAS 140." This statement requires an entity to initially measure servicing rights at fair value and either amortize servicing rights over the term of the servicing contract and then adjust based on a comparison to fair value each reporting date or to subsequently remeasure the servicing rights at fair value with changes in fair value recognized in earnings in the period. SFAS 156 will become effective beginning November 1, 2006.

Accounting for defined benefit pension and other post-retirement plans

In September 2006, the FASB issued SFAS 158, "Employers' Accounting for Defined Benefit Pension Plan and Other Post-retirement Plans – an amendment of FASB Statements No. 87, 88, 106 and 132 (R)." This statement does not change current or future net income recognition related to post-retirement plans, but requires an entity to recognize the full over-funded or under-funded status of a defined benefit post-retirement plan as an asset or liability in its balance sheet. The unamortized balances that were previously netted from the funded status will now be reported as a component of accumulated other comprehensive income. The statement also requires an entity to measure the funded status of a plan as of the date of its year-end balance sheet. The requirement to recognize the funded status of a defined benefit post-retirement plan is to be applied prospectively and is effective beginning November 1, 2006. The requirement to measure the plan assets and benefit obligations as of the date of the entity's year-end balance sheet is effective beginning November 1, 2008.

Accounting for uncertainty in income taxes

In June 2006, the FASB issued FIN 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." This interpretation requires that an entity recognize in the financial statements, the impact of a tax position, if that position is more likely than not to be sustained on examination by the taxing authorities, based on technical merits of the position. Tax benefits resulting from such a position should be measured as the amount that is more likely than not on a cumulative basis to be sustained on examination. FIN 48 also provides guidance on derecognition, classification, interest and penalties on income taxes and accounting in interim periods. The provisions of FIN 48 are effective beginning November 1, 2007, with the cumulative effect of the change in accounting principle recorded as an adjustment to the November 1, 2007 opening retained earnings.

Fair value measurement

In September 2006, the FASB issued SFAS 157, "Fair Value Measurements," which offers enhanced guidance for using fair value to measure assets and liabilities. It provides a single definition of fair value, together with a framework for measuring it, and requires additional disclosure about the use of fair value to measure assets and liabilities. The statement emphasizes that fair value hierarchy with the highest priority being quoted prices in active markets. Under the statement, fair value measurements are disclosed by level within that hierarchy. The statement does not change current fair valuation practice and is effective beginning November 1, 2008.

Note 26 Regulatory Matters

On December 22, 2003, 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 27 Future Canadian Accounting Policy Changes

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

Leveraged leases

In July 2006, the FASB issued a FASB Staff Position (FSP) FAS 13-2, "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 SFAS 13, "Accounting for Leases," certain aspects of which are incorporated in the CICA Emerging Issues Committee Abstract (EIC) 46, "Leveraged Leases." The FSP is effective beginning November 1, 2007.

The FSP requires that a change in the estimated timing of the cash flows relating to income taxes results in a recalculation of the timing of income recognition from the leveraged lease. We currently estimate that adopting the FSP would result in an after-tax non-cash charge to opening retained earnings of between $65 million to $95 million. An amount approximating the non-cash charge would then be recognized into income over the remaining lease terms.

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 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 on the consolidated balance sheet with the exception of loans, receivables, and investments classified as held-to-maturity, which will 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 (OCI), until the financial asset is disposed of, or becomes impaired.

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

The standards permit an entity to designate certain financial instruments, on initial recognition, as instruments that it will measure at fair value, with gains and losses recognized in net income in the period in which they arise. OSFI has imposed certain restrictions on this fair value designation, which are contained in OSFI Guideline D-10.

Derivatives will be classified as trading, unless they are specifically designated within an effective hedge relationship. 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. 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, changes in fair value attributed to the risk being hedged in the asset, liability or firm commitments subject to the hedge is offset through earnings against the change in fair value of the derivative used as a hedge. 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 OCI, until the variability in cash flows being hedged is recognized in earnings in future accounting periods or upon derecognition of the net investment.

Accumulated OCI will be included on the consolidated balance sheet as a separate component of shareholders' equity, and will include, on a net of tax basis, net unrealized gains and losses on available-for-sale securities, net gains and losses 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.

On October 18, 2006, the CICA issued an exposure draft amending the transitional provisions for adopting the new accounting standard for hedges. The exposure draft sets out new criteria to be used, when transitioning to the new standard. The transitional impact of these new standards cannot be concluded until the exposure draft is finalized.

Exhibit B.3(c): Management's discussion and analysis excerpted from pages 34-75 of CIBC's 2006 Annual Accountability Report

Management's Discussion and Analysis

Overview	Business Line Review	Management of Risk	Off-balance Sheet Arrangements and Contractual Obligations	Other
To facilitate an understanding of our results, this section presents an executive summary that includes key business priorities and 2006 performance. This section also discusses non-GAAP measures and results of operations and financial position including significant events.	This section reviews our business lines. Business line profiles, operating highlights for 2006 and the outlook for 2007 are outlined. In addition, a review of the 2005 financial performance is presented.	This section discusses how we manage risk and balance sheet resources.	This section provides a discussion of our off-balance sheet arrangements and details of contractual obligations.	This section provides a discussion of critical accounting policies and estimates, financial and other instruments, recent accounting developments and other matters.

35	Executive Summary	**46**	Business Line Overview	**53**	Overview	**67**	Off-balance Sheet Arrangements	**70**	Critical Accounting Policies and Estimates
37	Non-GAAP Measures	**47**	CIBC Retail Markets	**54**	Management of Credit Risk	**69**	Contractual Obligations	**74**	Financial and Other Instruments
40	Review of Results of Operations and Financial Position	**49**	CIBC World Markets	**58**	Management of Market Risk			**74**	Accounting Developments
		51	Corporate and Other	**61**	Management of Operational Risk			**75**	Related-party Transactions
		52	Review of 2005 Financial Performance	**62**	Management of Liquidity Risk			**75**	Controls and Procedures
				64	Management of Capital Resources				

Management's discussion and analysis (MD&A) should be read in conjunction with the audited consolidated financial statements 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 25 to the consolidated financial statements. Certain comparative amounts have been reclassified to conform with the presentation adopted in the current year. This MD&A is current as of December 7, 2006. 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 our 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 142 and 143 of this Annual Accountability Report.

A NOTE ABOUT FORWARD-LOOKING STATEMENTS: From time to time, we make 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 we make in the "Balanced Scorecard", "Executive Summary," "Review of results of operations and financial position — Taxes" and "FirstCaribbean International Bank" sections, under the headings "Priorities" and "Outlook for 2007" in the CIBC Retail Markets and CIBC World Markets sections of this report and other statements about the operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and our outlook for 2007 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, including the economic assumptions set out in the "Outlook for 2007" sections of this report, and are subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond our control, affect our operations, performance and results and the operations, performance and results of our business lines, and could cause actual results to differ materially from the expectations expressed in any of our forward-looking statements. These factors include: the possibility that the proposed FirstCaribbean transaction does not close when expected or at all, or that we and Barclays Bank PLC may be required to modify aspects of the proposed transaction to achieve regulatory approval; legislative or regulatory developments in the jurisdictions where we operate; 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 our estimates of reserves and allowances; changes in tax laws; that our estimate of sustainable effective tax rate will not be achieved; political conditions and developments; the possible effect on our business of international conflicts and the war on terror; natural disasters, public health emergencies and other catastrophic events; reliance on third parties to provide components of our business infrastructure; the accuracy and completeness of information provided to us 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 and currency value fluctuations; general economic conditions worldwide, as well as in Canada, the U.S. and other countries where we have operations; changes in market rates and prices which may adversely affect the value of financial products; our 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 our ability to anticipate and manage the risks associated with these factors. This list is not exhaustive of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements. We do not

undertake to update any forward-looking statement that is contained in this Annual Accountability Report or in other communications.

Overview

Executive Summary

CIBC is a leading North American financial institution. Through our two distinct business lines, CIBC Retail Markets and CIBC World Markets, CIBC provides a full range of products and services to almost 11 million individual and small business clients, and meets the financial needs of corporate and institutional clients.

Vision, mission and values

Our vision is to be a leader in client relationships. In support of this vision, our mission is to fulfill the commitments we have made to each of our stakeholders:

- Helping our clients achieve what matters to them
- Creating an environment where employees can excel
- Making a difference in our communities
- Generating strong total returns for our shareholders

Our vision and mission are supported by a culture based on three simple values – trust, teamwork and accountability.

Objective, strategy and business priorities

Our vision, mission and values provide an important framework within which we execute our strategic business plan.

Our objective is consistent, sustainable performance over the long term. We believe that achievement of our objective will ensure a premium valuation for CIBC and provide maximum strategic flexibility.

To support our objective, CIBC identified three key priorities for 2006:

- Business strength
- Productivity
- Balance sheet strength and capital usage

CIBC will remain focused on these priorities in 2007.

Performance measurement

Disciplined measurement of our performance is important to our long term success. Our balanced scorecard contains several financial and non-financial measures of our progress against our vision, mission and strategic business plan.

Our financial measures include earnings per share (EPS) growth, return on equity (ROE), capital strength, business mix, risk, productivity, dividend payout ratio and total shareholder return.

Our non-financial measures include client satisfaction, employee work environment, community investment, environmental responsibility and leading governance practices.

2006 performance

In 2006, we made progress against all three of our priorities:

Business strength

CIBC's core franchise remains well positioned for growth.

CIBC Retail Markets, consisting of our retail banking and wealth management operations, remains strong and well positioned in the marketplace. Volume growth, as well as improvements in expenses, loan losses and taxes, all contributed to our profit growth. Improved management of unsecured lending practices has reduced our risk in this area. Our risk posture is consistent with our strategy to reduce volatility and position CIBC for consistent, sustainable performance. We are focused on strengthening our client relationships and investing in our core retail businesses to maintain and enhance our position.

CIBC World Markets reported solid results in 2006. Our performance reflects the progress we have made in reducing risk and volatility in our wholesale business. In 2006, our wholesale franchise sustained its market strength and leadership in Canada. In the U.S., our real estate finance and merchant banking businesses reported good results. We continue to focus our attention and resources in support of core areas of our business, while being prudent about our risk profile.

Productivity

We remain committed to improving our productivity.

We exceeded the goal we set in 2005 to reduce our expenses by $250 million by the end of 2006.

We continue to have a medium-term strategic target of a median efficiency ratio among our Canadian bank peers. Although we have made progress, our efficiency ratio remains above our target. We expect further improvements will result from a combination of revenue growth and targeted expense restraint.

Balance sheet strength and capital usage

Our Tier 1 capital ratio is a primary measure of our balance sheet strength. Our objective is to maintain a Tier 1 capital ratio of 8.5%.

Over the last year, our Tier 1 capital ratio increased from 8.5% to 10.4% as we built capital to fund our FirstCaribbean International Bank (FirstCaribbean) acquisition. We are on track to close this transaction by the end of calendar 2006.

While building our capital for FirstCaribbean, we continued to invest in our core businesses in order to sustain their strength and market position.

We also increased our quarterly dividend from $0.68 per share to $0.70 per share. Our 2006 payout ratio of 36.8% was below our target range of 40–50%.

Economic and market environment

CIBC benefited from a continued North American economic expansion in 2006, although the pace of growth seemed to be moderating as the year went on, in response to earlier interest rate increases. The dampening of the U.S. housing market was the driver of the moderating trend.

In Canada, domestic demand remained the engine of growth, sustained by strong employment levels. Strong commodity prices saw growth shift toward western Canada, with central Canadian manufacturing held back by the decelerating pace of U.S. demand growth and the challenges posed by the strong Canadian dollar.

In contrast to the U.S., Canadian core inflation measures remained near central bank targets. This allowed the Bank of Canada to curtail interest rate increases earlier and at a lower level than in the U.S. This protected the housing sector from the downturn seen in the U.S. and allowed mortgage credit demand to remain strong. However, the rate increases moderated the growth in Canadian consumer credit demand. Healthy labour markets kept personal bankruptcy rates in check, contributing to reduced credit

provisions in retail banking. Longer-term interest rates fell, flattening the yield curve (increasing the market demand for fixed rate mortgages), as bond markets shed expectations for further rate increases in the U.S. and Canada.

Corporate earnings saw healthy gains, enhanced by strength in metals and energy prices through much of the year. Strong North American corporate performance contributed to CIBC World Markets' recovery of credit losses, and sustained tight spreads on loans and corporate bonds, mirroring global conditions in those markets. After three strong years, Canadian equity markets registered smaller gains as energy prices moved off their peaks, and concerns arose over a U.S. slowdown. Canadian investors increased foreign holdings as content restrictions were dropped for pensions and registered retirement savings plans, while Canadian businesses attracted mergers and acquisition (M&A) interest from abroad.

Financial overview

Financial Performance

$ millions, except per share amounts, as at or for the year ended October 31	**2006**	2005	2004
Total revenue	**$ 11,332**	$ 12,473	$ 11,775
Net income (loss)	**2,646**	(32)	2,091
Earnings (loss) per share – basic	**7.50**	(0.46)	5.60
– diluted(1)	**7.43**	(0.46)	5.53
Dividends per share	**2.76**	2.66	2.20
Total assets	**303,984**	280,370	278,764
Return on equity	**27.9%**	(1.6)%	18.7%
Efficiency ratio	**65.9%**	86.9%	70.1%
Efficiency ratio (TEB)(2)	**64.6%**	85.6%	69.2%
Total shareholder return	**25.6%**	1.3%	29.0%
Share price	**87.60**	72.20	73.90
Tier 1 capital ratio	**10.4%**	8.5%	10.5%
Total capital ratio	**14.5%**	12.7%	12.8%

(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.

(2) For additional information, see the "Non-GAAP Measures" section.

Net income for the year was $2,646 million, compared with a net loss of $32 million in 2005. Our results for 2006 and 2005 were affected by the following items:

2006

- $149 million of favourable significant tax-related adjustments; and
- $64 million ($42 million after-tax) reversal of the general allowance for credit losses.

2005

- $2,938 million ($2,588 million after-tax) significant litigation provisions:
  - $2,830 million ($2,533 million after-tax) for Enron-related matters
  - $108 million ($55 million after-tax) for hedge funds settlements
- $528 million ($412 million after-tax) gain on the sale of investments and corporate assets:
  - $294 million ($241 million after-tax) on Global Payments Inc. (GPI) and Shoppers Drug Mart Corporation (Shoppers)
  - $85 million ($85 million after-tax) on Republic Bank Limited (Republic Bank sale)
  - $115 million ($64 million after-tax) on Juniper Financial Corp. sale (Juniper sale)
  - $34 million ($22 million after-tax) on ACE Aviation Holdings Inc. (ACE sale)
- $64 million of favourable significant tax-related adjustments; and
- $50 million ($33 million after-tax) reversal of the general allowance for credit losses.

Revenue decreased $1,141 million or 9%.

CIBC Retail Markets revenue was down $52 million as the prior year included gains on the Republic Bank and ACE sales noted above. Volume growth and favourable deposit spreads were partially offset by spread compression in lending and higher levels of securitized assets in cards.

CIBC World Markets revenue was down $724 million, largely due to lower revenue from merchant banking (as the prior year included the gains on GPI and Shoppers noted above) and investment banking and credit products.

Corporate and Other revenue was down $365 million, largely as a result of lower foreign exchange revenue arising on the repatriation of capital and retained earnings from our foreign operations (see "Corporate and Other" section for additional information). The prior year included the gain on the Juniper sale noted above.

Provision for credit losses decreased $158 million or 22%, primarily due to lower retail loan losses.

Non-interest expenses decreased $3,371 million or 31%, primarily due to the Enron and hedge funds provisions (noted above) in the prior year. Overall expenses were generally lower as a result of our productivity initiative.

Income tax expense was down $149 million or 19%, as discussed in the “Review of Consolidated Statement of Operations” section.

Outlook for 2007

While economic growth is expected to be slightly slower in 2007, the outlook for CIBC’s businesses remains positive.

CIBC Retail Markets should benefit from interest and unemployment rates that are expected to remain low. This should encourage lending and deposit growth. A slower pace of real estate price increases may moderate growth rates. Product spreads are anticipated to remain steady given the expected rate environment.

While investment banking activities and capital markets are difficult to predict, CIBC World Markets should benefit from steady M&A activity that is expected to continue in 2007, but with a less active mining market and the potential for a moderation in energy prices.

The Federal government’s announcement on October 31, 2006 regarding the taxation of income trusts caused uncertainty for new issue market activity. We do not expect the impact on overall revenue to be significant.

As the size of our merchant banking portfolio continues to decrease, we expect to see lower revenue opportunities in this area.

Our strategies to improve the risk profile of the unsecured retail lending portfolio, which were undertaken in late 2005 and throughout 2006, have started to realize benefits that should continue into the coming year. While the credit cycle should remain favourable in the near term, the current low level of corporate default rates is likely not sustainable over the longer term.

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 analyzing 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. The corresponding entry is made in the income tax expense. 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 and trading revenue (TEB). We believe 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 evaluate the returns of each business line, commensurate with the risk taken. Economic capital is an estimate of the amount of equity capital required by the businesses to absorb losses consistent with our targeted risk rating over a one year horizon. 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 our total equity capital and economic capital is held in Corporate and Other. From time to time, our 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 capital, determines economic profit. This measures the return generated by each business line in excess of our cost of 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.

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 Retail/Wholesale ratio, revenue, net income, and economic capital.

Adjusted income taxes

We believe that the adjusted effective tax rate and the adjusted effective tax rate (TEB) provide a fuller understanding of our effective tax rate, taking into account the income tax recoveries and the impact of the Federal budget future tax rate changes. Investors may find this non-GAAP financial measure useful in analyzing financial performance.

Managed loans

Loans on a managed basis exclude the impact of securitizations. 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 sheet. We use this measure to evaluate the credit performance and the overall financial performance of the underlying loans.

Reconciliation of non-GAAP measures

The following table provides a reconciliation of non-GAAP to GAAP measures:

Statement of Operations Measures

$ millions, for the year ended October 31		CIBC Retail Markets	CIBC World Markets	Corporate and Other	CIBC Total
2006	**Total revenue**	**$ 8,108**	**$ 2,660**	**$ 564**	**$11,332**
	Add: adjustment for TEB	**—**	**224**	**—**	**224**
	Revenue (TEB)	**$ 8,108**	**$ 2,884**	**$ 564**	**$11,556**
	Net income	**$ 1,858**	**$ 646**	**$ 142**	**$ 2,646**
	Less: charge for economic capital	**487**	**250**	**18**	**755**
	Economic profit	**$ 1,371**	**$ 396**	**$ 124**	**$ 1,891**
	Efficiency ratio	**61.3%**	**76.7%**	**n/m**	**65.9%**
	Less: adjustment for impact of TEB	**—**	**5.9**	**n/m**	**1.3**
	Efficiency ratio (TEB)	**61.3%**	**70.8%**	**n/m**	**64.6%**
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%

n/m — not meaningful

Retail Information

$ millions, for the year ended October 31	**2006**	2005	2004
Revenue			
CIBC Retail Markets	**$ 8,108**	$ 8,160	$ 7,711
Add: commercial banking	**441**	449	452
	$ 8,549	$ 8,609	$ 8,163
Net income			
CIBC Retail Markets	**$ 1,858**	$ 1,573	$ 1,406
Add: commercial banking	**135**	110	124
	$ 1,993	$ 1,683	$ 1,530

Wholesale Information

$ millions, for the year ended October 31	2006	2005	2004
Revenue			
CIBC World Markets	**$ 2,660**	$ 3,384	$ 3,497
Less: commercial banking	**441**	449	452
	$ 2,219	$ 2,935	$ 3,045
Net income (loss)			
CIBC World Markets	**$ 646**	$ (1,671)	$ 660
Less: commercial banking	**135**	110	124
	$ 511	$ (1,781)	$ 536

Trading Revenue

$ millions, for the year ended October 31	2006	2005	2004
Trading revenue	**$ 685**	$ 820	$ 725
Add: adjustment for TEB	**221**	176	138
Trading revenue (TEB)	**$ 906**	$ 996	$ 863

Managed Loans (net of allowance)

$ millions, as at October 31		Reported	Securitized	Managed
2006	**Residential mortgages**	**$81,333**	**$ 19,896**	**$101,229**
	Credit card	**7,046**	**4,469**	**11,515**
	Business and government	**29,819**	**375**	**30,194**
2005	Residential mortgages	$77,179	$ 17,469	$ 94,648
	Credit card	6,448	4,088	10,536
	Business and government	30,569	–	30,569
2004	Residential mortgages	$72,553	$ 11,833	$ 84,386
	Credit card	8,347	3,177	11,524
	Business and government	30,815	109	30,924

Income Taxes

$ millions, for the year ended October 31		2006
Net income before taxes and non-controlling interests	A	**$ 3,315**
Add: TEB adjustment	B	**224**
Net income before taxes and non-controlling interests (TEB)	C	**$ 3,539**
Reported income taxes per financial statements	D	**$ 640**
TEB adjustment	B	**224**
Income tax recoveries	E	**161**
Federal budget future tax rate changes	F	**(9)**
Adjusted income taxes	G	**$ 1,016**
Reported (effective) tax rate	D/A	**19.3%**
Adjusted effective tax rate	(D+E+F)/A	**23.9%**
Adjusted effective tax rate (TEB)	G/C	**28.7%**

Review of Results of Operations and Financial Positions

REVIEW OF CONSOLIDATED STATEMENT OF OPERATIONS

Net interest income

Net Interest Income and Margin

$ millions, for the year ended October 31	**2006**	2005	2004
Average assets	**$291,277**	$288,845	$280,810
Net interest income	**4,435**	4,937	5,258
Net interest margin	**1.52%**	1.71%	1.87%

Net interest income was down $502 million or 10% from 2005, primarily due to increased trading-related funding costs. Spread compression in retail lending products and the impact of higher levels of securitized assets in cards also contributed to the decrease. These factors were partially offset by higher interest and dividends on trading securities and loans, volume growth in cards, deposits and mortgages and lower hedge costs on mortgages refinanced before maturity.

Additional information on net interest income and margin is provided in the "Supplementary Annual Financial Information."

Non-interest income

Non-interest income was down $639 million or 8% from 2005.

Non-Interest Income

$ millions, for the year ended October 31	**2006**	2005	2004
Underwriting and advisory fees	**$ 633**	$ 727	$ 797
Deposit and payment fees	**778**	794	760
Credit fees	**320**	346	314
Card fees	**251**	317	407
Investment management and custodial fees	**445**	391	353
Mutual fund fees	**748**	690	615
Insurance fees	**290**	265	176
Commissions on securities transactions	**869**	912	892
Trading revenue	**1,129**	801	618
Investment securities gains, net	**40**	577	236
Income from securitized assets	**515**	362	191
Foreign exchange other than trading	**300**	555	280
Other	**579**	799	878
Total non-interest income	**$ 6,897**	$ 7,536	$ 6,517

Underwriting and advisory fees were down $94 million or 13%, primarily due to reduced new issue activity.

Credit fees were down $26 million or 8%, primarily due to lower European investment banking activity.

Card fees were down $66 million or 21%, primarily due to higher levels of securitized assets, partially offset by higher purchase volumes.

Investment management and custodial fees were up $54 million or 14%, mainly due to increased average asset balances under management.

Mutual fund fees were up $58 million or 8%, primarily due to growth in average funds managed.

Insurance fees were up $25 million or 9%, primarily due to an increase in reinsurance revenue.

Commissions on securities transactions were down $43 million or 5% reflecting lower new issue activity.

Trading revenue was up $328 million or 41%, primarily due to higher trading activities. See "Total Trading Revenue" section for further details.

Investment securities gains, net 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 down $537 million or 93%, primarily due to lower merchant banking gains net of write-downs (the prior year included gains on the GPI and Shoppers sales).

Income from securitized assets was up $153 million or 42%, primarily due to higher levels of securitized assets in cards.

Foreign exchange other than trading was down $255 million or 46%, primarily due to lower reversal of accumulated balances recorded in foreign currency translation adjustments on the repatriation of capital and retained earnings from our foreign operations (see "Corporate and Other" for more details).

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 other commissions and fees. Other was down $220 million or 28%, primarily due to the gains on the Juniper and Republic Bank sales in the prior year. Losses associated with corporate loan hedging programs were higher in the current year.

Total trading revenue

Total Trading Revenue

$ millions, for the year ended October 31	2006	2005	2004
Trading revenue consists of:			
Net interest (expense) income	**$ (444)**	$ 19	$ 107
Non-interest income	**1,129**	801	618
Total trading revenue	**$ 685**	$ 820	$ 725

Total trading revenue was down $135 million or 16% from 2005, primarily due to lower revenue resulting from the deconsolidation of certain VIEs. Increased trading net interest expense resulting from higher funding costs on trading positions was substantially offset by higher trading non-interest income.

Further details on the composition of our trading revenue by product type is provided in Note 14 to the consolidated financial statements.

Provision for credit losses

Provision for (Recovery of) Credit Losses

$ millions, for the year ended October 31	2006	2005	2004
Specific	**$ 612**	$ 756	$ 703
General	**(64)**	(50)	(75)
Total	**$ 548**	$ 706	$ 628

The provision for credit losses was down $158 million or 22% from 2005.

Specific provision was down $144 million or 19%. Specific provision attributable to consumer loans was down $83 million, primarily due to the impact of higher levels of securitized assets in cards and improvements in personal lending. Specific provision attributable to the business and government loan portfolio decreased by $61 million, primarily due to recoveries and reversals in agricultural and large corporate loans.

The current year benefited from a higher reversal of the general allowance reflecting the improved credit quality of our loan portfolios.

Non-interest expenses

Non-interest expenses were down $3,371 million or 31% from 2005.

Non-Interest Expenses

$ millions, for the year ended October 31	2006	2005	2004
Employee compensation and benefits			
Salaries	**$ 2,076**	$ 2,220	$ 2,126
Incentive bonuses	**971**	912	1,147
Commissions	**609**	590	522
Benefits	**632**	602	604
	4,288	4,324	4,399
Occupancy costs	**562**	641	634
Computer and office equipment	**1,111**	1,166	1,138
Communications	**297**	324	331
Advertising and business development	**222**	260	279
Professional fees	**163**	325	326
Business and capital taxes	**135**	118	138
Other	**691**	3,682	1,006
Total non-interest expenses	**$ 7,469**	$ 10,840	$ 8,251

Employee compensation and benefits were down $36 million or 1%, primarily due to reduced employee headcount and lower severance costs, partially offset by normal salary increases, and higher performance-related compensation and pension expense.

Occupancy costs were down $79 million or 12%, ***computer and office equipment*** was down $55 million or 5% and ***professional fees*** were down $162 million or 50%, as technology project spending returned to more normal levels. The prior year occupancy costs included sub-lease losses on New York premises.

Advertising and business development were down $38 million or 15%, primarily due to a decrease in marketing and conference expenses.

Other, comprising outside services, operational losses, other personnel costs and donations, was down $2,991 million or 81%, as the prior year included the Enron-related litigation and hedge funds settlements provisions.

As at October 31, 2006, we had a regular workforce headcount of 37,016, down 292 from 2005, primarily due to staff reduction programs.

Non-controlling interests

Non-Controlling Interests

$ millions, for the year ended October 31	2006	2005	2004
Non-controlling interests	**$ 29**	$ 170	$ 15

Non-controlling interests were down $141 million or 83% from 2005, primarily due to the deconsolidation of certain VIEs of which we were no longer considered to be the primary beneficiary.

Taxes

Income taxes include those imposed on CIBC as a Canadian legal entity, as well as on our domestic and foreign subsidiaries. Indirect taxes comprise goods and services tax (GST) and sales, payroll, capital, and property and business taxes. Indirect taxes are included in non-interest expenses.

Total income and indirect taxes were down $188 million or 13% from 2005.

Taxes

$ millions, for the year ended October 31	2006	2005	2004
Income tax expense	**$ 640**	$ 789	$ 790
Indirect taxes			
GST and sales taxes	**219**	250	244
Payroll taxes	**188**	211	203
Capital taxes	**129**	112	132
Property and business taxes	**43**	45	34
Total indirect taxes	**579**	618	613
Total taxes	**$ 1,219**	$ 1,407	$ 1,403
Income taxes as a percentage of net income before income taxes and non-controlling interests	**19.3%**	85.1%	27.3%
Total taxes as a percentage of net income before deduction of total taxes and non-controlling interests	**31.3%**	91.1%	40.0%

Income tax expense was down $149 million or 19% despite higher income in the current year, primarily due to the income tax recovery on the Enron-related provision being limited to $297 million in the prior year. Lower repatriation of capital and retained earnings from our foreign operations and higher tax recoveries related to the favourable resolution of income tax audits and reduced tax contingencies also contributed to the decrease in the tax expense in the current year.

Indirect taxes decreased by $39 million. GST and sales taxes decreased by $31 million, primarily due to reduced expense levels and a reduction in the GST rate to 6% from 7% effective July 1, 2006. Payroll taxes decreased $23 million as the prior year included a

$23 million tax reassessment expense. Offsetting these decreases was an increase in capital taxes of $17 million, primarily due to increased capital levels.

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 17 to the consolidated financial statements.

The effective tax rate and taxable equivalent rate (TEB) for the year ended October 31, 2006 excluding tax recoveries of $161 million and a $9 million tax expense relating to the Federal budget future tax rate changes were 23.9%(1) and 28.7%(1), respectively. While rates will vary from quarter to quarter, our current estimate is that the sustainable effective tax rate will be in the 21–24% range and the sustainable TEB tax rate will be in the 25–28% range.

REVIEW OF CONSOLIDATED BALANCE SHEET

Condensed Consolidated Balance Sheet

$ millions, as at October 31	2006	2005
Assets		
Cash and deposits with banks	**$ 11,853**	$ 11,852
Securities		
Investment	**21,167**	14,342
Trading	**62,331**	53,422
	83,498	67,764
Securities borrowed or purchased under resale agreements	**25,432**	18,514
Loans		
Residential mortgages	**81,358**	77,216
Personal	**28,052**	28,198
Credit card	**7,253**	6,655
Business and government	**30,404**	31,350
Allowance for credit losses	**(1,442)**	(1,636)
	145,625	141,783
Derivative instruments market valuation	**17,122**	20,309
Other assets and acceptances	**20,454**	20,148
	$303,984	$280,370
Liabilities and shareholders' equity		
Deposits	**$202,891**	$192,734
Derivative instruments market valuation	**17,330**	20,128
Obligations related to securities sold short	**13,788**	14,883
Obligations related to securities lent or sold under repurchase agreements	**30,433**	14,325
Other liabilities and acceptances	**21,013**	21,121
Subordinated indebtedness	**5,595**	5,102
Preferred share liabilities	**600**	600
Non-controlling interests	**12**	746
Shareholders' equity	**12,322**	10,731
	$303,984	$280,370

Assets

Total assets as at October 31, 2006 were up $23.6 billion or 8% from 2005.

Investment securities were up $6.8 billion or 48%. The increase was primarily due to higher levels of government securities required to hedge the interest rate risk on fixed deposits and higher level of mortgage-backed securities held as replacement assets for our securitization programs. Trading securities were up $8.9 billion or 17%, primarily due to higher equity, asset-backed and corporate debt securities, partially offset by lower government debt securities, as a result of normal client-driven activity. Further details on the composition of securities are provided in Note 3 to the consolidated financial statements.

Securities borrowed or purchased under resale agreements were up $6.9 billion or 37%, primarily due to normal client-driven activity.

Net loans were up $3.8 billion or 3%. Increases in residential mortgages and credit card loans due to business growth (net of securitizations) were partially offset by decreases in business and government loans. A detailed discussion of the loan portfolio is included in the "Management of Credit Risk" section.

Derivative instruments market valuation was down $3.2 billion or 16%, primarily due to the impact of higher interest rates and the weaker U.S. dollar.

Liabilities

Total liabilities as at October 31, 2006 were up $22.0 billion or 8% from 2005.

Deposits were up $10.2 billion or 5%, primarily due to retail volume growth and an increase in treasury funding. Further details on the composition of deposits are provided in Note 9 to the consolidated financial statements and in the "Supplementary Annual Financial Information."

Derivative instruments market valuation was down $2.8 billion or 14%, due to the same factors noted above for derivative-related assets.

Obligations related to securities sold short were down $1.1 billion or 7%, primarily due to normal client-driven activity.

Obligations related to securities lent or sold under repurchase agreements were up $16.1 billion, reflecting an increase in trading activities and

increased funding requirements.

Subordinated indebtedness was up $493 million or 10%, due to the issuance of new debentures, net of redemptions and repurchases. Further details on subordinated indebtedness are provided in Note 11 to the consolidated financial statements.

Non-controlling interests were down $734 million as we deconsolidated certain VIEs during the year.

Shareholders' equity

Shareholders' equity as at October 31, 2006 was up $1.6 billion or 15% from 2005, reflecting an increase in retained earnings.

(1) For additional information, see the "Non-GAAP Measures" section.

SIGNIFICANT EVENTS

2006

FirstCaribbean International Bank

In 2006, we announced the signing of a definitive agreement with Barclays Bank PLC (Barclays) for the acquisition of 90% to 100% of its ownership interest in FirstCaribbean International Bank (FirstCaribbean). Barclays currently owns 43.7% of FirstCaribbean. The transaction, which is conditional upon regulatory approvals, is expected to close by the end of the 2006 calendar year. Pursuant to the definitive agreement, we will initially acquire 90% of Barclays' interest in FirstCaribbean for US$1.62 per FirstCaribbean common share. Promptly thereafter, we are required to initiate a tender offer at the same price for Barclays' remaining interest and the 12.6% interest held by minority shareholders. We will also pay an additional sum to Barclays, as well as the other shareholders who tender their shares to this offer, to reflect dividends in respect of their period of ownership prior to closing.

If we acquire 100% of the Barclays' stake and none of the other minority shareholders tender their shares, the total consideration will be approximately US$1.08 billion and we will own approximately 87.4% of the common shares of FirstCaribbean. It is our intention to pay for the FirstCaribbean common shares in cash.

We currently own 43.7% of FirstCaribbean, which we account for under the equity method of accounting. The financial statements of FirstCaribbean will be consolidated from the closing date of the transaction.

INTRIA Items Inc.

In 2006, we purchased the non-controlling interest in INTRIA Items Inc. (INTRIA) held by Fiserv Solutions of Canada Inc. INTRIA is now a wholly-owned subsidiary.

The purchase has not had a significant impact on our ongoing results of operations.

2005

Enron

In 2005, CIBC settled two major Enron-related litigation matters, *Newby, et al. v. Enron Corp., et al.* , and the so-called *Megaclaim* bankruptcy court action.

CIBC is still a defendant in certain remaining Enron-related actions. In 2005, 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-related actions, the adequacy of which we regularly assess.

Hedge funds

In 2005, CIBC reached settlements with the SEC and the Office of the New York State Attorney General (NYAG) with respect to matters involving CIBC's dealings with certain hedge funds that engaged in the market timing of mutual funds. We had accrued $158 million to cover the settlements, which was allocated equally to CIBC Retail Markets and CIBC World Markets business lines.

In addition, two CIBC subsidiaries and a former employee were named in a number of mutual fund market timing class and derivative actions coordinated before the U.S. District Court for the District of Maryland. All but two of these actions have been formally dismissed against the CIBC related defendants. The court has indicated its intention to also dismiss the two remaining actions.

Sale of Juniper Financial Corp.

In 2005, we sold Juniper Financial Corp. (Juniper) to Barclays for gross consideration of US$293 million and recognized a gain of $115 million ($64 million after-tax) on the sale, which was included in other non-interest income. Prior to the sale, we had a 98% interest in Juniper. Juniper's senior management owned the remaining 2%. The sale has not had a significant impact on our ongoing results of operations.

Sale of holdings in Republic Bank Limited

In 2005, 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, 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.

Sale of EDULINX Canada Corporation

In 2005, we sold our wholly-owned subsidiary, EDULINX Canada Corporation, a student loan service provider in Canada. The gain on the sale was not significant and the sale has not had a significant impact on our ongoing results of operations.

Significant merchant banking dispositions

In 2005, we sold 6 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.

2004

Regulatory matters

On December 22, 2003, 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 Superintendent 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.

Review of Quarterly Financial Information

	2006				2005			
$ 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
Revenue								
CIBC Retail Markets	**$ 2,043**	**$ 2,042**	**$ 1,964**	**$ 2,059**	$ 2,060	$ 2,021	$ 1,971	$ 2,108
CIBC World Markets	**697**	**677**	**607**	**679**	964	929	742	749
Corporate and Other	**147**	**111**	**195**	**111**	399	201	107	222
Total revenue	**2,887**	**2,830**	**2,766**	**2,849**	3,423	3,151	2,820	3,079
Net interest income	**1,130**	**1,121**	**1,036**	**1,148**	1,172	1,219	1,224	1,322
Non-interest income	**1,757**	**1,709**	**1,730**	**1,701**	2,251	1,932	1,596	1,757
Total revenue	**2,887**	**2,830**	**2,766**	**2,849**	3,423	3,151	2,820	3,079
Provision for credit losses	**92**	**152**	**138**	**166**	170	199	159	178
Non-interest expenses	**1,889**	**1,887**	**1,825**	**1,868**	2,057	4,850	2,032	1,901
Income (loss) before taxes and non-controlling interests	**906**	**791**	**803**	**815**	1,196	(1,898)	629	1,000
Income taxes	**87**	**125**	**190**	**238**	436	(106)	176	283
Non-controlling interests	**—**	**4**	**28**	**(3)**	32	115	13	10
Net income (loss)	**$ 819**	**$ 662**	**$ 585**	**$ 580**	$ 728	$ (1,907)	$ 440	$ 707
Per share – basic earnings (loss)	**$ 2.34**	**$ 1.88**	**$ 1.65**	**$ 1.64**	$ 2.08	$ (5.77)	$ 1.21	$ 1.96
– diluted earnings (loss) (1)	**$ 2.32**	**$ 1.86**	**$ 1.63**	**$ 1.62**	$ 2.06	$ (5.77)	$ 1.20	$ 1.94

(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.

Our quarterly results are modestly affected by seasonal factors. The first quarter is normally characterized by increased credit card purchases over the holiday period. The second quarter has fewer days as compared with the other quarters, generally leading to lower earnings. The summer months (July – third quarter and August – fourth quarter) typically experience lower levels of capital markets activity, which affects our brokerage, investment management and wholesale activities.

Revenue

CIBC Retail Markets revenue has been relatively consistent over the last several quarters with volume and fee growth and improved deposit spreads being offset by the impact of securitizations and declining spreads in the mortgage and personal lending businesses. Revenue was lower in the second quarters of 2006 and 2005 primarily due to three fewer days. Revenue was particularly high in the first quarter of 2005 as it included the gains on the Republic Bank and ACE sales.

CIBC World Markets revenue is influenced to a large extent by capital markets conditions and the opportunity for merchant banking divestitures. Reduced investment banking and credit products activities led to lower revenue in the second quarter of 2006. Increased merchant banking gains net of write-downs contributed to higher revenue in the third and fourth quarters of 2005.

Corporate and Other revenue is affected by the impact of significant items not included in the other business lines. Revenue was higher in the first quarter of 2005 due to the gain on the Juniper sale and in the third quarter of 2005 due to higher revenue in a consolidated VIE. Foreign exchange revenue on the repatriation of capital and retained earnings from our foreign operations led to an increase in revenue in the second quarter of 2006 and fourth quarter of 2005.

Provision for credit losses

The provision for credit losses is dependent upon the credit cycle in general and on the credit performance of the loan portfolio. Retail lending provisions have declined over the period. Provisions declined in cards due to higher levels of securitizations, and in agricultural as well as unsecured personal lending. The level of recoveries and reversals in the large corporate lending portfolio is not expected to continue. Reversals of the general allowance were included in the second and fourth quarters of 2006 and the fourth quarter of 2005, reflecting the improved credit quality of our loan portfolios.

Non-interest expenses

Non-interest expenses have declined in recent quarters as a result of our productivity initiative. The fourth quarter of 2005 included higher severance costs. Non-interest expenses were particularly high in the third quarter of 2005 as it included the Enron-related litigation provision. The hedge funds settlements provisions were included in the second and third quarters of 2005.

Income taxes

Income taxes vary with changes in income and can also be affected by the impact of significant items. The last three quarters of 2006 and the fourth quarter of 2005 included recoveries related to the favourable resolution of various income tax audits and reduced income tax contingencies. The Enron-related litigation provision led to an income tax benefit in the third quarter of 2005. The increase in the fourth quarter of 2005 was primarily due to the income tax expense on the repatriation of capital and retained earnings from our foreign operations.

Non-controlling interests

Beginning in the first quarter of 2005, non-controlling interests included the consolidation of VIEs. Non-controlling interests were particularly high in the third quarter of 2005 mainly due to higher revenue in consolidated VIEs. In the first quarter of 2006, we acquired the remaining non-controlling interest in INTRIA. During the first three quarters of 2006, we deconsolidated certain VIEs resulting in a decrease in non-controlling interests.

REVIEW OF FOURTH QUARTER

Compared with Q4/05

Net income was up $91 million or 13% from the fourth quarter of 2005.

Net interest income was down $42 million or 4%, primarily due to increased trading-related funding costs and spread compression in retail lending products. These were partially offset by higher dividend and interest income on trading securities, higher treasury revenue and favourable spreads in deposits. The prior year quarter included a $53 million interest expense on U.S. income tax reassessments.

Non-interest income was down $494 million or 22%, primarily due to the $301 million of foreign exchange revenue on the repatriation of capital and retained earnings and the $294 million gain on the sale of GPI and Shoppers in the prior year quarter. Revenue from trading activities and hedging of stock appreciation rights (SARs) was higher in the current quarter.

Provision for credit losses was down $78 million or 46%, primarily due to lower losses from unsecured personal, small business and agricultural lending, partially offset by a lower reversal of the general allowance.

Non-interest expenses were down $168 million or 8%, primarily due to lower severance expense, occupancy costs and professional fees. These decreases were partially offset by higher SARs expense and performance-related compensation.

Income tax expense was down $349 million or 80%, primarily due to the income tax expense on the repatriation of capital and retained earnings noted above in the prior year quarter.

Non-controlling interests were nil due to the deconsolidation of certain VIEs in the first three quarters of 2006 and the acquisition of the remaining non-controlling interest in INTRIA on November 1, 2005.

Compared with Q3/06

Net income was up $157 million or 24% from the prior quarter.

Net interest income was comparable to the prior quarter.

Non-interest income was up $48 million or 3%, primarily due to higher credit and underwriting and advisory fees, and higher revenue related to hedging of SARs. These increases were partially offset by higher losses associated with corporate loan hedging programs.

Provision for credit losses was down $60 million or 39%, primarily due to the $39 million reversal of the general allowance and an improvement in the unsecured personal lending portfolio.

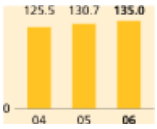
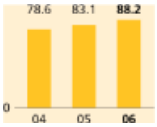
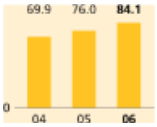
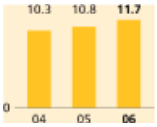
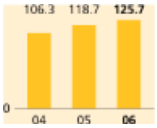
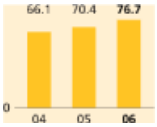
Non-interest expenses were comparable to the prior quarter as increases in SARs and advertising expense were largely offset by lower performance-related compensation.

Income tax expense was down $38 million or 30%, primarily due to higher tax recoveries on the favourable resolution of income tax audits and reduced tax contingencies, partially offset by higher income.

Non-controlling interests were nil due to the deconsolidation of certain VIEs in the prior quarter.

	CIBC Retail Markets		CIBC World Markets
Overview	CIBC Retail Markets comprises CIBC's retail and wealth management businesses. We provide a full range of financial products and services to almost 11 million individual and small business clients, as well as investment management services to retail and institutional clients globally. In addition, we hold a 43.7% interest in FirstCaribbean International Bank. In June 2006, we entered into an agreement to purchase Barclays Bank PLC's 43.7% share of FirstCaribbean and agreed to make a subsequent tender offer to FirstCaribbean's public shareholders.	**Overview**	CIBC World Markets is the wholesale and corporate 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 provide innovative capital solutions and advisory expertise across a wide range of industries as well as top-ranked research for our corporate, government and institutional clients.
Objective	CIBC Retail Markets' Objective is to become the primary financial institution for our clients.	**Objective**	CIBC World Markets' objective is to maintain and build its strength as a leading broad-based investment bank in Canada, with a specialized focus on mid-market expertise in the U.S., and activities in Europe and Asia-Pacific.
Strategy	CIBC Retail Markets' strategy is to develop strong relationships by meeting more of our clients' financial needs. To do this, we will extend our affluent client experience to more of our clients, continue to enhance product competitiveness and leverage our strong retail and wealth distribution channels. We are also focused on enhancing our operational effectiveness to expand our market penetration and increase client satisfaction while positioning our business for long-term success.	**Strategy**	CIBC World Markets' strategy is to focus on growth opportunities in our core businesses, while emphasizing profitability, productivity and efficiency. We are committed to building value through leading industry expertise, innovation and a consistent client focus.
2006 Achievements	• Improved client satisfaction • Opened nine new branches offering clients a full range of services • Enhanced ABM and online banking features to make banking at CIBC more convenient • Expanded Imperial Service in five high potential markets and small business account opening functionality to all CIBC branches • CIBC Wood Gundy achieved a record high in year-end assets under administration of $116 billion • Improved the quality of our retail lending portfolio by shifting lending mix from unsecured to secured	**2006 Achievements**	• Achieved the leading market position with our Canadian M&A business, having advised on the greatest value and number of deals; completed world's largest mining transaction • Maintained market leadership in retail structured products and income trusts, as well as equity underwriting in Canada • Expanded U.S. real estate finance business • Continued growth in non-traditional service areas including electronic trading capabilities and prime brokerage activities • Launched first structured investment funding vehicle in the Canadian market • Launched CIBC's first commercial mortgage-backed securities offering
2007 Priorities	• Grow our business by building strong relationships with our clients • Increase operational effectiveness • Continue to improve the quality of our lending portfolio	**2007 Priorities**	• Invest in core Canadian businesses to build franchise value • Position for improved profitability in the U.S. region • Target emerging client groups and structured transactions for growth

CIBC Retail Markets

Area of business	Priorities	Measures	
Personal & small business banking	- Provide high quality and consistent client service - Increase sales and service capability - Improve productivity	- Client satisfaction - Total funds managed for clients	**Funds managed** ($ billions) 
Imperial Service	- Leverage leadership in branch-based advice by expanding the Imperial Service offer to high potential markets - Continue to enhance the Imperial Service offer and client experience - Improve productivity	- Client satisfaction - Total funds managed for clients	**Funds managed** ($ billions) 
Retail brokerage	- Maintain a leadership position in full-service brokerage - Transition to an increasingly affluent client base - Continue to focus on fee-based business growth	- Client satisfaction - Average assets per Investment Advisor - Percentage of fee-based revenue	**Assets per Investment Advisor** ($ millions) 
Cards	- Provide high-quality and consistent client service - Maintain #1 market share in outstandings and purchase volumes	- Market share - Loan losses - Growth in balances	**Outstandings (on a managed basis)**(1) ($ billions) 
Mortgages and personal lending	- Target high-quality lending business as part of long-term client relationships - Continue to manage loan losses	- Market share - Loan losses - Growth in balances	**Residential mortgages (on a managed basis)**(1) **and personal lending** ($ billions) 
Asset management	- Grow managed solutions assets under management (AUM) - Improve investment performance - Improve competitiveness of product offer	- AUM - Market share - Investment performance	**Assets under management** ($ billions) 

(1) For additional information, see the "Non-GAAP Measures" section on page 37.

Results

Results – CIBC Retail Markets

$ millions, for the year ended October 31	2006	2005	2004
Revenue			
Personal and small business banking	**$ 2,055**	$ 2,492	$ 2,367
Imperial Service	**926**	941	883
Retail brokerage	**1,161**	1,131	1,036
Cards	**1,404**	1,447	1,384
Mortgages and personal lending	**1,483**	1,065	974
Asset management	**369**	378	366
Other	**710**	706	701
Total revenue	**8,108**	8,160	7,711
Provision for credit losses	**651**	772	740
Non-interest expenses	**4,969**	5,126	4,839
Income before taxes	**2,488**	2,262	2,132
Income taxes	**630**	689	726
Net income	**$ 1,858**	$ 1,573	$ 1,406
Efficiency ratio	**61.3%**	62.8%	62.7%
ROE(1)(2)	**49.7%**	42.2%	37.0%
Economic profit(1)(2)	**$ 1,371**	$ 1,089	$ 917

(1) For additional information, see the "Non-GAAP Measures" section.
(2) For additional segmented information, see Note 24 to the consolidated financial statements.

Financial overview

CIBC Retail Markets benefited from a continued low interest rate environment that encouraged deposit and loan volume growth. Investor confidence remained high which led to strong capital markets benefiting retail brokerage and asset management.

Net income was up $285 million or 18% from 2005. The prior year included the following items:

- $85 million ($85 million after-tax) gain on the Republic Bank sale;
- $54 million ($27 million after-tax) provision related to hedge funds settlements; and
- $34 million ($22 million after-tax) gain on the ACE sale.

In the current year, volume growth, higher treasury revenue allocations and favourable deposit spreads were partially offset by spread compression in lending. In addition, the current year benefited from lower non-interest expenses and provision for credit losses and $70 million of income tax recoveries.

Revenue

Revenue was down $52 million or 1% from 2005.

Personal and small business banking revenue was down $437 million, primarily due to lower internal sales commissions received from mortgages and personal lending, largely as a result of reductions in internal commission rates, partially offset by volume growth and favourable deposit spreads.

Imperial Service revenue was down $15 million, primarily due to lower internal sales commissions received, partially offset by higher revenue from investment product sales and favourable deposit spreads and volume growth.

Retail brokerage revenue was up $30 million, primarily due to higher fee-based revenue, partially offset by lower new issue and trading activity.

Cards revenue was down $43 million, primarily due to higher levels of securitized assets for which credit losses are included in revenue. In addition, spreads declined and lower securitization activity reduced securitization gains. These factors were partially offset by volume growth and higher fee income. The prior year included the gain on the ACE sale noted above.

Mortgages and personal lending revenue was up $418 million, primarily due to lower internal sales commissions paid noted above, lower hedge costs on mortgages refinanced before maturity, higher securitization revenue and volume growth, partially offset by spread compression.

Asset management revenue was down $9 million, primarily due to higher commissions paid to other businesses, partially offset by higher fee income from growth in average funds managed.

Other revenue was up $4 million, primarily due to higher treasury revenue allocations. The prior year included the gain on the Republic Bank sale noted above.

Provision for credit losses

Provision for credit losses was down $121 million or 16% from 2005, primarily due to the impact of higher levels of securitized assets in cards, reversals in agricultural lending and improvements in personal lending.

Non-interest expenses

Non-interest expenses were down $157 million or 3% from 2005, primarily due to lower litigation accruals (the prior year included the hedge

funds settlements provision noted above), severance costs, and project expenses. These decreases were partially offset by higher corporate support costs, pension expense and performance-related compensation.

The regular workforce headcount totalled 23,396 at yearend, down 689 from 2005, primarily due to the realignment of staff to Administration, Technology and Operations and staff reduction programs.

Income taxes

Income taxes were down $59 million or 9% from 2005, primarily due to the income tax recoveries noted above, partially offset by higher income.

Average assets

Average assets were $187.8 billion, up $2.6 billion or 1% from 2005, primarily due to increases in residential mortgages and secured personal lending, partially offset by a decrease in business loans. Cards also decreased due to higher levels of securitized assets.

Assets under administration

Assets Under Administration

$ billions, as at October 31	**2006**	2005	2004
Individual	**$ 149.3**	$ 139.5	$ 128.3
Institutions	**72.2**	60.9	53.4
Retail mutual funds	**47.5**	43.4	40.5
	$ 269.0	$ 243.8	$ 222.2

Assets under administration were up $25.2 billion or 10% from 2005, largely due to strong capital markets.

Outlook for 2007

The economic outlook remains positive for the coming year. Interest and unemployment rates are expected to remain low which will continue to encourage lending and deposit growth. A slower pace of real estate price increases may moderate growth rates. Product spreads are expected to remain stable given the anticipated rate environment.

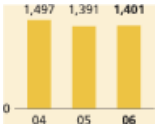
Equity markets are expected to remain strong. The Federal government's announcement on October 31, 2006 regarding the taxation of income trusts caused uncertainty for new issue market activity.

Our strategies to improve the risk profile of the unsecured retail lending portfolio, which were undertaken in late 2005 and throughout 2006, have started to realize benefits that should continue into the coming year.

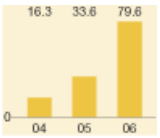
CIBC World Markets

Area of business	Priorities	Measures
Capital markets	- Maintain strength in Canada - Invest additional financial resources in support of our clients - Continued development of capability in structured transactions	- Revenue - Return on capital - Canadian market share
Investment banking and credit products	- Maintain market leadership through investing in core relationships - Increase credit flexibility in support of core client franchise - Increase market penetration in real estate finance - Improve efficiencies in U.S. operations	- Revenue - Return on capital - Canadian market share
Commercial banking	- Strengthen and expand industry capabilities to partner with Canada's best mid-market organizations - Create client-focused teams that leverage the CIBC franchise - Sustain return on capital focus with competitive products and solutions	- Return on capital - Credit quality - Client retention
Merchant banking	- Continue to align to support global investment banking platform	- Revenue - Return on capital - Portfolio size

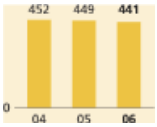
Capital Markets Revenue
($ millions)



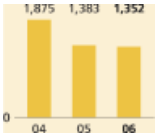
Canadian M&A/Financial advisory leadership by volume
($ billions)



Commercial Banking Revenue
($ millions)



Merchant banking portfolio
($ millions)



Results

Results – CIBC World Markets

$ millions, for the year ended October 31	2006	2005	2004
Revenue (TEB)(1)(2)			
Capital markets	**$ 1,401**	$ 1,391	$ 1,497
Investment banking and credit products	**868**	1,074	1,329
Commercial banking	**441**	449	452
Merchant banking	**232**	714	351
Other	**(58)**	(53)	18
Total revenue (TEB)(1)(2)	**2,884**	3,575	3,647
TEB adjustment	**224**	191	150
Total revenue	**2,660**	3,384	3,497
Recovery of credit losses	**(39)**	(17)	(55)
Non-interest expenses	**2,041**	5,149	2,741
Income (loss) before taxes and non-controlling interests	**658**	(1,748)	811
Income taxes	**9**	(148)	139
Non-controlling interests	**3**	71	12
Net income (loss)	**$ 646**	$ (1,671)	$ 660
Efficiency ratio	**76.7%**	152.1%	78.4%
Efficiency ratio (TEB)(1)(2)	**70.8%**	144.0%	75.2%
ROE(1)(2)	**33.3%**	(89.1)%	27.1%
Economic profit (loss)(1)(2)	**$ 396**	$ (1,925)	$ 350

(1) For additional information, see the "Non-GAAP Measures" section.
(2) For additional segmented information, see Note 24 to the consolidated financial statements.

Financial overview

CIBC World Markets returned to profitability, generating net income of $646 million and ROE (1) of 33.3%. The Enron-related litigation matters significantly affected our 2005 results.

Businesses continued to benefit from a strong global economy and favourable credit cycle in 2006, which resulted in a recovery of credit losses.

Net income was $646 million, compared with a net loss of $1,671 million in 2005, as the prior year included the $2,533 million after-tax provision for Enron-related litigation matters and the $28 million after-tax provision for hedge funds settlements. Merchant banking and investment banking and credit products revenue were lower during the year. The current year benefited from higher income tax recoveries.

Revenue

Revenue was down $724 million or 21% from 2005.

Capital markets revenue was up $10 million, primarily due to higher revenue in U.S. equities and debt capital markets, partially offset by reduced revenue in Canadian equities.

Investment banking and credit products revenue was down $206 million, as the prior year included gains on sales of assets in our non-core and discontinued businesses. Losses associated with corporate loan hedging programs were higher in the current year.

Merchant banking revenue was down $482 million, primarily due to lower gains net of write-downs as the prior year included gains on GPI and Shoppers of $294 million (discussed in the "Significant Events" section). Lower dividends and interest income and the deconsolidation of a VIE also contributed to lower revenue in the current year.

Other was down $5 million, primarily due to a gain on the sale of an investment in the prior year. The current year included lower interest expense on U.S. income tax reassessments.

Recovery of credit losses

Recovery of credit losses was up $22 million from 2005, primarily due to lower commercial loan losses and higher recoveries and reversals in large corporate loans.

Non-interest expenses

Non-interest expenses were down $3,108 million or 60% from 2005, primarily due to the $2,830 million Enron-related litigation provision and the $54 million hedge funds settlements provision in the prior year. Occupancy costs, professional fees, and corporate support and employee compensation costs were all lower in the current year.

The regular workforce headcount totalled 2,291 at year-end, comparable to 2005.

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 up $157 million from 2005, primarily due to higher income, partially offset by the impact of the limited income tax recovery in the prior year on the Enron-related provision. The current year benefited from higher income tax recoveries.

Non-controlling interests

Non-controlling interests were down $68 million or 96% from 2005, primarily due to the deconsolidation of certain VIEs.

Average assets

Average assets were $102.9 billion, comparable to the prior year.

Outlook for 2007

While investment banking activities and capital markets are difficult to predict, we expect steady M&A activity will continue in 2007 but with a less active mining market and a moderation in energy with potentially lower prices for oil and natural gas. The Federal government's announcement on October 31, 2006 regarding the taxation of income trusts caused uncertainty for new issue market activity. As the size of our merchant banking portfolio continues to decrease, we expect to see lower revenue opportunities in this area. The credit cycle should remain favourable in the near term, but we expect the current low level of corporate default rates is likely not sustainable over the longer term.

(1) For additional information, see the "Non-GAAP Measures" section.

Corporate and Other

Corporate and Other comprises the five functional groups – Administration, Technology and Operations; Corporate Development; Finance; Legal and Regulatory Compliance; and Treasury and Risk Management (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 (sold during the year), 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 year ended October 31	**2006**	2005	2004
Total revenue	**$ 564**	$ 929	$ 567
Recovery of credit losses	**(64)**	(49)	(57)
Non-interest expenses	**459**	565	671
Income (loss) before taxes and non-controlling interests	**169**	413	(47)
Income taxes	**1**	248	(75)
Non-controlling interests	**26**	99	3
Net income	**$ 142**	$ 66	$ 25

Financial overview

Net income was up $76 million from 2005, primarily due to lower project and unallocated corporate support costs and higher earnings in CIBC Mellon joint ventures. The prior year included the $115 million ($64 million after-tax) gain on the Juniper sale. Income tax recoveries were comparable to the prior year.

We repatriated capital and retained earnings from our foreign operations in the current and prior year. This resulted in the reversal of related accumulated balances of $47 million (2005: $301 million), previously recorded in the foreign currency translation adjustments component of shareholders' equity. These balances were recognized in non-interest income – foreign exchange other than trading in the consolidated statement of operations. In addition, we recognized an income tax expense of $47 million (2005: $375 million) on the repatriation noted above. The prior year also included the recognition of a $67 million future tax asset arising from the 2004 foreign exchange losses on foreign operations.

Revenue

Total revenue was down $365 million or 39% from 2005, primarily due to lower foreign exchange revenue arising on the repatriation noted above. In the current year, lower revenue from a VIE due to its deconsolidation was partially offset by higher revenue from CIBC Mellon joint ventures. The prior year included the gain on the Juniper sale noted above.

Recovery of credit losses

Recovery of credit losses was up $15 million or 31% from 2005, primarily due to a higher reversal of the general allowance reflecting the improved credit quality of our loan portfolios.

Non-interest expenses

Non-interest expenses were down $106 million or 19% from 2005, primarily due to lower project and unallocated corporate support costs.

The regular workforce headcount totalled 11,329 at yearend, up 405 from 2005, primarily due to the centralization of certain back office functions.

Income taxes

Income taxes were down $247 million from 2005, primarily due to the impact of the repatriation of capital and retained earnings noted above. Income tax recoveries were comparable to the prior year.

Non-controlling interests

Non-controlling interests were down $73 million or 74% from 2005, primarily due to the deconsolidation of a VIE. We also acquired the remaining non-controlling interest in INTRIA on November 1, 2005.

Review of 2005 Financial Performance

$ millions, for the year 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	(218)	222	(4)	–
	Total revenue	8,160	3,384	929	12,473
	Provision for (recovery of) credit losses	772	(17)	(49)	706
	Non-interest expenses	5,126	5,149	565	10,840
	Income (loss) before 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)
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

The following discussion provides a comparison of our results of operations for the years ended October 31, 2005 and 2004.

Overview

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

Revenue by segments

CIBC Retail Markets

Revenue was up $449 million, primarily due to volume growth across all business lines, higher fee income, the gains on the Republic Bank and ACE sales and increased equity trading and new issue activity.

CIBC World Markets

Revenue was down $113 million, primarily due to lower revenue from investment banking and credit products, capital markets and treasury, partially offset by higher merchant banking gains net of write-downs.

Corporate and Other

Revenue was up $362 million, primarily due to the foreign exchange revenue of $301 million arising on the repatriation of capital and retained earnings from our foreign operations,consolidation of a VIE and the impact of the Juniper sale. These factors were partially offset by lower interest income on tax refunds and lower revenue from hedging of SARs.

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 largely due to increased funding costs. Higher interest expense related to U.S. income tax reassessments, reduced non-core loans and lower interest income on tax refunds also contributed to the decline. These factors were partially offset by volume increases in deposits, mortgages, personal lending and cards.

Non-interest income

Non-interest income was up $1,019 million or 16% from 2004, primarily due to the foreign exchange revenue on the repatriation of capital and retained earnings noted above, gains on the sale of investments and corporate assets (GPI, Shoppers, Juniper, Republic Bank and ACE), higher trading-related non-interest income, and higher income from securitized assets.

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.

Non-interest expenses

Non-interest expenses were up $2,589 million or 31% from 2004, primarily due to higher provisions for Enron-related litigation and hedge funds settlements.

Income taxes

Income taxes were down $1 million from 2004. Income tax expense for 2005 was higher than would be expected despite lower income, primarily due to the income tax recovery on the Enron-related provision being limited to $297 million. In addition, we repatriated capital and retained earnings from our foreign operations, which resulted in the $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 factors were partially offset by the recognition of the $67 million future tax asset arising from the 2004 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.

Non-controlling interests

Non-controlling interests were up $155 million from 2004, primarily due to the consolidation of VIEs of which we were considered to be the primary beneficiary.

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. All risk management policies are approved or renewed by the applicable Board and management committees annually. 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 credit portfolios and merchant banking investments;
- ***Market Risk Management*** – provides independent, enterprise-wide oversight of the management and related measurement, monitoring and control of market risk (both trading and non-trading) throughout CIBC, and of credit risk in our trading businesses;
- ***Operational Risk Management*** – is responsible, in a collaborative fashion with the lines of business and the 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 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 financial loss due to a borrower or counterparty failing to meet its obligations in accordance with agreed terms.

Governance

Oversight of key credit policies and limits is the responsibility of the Capital and Risk Committee (CRC). These policies and limits are also subject to annual review and approval 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 credit policies.

Senior management reports not less than quarterly to the RMC on material credit risk matters, including individual credit transactions, compliance with limits, portfolio trends, impaired loans and credit loss provisioning levels. In addition, they review impaired loan balances, allowances and credit losses with the Audit Committee on a quarterly basis.

Policies, procedures and standards

Our credit risk management starts with the establishment of sound lending principles and an effective framework for managing credit risk. Documented policies, segment specific standards and guidelines, processes and controls, together with risk concentration limits are designed to reflect our risk appetite. These policies, standards and procedures also govern how credit risk is measured, monitored, reported and controlled.

Environmental risk is integrated into the overall credit assessment process, with related standards in place covering lending to small-and medium-sized businesses and the large corporate sector.

Measurement, monitoring and control

TRM provides enterprise-wide adjudication and oversight of management of credit risk in our credit portfolios. Adjudication and portfolio management decisions are based on our risk appetite, as reflected in our policies, standards and limits. Lending authorities are controlled to ensure decisions are made by qualified and experienced personnel. TRM also provides specialized management of past due, high-risk and impaired loans.

TRM uses models and market-based techniques in the management of the credit risk component of economic capital. 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 overall return.

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 76.2% (2005: 75.7%) of our net loan portfolio, including acceptances. These loans represent borrowers with relatively small individual loan balances. Residential mortgages, which constitute 70.2% (2005: 69.4%) 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 $4.2 billion or 5.4% from the prior year on a balance sheet basis, and by $6.6 billion or 7.0% on a managed basis(1). Personal loan portfolio (excluding the discontinued $1.3 billion student loan portfolio) remained flat at $26.1 billion. On a balance sheet basis, the credit card portfolio increased by $598 million or 9.3%, and by $979 million or 9.3% on a managed basis(1). The discontinued student loan portfolio continued to decrease in 2006, down 18.5% from the prior year.

Business and government loans

Within the business and government loan portfolio, qualified personnel 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. They are also used in monitoring the portfolios 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.

The approval process is highly centralized, with all significant credit requests submitted to a credit risk management unit of the 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 closer monitoring and are reviewed not less than quarterly. In addition, a specialized loan workout group handles the day-to-day 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 23.8% (2005: 24.3%) of our total net loan portfolio. 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% (2005: 18.8%) of total business and government loans (including acceptances).

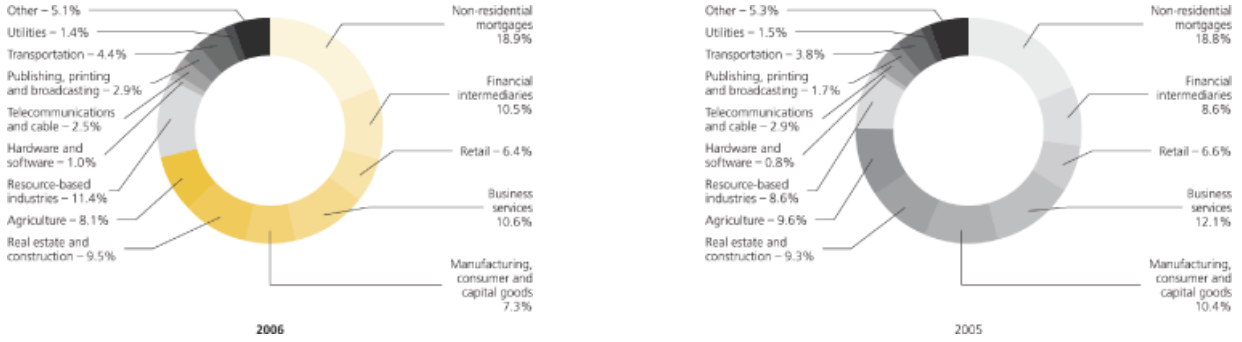
Geographically, 89.3% (2005: 90.8%) of the business and government loan portfolio is in North America, with the remaining balance predominantly in Europe and Asia Pacific. Country risk is the risk of doing business in or with the country and reflects economic, political, social, institutional and other risks. Country risk ratings assigned to individual countries are reviewed annually. We actively

(1) For additional information, see the “Non-GAAP Measures” section.

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 20, 22 and 23 to the consolidated financial statements. We manage these exposures through the credit risk management framework, as described above.

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 $1.9 billion (2005: $2.1 billion) in the resource-based industries group, financial intermediaries $972 million (2005: $1.3 billion) and manufacturing-capital goods $490 million (2005: $451 million). The notional amount of credit protection purchased against our business and government credit commitments as at October 31, 2006 was $5.7 billion (2005: $6.2 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.

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 credit derivatives 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.

Our derivative credit exposure represents a variety of product types. Investment grade counterparties account for 91.4 % (2005: 92.5%) 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, $1.4 billion of loans were newly classified as impaired, down $289 million from 2005. Overall, new Canadian classifications decreased by $268 million, and new foreign classifications decreased by $21 million.

Reductions in gross impaired loans through remediation, repayment or sale were $866 million, up $5 million from 2005. The increase included $79 million related to consumer loans, partially offset by a $74 million decrease in business and government loans. For the year, write-offs totalled $866 million, down $135 million from the prior year. Business and government loan write-offs accounted for $76 million of this decrease, while consumer loan write-offs decreased by $59 million.

Changes in Net Impaired Loans (1)

$ millions, as at or for the year ended October 31	**Business and government loans**	**Consumer loans(2)**	**2006 Total**	Business and government loans	Consumer loans(2)	2005 Total	Business and government loans	Consumer loans(2)	2004 Total
Gross impaired loans									
Balance at beginning of year	**$ 516**	**$ 433**	**$ 949**	$ 723	$ 386	$ 1,109	$ 975	$ 401	$ 1,376
New additions	**261**	**1,152**	**1,413**	476	1,226	1,702	717	1,224	1,941
Returned to performing status, repaid or sold	**(354)**	**(512)**	**(866)**	(428)	(433)	(861)	(763)	(485)	(1,248)
Gross impaired loans prior to write-offs	**423**	**1,073**	**1,496**	771	1,179	1,950	929	1,140	2,069
Write-offs	**(179)**	**(687)**	**(866)**	(255)	(746)	(1,001)	(206)	(754)	(960)
Balance at end of year	**$ 244**	**$ 386**	**$ 630**	$ 516	$ 433	$ 949	$ 723	$ 386	$ 1,109
Specific allowance									
Balance at beginning of year	**$ 280**	**$ 381**	**$ 661**	$ 414	$ 387	$ 801	$ 437	$ 418	$ 855
Write-offs	**(179)**	**(687)**	**(866)**	(255)	(746)	(1,001)	(206)	(754)	(960)
Provisions	**27**	**585**	**612**	88	668	756	86	617	703
Recoveries	**50**	**68**	**118**	41	83	124	109	106	215
Transfer from general allowance(3)	**—**	**11**	**11**	—	—	—	—	—	—
Foreign exchange and other adjustments	**1**	**5**	**6**	(8)	(11)	(19)	(12)	—	(12)
Balance at end of year(4)	**$ 179**	**$ 363**	**$ 542**	$ 280	$ 381	$ 661	$ 414	$ 387	$ 801
Net impaired loans									
Balance at beginning of year	**$ 236**	**$ 52**	**$ 288**	$ 309	$ (1)	$ 308	$ 538	$ (17)	$ 521
Net change in gross impaired	**(272)**	**(47)**	**(319)**	(207)	47	(160)	(252)	(15)	(267)
Net change in allowance	**101**	**18**	**119**	134	6	140	23	31	54
Balance at end of year(4)	**$ 65**	**$ 23**	**$ 88**	$ 236	$ 52	$ 288	$ 309	$ (1)	$ 308
Gross impaired loans less specific allowance as a percentage of related assets(5)			**0.05%**			0.17%			0.19%

(1) Impaired loans include loan substitute securities of nil (2005: nil; 2004: $1 million) and allowances for credit losses of nil (2005: nil; 2004: $1 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 in arrears and to balances outstanding; this may result in negative net impaired loans.
(3) Related to student loan portfolio.
(4) Balance excludes allowances on letters of credit totalling $2 million (2005: $2 million; 2004: $2 million).
(5) The related assets include loans, securities borrowed or purchased under resale agreements and acceptances.

Allowance for credit losses

The total allowance for credit losses consists of specific and general allowance components carried on the balance sheet.

For a discussion on the methodologies used in establishing our allowance for credit losses, see the "Critical Accounting Policies and Estimates" section. For details of the allowance for credit losses, see Note 4 to the consolidated financial statements and "Supplementary Annual Financial Information."

Total allowance for credit losses was $1,444 million, down $194 million or 12% from October 31, 2005.

Specific allowance for credit losses was $544 million, down $119 million from October 31, 2005. The change was the result of a decrease of $101 million in respect of the business and government loan portfolio and a decrease of $18 million in the consumer loan portfolio.

General allowance was $900 million, down $75 million or 8% from October 31, 2005, primarily due to the reversal of $64 million and a transfer of $11 million to the student loan portfolio.

Management believes the total allowance for credit losses as at October 31, 2006 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, reductions of 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 existing in the portfolio, giving due regard to existing economic conditions and credit protection purchased.

The following table provides a summary of the provision for (recovery of) credit losses by counterparty and geographic distribution.

For details on the movement of provision for credit losses, see "Review of Consolidated Statement of Operations" section.

Provision for (Recovery of) Credit Losses

$ millions, for the year ended October 31	2006	2005	2004
Canada			
Residential mortgages	**$ 6**	$ 7	$ 2
Student	**—**	—	(37)
Personal	**341**	378	265
Credit card	**238**	282	370
Total consumer loans	**585**	667	600
Non-residential mortgages	**(2)**	(2)	(4)
Financial institutions	**(3)**	3	3
Service and retail industries	**56**	50	45
Manufacturing, consumer and capital goods	**9**	41	31
Real estate and construction	**11**	5	(11)
Agriculture	**(16)**	18	63
Resource-based industries	**2**	(3)	(2)
Telecommunications, media and technology	**10**	6	5
Transportation	**3**	2	—
Utilities	**—**	—	(1)
Other	**4**	2	2
Total business and government loans	**74**	122	131
	659	789	731
United States			
Total consumer loans	**—**	1	17
Financial institutions	**—**	(1)	(1)
Service and retail industries	**(17)**	(4)	(5)
Manufacturing, consumer and capital goods	**(3)**	(1)	(16)
Real estate and construction	**—**	—	(5)
Resource-based industries	**(24)**	(13)	(29)
Telecommunications, media and technology	**(1)**	(1)	(26)
Transportation	**—**	—	2
	(45)	(19)	(63)
Other countries			
Financial institutions	**(4)**	(3)	54
Service and retail industries	**3**	(3)	(7)
Real estate and construction	**(1)**	—	(3)
Agriculture	**—**	(1)	—
Resource-based industries	**—**	—	(9)
Telecommunications, media and technology	**—**	(6)	1
Utilities	**—**	(1)	(1)
	(2)	(14)	35
Credit losses charged to income			
Specific provision	**612**	756	703
General provision	**(64)**	(50)	(75)
Total credit losses charged to the consolidated statement of operations	**$ 548**	$ 706	$ 628
As a percentage of total net loans and acceptances	**0.36%**	0.48%	0.44%

Management of Market Risk

Market risk arises from positions in securities and derivatives held in our trading portfolios, and from our retail banking business, 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.

Governance

Market risk is managed through an integrated internal control framework, overseen by the CRC. 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.

We generate daily risk and limit-monitoring reports, based on the previous day's trading. Summary market risk and limit compliance reports are produced and reviewed weekly with the Senior Executive Team (SET), and quarterly with the RMC.

Policies, procedures and standards

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 Chief Executive Officer 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 different risk measures:

- VaR, which enables the meaningful comparison of the risks in different businesses and asset classes; and
- Stress testing and scenario analysis, which provide insight into portfolio behaviour under extreme circumstances.

Backtesting is used to validate 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 arising from the interrelationship of the different 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 2006, aggregate risk levels were generally slightly higher than in 2005, primarily due to higher levels of credit spread and interest rate risk. Limitations on significant directional exposure and active securities inventory management were major components in constraining risk.

VaR by Risk Type — Trading Portfolio(1)

	2006				2005			
$ millions, as at or for the year ended October 31	**Year-end**	**Average**	**High**	**Low**	Year-end	Average	High	Low
Interest rate risk	**$ 6.1**	**$ 5.9**	**$ 11.0**	**$ 2.6**	$ 3.4	$ 4.3	$ 7.4	$ 2.2
Credit spread risk	**5.7**	**5.1**	**6.5**	**3.4**	2.6	2.7	4.0	2.0
Equity risk	**6.1**	**6.0**	**8.5**	**4.5**	5.1	6.0	8.1	4.2
Foreign exchange risk	**0.4**	**0.3**	**1.0**	**0.1**	0.1	0.3	1.3	0.1
Commodity risk	**1.2**	**1.7**	**2.8**	**0.8**	1.1	1.3	2.9	0.8
Diversification effect(2)	**(10.3)**	**(9.6)**	**n/m**(3)	**n/m**(3)	(6.0)	(6.7)	n/m(3)	n/m(3)
Total risk	**$ 9.2**	**$ 9.4**	**$ 12.9**	**$ 7.4**	$ 6.3	$ 7.9	$ 9.8	$ 6.0

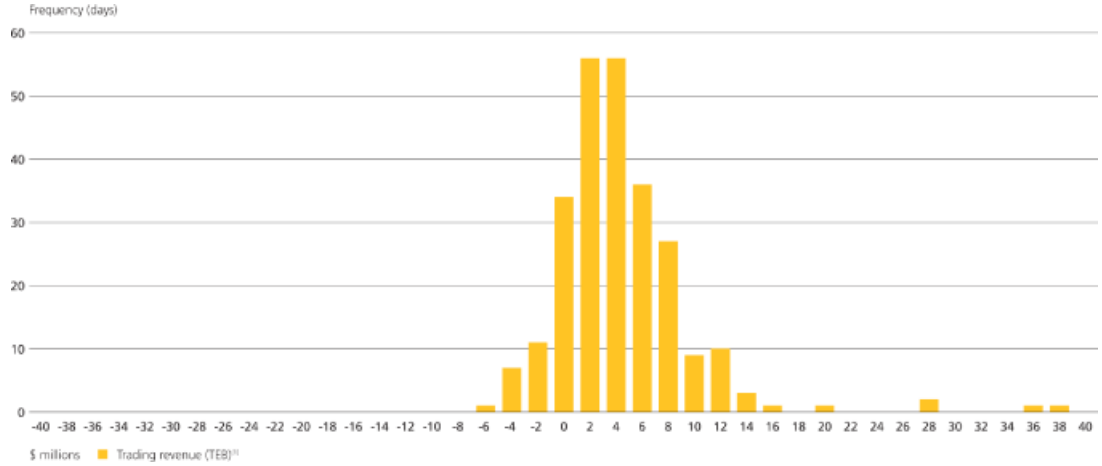
(1) Trading portfolio is defined under CIBC policy, consistent with OSFI capital adequacy guidelines.

(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.

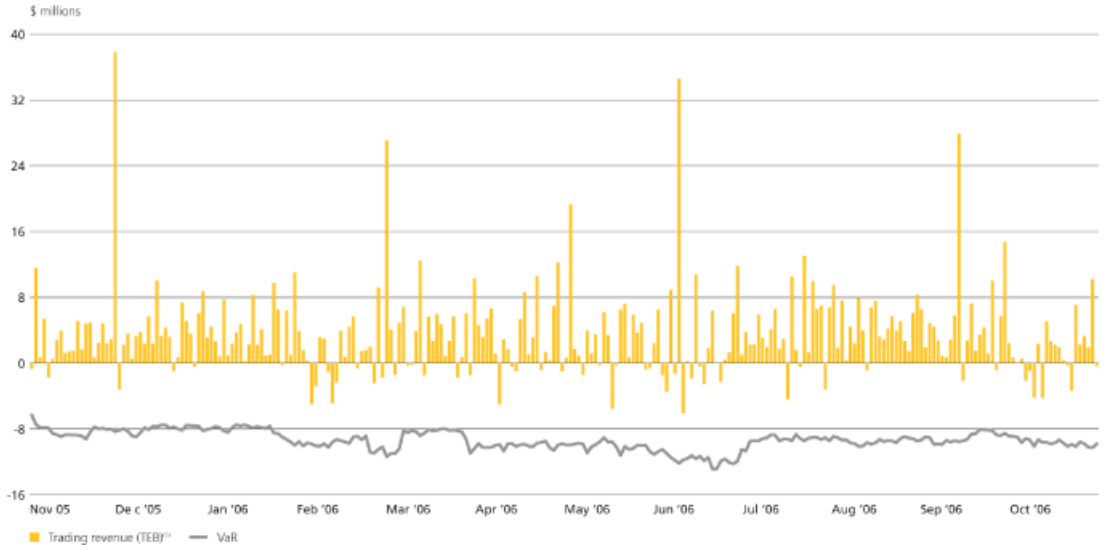
Trading revenue in 2006 was $685 million (2005: $820 million; 2004: $725 million) and trading revenue (TEB) (1) was $906 million (2005: $996 million; 2004: $863 million). The histogram below presents the frequency distribution of daily trading revenue (TEB)(1) for 2006, excluding $25 million (2005: $181 million) related to the consolidation of VIEs, which cannot be meaningfully allocated to specific days. Trading revenue (TEB)(1) was positive for 79% of the days in 2006, compared with 81% in 2005 and 90% in 2004. Trading losses did not exceed VaR for any day during the year. Average daily trading revenue (TEB)(1) was $3.4 million in 2006, compared with $3.1 million in 2005 and $3.5 million in 2004. The trading revenue (TEB)(1) and VaR backtesting graph below compares the 2006 actual daily trading revenue (TEB) (1) with the previous day's VaR measures.

Frequency distribution of daily 2006 trading revenue (TEB) (1)



(1) For additional information, see the "Non-GAAP Measures" section.

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.

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 and bond portfolios 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, 2006, is included in Note 13 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 13 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 an immediate 100 basis point increase and decrease in interest rates over the next 12 months, as adjusted for estimated prepayments:

Interest Rate Sensitivity

– Non Trading (After-Tax)

$ millions, as at October 31	**2006**	2005
100 basis points increase in interest rates		
Impact on net interest income	**$ 35**	$ 83
Impact on shareholders' equity (1)	**203**	276
100 basis points decrease in interest rates		
Impact on net interest income	**$ (111)**	$ (52)
Impact on shareholders' equity (1)	**(274)**	(267)

(1) Measured on a present value basis.

Foreign exchange risk

Non-trading foreign exchange risk arises primarily from our investments in foreign operations. Structural foreign exchange risk, predominantly in U.S. dollars, is managed using derivative hedges, and by funding the investments in foreign currencies. We actively manage this risk to ensure that the potential impact to earnings is minimized and that potential impact on our capital ratios is within tolerances set by the RMC. A one per

cent appreciation of the Canadian dollar would reduce our shareholders' equity by approximately $34 million.

Derivatives held for ALM purposes

For derivatives 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 treatment 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 statement 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, 20 and 21 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. Merchant banking investments are subject to oversight by the CRC. We have $1.4 billion (2005: $1.4 billion) in the merchant banking portfolios as set out in the following table:

Merchant Banking Portfolios

$ millions, as at October 31		Carrying value	Fair value
2006	**Investment securities**	**$ 475**	**$ 685**
	Trading securities(1)	**21**	**21**
	Other assets(2)	**856**	**1,210**
		$ 1,352	**$ 1,916**
2005	Investment securities	$ 467	$ 595
	Trading securities(1)	110	110
	Other assets(2)	806	1,037
		$ 1,383	$ 1,742

(1) Represents investment net of non-controlling interests in VIEs.

(2) Includes investments in limited partnerships, equity-accounted investments and derivative instruments market valuation.

Non-exchange traded commodity derivatives

In the normal course of business, we trade non-exchange traded commodity derivative contracts. We control and manage our non-exchange traded commodity derivatives risk through the VaR and stress testing methodologies described above. We use modelling techniques or other valuation methodologies to determine the fair value of these contracts. The following table indicates the fair value based upon maturity of non-exchange traded commodity contracts:

$ millions, as at October 31, 2006	Positive	Negative	Net
Maturity less than 1 year	**$ 462**	**$ (559)**	**$ (97)**
Maturity 1-3 years	**897**	**(810)**	**87**
Maturity 4-5 years	**64**	**(82)**	**(18)**
Maturity in excess of 5 years	**69**	**(19)**	**50**
Fair value of contracts	**$ 1,492**	**$ (1,470)**	**$ 22**

Management of Operational Risk

Operational risk is the loss resulting from inadequate or failed internal processes, systems, or from human error or external events.

Governance

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 managing operational risk on an enterprise-wide basis and also for ensuring that businesses are managing operational risk in compliance with policies, procedures and standards that are affirmed by the CRC and the RMC annually.

The Governance and Control Committee (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 the RMC for maintaining a strong internal control environment.

The management of reputation and legal risk is overseen by the Financial Transactions Oversight Committee.

Our infrastructure and governance groups support the businesses in this regard by maintaining comprehensive risk and control self-assessment processes that encompass measuring, monitoring and managing the effectiveness of controls. The results of these self-assessments are reported to 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 resources 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 addressed 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.

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 our reputation.

Our 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.

Our 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 clients and those requirements that help protect the integrity of the capital markets. 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 calculate operational risk capital using the Advanced Measurement Approach in respect of the Bank for International Settlements (BIS) Capital Accord proposals, effective November 1, 2007. The methodology is currently utilized to calculate economic capital for the management of our operational risk.

This measurement methodology uses historical loss information (both internal and external), where available, supplemented by scenario analyses, to produce loss event frequencies and severities. These loss event frequencies and severities (combined to obtain 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 addition to the factors described above, the operational risk capital incorporates adjustments to reflect changes to the business environment and internal control systems. 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 rates 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 under both normal and stressed market environments.

Governance

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.

As we operate in a variety of jurisdictions and through various subsidiaries, the liquidity management governance framework is designed to ensure compliance with applicable regulatory restrictions and to ensure appropriate liquidity in each region and subsidiary.

Policies, procedures and standards

Policies, procedures and standards define our liquidity risk management requirements. Liquidity policies and standards are reviewed and approved annually by the RMC.

Our policies require maintenance of sufficient unencumbered liquid assets or unused funding capacity, to meet our anticipated funding needs (as measured by a selected benchmark stress scenario) for a minimum period of time as determined by the RMC. Guidelines are set to ensure adequate diversification of funds and manage individual depositor concentration. The RMC is informed of current and prospective liquidity conditions, ongoing monitoring measures and the implementation of enhanced measurement tools.

Measurement, monitoring and control

Our measurement standards reflect 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 systems generate detailed liquidity reports which are 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, designed to measure the potential impact of abnormal market conditions on the liquidity risk profile. Current on- and off-balance sheet positions are modelled to determine potential cash flows under various stress scenarios.

Management may alter the mix and/or maturity of assets and liabilities to adjust the necessary level of liquidity to be maintained for a specific minimum period of time.

Term funding sources and strategies

We manage liquidity to meet both short- and long-term cash requirements. Management limits reliance on the use of short-term wholesale funding to prudent levels.

We obtain funding through both wholesale and retail sources. Access to wholesale funding sources, and the cost of that funding, are dependent on various factors, including credit ratings. Our Deposits and Senior Debt ratings have remained unchanged throughout fiscal 2006 with the exception of an upgrade from A (high) to AA (low) by Dominion Bond Rating Service.

Strategies for managing liquidity risk include maintaining diversified sources of wholesale term funding, asset securitization initiatives, capital and subordinated debt issuance, and maintenance of segregated pools of high-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.

We have historically securitized various financial assets, including credit card receivables and 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.

Consistent with our 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. As at October 31, 2006, Canadian dollar deposits from individuals totalled $77.4 billion (2005: $71.6 billion).

Balance sheet liquid assets are summarized in the following table:

Liquid Assets

$ billions, as at October 31	**2006**	2005
Cash	**$ 0.9**	$ 0.9
Deposits with banks	**10.9**	11.0
Securities(1)	**66.8**	54.6
Securities borrowed or purchased under resale agreements	**25.4**	18.5
Total	**$ 104.0**	$ 85.0

(1) Includes investment securities with residual term to contractual maturity within one year and trading securities.

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, 2006 totalled $25.5 billion (2005: $15.2 billion). An enterprise-wide pledging policy has been implemented and includes consolidated aggregate net maximum pledge limits for financial and non-financial assets.

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.

Restrictions on flow of funds

We have certain subsidiaries that have separate regulatory capital, liquidity and funding requirements, as set by banking and securities regulators. Requirements of these entities are subject to regulatory change and can fluctuate depending on activity.

Liquidity of our major subsidiaries is continually evaluated, factoring in local 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 monitor and manage our capital and liquidity requirements across these entities to ensure that capital is used efficiently and that each entity is in continuous compliance with local regulations.

Management of Capital Resources

Our capital strength 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.

Governance

We manage capital in accordance with policies established by the Board and a Board-approved annual capital plan. The capital plan is updated and amended over the course of the year, as necessary, and senior management reports regularly to the Board regarding adequacy of capital.

Policies, procedures and standards

Our objective is to employ a strong and efficient capital base. There are three principal capital policies relating to consolidated capital: (a) capital strength, (b) capital mix, and (c) dividends and return of capital. In addition, we have a policy relating to the unconsolidated capital adequacy of regulated entities. Each policy has associated guidelines, which are monitored continuously for compliance.

The capital plan sets targets encompassing maturities, possible redemptions and new issuance, as well as known corporate initiatives and business growth, and plans for surplus capital. Actual capital adequacy is monitored continuously against the plan, and the plan is reviewed and updated throughout the year.

Capital management activities

Consistent with our policies and guidelines, we continually rebalance our capital by redeeming and refinancing preferred shares and debentures (subordinated indebtedness) and buying back common share capital that is considered in excess of our needs. Overall, the mix of capital components, apart from retained earnings, has normally not been materially different from year to year. In 2005, our retained earnings declined by $2.1 billion as a result of our Enron-related litigation provision. Our capital increased as retained earnings increased by $1.6 billion in 2006.

The following were the main capital initiatives undertaken:

Issuance

- ***Common shares:*** Pursuant to stock option plans, 2.3 million new common shares were issued for a total consideration of $112 million for the year ended October 31, 2006.
- ***Preferred shares:*** Subsequent to the year-end, on November 15, 2006, we issued 18 million Non-cumulative Class A Series 31 Preferred Shares with a par value of $25.00 each for an aggregate amount of $450 million.
- ***Subordinated indebtedness:*** On March 28, 2006, we issued $1.3 billion principal amount of 4.55% subordinated indebtedness due March 28, 2016.

Redemptions/maturities

- ***Preferred shares:*** Subsequent to the year-end, on November 3, 2006, we announced our intention to redeem on January 31, 2007, all 16 million outstanding Non-cumulative Class A Series 24 Preferred Shares at a price of $26.00 per share for an aggregate consideration of $416 million.
- ***Subordinated indebtedness:*** We redeemed the following debentures (subordinated indebtedness) in accordance with their terms plus accrued interest to the redemption date:
  - On January 31, 2006, we redeemed our $250 million 7.40% Debentures (subordinated indebtedness) due January 31, 2011;
  - On April 25, 2006, we redeemed our $250 million 8.15% Debentures (subordinated indebtedness) due April 25, 2011; and
  - On October 23, 2006, we redeemed our $250 million 7.00% Debentures (subordinated indebtedness) due October 23, 2011.

Dividends

Common and preferred share dividends are declared quarterly at the discretion of the Board. From the end of 2005, we increased our quarterly common share dividend from $0.68 per share to $0.70 per share. The declaration and payment of dividends is also governed by Section 79 of the Bank Act (Canada), as explained in Note 12 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 following table. Tier 1 capital increased by $2.0 billion during 2006, primarily due to internal capital generation. In addition, the increase in our retained earnings allowed us to bring $509 million of preferred share capital into Tier 1 capital, which had formerly been included in Tier 2 capital due to OSFI's 25% ceiling for inclusion of preferred shares in Tier 1 (see footnote 3 in the following table). Overall Tier 2 capital decreased slightly from 2005. Subordinated indebtedness increased by $493 million. Preferred shares included in Tier 2 capital decreased by $509 million. These preferred shares have now been transferred into Tier 1 capital as noted above. In addition, during the year, we reduced our general allowance for credit losses by $75 million, which had previously been included in Tier 2 capital. Including the effect of prescribed adjustments to regulatory capital, our total regulatory capital increased by $1.8 billion during 2006.

Regulatory Capital

$ millions, as at October 31	2006	2005	2004
Tier 1 capital			
Common shares(1)	**$ 3,039**	$ 2,935	$ 2,929
Contributed surplus	**70**	58	59
Foreign currency translation adjustments	**(442)**	(327)	(376)
Retained earnings	**7,268**	5,667	7,745
Non-cumulative preferred shares(2)	**2,981**	2,472	2,826
Certain non-controlling interests in subsidiaries	**1**	27	39
Goodwill	**(982)**	(946)	(1,055)
	11,935	9,886	12,167
Tier 2 capital			
Perpetual debentures	**338**	377	428
Preferred shares — other(3)	**—**	509	—
Other debentures (net of amortization)	**5,257**	4,725	3,435
General allowance for credit losses(4)	**900**	975	1,015
	6,495	6,586	4,878
Total Tier 1 and Tier 2 capital	**18,430**	16,472	17,045
Securitization-related deductions	**(124)**	(45)	(308)
Investments in unconsolidated subsidiaries and other substantial investments	**(1,723)**	(1,656)	(1,852)
Total capital available for regulatory purposes	**$ 16,583**	$14,771	$14,885

(1) Does not include net short trading positions of $6 million (2005: $17 million; 2004: $40 million) in CIBC common shares.

(2) Includes non-cumulative preferred shares totalling $600 million (2005: $600 million; 2004: $1,043 million) that are redeemable by the holders and as such, are shown as preferred share liabilities on the consolidated balance sheet.

(3) Represents the amount of non-cumulative preferred shares not included in Tier 1 capital. OSFI limits the amount of non-cumulative preferred shares that can be included in Tier 1 capital to 25% of Tier 1 capital; any excess can be included in Tier 2 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 models approved by OSFI.

Risk-weighted Assets

$ millions, as at October 31	2006 Amount	Risk-weighted amounts 2006	2005	2004
On-balance sheet assets				
Cash and deposits with banks	**$ 11,853**	**$ 884**	$ 788	$ 1,111
Securities issued or guaranteed by Canada, provinces, municipalities, OECD banks and governments	**41,101**	**125**	154	176
Other securities	**42,397**	**1,867**	3,059	2,594
Securities borrowed or purchased under resale agreements	**25,432**	**564**	551	850
Loans to or guaranteed by Canada, provinces, territories, municipalities, OECD banks and governments	**3,405**	**354**	244	199
Mortgage loans	**88,152**	**25,413**	27,939	28,430
Other loans	**54,068**	**52,923**	54,070	56,534
Acceptances	**6,291**	**5,451**	4,422	4,010
Other assets	**31,285**	**7,202**	6,886	6,649
Total on-balance sheet assets	**303,984**	**94,783**	98,113	100,553
Off-balance sheet instruments				
Credit-related arrangements				
Lines of credit	**56,000**	**7,305**	6,828	3,780
Guarantees and letters of credit	**6,368**	**2,785**	2,973	3,128
Securities lending(1)(2)	**61,593**	**220**	141	234
Other	**374**	**346**	411	541
	124,335	**10,656**	10,353	7,683
Derivatives	**1,307,950**	**5,130**	4,320	3,665
Total off-balance sheet instruments	**1,432,285**	**15,786**	14,673	11,348
Total risk-weighted assets before adjustments for market risk		**110,569**	112,786	111,901
Add: market risk for trading activity		**4,211**	3,491	4,049
Total risk-weighted assets		**$114,780**	$116,277	$115,950

(1) Includes the full contract amount of custodial client securities totalling $44.6 billion (2005: $30.3 billion) lent by CIBC Mellon Global Securities Services, which is a 50/50 joint venture between CIBC and Mellon Financial Corporation.

(2) Securities lending of $5.4 billion (2005: $2.5 billion) for cash is excluded from the table above because it is reported on the consolidated balance sheet as obligations related to securities lent or sold under repurchase agreements.

Regulatory capital ratios

Our ratios are well in excess of OSFI's minimum standards for Tier 1 and total capital ratios of 7% and 10%, respectively. The capital ratio targets presented in "Our Balanced Scorecard" section (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	**2006**	2005	2004
Tier 1 capital	**10.4%**	8.5%	10.5%
Total capital	**14.5%**	12.7%	12.8%
Assets-to-capital multiple	**18.0x**	18.4x	17.9x

Future developments

The Canadian Institute of Chartered Accountants (CICA) has introduced several changes in accounting principles in the areas of financial instruments, which will be effective from November 1, 2006 (as described in "Future Accounting Policy Changes" section). These changes are not likely to have a material impact on our capital ratios.

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 are designed to enhance risk measurement and sensitivity to on- and off-balance sheet activities. 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 appropriate enhancements to risk management and financial information systems and operations.

Outstanding Share Data

			Conversion for common shares	
	Shares outstanding			Shareholders'
As at November 30, 2006	No. of shares	$ millions	CIBC's conversion date	conversion date
Class A Preferred Shares				
Classified as liabilities				
Series 19	8,000,000	$ 200	April 30, 2008	April 30, 2013
Series 23	16,000,000	400	October 31, 2007	July 31, 2011
Total		$ 600		
Classified as equity				
Series 18	12,000,000	$ 300	not convertible	not convertible
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(1)	3,058	—(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
Series 31	18,000,000	450	not convertible	not convertible
Total		$ 2,831		
Common shares(3)	336,289,724	$ 3,065		
Stock options outstanding	8,620,142			

(1) 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 expire on the earlier of June 17, 2009 or the date the offer is withdrawn by CIBC. During the year, we repurchased 14,600 shares under this offer.

(2) Due to rounding.

(3) Net of treasury shares: 266,191, $17 million.

Certain series of Class A Preferred Shares provide CIBC, or 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 often 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 predefined 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 or credit enhancement 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 that purchases these assets should be consolidated into our financial statements. We record the transaction as a sale of assets when the recognition criteria are met and we are not considered the primary beneficiary of the VIE. 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.

Asset Securitizations

$ millions, as at or for the year ended October 31	Residential mortgages	Commercial mortgages	Credit card
2006 Outstanding securitized assets(1)	**$ 19,896**	**$ 375**	**$ 4,469**
Retained interests	**236**	**—**	**336**
Securitization revenue(2)	**100**	**7**	**408**
2005 Outstanding securitized assets	$ 17,469	$ —	$ 4,088
Retained interests	264	—	309
Securitization revenue(2)	98	2	262

(1) Residential mortgages include $1,158 million of uninsured fixed-rate mortgages securitized to a Qualifying Special Purpose Entity (QSPE).

(2) Includes gain on sale of securitized assets of $35 million (2005: $50 million).

See Note 5 to the consolidated financial statements for details on securitization transactions.

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. We are one of several underwriters that distribute securities issued by the trusts. We continue to maintain the 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. These trusts meet the criteria for a QSPE pursuant to the CICA Accounting Guideline (AcG) 12, "Transfers of Receivables," and, accordingly, we do not consolidate these trusts.

We retain some risk of loss with respect to the receivables held by the trusts to the extent of our retained interest. Our interest in the excess spread from the trusts is subordinate to the trust's obligations to the holders of its asset-based securities. The excess spread represents our participation in the residual income after all the interests and administrative expenses have been paid. As a result, excess spread absorbs losses with respect to credit card receivables before payments to the note-holders are affected. Our holding of subordinated notes also absorbs losses before payments to senior note-holders are affected.

As at October 31, 2006, total assets in the trusts were $4.5 billion (2005: $4.1 billion), all of which secured senior and subordinated notes that had been sold to investors, except for $315 million (2005: $284 million) of subordinated notes which we hold.

Residential mortgage loans

We securitize insured fixed- and variable-rate residential mortgages 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. We also enter into swap arrangements with the trusts to receive monthly principal and interest cash flows from the securitized assets and pay non-amortizing bond cash flows with fixed interest payments and principal at maturity. We also securitized uninsured fixed-rate mortgages to a QSPE which we are not required to consolidate.

Commercial mortgage loans

During the year, we also securitized certain commercial mortgages through a third-party trust that issues securities. We retained no beneficial interest in these mortgages, but we continue to service these mortgages.

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 issuance of commercial paper or other notes to investors

in a conduit's own name. 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 another form of retained interest. The conduits may obtain credit enhancement from third-party providers. We generally provide the conduit with commercial paper backstop liquidity facilities, credit enhancements, securities distribution, accounting, cash management and operations services. The liquidity facilities require us to provide funding 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 or other credit issues exist with these assets. 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 mitigate the interest rate risk within the conduit. Our interest in these derivatives is recorded at fair value in our consolidated balance sheet with changes in fair value recognized in trading revenue. 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, 2006, our maximum exposure to loss as a result of involvement with multi-seller conduits was approximately $13.7 billion (2005: $14.8 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, 2006, our maximum exposure to loss as a result of involvement with the CDOs was approximately $729 million (2005: $418 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, 2006, revenue from all of the above activities amounted to approximately $20 million (2005: $24 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 purposes. Derivatives held for trading and for ALM purposes that are not part of designated hedging relationships pursuant to the requirements of the CICA AcG-13, "Hedge Relationships" are fully recognized on-balance sheet at their estimated fair value. ALM derivatives that are part of hedging relationships and meet the requirements of AcG-13 are off-balance sheet items to the extent that they are not fully recognized at their estimated fair value.

See Note 20 to the consolidated financial statements for details on our derivative contracts and the risks associated with them. Fair value of the contracts are provided in Note 21 to the consolidated financial statements. In addition, see Note 1 to the consolidated financial statements for additional details on the accounting of both trading and ALM derivatives.

The following are the net fair values of the derivatives held by category:

Derivatives Net Fair Values

$ millions, as at October 31	**2006**	2005
Held for trading	**$ (86)**	$ 518
Held for ALM		
Economic hedges (1)	**(121)**	(336)
Accounting hedges	**(179)**	82
Total	**$ (386)**	$ 264

(1) Includes seller swaps and certain credit derivatives whose risks are managed in the context of ALM activities.

Credit-related arrangements

We enter into various commitments to meet the financing needs of clients or to facilitate international trade. These include commitments to extend credit, standby and performance letters of credit, documentary and commercial letters of credit, ALM credit derivatives written options and securities lending.

The table below summarizes our credit-related arrangements. For a detailed description of these arrangements, see Note 22 to the consolidated financial statements.

Credit-related Arrangements

$ millions, as at October 31	Contract amounts expiration per period: Less than 1 year	1-3 years	3-5 years	Over 5 years	**2006 Total**	2005 Total
Securities lending (1)(2)	$ 61,593	$ —	$ —	$ —	**$ 61,593**	$ 45,817
Unutilized credit commitments (3)	25,680	3,801	7,187	2,599	**39,267**	38,593
Backstop liquidity facilities (3)	16,376	169	18	170	**16,733**	16,654
Standby and performance letters of credit	4,640	265	526	663	**6,094**	6,529
ALM credit derivatives written options (4)	90	94	—	—	**184**	193
Documentary and commercial letters of credit	88	—	—	2	**90**	136
Other	374	—	—	—	**374**	414
	$108,841	$ 4,329	$ 7,731	$ 3,434	**$124,335**	$108,336

(1) Includes the full contract amount of custodial client securities totalling $44.6 billion (2005: $30.3 billion) lent by CIBC Mellon Global Securities Services, which is a 50/50 joint venture between CIBC and Mellon Financial Corporation.

(2) Securities lending of $5.4 billion (2005: $2.5 billion) for cash is excluded from the table above because it is reported on the consolidated balance sheet as obligations related to securities lent or sold under repurchase agreements.

(3) Includes irrevocable lines of credit totalling $45.1 billion (2005: $39.1 billion), of which $31.2 billion (2005: $28.6 billion) will expire in one year or less, and excludes personal lines of credit and credit card lines, which are revocable at our discretion at any time.

(4) Represents notional amount of ALM credit derivatives written options.

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 a third-party to pay its indebtedness when due.

For a detailed description of guarantees, see Note 22 to the consolidated financial statements.

Contractual Obligations

The following table includes aggregated information about our contractual obligations (1)(2):

$ millions, as at October 31, 2006	Less than 1 year	1-3 years	3-5 years	Over 5 years	**Total**
Subordinated indebtedness	$ —	$ —	$ —	$ 5,595	**$ 5,595**
Investment commitments (3)	355	—	—	—	**355**
Operating leases	308	506	388	1,032	**2,234**
Purchase obligations (4)(5)	575	702	104	19	**1,400**
Deposits (6)	159,839	28,978	10,079	3,995	**202,891**
Pension contributions (7)	55	—	—	—	**55**
	$161,132	$30,186	$10,571	$10,641	**$212,530**

(1) Comprises 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 sheet 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 us to cancel the agreement prior to expiration of the contract within a specific notice period. However, the amount above includes our obligations without regard to such termination clauses (unless actual notice of our intention to terminate the agreement has been communicated to the counterparty).

(5) On November 1, 2006, we amended a contract to extend an existing three year commitment to seven years, and thereby increased the purchase obligation by approximately $600 million through 2013.

(6) 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.

(7) 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 2007 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 our results of operations and financial condition. 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. 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. Observable market inputs are utilized for valuation purposes to the extent possible and appropriate. The table below summarizes our trading portfolios by valuation methodology as at October 31, 2006.

Valuation models may utilize 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

As at October 31, 2006	Trading assets		Trading liabilities	
	Securities purchased(1)	Derivatives(2)	Securities sold(3)	Derivatives(2)
Fair value(4) based on:				
Quoted market prices	97.8%	6.1%	100.0%	7.1%
Internal models with significant observable market parameters	1.1	92.4	—	90.6
Internal models with significant unobservable market parameters	1.1	1.5	—	2.3
	100.0%	100.0%	100.0%	100.0%

(1) Reflected as trading securities on the consolidated balance sheet.

(2) Included in derivative instruments market valuation on the consolidated balance sheet.

(3) Reflected as obligations related to securities sold short on the consolidated balance sheet.

(4) Inception revenue arising from notes that are accounted for on a bifurcated basis is recognized over the term of the issued notes. As at October 31, 2006, the unamortized inception revenue was $133 million. These 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 interests in securitized assets at amortized cost. They are subject to ongoing impairment reviews and are written-down 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, net.

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 consumer loan portfolios (including residential mortgages, personal loans, credit card loans and certain small business loan portfolios) for specific allowances by reference to historical ratios of write-offs to balances in arrears and to balances outstanding. Further analysis and evaluation of the allowance is performed to account for the aging of the portfolios and 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 provides for credit losses that are present in the credit portfolios, but which have not yet been specifically identified and provided for. 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 incorporates a number of factors, including the size of the portfolios, expected loss rates and relative risk profiles. Management also considers estimates of the time periods over which losses that are present would be specifically identified and a specific provision taken, their 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 historical experience. For consumer loan portfolios, expected losses are based on our historical loss rates and aggregate balances. As at October 31, 2006, our model indicated a range of outcomes for the general allowance between $597 million and $995 million. The general allowance of $900 million (2005: $975 million), which represents our best estimate of losses inherent but not specifically provided for in our loan portfolios, was selected from within the range based on a qualitative analysis of the economic environment and credit trends as well as the risk profile of the loan portfolios.

Securitizations and variable interest entities

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 payments and unscheduled prepayment rates, discount rates and other factors that influence the value of retained interests. Actual cash flows may differ significantly from those estimated by management. These estimates directly affect our calculation of gain on sale from securitizations and the rate at which retained interests are taken into income.

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 or not a securitization VIE should be consolidated into our financial statements. If the activities of the VIE are sufficiently restricted to meet the 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. To determine which VIEs require consolidation under AcG-15, we exercise judgment by identifying our variable interests and comparing them with other variable interests held by unrelated parties to determine if we are exposed to a majority of each of these entities' expected losses or expected residual returns. 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 5 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. Based on a review of our derivative and other transactions with these entities, our interests are not considered variable interests and therefore, we do not consolidate these entities.

Securitizations and VIEs affect our CIBC Retail Markets and CIBC World Markets reporting segments.

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 5 to the consolidated financial statements.

Asset impairment

Goodwill, other intangible assets and long-lived assets

As at October 31, 2006, we had goodwill of $982 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. As noted in Note 7 to the consolidated financial statements, these assets are held in all of our reporting segments. Goodwill is not amortized, but is instead subject to, at least annually, an assessment for impairment by applying a two-step fair value-based test. In the first test, the fair value of the reporting unit is compared to its book value (including goodwill). If the book value of the reporting unit exceeds the fair value, an impairment loss is then recognized pursuant to the second test to the extent that, at the reporting unit level, the carrying amount of goodwill exceeds the implied fair value of goodwill. The carrying values of our reporting units are based on economic capital models which consider various factors such as market risk, credit risk and operational risk, and are designed to produce the net book value a reporting unit would have if it was a stand-alone entity.

Acquired intangible assets are separately recognized if the benefits of the intangible assets are obtained through contractual or other legal rights, or if the intangible assets can be sold, transferred, licensed, rented, or exchanged. Determining the useful lives of intangible assets requires judgment and fact-based analysis. Intangibles with an indefinite life are not amortized but are assessed for impairment by comparing the fair value to the carrying value.

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. The fair value of the reporting units and intangible assets with an indefinite life are derived from internally 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.

As at October 31, 2006, the estimated fair value of each of our reporting units was greater than the carrying value including goodwill. The fair value estimate for any of our reporting units would have to decline by more than 20% before a detailed impairment assessment would be triggered.

Long-lived assets and other identifiable intangibles with a definite life are amortized over their estimated useful lives. These assets are tested for impairment 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 to the extent that fair value is less than the carrying value.

For further details of our goodwill and other intangible assets, see Note 7 to the consolidated financial statements.

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.

We are also 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.

As at October 31, 2006, we had available future income tax assets in excess of future income tax liabilities of $726 million before a valuation allowance of $107 million. A substantial portion (2006: $521 million; 2005: $705 million) of the future income tax asset related to 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. We also have a $128 million (2005: $131 million) future income tax asset related to capital loss carryforwards that originated from our Canadian operations. These loss carryforwards have no expiry date.

Management is required to assess whether it is more likely than not that our 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 future income tax assets and the remaining expiration period of tax loss carryforwards. 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, net of the valuation allowance, will be realized prior to their expiration.

Income tax accounting impacts all of our reporting segments. For further details of our income taxes, see Note 17 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.

Contingent liabilities impact all of our reporting segments. For further details of our contingent liabilities, see Note 22 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 that impact all of our reporting segments. 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, 2006, the net amount of the unamortized actuarial losses was $906 million (2005: $1,053 million) in respect of the pension plans and $209 million (2005: $252 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 the year, we contributed $274 million (2005: $231 million) to the pension plans, which included $140 million (2005: $114 million) above the minimum required. The long-term disability plan is funded through a health and welfare trust. During the year, there were no contributions to this trust (2005: $3 million). Effective June 1, 2004, this plan was closed to new claims. The post-retirement and other post-employment benefit plans are unfunded. We fund benefit payments as incurred. For 2006, these benefit payments totalled $25 million (2005: $15 million).

For further details of our annual pension and post-retirement expense and liability, see Note 16 to the consolidated financial statements.

For our Canadian plans, which represent more than 90% of our pension and post-retirement benefit plans, the assumptions approved by management for the 2007 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 plans. These assumptions are unchanged from 2006.

Actual experience different from that anticipated or future changes in assumptions may affect our pension and other post-retirement benefit obligations and expense. The following table outlines the potential impact of changes in certain key assumptions used in measuring the accrued benefit obligations and related expenses:

2006 Sensitivity of Key Assumptions — Employee Future Benefit Assumptions

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.

$ millions, as at October 31, 2006	Pension benefit plans		Other benefit plans	
	Obligation	Expense	Obligation	Expense
Impact of a change of 0.5% in key assumptions:				
Discount rate				
Decrease in assumption	**$ 268**	**$ 35**	**$ 67**	**$ 2**
Increase in assumption	**(240)**	**(31)**	**(51)**	**(1)**
Expected long-term rate of return on plan assets				
Decrease in assumption	**n/a**	**15**	**n/a**	**—**
Increase in assumption	**n/a**	**(15)**	**n/a**	**—**
Rate of compensation increase				
Decrease in assumption	**(66)**	**(15)**	**(1)**	**—**
Increase in assumption	**69**	**16**	**1**	**—**

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, we originate, manage and trade financial and other instruments on a routine basis while generating earnings through net interest, trading, investment and other fee income.

Types of financial and other instruments involved include deposits, securities, loans, derivatives, acceptances, repurchase agreements, subordinated debt and preferred shares. See Notes 3, 4, 9, 11, 12, 20 and 21 to the consolidated financial statements for details on these instruments. These 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 anticipating future changes in these markets.

Non-trading activities generally include the business of lending, 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 our funding needs, 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 5 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. ALM derivatives include seller swaps arising from securitizations and other derivatives used to economically hedge risk exposures on non-trading positions.

The use 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. For details on the accounting of these instruments, see Note 1 to the consolidated financial statements.

For significant assumptions made in determining the valuation of financial and other instruments, see the "Critical Accounting Policies and Estimates" section.

Accounting Developments

Changes in accounting policies

We did not adopt any new significant accounting policies during the year for the purposes of preparing our financial statements.

Future accounting policy changes

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," and under the CICA Emerging Issues Committee Abstract (EIC) 46, "Leveraged leases."

In July 2006, the Financial Accounting Standards Board (FASB) issued a FASB Staff Position (FSP) FAS 13-2, "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 SFAS 13, certain aspects of which are incorporated in the CICA EIC 46. The FSP is effective beginning November 1, 2007.

The FSP requires that a change in the estimated timing of the cash flows relating to income taxes results in a recalculation of the timing of income recognition from the leveraged lease. We currently estimate that adopting the FSP would result in an after-tax non-cash charge to opening retained earnings of between $65 million to $95 million. An amount approximating the non-cash charge would then be recognized into income over the remaining lease terms.

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 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 on the consolidated balance sheet with the exception of loans, receivables, investments classified as held to maturity and certain private equity investments, which should be measured at cost or amortized cost. Financial liabilities that are held for trading or are derivatives will be measured at fair value on the consolidated balance sheet. Other financial liabilities will be measured at amortized cost.

The new standards also establish the accounting requirements for hedges. Any hedge ineffectiveness will be recognized immediately in income.

Accumulated other comprehensive income (AOCI) will be included on the consolidated balance sheet as a separate component of the shareholders' equity.

The changes in carrying value of financial instruments and related deferred balances as a result of adopting these new standards will be recognized in opening retained earnings and in opening AOCI as at November 1, 2006. On October 18, 2006, the CICA issued an exposure draft amending the transitional provisions for adopting the new accounting standard for hedges. The transitional impact of these new standards cannot be concluded until the exposure draft is finalized.

For further details, see Note 27 to the consolidated financial statements.

Related-party Transactions

We have various processes in place to ensure that the related-party information in accordance with the Bank Act requirements is identified and reported to the Corporate Governance Committee (CGC) of the Board of Directors on a quarterly basis. The CGC has the responsibility for reviewing our policies and practices in identifying transactions with our related parties that may materially affect us, and reviewing the procedures for ensuring compliance with the Bank Act, for related-party transactions. The CGC is provided with detailed reports that reflect our compliance with Bank Act requirements.

For further details, see Note 19 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 Canadian Securities Administrators (CSA)) as at October 31, 2006, 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. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

(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.

(3) As at October 31, 2006, management assessed the effectiveness of CIBC's internal control over financial reporting and concluded that such internal control over financial reporting is effective and that 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, 2006, 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 79 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, 2006, that have materially affected, or are reasonably likely to materially affect its internal control over financial reporting.

Exhibit B.3(d): Other Pages of 2006 Annual Accountability Report incorporated in Annual Information Form

- **"CIBC Retail Markets" and "CIBC World Markets" pages 8-11**
- **"Public Accountability Statement" pages 13-29**
- **"Principal Subsidiaries" page 131**
- **"Supplementary Annual Information" pages 132-141**
- **"Governance" pages 30-33**
- **"Transfer Agent and Registrar" page 155**

CIBC Retail Markets

Strategy

CIBC Retail Markets' objective is to become the primary financial institution for our clients.

Our strategy is to develop strong relationships by meeting more of our clients' financial needs. To do this, we will extend our affluent client experience to more of our clients, continue to enhance product competitiveness and leverage our strong retail and wealth distribution channels.

We are also focused on enhancing our operational effectiveness to expand our market penetration and increase client satisfaction while positioning our business for long-term success.

Priorities

- Grow our business by building strong relationships with our clients
- Increase operational effectiveness
- Continue to improve the quality of our lending portfolio

Measures

- Client satisfaction
- Product market share
- Funds managed for clients
- Credit quality

CIBC Retail Markets comprises CIBC's retail and wealth management businesses. We provide a full range of financial products and services to almost 11 million individual and small business clients, as well as investment management services to retail and institutional clients globally. In addition, we hold a 43.7% interest in FirstCaribbean International Bank. In June 2006, we entered into an agreement to purchase Barclays Bank PLC's 43.7% share of FirstCaribbean.

Our objective is to be the primary financial institution for our clients. Our success depends on building strong relationships and on our ability to help clients achieve their financial goals.

Improving service for our clients

This year CIBC Retail Markets focused on enhancements that help us serve our clients better. As part of this, we opened nine branches offering a full range of personal, small business and financial planning services.

Enhanced online and ABM features have made banking at CIBC more convenient. Clients can now access more statement details and make additional loan payments online, while our new ABMs include express withdrawals, easier bill viewing and a deposit calculator.

Small business owners can now open accounts in all CIBC branches and we introduced a new Convenience Card feature allowing owners to assign select access rights to delegates.

Our summer promotion offered clients up to 25,000 bonus Aeroplan Miles for choosing featured day-to-day banking products. This helped to increase the number of products that clients have with CIBC.

Investor demand for our CIBC Personal Portfolio Services and Axiom portfolios contributed to strong managed solutions asset growth in the year. These results were complemented by new product launches and portfolio manager changes within our stand-alone funds, ensuring our asset management platform continued to meet the needs of our clients.

We also brought together our employee training teams to deliver a more consistent client experience across our retail businesses.

Leveraging our strength in advice

Building stronger relationships is about providing knowledgeable advice. Our leading advisory sales force, including over 2,500 IDA-licensed advisors and investment specialists, enables us to offer customized advice to all clients.

This year CIBC Imperial Service, which offers clients comprehensive branch-based advice for their banking, credit and investment needs, was expanded in five new markets.

CIBC Wood Gundy Investment Advisors provide customized investment strategies through one-on-one relationships with clients. The business was recognized for the highest client satisfaction rating among the big six bank-owned, full service investment advice providers by the research firm Corporate Insights.

CIBC Private Wealth Management offers clients customized investment management, private banking and estate planning solutions in Canada, the Caribbean and Asia.

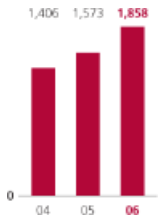
Personal bankers use the CIBC Financial HealthCheck planning tool to help personal banking clients identify their financial objectives and understand their current financial situation. Using this approach, we recommend practical solutions to help clients achieve their goals.

Through continued focus on meeting our clients' financial needs and exceeding their expectations, we will build strong, enduring relationships and deliver long-term sustainable growth.

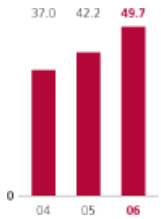
CIBC's planned acquisition of an additional 43.7% share of FirstCaribbean International Bank will enhance the strength of CIBC's retail revenues. FirstCaribbean is one of the largest regionally-listed banks in the Caribbean with over 3,400 staff, 100 branches and banking centres, and offices in 17 countries.

Operating Highlights:

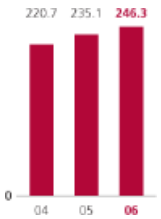
Net income after tax
($ millions)



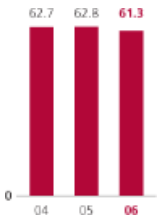
Return on equity (ROE)(1)
(%)



Total average funds managed
($ billions)



Efficiency ratio
(%)



(1) For additional information, see the "Non-GAAP Measures" section on page 37.

CIBC World Markets

Strategy

CIBC World Markets' objective is to maintain and build its strength as a leading broad-based investment bank in Canada, with a specialized focus on mid-market expertise in the U.S., and activities in Europe and Asia-Pacific.

Our strategy is to focus on growth opportunities in our core businesses, while emphasizing profitability, productivity and efficiency.

We are committed to building value through leading industry expertise, product innovation and a consistent client focus.

Priorities

- Invest in core Canadian businesses to build franchise value
- Position for improved profitability in the U.S. region
- Target emerging client groups and structured transactions for growth

Measures

- Net income
- Revenue
- Efficiency ratio
- Market share

CIBC World Markets is the wholesale and corporate 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 provide innovative capital solutions and advisory expertise across a wide range of industries as well as top-ranked research for our corporate, government and institutional clients.

Our goal is to focus on growth opportunities in our core businesses, while emphasizing profitability, productivity and efficiency in all of our activities. We are committed to building value through leading industry expertise, product innovation and a consistent client focus.

Market leadership

CIBC World Markets is a leading broad-based investment bank in Canada, with a specialized focus on mid-market expertise in the U.S., and activities in Europe and Asia-Pacific.

In 2006, our Canadian equity underwriting and M&A businesses demonstrated strength and market leadership, having advised on the greatest value and number of deals, with significant deal flow in both Canada and the U.S.

As a leader in advising and financing mining companies around the globe, CIBC World Markets continues to support Canada's mining industry. This year, we demonstrated that commitment by acting as advisor to Falconbridge Ltd. on the world's largest mining transaction at a value of $27 billion, and to Placer Dome Inc., to create the world's leading gold mining company.

CIBC World Markets continues to demonstrate market leadership in retail structured products and income trusts, as well as maintaining strength in equity underwriting in Canada. This year, we advised on two of the largest income trusts completed in Canada including advising BCE on the creation of Bell Aliant Regional Communications Income Trust, the largest Telecommunications income trust in Canada; and Petrofund Energy Trust on its merger with Penn West Energy Trust to create the largest conventional oil and gas royalty trust in North America.

Building on a strong 2005, CIBC World Markets' U.S. real estate finance business continued its success by increasing its market penetration, client base and product offerings. The group co-led four commercial mortgage-backed securities (CMBS) offerings totalling US$9.7 billion.

Our commercial banking business retained 100% of its top 50 clients from 2005, and attracted new high quality, mid-market clients by partnering with them to achieve their business and financial objectives.

At the forefront of new markets

We are committed to delivering industry leading products and services to meet the evolving needs of our clients and changing market conditions. We continue to grow in non-traditional service areas including our electronic trading capabilities and prime brokerage activities. In addition, we also broadened our client base by further expanding our equity- and commodity-linked product offerings.

During the year, we enhanced our growing leadership in the area of retail structured products through ongoing partnerships with CIBC Retail Markets and the wide distribution capabilities of the entire CIBC network.

In response to changing market opportunities, we increased our international debt origination efforts, refined our structured credit focus and aligned our distribution activities globally. In 2006, we launched our first structured investment funding vehicle in the Canadian market and partnered with CIBC's commercial mortgage division to launch ClareGold, the bank's first CMBS offering.

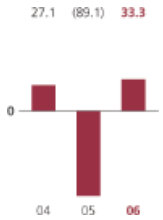
With a clear focus on delivering value to our clients, CIBC World Markets remains committed to a solid governance discipline and a strong focus on efficiency to optimize performance and capitalize on business connectivity.

Operating Highlights:

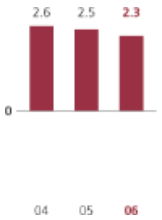
Net income (loss) after tax
($ millions)



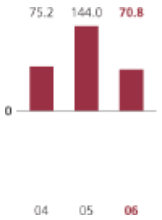
Return on equity (ROE)(1)
(%)



Total economic capital
($ billions)



Efficiency ratio (TEB)(1)
(%)



(1) For additional information, see the "Non-GAAP Measures" section on page 37.

Public Accountability Statement

Our Clients

- Almost 11 million clients, including more than 500,000 small business clients
- 1,055 branches
- 3,818 automated banking machines (ABMs), including 1,125 *Access for All* ABMs

Our Employees

- Invested approximately $56 million in training globally
- Developed five-year plan to further strengthen sustainable leadership capability
- Won award in Best Internal Program category for online orientation program

Our Communities

- Contributed more than $28 million in Canada
- The 2006 Canadian Breast Cancer Foundation CIBC Run for the Cure raised $23.4 million to fight breast cancer
- CIBC World Markets Children's Foundation raised $3.7 million for children's charities in Canada

Our Environment

- Consolidated and updated environmental credit risk policies
- Renewed our commitment to the Equator Principles
- Collaborated with key stakeholders to include biodiversity and climate change considerations in our decision-making
- Renewed commitment to green power, offsetting carbon dioxide emissions at 18 CIBC branches

This statement has been published by CIBC and the following affiliates of CIBC in Canada: CIBC World Markets Inc; CIBC Mortgages Inc.; CIBC Life Insurance Company Limited; CIBC Trust Corporation; CIBC Securities Inc.; CIBC Investor Services Inc.; CIBC Global Asset Management Inc.; CIBC Global Asset Management (USA) Inc.; CIBC Private Investment Counsel Inc.; CIBC Asset Management Inc.; CIBC BA Limited.

Our Clients

Commitment

CIBC is committed to providing affordable, accessible banking, while protecting our clients and shareholders through strong governance and oversight practices. Being the leader in client relationships includes providing products and services that address the needs of our diverse clients.

Priorities

- Provide a consistent client experience
- Protect our clients' privacy
- Resolve client issues quickly

Measures

- Client satisfaction
- Improved privacy procedures
- Resolution of client concerns escalated to the Customer Care Centre

Providing affordable, accessible banking

CIBC offers a wide range of products and services tailored to our clients' needs and preferences.

For people looking for affordable banking solutions, we offer products like the CIBC Everyday Chequing Account with a low monthly fee, a choice of several no annual fee *Visa* cards, including a new no annual fee CIBC Platinum *Visa* card, and competitive mortgage rates with the variable-rate CIBC Better Than Prime Mortgage and the fixed-rate CIBC Better Than Posted Mortgage.

President's Choice Financial (PCF), CIBC's co-venture with Loblaw Companies Limited, is a cost-effective banking alternative, accessible through in-store pavilions, ABMs, online and by phone. This year, PCF introduced a new high-interest savings account with anniversary bonus interest and no daily banking fees.

For youth and seniors, CIBC offers free banking through CIBC SmartStart Program for Kids and CIBC Advantage for Seniors. Students of any age have access to products like the CIBC Education Line of Credit and the CIBC Advantage for Students account, which offers a discounted fee. This year we also increased loan limits on the Professional Edge Student Personal Line of Credit and extended the offer to a broader group of professionals returning to school.

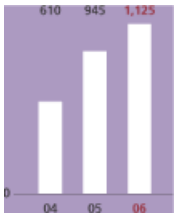
Through our Aboriginal banking team, CIBC provides access to financial services for Aboriginal clients. CIBC's seven on-reserve branches and an on-reserve agency branch also serve clients in remote locations. This year we continued to support the development of financial literacy, introducing a Personal Financial Planning program in several Aboriginal communities. CIBC invested more than $900,000 in national and local programs that support the Aboriginal community, including The National Aboriginal Achievement Foundation.

CIBC also makes every effort to staff branches in a way that reflects the language preferences of the communities we serve, including addressing the needs of the large Chinese community in Canada through our Asian banking team. In its Diversity in Canada 2006 report, Solutions Research Group Consultants Inc. ranked CIBC 2nd among all Canadian banks in serving the Chinese, South Asian and Italian communities in Canada.

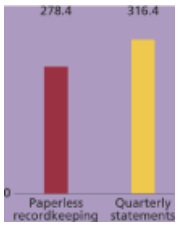
Working with partners in the mortgage insurance industry, CIBC continues to enhance programs to help newcomers to Canada. For those newcomers who may not have established a Canadian credit history and banking relationship, CIBC helps to meet their banking and borrowing needs.

CIBC is committed to making banking easier and more readily accessible for visually and hearing impaired clients, the elderly and persons with restricted mobility. We have surveyed 589 of our 1,055 branches, 370 of those in 2006, to

Access for All ABMs in Branches — 3 year trend



Client choice in recordkeeping
Client signed up as of September 30, 2006 (thousands)



CIBC's *Access for All* ABMs are installed at wheelchair accessible height and include headphone jacks for audio access; grab bars for persons with mobility impairments; and improved lighting to assist elderly and partially-sighted clients.

Chequing and savings account clients can choose to receive quarterly statements or select our paperless recordkeeping option.

understand potential physical barriers that might impact our clients' experience, including parking, building and vestibule access, main branch circulation and counter access. Most CIBC branches in our national network are now equipped with at least one CIBC *Access for All* ABM.

CIBC has one of the largest multi-channel distribution networks of the Canadian banks. We provide 24/7 access to banking services through our ABMs, online banking and telephone banking channels. This year we introduced additional online and ABM features to make it easier for clients to manage their finances remotely. For clients who prefer to have someone come to their home to discuss mortgages, we offer mortgage services through our mobile HLC Home Loans Canada sales force.

CIBC clients can access 49 mutual funds that meet sustainable performance criteria set out by the Social Investment Organization. CIBC offers the CIBC Enviro-Saver Rebate to eligible mortgage clients who have purchased an energy-efficient home or who make energy saving improvements to an existing home, resulting in a savings of 10% on their CMHC Mortgage insurance premium.

Committed to small and medium-sized businesses

Small businesses are vital to Canada's long-term economic prosperity and CIBC is committed to supporting the success of small business owners. In 2006, we conducted a study to help understand where and how our small business clients bank and how we can better serve their personal and business needs.

To make banking more accessible and convenient, small business owners can now open business accounts in all CIBC branches. We also

broadened remote services to include the ability to apply for credit by phone or online.

This year, we added a customization feature on our small business Convenience Card that allows owners to delegate select banking duties to employees. We also offer a choice of no annual fee and annual fee-based Small Business *Visa* cards with added value features and rates as low as CIBC prime plus 1.5% per year.

CIBC invests in youth through programs like the CIBC Student Entrepreneur of the Year Award, Canada's Outstanding Young Farmers Program, Junior Achievement and the Canadian 4-H Council.

We continued to strengthen sales and service delivery to agricultural clients in 2006 through our experienced team of Agricultural Banking Specialists who understand the unique financial needs of agricultural business owners.

CIBC's support of growing Canadian businesses continues. This year, CIBC Commercial Banking launched *CEO Connect*, a client-only internet site hosting articles, research, webcasts, CEO videos and best practices for executives at mid-sized Canadian organizations.

Respecting our clients

We are committed to treating our clients with respect and integrity, providing products and services in a responsible, professional manner and safeguarding our clients' personal information and privacy.

"Our Service Commitment to You", available in branches and online, outlines our commitment to ensuring we provide clients with service that exceeds their expectations, provides fee transparency, and ensures privacy protection and confidentiality. We make every effort to resolve clients' concerns quickly. We introduced enhanced standards and information for branch employees this year to better enable them to resolve concerns at the first point of contact. If a satisfactory resolution is not reached, the client is referred to a trained specialist in our Customer Care Centre or to the CIBC Ombudsman's office.

Privacy continues to be a priority at CIBC. Maintaining the confidentiality of client information is a fundamental tenet of our relationship with clients. In fiscal 2006, we updated and enhanced CIBC's "Your Privacy is Protected" brochure. The updated brochure outlines our commitment to client privacy and the steps our clients can take to safeguard the privacy and security of their personal information.

The CIBC Code of Conduct provides employees with guidelines consistent with our values of Trust, Teamwork and Accountability, clearly outlining their responsibilities towards clients.

CIBC will continue to invest in enhanced programs, procedures and training to ensure we fulfill our commitment to our clients.

For information on branch openings and closings, ABM installations and removals and listed affiliates' debt financing to firms in Canada, please refer to pages 144 to 148.

Our Employees

Members of CIBC's Black Employee Network participated in the Camp Jumoke Walk-a-thon in support of children with sickle cell anemia

Commitment

CIBC strives to create a work environment where our employees can excel and fulfill CIBC's vision of being the leader in client relationships. We are focused on supporting CIBC's business priorities and the diverse needs of our employees.

Priorities

- Creating a supportive work environment for our employees that reflects CIBC's vision, mission and values
- Maintaining a positive culture that allows our employees to perform at their best
- Attracting and building CIBC's talent and leadership pool and creating opportunities for employees to enhance their skills
- 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 (ECI) score
- Representation rates of women, visible minorities, Aboriginal peoples, and persons with disabilities in the CIBC workforce
- Percentage of employees with a scorecard in place
- Expenditure per employee on training
- New claim rates for short- and long-term disability

"Through CIBC's generous contributions, the Lesbian & Gay Community Appeal was able to support the Lesbian, Gay, Bisexual and Transgender community in the areas of education, health, social services and arts and culture. CIBC employees were instrumental in supporting our efforts to ensure the delivery of these programs."

David Brownstone, Co-Chair, Lesbian & Gay Community Appeal

Supportive employee environment

Creating a supportive work environment for our employees builds employee commitment and supports CIBC's overall performance and success. CIBC regularly measures our employee commitment through a biennial employee survey. The most recent survey was completed in 2005 and showed an increase in the employee commitment score from 68 to 72. Survey results also indicated a high level of awareness of CIBC's vision, mission and values. Our annual survey of executive values also highlighted the group's commitment to CIBC's values of trust, teamwork and accountability.

In 2006 we laid the foundation for a five-year plan to proactively develop and sustain CIBC's leadership capability. A new employee development course for the next level of leadership focused on CIBC's vision, mission and values was also launched.

CIBC is committed to building a positive and supportive environment for employees. CIBC's Code of Conduct is one of the ways we promote CIBC's values. It guarantees every employee the right to be respected, to receive fair and equitable treatment, to be free from harassment or discrimination, and to be protected from retaliation if they report a contravention of the Code. All employees are required to complete annual certification and testing on the Code.

An award-winning orientation program for all new employees was launched to ensure that employees receive a consistent orientation to CIBC and how we operate. We also introduced a new orientation module for executives. In addition, a new series of training programs for employees and managers was launched that sets expectations, supports an organizational culture of respect and trust and ensures CIBC workplaces are healthy, safe and secure.

In 2006, we invested approximately $56 million globally, or $1,500 per employee, on training including governance and regulatory compliance, client service, product knowledge and a broad range of business and technical skills.

At CIBC, employment equity is a clear priority. In 2005, CIBC achieved its representation goals for three of the four designated groups: women, visible minorities and persons with disabilities. Representation goals are based on national labour market availability rates provided by Statistics Canada for each of the designated groups. We continue our efforts to maintain our representation levels, while focusing on recruitment and retention of Aboriginal peoples to close our remaining gap.

In 2006, CIBC convened its first National Employment Equity and Diversity Congress. The Congress focused on the development of CIBC's

Senior management representation rates and goals
(as at Dec. 31, 2005)

%	**Rate**	Goal
Women	**28.5**	25.1
Visible minorities	**9.6**	8.2
Persons with disabilities	**6.4**	1.9
Aboriginal Peoples	**0.4**	2.6

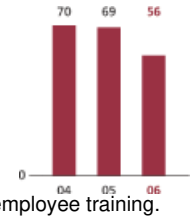
Workforce representation rates and goals
(as at Dec. 31, 2005)

%	**Rate**	Goal
Women	**68.8**	62.3
Visible minorities	**22.4**	12.9
Persons with disabilities	**4.2**	3.7
Aboriginal Peoples	**1.6**	1.9

CIBC achieved its representation goals for women, visible minorities and persons with disabilities.

next three-year (2007-2009) Employment Equity and Diversity Plan. The event included a recognition ceremony to celebrate our employees' contributions to enhancing diversity awareness and furthering diversity initiatives across CIBC. June 2006 marked CIBC's 14th Annual Diversity Month. During the month, CIBC employees organized more than 150 events including panel discussions, employee workshops, open houses and cultural festivals.

Investment in training (globally)
($ millions)



In 2006 CIBC invested approximately $56 million globally in employee training.

At the Board of Directors level, women continued to hold five of the 18 director positions. As part of our ongoing Board renewal program, we regularly assess the skills and characteristics of CIBC Board members against current and anticipated needs, enabling the Board to maintain the appropriate skill set to oversee CIBC's businesses.

A focus on performance

CIBC's Performance Management and Measurement (PMM) system uses a balanced scorecard approach including financial results, client relationships, operational efficiency, strategic priorities and key competencies to assess employee performance. The PMM process allows employees to understand and take ownership of their contribution to the achievement of business goals and is directly tied to year-end compensation through variable incentive awards.

A priority for the Senior Executive Team (SET) in 2006 was ensuring a consistent set of goals was used by the entire SET. The common goals were to:

- Support CIBC's vision, mission and values and adhere to CIBC's stated governance and regulatory environment
- Meet 2006 strategic plan
- Deliver on talent management and succession plans
- Achieve productivity goals

These goals were also used to develop scorecards for the balance of the executive group. The PMM process continues to be an important performance management tool and 80% of full- and part-time employees had written scorecards in place in 2006.

Managing performance is key to building long-term, sustainable growth for CIBC, our employees and our shareholders. The foundation of our compensation

philosophy is pay-for-performance. At CIBC, total compensation typically includes base salary and variable incentive awards, in addition to CIBC's comprehensive benefits and pension programs.

CIBC's pay-for-performance philosophy rewards individuals for results that are aligned with CIBC's overall strategy for building sustainable, long-term value. We also strive to recognize and reward our employees who consistently make outstanding contributions through our formal employee recognition program.

Health and well-being

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. CIBC is committed to providing a comprehensive range of benefits that support the overall health, wellness and long-term financial security of employees.

To assist in managing rising health care costs, CIBC advocates a smart consumer approach to employee health care. Employees are encouraged to take advantage of CIBC-negotiated discounts, discuss the use of generic drugs with their doctors and use pharmacies with lower dispensing fees to proactively manage costs for the employee and for CIBC.

CIBC also uses an innovative, preventative health care program called Wellness Checkpoint, a confidential, online assessment tool that identifies health risks and provides information on achieving a healthier lifestyle and general health resources. Launched in 2001, almost 10,000 employees have completed the Checkpoint.

CIBC's Employee Assistance Program provides employees with access to confidential counselling and professional advice to assist with a broad range of concerns.

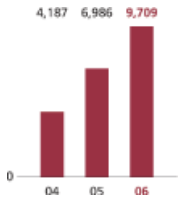
CIBC continues to lead the industry with Employment Insurance top-up benefits during maternity, parental, adoption and compassionate care leave. Approximately 64% of CIBC employees participate in the employee share purchase plan which allows employees to participate in CIBC's future growth and prosperity through investment in common shares.

In 2005, CIBC reported a Disabling Injury Incidence Rate of 0.22, which indicates the number of disabling and fatal injuries on the job, per 100 employees, in Canada.

In 2006, CIBC's group of companies paid almost $2.4 billion in salaries and benefits to our Canadian workforce. CIBC's global turnover rate for permanent employees, excluding retirees, was 15.6%. The increase from 2005 was partly a result of CIBC's productivity initiatives.

For detailed employment figures and for information on taxes paid, see page 148.

Number of employees completing assessment questionnaire on Wellness Checkpoint



Short- and long-term disability new cases/ 1,000 employees

	STD	LTD
New cases/1,000 employees	97.7	12.5

CIBC's industry-leading disability management process encourages communication between managers and employees on disability leave and facilitates their return to work.

Our Communities

2006 CIBC Youthvision Scholarship recipients — Ontario region

Commitment

As a leader in community investment, CIBC is committed to supporting causes that matter to our clients, our employees and our communities. We aim to make a difference in communities we call home through corporate donations, sponsorships and through the volunteer spirit of our employees.

Priorities

- Increase participation and funds raised through the CIBC Run for the Cure
- Promote increased awareness and participation in the CIBC World Markets Miracle Day
- Greater employee participation and total funds raised for the United Way
- Encourage employee volunteerism with community-based organizations

Measures

- Participation and funds raised for the CIBC Run for the Cure, CIBC World Markets Miracle Day and the United Way
- Number of employees who participate in the Employee as Ambassador Program
- Imagine Canada Caring Company designation
- External rankings for corporate citizenship/philanthropy

" CIBC's partnership with the Canadian Breast Cancer Foundation is exemplary. This is not just a unique relationship, but a *model* relationship. CIBC's dedication to our mission and vision, its passion and commitment to the cause and the employee spirit have helped make the Canadian Breast Cancer Foundation CIBC Run for the Cure one of the country's most prestigious events in support of breast cancer research, education and awareness."

George Habib, Executive Director, Canadian Breast Cancer Foundation

Making a difference

In 2006, the CIBC group of companies contributed more than $36 million globally to charitable and non-profit initiatives. Of this, $28 million was invested in Canada, including more than $21 million in charitable donations, supporting a wide variety of national, regional and local organizations, with a strategic focus on youth, education and health. To see examples of CIBC's contributions to community organizations by province, see page 149. For information on taxes paid in Canada, see page 148.

CIBC Youthvision

Funding initiatives aimed at helping young people achieve their full potential is a priority of our community investment program. In 2006, we contributed more than $11 million toward this goal. CIBC funds hundreds of initiatives that support education, mentoring, skills development, financial literacy training, nutrition and health, anti-bullying, youth shelters and programs for young people with physical, emotional and intellectual disabilities.

CIBC Youthvision Scholarship Program

CIBC supports the education of young people with a multi-year commitment of $7.5 million to fund scholarships and internships through a unique partnership with Big Brothers Big Sisters of Canada and YMCA Canada. Thirty scholarships, valued at up to $34,000 each, are awarded annually to Grade 10 students enrolled in mentoring programs with these two community partners. In addition to tuition support, recipients may participate in summer internships at YMCA agencies across the country after completing Grade 11. Since its inception, 240 scholarships have been awarded across Canada.

CIBC World Markets Children's Foundation

On the first Wednesday of December every year, CIBC World Markets sales and trading professionals and CIBC Wood Gundy Investment Advisors in Canada and around the world help create miracles for children. On this day, fees and commissions are donated to children's charities. On December 7th, 2005, CIBC World Markets Miracle Day raised $10.5 million globally, including $3.7 million in Canada. Since 1984, Miracle Day has raised over $168 million to benefit children's charities in our communities around the world.

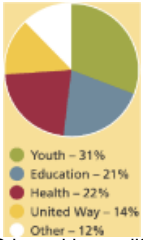
This year, the CIBC World Markets Children's Foundation announced a major investment in children's mental health. Four organizations working in the field of children's mental health were selected to receive grants totaling $465,000.

Contributions in Canada
($ millions)



As a designated Imagine Caring Company, CIBC consistently exceeds the target of 1% of pre-tax profits — the benchmark for corporate giving established by Imagine Canada.

Charitable donations by category in Canada



With a strategic focus on youth, education and health, CIBC is making a difference in communities where our clients and employees live and work.

Education

With a strategic focus on education, CIBC contributes millions of dollars each year to organizations and programs that will make a difference in helping young people fulfill their dreams. CIBC's multi-year commitments to universities and colleges across Canada total $20 million. Of this, more than $6 million is directed to bursaries and scholarships to enable students to pursue post-secondary education.

CIBC contributes $100,000 each year to the National Aboriginal Achievement Foundation for bursaries and scholarships in post-secondary education. The purpose is to meet the financial needs of First Nations, Inuit and Métis students in their pursuit of excellence in all academic disciplines.

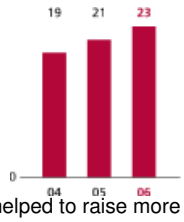
Health

CIBC contributes to organizations that promote the health and well-being of Canadians. We have multi-year commitments of more than $17 million to hospitals and health research facilities across Canada. Many of our contributions in health care fund the research and treatment of breast cancer.

Canadian Breast Cancer Foundation
CIBC Run for the Cure

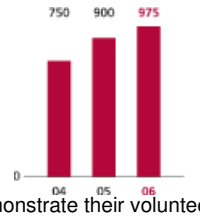
Now in its tenth year as title sponsor, the Canadian Breast Cancer Foundation CIBC Run for the Cure is our flagship event. On October 1st, 2006, $23.4 million was raised in 50 communities, by more than 170,000 people dedicated to creating a

CIBC Run for the Cure
funds raised
($ millions)



Over the past 15 years, the CIBC Run for the Cure has helped to raise more than $100 million with the aim of creating a future without breast cancer.

Employee as Ambassador
Program participation
(# of participants)



Year over year, more CIBC employees and retirees demonstrate their volunteer spirit in the communities where they live and work.

world without breast cancer. The CIBC Run for the Cure is the largest, one-day fundraising event in Canada and we take great pride in the contribution our employees have made to this important cause over the past 15 years.

Close to 10,000 people participated on Team CIBC in 2006, raising $2.7 million. In addition to their fundraising achievements, we are very proud of the CIBC employees who volunteer as local branch and Run champions, manage the on-site collection of registration fees and serve as local Run Directors in 16 of the 50 communities across Canada.

This year, the Canadian Breast Cancer Foundation CIBC Run for the Cure was presented with the Imagine Canada Community Partnership Award in recognition of its outstanding efforts in uniting communities in the fight against breast cancer. Imagine Canada is a national organization that champions corporate citizenship and encourages partnerships between charities, not-for-profit organizations and corporations to strengthen Canadian communities.

Employee as Ambassador Program

CIBC encourages volunteerism among its employees and retirees and supports their commitment to local activities through the Employee as Ambassador Program. Through this initiative, CIBC will donate up to $1,000 to charitable and not-for-profit community organizations where employees contribute their time and expertise. In 2006, 975 employees and retirees participated in this program, resulting in contributions of more than $575,000.

United Way

As a leader in community investment, CIBC has a long tradition of supporting United Way agencies across the country. In 2005, in addition to corporate contributions of approximately $2.7 million, over $4.8 million was raised by employees and retirees who make personal contributions and champion fundraising activities throughout the year. The combined total of $7.5 million was contributed to 124 United Way agencies across Canada.

The 2006 CIBC United Way campaign theme was “Not all heroes wear capes,” to acknowledge the tremendous contribution our employees continue to make through their fundraising and volunteer efforts in support of local United Way agencies.

Our Environment

Commitment

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

- Strengthening our framework for environmental reviews in lending activities
- Understanding the implications of climate change
- Demonstrating environmental responsibility in our operations
- Researching best practices in biodiversity protection

Measures

- Update all environmental credit risk standards and procedures and re-adopt the Equator Principles
- Complete a study on the portfolio impacts of climate change
- Monitor and report on our key environmental performance indicators
- Collaborate with stakeholders on a strategy to consider biodiversity issues where appropriate

" CIBC has recognized the need for conservation and sustainable development of Canada's boreal forest. We applaud CIBC's leadership and willingness to work with a wide range of stakeholders to understand environmental risks while seeking opportunities to adapt business practices accordingly. The future of Canada's boreal forest depends on such constructive and innovative attitude from all sectors."

Larry Innes, Acting Director, Canadian Boreal Initiative

Demonstrating our commitment to the environment

CIBC is proud of its longstanding history of integrating environmental management into business activities. Our Environmental Risk Management (ERM) group is responsible for oversight of environmental issues across the organization, while our Real Estate group manages programs and initiatives to operate our branches and offices in an environmentally-conscious manner. The Environmental Management Committee, made up of several business and functional units, works to ensure that material environmental issues associated with CIBC's operations are addressed.

CIBC participates in a variety of national and international environmental associations. We presently chair the North American Task Force of the United Nations Environment Programme's Finance Initiative (UNEP FI) and are active members of the Canadian Bankers Association Environmental Issues Specialist Group and the Environmental Bankers Association.

We promote environmental awareness among our employees and clients through our "CIBC and the Environment" website, as well as information sessions and events. For example, in 2006, we held an Earth Week celebration in downtown Toronto and hosted a UNEP FI workshop on Environmental Risk Management, attended by 45 bankers from around the world.

Updating our credit standards and procedures

CIBC's environmental risk management standards and procedures apply to all lending to small business, mid-market and large corporate sectors. In 2006, we updated our environmental risk management standards and procedures to make them easier for our clients, business managers and risk managers to understand and apply. As part of this update, we added climate change and biodiversity issues to the assessment process.

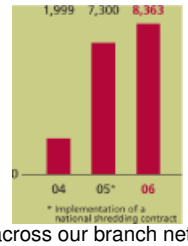
This year, CIBC was involved in the review and update of the Equator Principles, a framework for social and environmental review in project finance that we first adopted in 2003. CIBC renewed our commitment to the Equator Principles in July 2006. Since then, we have held several information sessions for our lenders and risk managers to review the Principles and their implementation. No new project finance, to which the Equator Principles would apply, was undertaken in 2006.

Responding to climate change

CIBC is establishing a Carbon Management Program to help address the challenges of climate change. Our focus has been on monitoring our carbon dioxide emissions, implementing energy efficiency improvements within our facilities and purchasing green power.

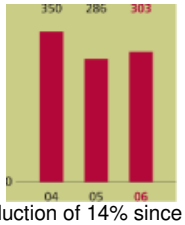
In 2006, we studied how climate change policy

Paper recycling
(tonnes)



In 2006, 8,363 tonnes of paper products were recycled across our branch network and office buildings.

Water consumption
(millions of litres)



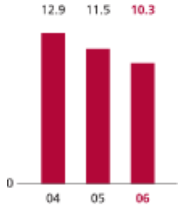
In 2006, CIBC consumed 303 million litres of water, a reduction of 14% since 2004.

in Canada might affect our clients and CIBC's loan portfolio. Based on our findings, we are developing carbon risk assessment tools and raising awareness regarding risks and opportunities associated with climate change and carbon markets.

CIBC is both a signatory to and participant in the Carbon Disclosure Project's fourth information request (CDP4). The CDP4, which represents a group of 225 institutional investors with $31 trillion in assets under management, assesses how the largest companies in the world manage climate change issues. CIBC's score of 75 was the highest among all banks in the Americas, based on the assessment in the CDP4 report. CIBC also played an advisory role in the CDP Canada initiative to promote enhanced corporate disclosure on climate change among TSX-listed companies.

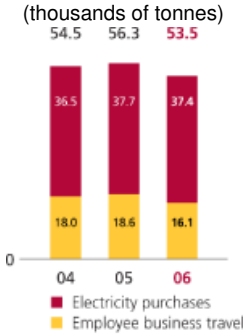
CIBC is one of the largest purchasers of green power among the Canadian financial institutions. From 2003 to 2005, CIBC purchased 6,000 MWh (megawatt hours) of Evergreen Energy Green Power from Ontario Power Generation, which offset approximately 5,400 tonnes of carbon dioxide. In 2006, we entered into an agreement with BC Hydro to purchase approximately 2,100 MWh per year of Green Power Certificates for the next two years, which will offset approximately 1,500 tonnes of carbon dioxide.

Direct CO_2 emissions(1)
(thousands of tonnes)



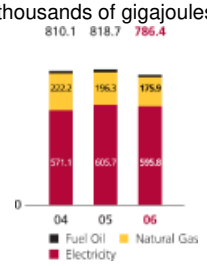
Carbon dioxide emissions from the combustion of natural gas and fuel oil decreased by 20% since 2004.

Indirect CO_2 emissions(1)
(thousands of tonnes)



Carbon dioxide emissions from employee business travel and electricity purchases decreased by 2% since 2004.

Energy consumption
(thousands of gigajoules)



In 2006, CIBC consumed 786.4 thousand gigajoules (GJ) of energy, a reduction of 3% since 2004.

(1) All values for direct and indirect CO_2 emissions have been restated to reflect the GHG Protocol Initiative. For indirect CO_2 emissions, Environment Canada's.

Annex A: Interim Guidance on Performance Measures for GHG Emissions has also been used.

Raising our environmental standards

Within our retail branch network, energy efficiency and sustainability are key drivers in the selection of everything from lighting to window blinds. In 2006, we pilot tested lighting technology which could reduce energy use by 3% in our branches. We have also installed daylight sensors for ABM lobby lighting and timers for exterior signage to optimize energy savings.

For the third consecutive year, waste audits were carried out at 50 CIBC branches. Total solid waste generated by the branch network in 2006 was an estimated 1,182 tonnes, compared to 1,400 tonnes in 2005. This reduction is associated with a more robust national shredding program, implemented in 2005.

We also conduct environmental site inspections at our branches in order to identify and remediate, where necessary, hazardous materials and environmental risks within our branch network. This program began in 2005, and to date, we have inspected 651 properties across Canada, including 291 in 2006.

In consultation with external stakeholders, CIBC is in the process of formalizing its Environmentally Responsible Procurement Standard. As part of our supplier selection process, we incorporate environmental criteria — including energy efficiency, packaging, recyclability, and product end-of-life options — into our standard request for proposal. Environmental measures are weighted along with other criteria, and factored into the final selection decision. Our chosen suppliers are monitored on an ongoing basis to ensure that they maintain or improve their environmental performance over time.

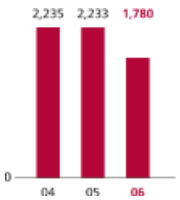
In an ongoing effort to reduce waste while maximizing efficiencies, CIBC reuses office equipment and furniture wherever feasible. In 2006, approximately 5,376 pieces of surplus furniture were refurbished and redeployed. In addition, the use of black remanufactured toner cartridges was introduced to the procurement process mandate. CIBC is a founding member and the largest corporate supporter of Industry Canada's Computers for Schools program. Since 1993, we have donated more than 14,300 computers. This year, we donated 528 computers to the program.

Safeguarding Canada's boreal forest

In consultation with the Canadian Boreal Initiative, the Forest Stewardship Council (FSC) and several industry associations, CIBC is researching how we may be able to contribute to the preservation of Canada's boreal forest through our policies and practices. We are enhancing our lending standards and procedures by integrating certain principles of biodiversity into the environmental credit risk assessment process. CIBC has also committed to use FSC-certified paper in our 2006 Annual Accountability Report which means that the wood fibre used in this report comes from forests that are managed in an environmentally and socially responsible manner.

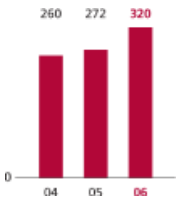
Together with several Canadian banks, and with the support of Environment Canada, CIBC has initiated a study to examine policy options for Canadian banks wishing to integrate boreal forest considerations into lending, procurement and other bank activities. This study will be completed in 2007.

Paper purchases
(tonnes)



CIBC's paper purchases decreased from 2,235 tonnes in 2004 to 1,780 tonnes in 2006.

Environmental risk assessment
(# of enquiries)



Environmental risk evaluations are fully integrated into CIBC's credit assessment processes.

Principal Subsidiaries

Unaudited, $ millions, as at October 31, 2006

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	286
CIBC Asset Management Inc.	Toronto, Ontario, Canada	
CIBC BA Limited	Toronto, Ontario, Canada	[4]
CIBC Global Asset Management Inc.	Montreal, Quebec, Canada	301
CIBC Global Asset Management (Cayman) Limited	George Town, Cayman Islands	
CIBC Global Asset Management (USA) Ltd.	Montreal, Quebec, Canada	
CIBC Global Asset Management International Inc.	New York, NY, U.S.A.	
CIBC Private Investment Counsel Inc.	Toronto, Ontario, Canada	
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	311
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 Capital Corporation	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 Ltd. (49%)[7]	Toronto, Ontario, Canada	
CIBC WM Real Estate (Quebec) Ltd.	Montreal, Quebec, Canada	
CIBC Wood Gundy Financial Services Inc.	Toronto, Ontario, Canada	
CIBC Wood Gundy Financial Services (Quebec) Inc.	Montreal, Quebec, Canada	
INTRIA Items Inc.	Mississauga, Ontario, Canada	100
CIBC Capital Funding III, L.P.	New York, NY, U.S.A.	106
CIBC Holdings (Cayman) Limited	George Town, Cayman Islands	5,881
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 WM International 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][8]	St. Michael, Barbados	6,710
CIBC Australia Holdings Limited	Sydney, New South Wales, Australia	19
CIBC Australia Limited	Sydney, New South Wales, Australia	
CIBC World Markets (Japan) Inc.	Tokyo, Japan	39
CIBC Asia Limited	Singapore City, Singapore	7
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., CIBC Delaware Holdings Inc., CIBC World Markets Corp., Canadian Imperial Holdings Inc., CIBC Capital Corporation and CIBC 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 $3.5 billion of shares of CIBC Delaware Holdings Inc.

(7) The remaining 51% of the voting shares are held by an officer of CIBC. On November 1, 2006, CIBC World Markets Inc., a wholly owned subsidiary of CIBC purchased the remaining outstanding voting shares.

(8) Includes $6.5 billion representing 100% of non-voting shares which are indirectly held through certain subsidiaries.

Average Balance Sheet, Net Interest Income and Margin

Unaudited, $ millions, for the year ended October 31	Average balance			Interest			Average rate		
	2006	2005(1)	2004(1)	**2006**	2005(1)	2004(1)	**2006**	2005(1)	2004(1)
Domestic assets(2)									
Cash and deposits with banks	**$ 2,022**	$ 1,888	$ 1,724	**$ 26**	$ 12	$ 10	**1.29%**	0.64%	0.58%
Securities Investment	**11,731**	5,930	6,567	**482**	261	265	**4.11**	4.40	4.04
Trading	**33,822**	31,895	26,288	**1,059**	903	748	**3.13**	2.83	2.85
Securities borrowed or purchased under resale agreements	**14,935**	13,008	12,124	**579**	322	277	**3.88**	2.48	2.28
Loans Residential mortgages	**78,054**	74,794	70,062	**3,902**	3,261	3,131	**5.00**	4.36	4.47
Personal and credit card	**33,388**	33,835	32,948	**2,555**	2,509	2,507	**7.65**	7.42	7.61
Business and government	**21,476**	22,570	22,881	**1,450**	1,337	1,355	**6.75**	5.92	5.92
Total loans	**132,918**	131,199	125,891	**7,907**	7,107	6,993	**5.95**	5.42	5.55
Other interest-bearing assets	**410**	400	366	**67**	56	97	**16.34**	14.00	26.50
Derivative instruments market valuation	**8,574**	8,036	7,443	**—**	—	—	**—**	—	—
Customers' liability under acceptances	**6,088**	5,108	4,922	**—**	—	—	**—**	—	—
Other non-interest-bearing assets	**8,995**	9,388	8,622	**—**	—	—	**—**	—	—
Total domestic assets	**219,495**	206,852	193,947	**10,120**	8,661	8,390	**4.61**	4.19	4.33
Foreign assets(2)									
Cash and deposits with banks	**9,722**	11,066	9,773	**404**	324	142	**4.16**	2.93	1.45
Securities Investment	**7,552**	8,639	10,686	**341**	362	439	**4.52**	4.19	4.11
Trading	**26,103**	26,102	26,948	**863**	647	509	**3.31**	2.48	1.89
Securities borrowed or purchased under resale agreements	**5,981**	8,174	8,343	**989**	785	247	**16.54**	9.60	2.96
Loans Residential mortgages	**8**	8	12	**—**	—	1	**—**	—	8.33
Personal and credit card	**527**	666	927	**22**	23	31	**4.17**	3.45	3.34
Business and government	**7,547**	7,954	8,223	**484**	415	388	**6.41**	5.22	4.72
Total loans	**8,082**	8,628	9,162	**506**	438	420	**6.26**	5.08	4.58
Other interest-bearing assets	**407**	692	966	**46**	39	41	**11.30**	5.64	4.24
Derivative instruments market valuation	**9,845**	14,549	16,270	**—**	—	—	**—**	—	—
Other non-interest-bearing assets	**4,090**	4,143	4,715	**—**	—	—	**—**	—	—
Total foreign assets	**71,782**	81,993	86,863	**3,149**	2,595	1,798	**4.39**	3.16	2.07
Total assets	**$291,277**	$288,845	$280,810	**$13,269**	$11,256	$10,188	**4.56%**	3.90%	3.63%
Domestic liabilities(2)									
Deposits Personal	**$ 75,351**	$ 71,835	$ 68,481	**$ 1,555**	$ 1,217	$ 1,238	**2.06%**	1.69%	1.81%
Business and government	**67,015**	67,476	58,690	**2,107**	1,547	1,141	**3.14**	2.29	1.94
Bank	**793**	872	525	**22**	16	9	**2.77**	1.83	1.71
Total deposits	**143,159**	140,183	127,696	**3,684**	2,780	2,388	**2.57**	1.98	1.87
Derivative instruments market valuation	**8,411**	8,095	7,144	**—**	—	—	**—**	—	—
Acceptances	**6,088**	5,109	4,923	**—**	—	—	**—**	—	—
Obligations related to securities sold short	**11,383**	10,790	8,039	**444**	375	270	**3.90**	3.48	3.36
Obligations related to securities lent or sold under repurchase agreements	**14,194**	8,161	7,482	**569**	218	190	**4.01**	2.67	2.54
Other liabilities	**10,246**	10,189	9,116	**127**	—	71	**1.24**	—	0.78
Subordinated indebtedness	**4,822**	3,279	2,691	**261**	214	198	**5.41**	6.53	7.36
Preferred share liabilities	**600**	963	1,631	**31**	66	108	**5.17**	6.85	6.62
Non-controlling interests	**12**	386	18	**—**	—	—	**—**	—	—
Total domestic liabilities	**198,915**	187,155	168,740	**5,116**	3,653	3,225	**2.57**	1.95	1.91
Foreign liabilities(2)									
Deposits Personal	**2,171**	2,246	2,747	**77**	48	42	**3.55**	2.14	1.53
Business and government	**40,738**	41,875	50,321	**1,911**	1,255	775	**4.69**	3.00	1.54
Bank	**11,211**	10,171	10,711	**433**	263	186	**3.86**	2.59	1.74
Total deposits	**54,120**	54,292	63,779	**2,421**	1,566	1,003	**4.47**	2.88	1.57
Derivative instruments market valuation	**9,657**	14,658	15,616	**—**	—	—	**—**	—	—
Obligations related to securities sold short	**3,996**	4,996	5,253	**97**	93	102	**2.43**	1.86	1.94
Obligations related to securities lent or sold under repurchase agreements	**8,432**	9,263	11,031	**1,100**	794	263	**13.05**	8.57	2.38
Other liabilities	**3,661**	5,059	3,185	**61**	188	323	**1.67**	3.72	10.14
Subordinated indebtedness	**693**	777	868	**39**	25	14	**5.63**	3.22	1.61
Non-controlling interests	**407**	609	6	**—**	—	—	**—**	—	—
Total foreign liabilities	**80,966**	89,654	99,738	**3,718**	2,666	1,705	**4.59**	2.99	1.71
Total liabilities	**279,881**	276,809	268,478	**8,834**	6,319	4,930	**3.16**	2.28	1.84
Shareholders' equity	**11,396**	12,036	12,332	**—**	—	—	**—**	—	—
Total liabilities and shareholders' equity	**$291,277**	$288,845	$280,810	**$ 8,834**	$ 6,319	$ 4,930	**3.03%**	2.19%	1.76%
Net interest income and margin				**$ 4,435**	$ 4,937	$ 5,258	**1.52%**	1.71%	1.87%
Additional disclosures:									
Non-interest-bearing deposit liabilities									
Domestic	**$ 20,960**	$ 20,424	$ 9,699						
Foreign	**$ 988**	$ 922	$ 769						

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2006.

(2) Classification as domestic or foreign is based on domicile of debtor or customer.

Volume/Rate Analysis of Changes in Net Interest Income

Unaudited, $ millions	2006/2005			2005/2004(1)		
	Increase (decrease) due to change in:			Increase (decrease) due to change in:		
	Average balance	**Average rate**	**Total**	Average balance	Average rate	Total
Domestic assets(2)						
Cash and deposits with banks	**$ 1**	**$ 13**	**$ 14**	$ 1	$ 1	$ 2
Securities Investment	**255**	**(34)**	**221**	(26)	22	(4)
Trading	**55**	**101**	**156**	160	(5)	155
Securities borrowed or purchased under resale agreements	**48**	**209**	**257**	20	25	45
Loans Residential mortgages	**142**	**499**	**641**	211	(81)	130
Personal and credit card	**(33)**	**79**	**46**	67	(65)	2
Business and government	**(65)**	**178**	**113**	(18)	—	(18)
Total loans	**44**	**756**	**800**	260	(146)	114
Other interest-bearing assets	**1**	**10**	**11**	9	(50)	(41)
Change in domestic interest income	**404**	**1,055**	**1,459**	424	(153)	271
Foreign assets(2)						
Cash and deposits with banks	**(39)**	**119**	**80**	19	163	182
Securities Investment	**(46)**	**25**	**(21)**	(84)	7	(77)
Trading	**—**	**216**	**216**	(16)	154	138
Securities borrowed or purchased under resale agreements	**(211)**	**415**	**204**	(5)	543	538
Loans Residential mortgages	**—**	**—**	**—**	—	(1)	(1)
Personal and credit card	**(5)**	**4**	**(1)**	(9)	1	(8)
Business and government	**(21)**	**90**	**69**	(13)	40	27
Total loans	**(26)**	**94**	**68**	(22)	40	18
Other interest-bearing assets	**(16)**	**23**	**7**	(12)	10	(2)
Change in foreign interest income	**(338)**	**892**	**554**	(120)	917	797
Total change in interest income	**$ 66**	**$ 1,947**	**$ 2,013**	$ 304	$ 764	$ 1,068
Domestic liabilities(2)						
Deposits Personal	**$ 60**	**$ 278**	**$ 338**	$ 61	$ (82)	$ (21)
Business and government	**(11)**	**571**	**560**	171	235	406
Bank	**(1)**	**7**	**6**	6	1	7
Total deposits	**48**	**856**	**904**	238	154	392
Obligations related to securities sold short	**21**	**48**	**69**	92	13	105
Obligations related to securities lent or sold under repurchase agreements	**161**	**190**	**351**	17	11	28
Other liabilities	**—**	**127**	**127**	8	(79)	(71)
Subordinated indebtedness	**101**	**(54)**	**47**	43	(27)	16
Preferred share liabilities	**(25)**	**(10)**	**(35)**	(44)	2	(42)
Change in domestic interest expense	**306**	**1,157**	**1,463**	354	74	428
Foreign liabilities(2)						
Deposits Personal	**(2)**	**31**	**29**	(8)	14	6
Business and government	**(34)**	**690**	**656**	(130)	610	480
Bank	**27**	**143**	**170**	(9)	86	77
Total deposits	**(9)**	**864**	**855**	(147)	710	563
Obligations related to securities sold short	**(19)**	**23**	**4**	(5)	(4)	(9)
Obligations related to securities lent or sold under repurchase agreements	**(71)**	**377**	**306**	(42)	573	531
Other liabilities	**(52)**	**(75)**	**(127)**	190	(325)	(135)
Subordinated indebtedness	**(3)**	**17**	**14**	(1)	12	11
Change in foreign interest expense	**(154)**	**1,206**	**1,052**	(5)	966	961
Total change in interest expense	**$ 152**	**$ 2,363**	**$ 2,515**	$ 349	$ 1,040	$ 1,389
Change in total net interest income	**$ (86)**	**$ (416)**	**$ (502)**	$ (45)	$ (276)	$ (321)

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2006.

(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	**2006**	2005	2004	2003	2002	**2006**	2005	2004	2003	2002
Residential mortgages	**$ 81,326**	$ 77,172	$ 72,543	$ 69,955	$ 66,251	**$ 4**	$ 7	$ 10	$ 14	$ 321
Student	**1,284**	1,575	2,089	2,600	2,960	**—**	—	—	—	—
Personal	**25,731**	25,545	23,145	19,754	17,656	**252**	298	283	314	1,803
Credit card	**7,027**	6,429	8,098	8,844	7,194	**19**	19	249	246	278
Total consumer loans	**115,368**	110,721	105,875	101,153	94,061	**275**	324	542	574	2,402
Non-residential mortgages	**5,018**	5,300	5,025	4,515	3,821	**1,822**	1,404	—	—	—
Financial institutions	**1,901**	1,498	1,829	2,018	2,143	**307**	403	620	938	1,120
Retail	**2,044**	2,092	2,229	2,239	2,165	**121**	166	96	124	298
Business services	**3,277**	3,501	3,397	3,566	3,574	**263**	503	280	550	1,238
Manufacturing, capital goods	**957**	948	1,201	1,518	1,595	**142**	310	240	348	797
Manufacturing, consumer goods	**1,102**	1,420	1,512	1,737	1,863	**143**	209	294	157	559
Real estate and construction	**2,494**	2,569	2,358	2,101	2,135	**906**	708	1,809	1,709	2,121
Agriculture	**2,911**	3,409	4,085	4,232	4,177	**6**	8	35	22	—
Oil and gas	**3,100**	2,197	2,067	1,878	2,784	**103**	112	128	272	605
Mining	**215**	147	134	341	507	**5**	8	25	35	73
Forest products	**476**	456	346	537	559	**58**	36	10	89	356
Hardware and software	**257**	216	290	237	187	**57**	37	90	215	126
Telecommunications and cable	**419**	338	305	442	872	**119**	398	123	323	1,144
Publishing, printing and broadcasting	**703**	551	285	439	613	**12**	29	85	213	362
Transportation	**633**	584	643	828	1,063	**489**	499	472	506	667
Utilities	**277**	305	323	331	490	**79**	86	99	195	1,562
Education, health and social services	**1,214**	1,276	1,334	1,284	1,280	**70**	432	62	63	162
Governments	**901**	691	758	832	836	**—**	12	11	12	13
General allowance allocated to business and government loans	**(260)**	(298)	(346)	(315)	(414)	**(101)**	(159)	(125)	(238)	(333)
Total business and government loans including acceptances	**27,639**	27,200	27,775	28,760	30,250	**4,601**	5,201	4,354	5,533	10,870
Total net loans and acceptances	**$ 143,007**	$ 137,921	$ 133,650	$ 129,913	$ 124,311	**$ 4,876**	$ 5,525	$ 4,896	$ 6,107	$ 13,272

(1) Classification by country is based on domicile of debtor or customer.

Summary of Allowance for Credit Losses

Unaudited, $ millions, as at or for the year ended October 31	**2006**	2005	2004	2003	2002
Balance at beginning of year	**$ 1,638**	$ 1,828	$ 1,956	$ 2,289	$ 2,295
Provision for credit losses	**548**	706	628	1,143	1,500
Write-offs					
Domestic					
Residential mortgages	**12**	7	3	6	6
Student	**27**	40	77	108	145
Personal and credit card	**648**	698	662	560	430
Other business and government	**156**	171	157	295	183
Foreign					
Personal and credit card	**—**	1	12	22	20
Other business and government	**23**	84	49	321	921
Total write-offs	**866**	1,001	960	1,312	1,705
Recoveries					
Domestic					
Student	**3**	5	18	36	63
Personal and credit card	**65**	78	88	72	60
Other business and government	**14**	19	20	12	30
Foreign					
Personal and credit card	**—**	—	—	—	2
Other business and government	**36**	22	89	62	62
Total recoveries	**118**	124	215	182	217
Net write-offs	**748**	877	745	1,130	1,488
Transfer to loans held for sale	**—**	—	—	(292)	—
Foreign exchange and other adjustments	**6**	(19)	(11)	(54)	(18)
Balance at end of year	**$ 1,444**	$ 1,638	$ 1,828	$ 1,956	$ 2,289
Comprised of:					
Loans	**$ 1,442**	$ 1,636	$ 1,825	$ 1,952	$ 2,288
Letters of credit	**2**	2	2	1	1
Loans substitute securities	**—**	—	1	3	—
Ratio of net write-offs during year to average loans outstanding during year	**0.53%**	0.63%	0.55%	0.83%	1.10%

Analysis of Net Loans and Acceptances (continued)

				Other[1]						Total
Unaudited, $ millions, as at October 31	**2006**	2005	2004	2003	2002	**2006**	2005	2004	2003	2002
Residential mortgages	**$ 3**	$ —	$ —	$ —	$ —	**$ 81,333**	$ 77,179	$ 72,553	$ 69,969	$ 66,572
Student	**—**	—	—	—	—	**1,284**	1,575	2,089	2,600	2,960
Personal	**160**	169	272	209	192	**26,143**	26,012	23,700	20,277	19,651
Credit card	**—**	—	—	—	—	**7,046**	6,448	8,347	9,090	7,472
Total consumer loans	**163**	169	272	209	192	**115,806**	111,214	106,689	101,936	96,655
Non-residential mortgages	**—**	—	5	9	15	**6,840**	6,704	5,030	4,524	3,836
Financial institutions	**1,570**	1,173	1,198	783	866	**3,778**	3,074	3,647	3,739	4,129
Retail	**164**	91	38	101	64	**2,329**	2,349	2,363	2,464	2,527
Business services	**281**	298	403	448	692	**3,821**	4,302	4,080	4,564	5,504
Manufacturing, capital goods	**177**	779	369	142	167	**1,276**	2,037	1,810	2,008	2,559
Manufacturing, consumer goods	**110**	47	58	9	109	**1,355**	1,676	1,864	1,903	2,531
Real estate and construction	**23**	26	7	18	69	**3,423**	3,303	4,174	3,828	4,325
Agriculture	**—**	—	—	1	—	**2,917**	3,417	4,120	4,255	4,177
Oil and gas	**12**	27	70	40	96	**3,215**	2,336	2,265	2,190	3,485
Mining	**39**	26	66	130	264	**259**	181	225	506	844
Forest products	**98**	73	76	86	116	**632**	565	432	712	1,031
Hardware and software	**41**	20	28	5	59	**355**	273	408	457	372
Telecommunications and cable	**383**	285	309	519	2,247	**921**	1,021	737	1,284	4,263
Publishing, printing and broadcasting	**336**	44	26	29	278	**1,051**	624	396	681	1,253
Transportation	**469**	289	678	412	734	**1,591**	1,372	1,793	1,746	2,464
Utilities	**152**	153	171	304	553	**508**	544	593	830	2,605
Education, health and social services	**60**	—	—	—	—	**1,344**	1,708	1,396	1,347	1,442
Governments	**—**	—	—	—	18	**901**	703	769	844	867
General allowance allocated to business and government loans	**(45)**	(44)	(38)	(192)	(205)	**(406)**	(501)	(509)	(745)	(952)
Total business and government loans including acceptances	**3,870**	3,287	3,464	2,844	6,142	**36,110**	35,688	35,593	37,137	47,262
Total net loans and acceptances	**$ 4,033**	$ 3,456	$ 3,736	$ 3,053	$ 6,334	**$ 151,916**	$ 146,902	$ 142,282	$ 139,073	$ 143,917

(1) Classification by country is based on domicile of debtor or customer.

Allowances for Credit Losses as a Percentage of Each Loan Category

			Allowance for credit losses					Allowance as a % of each loan category[1]		
Unaudited, $ millions, as at October 31	**2006**	2005	2004	2003	2002	**2006**	2005	2004	2003	2002
Domestic										
Residential mortgages	**$ 25**	$ 37	$ 39	$ 45	$ 40	**0.03%**	0.05%	0.05%	0.06%	0.06%
Personal and credit card	**827**	812	843	714	680	**2.37**	2.36	2.47	2.24	2.39
Other business and government	**432**	534	608	585	795	**1.98**	2.36	2.58	2.42	3.29
Total domestic	**1,284**	1,383	1,490	1,344	1,515	**0.93**	1.03	1.14	1.07	1.27
Foreign										
Personal and credit card	**5**	6	21	14	21	**1.15**	1.22	2.55	1.79	0.92
Other business and government	**153**	247	314	594	752	**1.77**	2.83	3.86	6.62	4.23
Total foreign	**158**	253	335	608	773	**1.74**	2.74	3.74	6.23	3.79
Total allowance	**$1,442**	$1,636	$1,825	$1,952	$2,288	**0.98%**	1.14%	1.31%	1.44%	1.64%

(1) Percentage is calculated on loan portfolio excluding acceptances.

Net Loans and Acceptances by Geographic Location (1)

Unaudited, $ millions, as at October 31	**2006**	2005	2004	2003	2002
Canada					
Atlantic provinces	**$ 8,213**	$ 7,934	$ 8,168	$ 8,274	$ 8,018
Quebec	**11,376**	12,295	11,601	11,601	10,691
Ontario	**70,441**	68,753	66,293	63,360	60,642
Prairie provinces	**5,897**	5,981	6,079	6,197	6,117
Alberta, North West Territories and Nunavut	**22,813**	20,184	19,780	19,225	18,614
British Columbia and Yukon	**25,016**	23,540	22,581	21,920	20,926
General allowance allocated to Canada	**(749)**	(766)	(852)	(664)	(697)
Total Canada	**143,007**	137,921	133,650	129,913	124,311
United States	**4,876**	5,525	4,896	6,107	13,272
Other countries	**4,033**	3,456	3,736	3,053	6,334
Total net loans and acceptances	**$151,916**	$146,902	$142,282	$139,073	$143,917

(1) Classification by country is based on domicile of debtor or customer.

Impaired Loans before General Allowances

	Canada[1]					U.S.[1]				
Unaudited, $ millions, as at October 31	**2006**	2005	2004	2003	2002	**2006**	2005	2004	2003	2002
Gross impaired loans										
Residential mortgages	**$ 118**	$ 141	$ 120	$ 177	$ 172	**$ —**	$ —	$ —	$ —	$ —
Student	**49**	71	90	86	123	**—**	—	—	—	—
Personal	**219**	221	176	137	114	**—**	—	—	1	2
Total gross impaired consumer loans	**386**	433	386	400	409	**—**	—	—	1	2
Non-residential mortgages	**4**	6	10	28	28	**—**	—	—	—	—
Financial institutions	**2**	6	4	5	7	**—**	8	12	23	45
Service and retail industries	**90**	113	130	219	253	**8**	39	53	13	30
Manufacturing, consumer and capital goods	**37**	93	70	82	54	**2**	6	4	35	55
Real estate and construction	**14**	17	28	54	51	**—**	—	—	—	24
Agriculture	**60**	150	155	73	35	**—**	—	—	—	—
Resource-based industries	**2**	5	10	11	17	**—**	2	2	16	93
Telecommunications, media and technology	**7**	13	9	6	87	**2**	2	2	27	372
Transportation	**5**	12	9	34	236	**—**	—	1	1	32
Utilities	**—**	—	—	1	8	**—**	—	—	7	80
Other	**6**	6	7	6	9	**—**	—	1	2	4
Total gross impaired — business and government loans	**227**	421	432	519	785	**12**	57	75	124	735
Total gross impaired loans	**613**	854	818	919	1,194	**12**	57	75	125	737
Other past due loans[2]	**45**	54	54	64	38	**—**	—	1	—	—
Total gross impaired and other past due loans	**$ 658**	$ 908	$ 872	$ 983	$1,232	**$ 12**	$ 57	$ 76	$ 125	$ 737
Allowance for credit losses										
Residential mortgages	**$ 13**	$ 18	$ 17	$ 18	$ 21	**$ —**	$ —	$ —	$ —	$ —
Student	**22**	36	71	166	237	**—**	—	—	—	—
Credit card	**105**	101	122	126	99	**—**	—	11	8	—
Personal	**223**	226	166	100	80	**—**	—	—	—	6
Total allowance — consumer loans[3]	**363**	381	376	410	437	**—**	—	11	8	6
Non-residential mortgages	**1**	3	6	16	14	**—**	—	—	—	—
Financial institutions	**2**	6	4	4	5	**—**	6	7	16	26
Service and retail industries	**74**	78	86	113	117	**3**	21	25	8	2
Manufacturing, consumer and capital goods	**33**	51	40	38	45	**1**	3	4	18	8
Real estate and construction	**9**	9	14	24	30	**—**	—	—	—	1
Agriculture	**36**	68	85	38	13	**—**	—	—	—	—
Resource-based industries	**2**	3	8	10	15	**—**	—	1	2	8
Telecommunications, media and technology	**6**	6	8	3	52	**—**	—	—	3	33
Transportation	**5**	8	7	23	76	**—**	—	1	1	1
Utilities	**—**	—	—	—	8	**—**	—	—	1	49
Other	**4**	4	5	4	6	**—**	—	—	—	—
Total allowance — business and government loans	**172**	236	263	273	381	**4**	30	38	49	128
Total allowance	**$ 535**	$ 617	$ 639	$ 683	$ 818	**$ 4**	$ 30	$ 49	$ 57	$ 134
Net impaired loans										
Residential mortgages	**$ 105**	$ 123	$ 103	$ 159	$ 151	**$ —**	$ —	$ —	$ —	$ —
Student	**27**	35	19	(80)	(114)	**—**	—	—	—	—
Credit card	**(105)**	(101)	(122)	(126)	(99)	**—**	—	(11)	(8)	—
Personal	**(4)**	(5)	10	37	34	**—**	—	—	1	(4)
Total net impaired consumer loans[3]	**23**	52	10	(10)	(28)	**—**	—	(11)	(7)	(4)
Non-residential mortgages	**3**	3	4	12	14	**—**	—	—	—	—
Financial institutions	**—**	—	—	1	2	**—**	2	5	7	19
Service and retail industries	**16**	35	44	106	136	**5**	18	28	5	28
Manufacturing, consumer and capital goods	**4**	42	30	44	9	**1**	3	—	17	47
Real estate and construction	**5**	8	14	30	21	**—**	—	—	—	23
Agriculture	**24**	82	70	35	22	**—**	—	—	—	—
Resource-based industries	**—**	2	2	1	2	**—**	2	1	14	85

Telecommunications, media and technology	**1**	7	1	3	35	**2**	2	2	24	339
Transportation	**—**	4	2	11	160	**—**	—	—	—	31
Utilities	**—**	—	—	1	—	**—**	—	—	6	31
Other	**2**	2	2	2	3	**—**	—	1	2	4
Total net impaired — business and government loans	**55**	185	169	246	404	**8**	27	37	75	607
Total net impaired loans	**$ 78**	$ 237	$ 179	$ 236	$ 376	**$ 8**	$ 27	$ 26	$ 68	$ 603

(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 in arrears and to balances outstanding; this may result in negative net impaired loans.

Impaired Loans before General Allowances (continued)

					Other[1]					Total
Unaudited, $ millions, as at October 31	**2006**	2005	2004	2003	2002	**2006**	2005	2004	2003	2002
Gross impaired loans										
Residential mortgages	**$ —**	$ —	$ —	$ —	$ —	**$ 118**	$ 141	$ 120	$ 177	$ 172
Student	**—**	—	—	—	—	**49**	71	90	86	123
Personal	**—**	—	—	—	—	**219**	221	176	138	116
Total gross impaired consumer loans	**—**	—	—	—	—	**386**	433	386	401	411
Non-residential mortgages	**—**	—	—	—	—	**4**	6	10	28	28
Financial institutions	**—**	23	113	1	3	**2**	37	129	29	55
Service and retail industries	**3**	11	73	225	—	**101**	163	256	457	283
Manufacturing, consumer and capital goods	**2**	3	—	—	—	**41**	102	74	117	109
Real estate and construction	**—**	—	—	3	9	**14**	17	28	57	84
Agriculture	**—**	1	2	2	3	**60**	151	157	75	38
Resource-based industries	**—**	—	—	28	34	**2**	7	12	55	144
Telecommunications, media and technology	**—**	—	22	25	274	**9**	15	33	58	733
Transportation	**—**	—	—	—	—	**5**	12	10	35	268
Utilities	**—**	—	6	48	21	**—**	—	6	56	109
Other	**—**	—	—	—	—	**6**	6	8	8	13
Total gross impaired – business and government loans	**5**	38	216	332	344	**244**	516	723	975	1,864
Total gross impaired loans	**5**	38	216	332	344	**630**	949	1,109	1,376	2,275
Other past due loans[2]	**—**	—	—	—	—	**45**	54	55	64	38
Total gross impaired and other past due loans	**$ 5**	$ 38	$ 216	$ 332	$ 344	**$ 675**	$1,003	$1,164	$1,440	$2,313
Allowance for credit losses										
Residential mortgages	**$ —**	$ —	$ —	$ —	$ —	**$ 13**	$ 18	$ 17	$ 18	$ 21
Student	**—**	—	—	—	—	**22**	36	71	166	237
Credit card	**—**	—	—	—	—	**105**	101	133	134	99
Personal	**—**	—	—	—	—	**223**	226	166	100	86
Total allowance – consumer loans[3]	**—**	—	—	—	—	**363**	381	387	418	443
Non-residential mortgages	**—**	—	—	—	—	**1**	3	6	16	14
Financial institutions	**—**	3	56	1	2	**2**	15	67	21	33
Service and retail industries	**3**	9	42	79	—	**80**	108	153	200	119
Manufacturing, consumer and capital goods	**—**	1	—	—	—	**34**	55	44	56	53
Real estate and construction	**—**	—	—	3	9	**9**	9	14	27	40
Agriculture	**—**	1	2	2	3	**36**	69	87	40	16
Resource-based industries	**—**	—	—	15	18	**2**	3	9	27	41
Telecommunications, media and technology	**—**	—	9	11	38	**6**	6	17	17	123
Transportation	**—**	—	—	—	—	**5**	8	8	24	77
Utilities	**—**	—	4	4	16	**—**	—	4	5	73
Other	**—**	—	—	—	—	**4**	4	5	4	6
Total allowance – business and government loans	**3**	14	113	115	86	**179**	280	414	437	595
Total allowance	**$ 3**	$ 14	$ 113	$ 115	$ 86	**$ 542**	$ 661	$ 801	$ 855	$1,038
Net impaired loans										
Residential mortgages	**$ —**	$ —	$ —	$ —	$ —	**$ 105**	$ 123	$ 103	$ 159	$ 151
Student	**—**	—	—	—	—	**27**	35	19	(80)	(114)
Credit card	**—**	—	—	—	—	**(105)**	(101)	(133)	(134)	(99)
Personal	**—**	—	—	—	—	**(4)**	(5)	10	38	30
Total net impaired consumer loans[3]	**—**	—	—	—	—	**23**	52	(1)	(17)	(32)
Non-residential mortgages	**—**	—	—	—	—	**3**	3	4	12	14
Financial institutions	**—**	20	57	—	1	**—**	22	62	8	22
Service and retail industries	**—**	2	31	146	—	**21**	55	103	257	164
Manufacturing, consumer and capital goods	**2**	2	—	—	—	**7**	47	30	61	56
Real estate and construction	**—**	—	—	—	—	**5**	8	14	30	44
Agriculture	**—**	—	—	—	—	**24**	82	70	35	22
Resource-based industries	**—**	—	—	13	16	**—**	4	3	28	103

Telecommunications, media and technology	**—**	—	13	14	236	**3**	9	16	41	610
Transportation	**—**	—	—	—	—	**—**	4	2	11	191
Utilities	**—**	—	2	44	5	**—**	—	2	51	36
Other	**—**	—	—	—	—	**2**	2	3	4	7
Total net impaired – business and government loans	**2**	24	103	217	258	**65**	236	309	538	1,269
Total net impaired loans	**$ 2**	$ 24	$ 103	$ 217	$ 258	**$ 88**	$ 288	$ 308	$ 521	$1,237

(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 in arrears and to balances outstanding; this may result in negative net impaired loans.

Deposits

Unaudited, $ millions, for the year ended October 31	Average balance			Interest			Rate		
	2006	2005(1)	2004(1)	**2006**	2005(1)	2004(1)	**2006**	2005(1)	2004(1)
Deposits in domestic bank offices (2)									
Payable on demand									
Personal	**$ 5,112**	$ 4,969	$ 5,422	**$ 7**	$ 6	$ 39	**0.14%**	0.12%	0.72%
Business and government	**19,235**	17,788	16,726	**322**	167	117	**1.67**	0.94	0.70
Bank	**901**	833	559	**10**	5	3	**1.11**	0.60	0.54
Payable after notice									
Personal	**31,906**	31,300	28,284	**305**	203	160	**0.96**	0.65	0.57
Business and government	**6,539**	6,371	6,008	**188**	118	95	**2.88**	1.85	1.58
Bank	**1**	3	1	**—**	—	—	**—**	—	—
Payable on a fixed date									
Personal	**39,953**	38,939	36,424	**1,292**	1,107	1,065	**3.23**	2.84	2.92
Business and government	**42,473**	42,825	37,466	**1,637**	1,221	942	**3.85**	2.85	2.51
Bank	**538**	558	570	**23**	15	8	**4.28**	2.69	1.40
Total domestic	**146,658**	143,586	131,460	**3,784**	2,842	2,429	**2.58**	1.98	1.85
Deposits in foreign bank offices									
Payable on demand									
Personal	**40**	73	131	**—**	—	—	**—**	—	—
Business and government	**420**	326	354	**4**	6	2	**0.95**	1.84	0.56
Bank	**32**	28	61	**1**	1	1	**3.13**	3.57	1.64
Payable after notice									
Personal	**50**	92	91	**2**	2	1	**4.00**	2.17	1.10
Business and government	**30**	43	46	**—**	—	—	**—**	—	—
Bank	**4**	17	77	**—**	—	1	**—**	—	1.30
Payable on a fixed date									
Personal	**461**	458	876	**26**	14	15	**5.64**	3.06	1.71
Business and government	**39,056**	40,248	48,412	**1,867**	1,223	760	**4.78**	3.04	1.57
Bank	**10,528**	9,604	9,967	**421**	258	182	**4.00**	2.69	1.83
Total foreign	**50,621**	50,889	60,015	**2,321**	1,504	962	**4.59**	2.96	1.60
Total deposits	**$197,279**	$194,475	$191,475	**$6,105**	$4,346	$3,391	**3.09%**	2.23%	1.77%

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2006.

(2) Deposits by foreign depositors in our domestic bank offices amounted to $3.8 billion (2005: $3.8 billion; 2004: $3.6 billion).

Short-term Borrowings

Unaudited, $ millions, as at or for the year ended October 31	**2006**	2005	2004
Amounts outstanding at end of year			
Obligations related to securities sold short	**$13,788**	$14,883	$12,220
Obligations related to securities lent or sold under repurchase agreements	**30,433**	14,325	16,790
Total short-term borrowings	**$44,221**	$29,208	$29,010
Obligations related to securities sold short			
Average balance	**$15,379**	$15,786	$13,292
Maximum month-end balance	**17,996**	16,230	15,507
Average interest rate	**3.52%**	2.96%	2.80%
Obligations related to securities lent or sold under repurchase agreements			
Average balance	**22,626**	17,424	18,513
Maximum month-end balance	**30,433**	24,381	23,571
Average interest rate	**7.37%**	5.81%	2.45%

Fees Paid to the Shareholders' Auditors

Unaudited, $ millions, for the year ended October 31	**2006**	2005	2004
Audit fees (1)	**$ 13.9**	$ 16.1	$ 16.1
Audit related fees (2)	**4.3**	1.5	1.6
Tax fees (3)	**0.4**	0.4	0.2
All other fees (4)	**—**	—	3.8
Total	**$ 18.6**	$ 18.0	$ 21.7

(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 also includes 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 Statement of Operations

Unaudited, $ millions, for the quarter	Q4	Q3	Q2	2006 Q1	Q4	Q3	Q2	2005 Q1
Net interest income	**$ 1,130**	**$ 1,121**	**$ 1,036**	**$ 1,148**	$ 1,172	$ 1,219	$ 1,224	$ 1,322
Non-interest income	**1,757**	**1,709**	**1,730**	**1,701**	2,251	1,932	1,596	1,757
Total revenue	**2,887**	**2,830**	**2,766**	**2,849**	3,423	3,151	2,820	3,079
Provision for credit losses	**92**	**152**	**138**	**166**	170	199	159	178
Non-interest expenses	**1,889**	**1,887**	**1,825**	**1,868**	2,057	4,850	2,032	1,901
Income (loss) before income taxes and non-controlling interests	**906**	**791**	**803**	**815**	1,196	(1,898)	629	1,000
Income taxes	**87**	**125**	**190**	**238**	436	(106)	176	283
Non-controlling interests	**—**	**4**	**28**	**(3)**	32	115	13	10
Net income (loss)	**819**	**662**	**585**	**580**	728	(1,907)	440	707
Dividends on preferred shares	**33**	**33**	**33**	**33**	33	36	28	28
Net income (loss) applicable to common shares	**$ 786**	**$ 629**	**$ 552**	**$ 547**	$ 695	$ (1,943)	$ 412	$ 679

Condensed Consolidated Balance Sheet

Unaudited, $ millions, as at quarter end		Q4	Q3	Q2	2006 Q1	Q4	Q3	Q2	2005(1) Q1
Assets									
Cash and deposits with banks		**$ 11,853**	**$ 11,529**	**$ 11,901**	**$ 10,298**	$ 11,852	$ 13,793	$ 12,102	$ 12,219
Securities		**83,498**	**81,634**	**78,394**	**78,955**	67,764	72,945	74,096	69,868
Securities borrowed or purchased under resale agreements		**25,432**	**21,640**	**21,722**	**21,699**	18,514	20,575	20,393	21,424
Loans	Residential mortgages	**81,358**	**78,868**	**77,734**	**76,663**	77,216	76,881	74,520	73,464
	Personal and credit card	**35,305**	**35,085**	**34,415**	**34,162**	34,853	35,667	35,141	35,343
	Business and government	**30,404**	**29,767**	**28,984**	**30,031**	31,350	31,306	31,367	31,969
	Allowance for credit losses	**(1,442)**	**(1,580)**	**(1,602)**	**(1,620)**	(1,636)	(1,713)	(1,732)	(1,796)
Derivative instruments market valuation		**17,122**	**17,397**	**18,588**	**19,378**	20,309	21,539	21,752	22,843
Customers' liability under acceptances		**6,291**	**7,084**	**6,295**	**5,543**	5,119	5,216	5,428	4,651
Other assets		**14,163**	**13,566**	**14,290**	**13,797**	15,029	16,645	14,643	15,198
		$303,984	**$294,990**	**$290,721**	**$288,906**	$280,370	$292,854	$287,710	$285,183
Liabilities and shareholders' equity									
Deposits	Personal	**$ 81,829**	**$ 79,488**	**$ 78,275**	**$ 76,584**	$ 75,973	$ 75,903	$ 75,109	$ 74,069
	Business and government	**107,468**	**107,361**	**102,533**	**105,878**	106,226	110,730	110,744	109,001
	Bank	**13,594**	**13,166**	**12,695**	**11,204**	10,535	10,510	10,631	10,231
Derivative instruments market valuation		**17,330**	**17,245**	**18,691**	**20,070**	20,128	22,150	21,553	22,392
Acceptances		**6,297**	**7,084**	**6,295**	**5,543**	5,119	5,216	5,431	4,651
Obligations related to securities lent or sold short or under repurchase agreements		**44,221**	**39,028**	**39,678**	**39,170**	29,208	33,120	30,645	31,944
Other liabilities		**14,716**	**13,397**	**14,302**	**13,327**	16,002	19,007	14,770	14,506
Subordinated indebtedness		**5,595**	**5,850**	**5,862**	**4,825**	5,102	3,853	3,915	3,904
Preferred share liabilities		**600**	**600**	**600**	**600**	600	1,045	1,052	1,048
Non-controlling interests		**12**	**13**	**480**	**669**	746	1,094	1,000	1,034
Shareholders' equity		**12,322**	**11,758**	**11,310**	**11,036**	10,731	10,226	12,860	12,403
		$303,984	**$294,990**	**$290,721**	**$288,906**	$280,370	$292,854	$287,710	$285,183

Select Financial Measures

Unaudited, as at or for the quarter	Q4	Q3	Q2	2006 Q1	Q4	Q3	Q2	2005 Q1
Return on equity	**32.5%**	**27.2%**	**25.7%**	**25.6%**	34.2%	(75.1)%	16.2%	25.7%
Return on average assets	**1.08**	**0.90**	**0.83**	**0.81**	1.01	(2.59)	0.63	0.97
Average common shareholders' equity ($ millions)	**$ 9,601**	**$ 9,167**	**$ 8,803**	**$ 8,484**	$ 8,045	$ 10,262	$ 10,425	$ 10,503
Average assets ($ millions)	**$299,513**	**$291,395**	**$288,428**	**$285,679**	$287,119	$292,136	$287,802	$288,288
Average assets to average common equity	**31.2**	**31.8**	**32.8**	**33.7**	35.7	28.5	27.6	27.4
Tier 1 capital ratio	**10.4%**	**9.6%**	**9.2%**	**9.0%**	8.5%	7.5%	10.7%	10.5%
Total capital ratio	**14.5%**	**14.0%**	**13.7%**	**13.1%**	12.7%	10.5%	13.4%	13.1%
Net interest margin	**1.50%**	**1.53%**	**1.47%**	**1.59%**	1.62%	1.66%	1.74%	1.82%
Efficiency ratio	**65.4%**	**66.7%**	**66.0%**	**65.6%**	60.1%	153.9%	72.1%	61.7%

Common Share Information

Unaudited, as at or for the quarter		2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4	2005 Q3	2005 Q2	2005 Q1
Average shares outstanding (thousands)		**335,522**	**335,513**	**335,147**	**334,357**	333,876	336,486	340,461	346,269
Per share	– basic earnings (loss)	**$ 2.34**	**$ 1.88**	**$ 1.65**	**$ 1.64**	$ 2.08	$ (5.77)	$ 1.21	$ 1.96
	– diluted earnings (loss) (2)	**2.32**	**1.86**	**1.63**	**1.62**	2.06	(5.77)	1.20	1.94
	– dividends	**0.70**	**0.70**	**0.68**	**0.68**	0.68	0.68	0.65	0.65
	– book value (3)	**29.59**	**27.96**	**26.61**	**25.85**	25.00	23.51	30.95	30.62
Share price (4)	– high	**87.87**	**83.63**	**86.00**	**81.00**	80.64	80.80	74.75	73.70
	– low	**77.95**	**73.94**	**77.95**	**72.90**	68.82	72.15	68.36	67.95
	– close	**87.60**	**77.25**	**82.75**	**79.90**	72.20	80.01	74.75	68.45
Price to earnings multiple (12-month trailing) (5)		**11.8**	**10.8**	**n/m**	**n/m**	n/m	n/m	12.9	11.5
Dividend payout ratio		**29.9%**	**37.3%**	**41.4%**	**41.6%**	32.7%	>100%	53.6%	33.2%

(1) Certain prior period financial information has been reclassified to conform with the presentation adopted in 2006.

(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.

(5) Prior period information has been restated to conform with the presentation adopted in 2006.

n/m – not meaningful due to the net loss.

Condensed Consolidated Statement of Operations

Unaudited, $ millions, for the year ended October 31	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Net interest income	**$ 4,435**	$ 4,937	$ 5,258	$ 5,517	$ 5,389	$ 4,445	$ 4,154	$ 4,313	$ 4,227	$ 4,427
Non-interest income	**6,897**	7,536	6,517	5,946	5,541	6,613	7,797	5,728	4,804	3,980
Total revenue	**11,332**	12,473	11,775	11,463	10,930	11,058	11,951	10,041	9,031	8,407
Provision for credit losses	**548**	706	628	1,143	1,500	1,100	1,220	750	480	610
Non-interest expenses	**7,469**	10,840	8,251	8,128	9,129	8,226	8,096	7,998	7,125	5,372
Income before income taxes and non-controlling interests	**3,315**	927	2,896	2,192	301	1,732	2,635	1,293	1,426	2,425
Income taxes	**640**	789	790	239	(279)	92	641	320	460	937
Non-controlling interests	**29**	170	15	3	38	58	62	39	20	27
Net income (loss)	**2,646**	(32)	2,091	1,950	542	1,582	1,932	934	946	1,461
Dividends on preferred shares	**132**	125	100	75	50	17	17	17	16	8
Net income (loss) applicable to common shares	**$ 2,514**	$ (157)	$ 1,991	$ 1,875	$ 492	$ 1,565	$ 1,915	$ 917	$ 930	$ 1,453

Condensed Consolidated Balance Sheet

Unaudited, $ millions, as at October 31	2006	2005(1)	2004(1)	2003(1)	2002(1)	2001	2000	1999	1998	1997
Assets										
Cash and deposits with banks	**$ 11,853**	$ 11,852	$ 12,203	$ 10,454	$ 9,512	$ 11,350	$ 10,679	$ 12,527	$ 10,795	$ 7,931
Securities	**83,498**	67,764	67,316	69,628	64,273	74,794	69,242	59,492	60,970	45,252
Securities borrowed or purchased under resale agreements	**25,432**	18,514	18,165	19,829	16,020	24,079	20,461	19,158	36,293	37,629
Loans										
Residential mortgages	**81,358**	77,216	72,592	70,014	66,612	58,751	51,921	46,637	43,199	40,039
Personal and credit card	**35,305**	34,853	35,000	32,695	30,784	28,411	27,939	24,751	24,563	22,305
Business and government	**30,404**	31,350	31,737	33,177	41,961	46,693	47,567	47,552	49,811	47,107
Allowance for credit losses	**(1,442)**	(1,636)	(1,825)	(1,952)	(2,288)	(2,294)	(2,236)	(1,748)	(1,609)	(1,591)
Derivative instruments market valuation	**17,122**	20,309	23,710	22,796	24,717	25,723	23,847	24,449	37,157	21,977
Customers' liability under acceptances	**6,291**	5,119	4,778	5,139	6,848	8,100	9,088	9,296	10,995	10,375
Other assets	**14,163**	15,029	15,088	15,367	14,854	11,867	9,194	8,217	9,256	6,965
	$303,984	$280,370	$278,764	$277,147	$273,293	$287,474	$267,702	$250,331	$281,430	$237,989
Liabilities and shareholders' equity										
Deposits										
Personal	**$ 81,829**	$ 75,973	$ 73,392	$ 70,085	$ 68,297	$ 66,826	$ 63,109	$ 60,878	$ 59,993	$ 59,188
Business and government	**107,468**	106,226	105,362	105,885	117,664	114,270	103,141	85,940	84,862	60,272
Bank	**13,594**	10,535	11,823	12,160	10,669	13,256	13,382	13,223	15,020	19,438
Derivative instruments market valuation	**17,330**	20,128	23,990	21,945	24,794	26,395	24,374	25,097	36,245	21,376
Acceptances	**6,297**	5,119	4,778	5,147	6,878	8,100	9,088	9,296	10,995	10,375
Obligations related to securities lent or sold short or under repurchase agreements	**44,221**	29,208	29,010	30,952	18,051	32,616	28,191	29,203	48,659	43,932
Other liabilities	**14,716**	16,002	13,258	13,976	10,869	9,863	10,382	10,888	9,576	8,141
Subordinated indebtedness	**5,595**	5,102	3,889	3,197	3,627	3,999	4,418	4,544	4,714	4,894
Preferred share liabilities	**600**	600	1,043	1,707	1,988	1,999	1,576	1,633	1,661	1,518
Non-controlling interests	**12**	746	39	22	111	249	248	204	230	126
Shareholders' equity	**12,322**	10,731	12,180	12,071	10,345	9,901	9,793	9,425	9,475	8,729
	$303,984	$280,370	$278,764	$277,147	$273,293	$287,474	$267,702	$250,331	$281,430	$237,989

Select Financial Measures

Unaudited, as at or for the year ended October 31	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Return on equity	**27.9%**	(1.6)%	18.7%	19.2%	5.1%	16.1%	20.5%	9.8%	10.3%	17.7%
Return on average assets	**0.91**	(0.01)	0.74	0.68	0.19	0.57	0.73	0.34	0.34	0.62
Average common shareholders' equity ($ millions)	**$ 9,016**	$ 9,804	$ 10,633	$ 9,764	$ 9,566	$ 9,739	$ 9,420	$ 9,323	$ 9,100	$ 8,195
Average assets ($ millions)	**$291,277**	$288,845	$280,810	$284,739	$292,510	$278,798	$263,119	$271,844	$278,823	$236,025
Average assets to average common equity	**32.3**	29.5	26.4	29.2	30.6	28.6	27.9	29.2	30.6	28.8
Tier 1 capital ratio	**10.4%**	8.5%	10.5%	10.8%	8.7%	9.0%	8.7%	8.3%	7.7%	7.0%
Total capital ratio	**14.5%**	12.7%	12.8%	13.0%	11.3%	12.0%	12.1%	11.5%	10.8%	9.8%
Net interest margin	**1.52%**	1.71%	1.87%	1.94%	1.84%	1.59%	1.58%	1.59%	1.52%	1.88%
Efficiency ratio	**65.9%**	86.9%	70.1%	70.9%	83.5%	74.4%	67.7%	79.7%	78.9%	63.9%

(1) Certain prior year financial information has been reclassified to conform with the presentation adopted in 2006.

Condensed Consolidated Statement of Changes in Shareholders' Equity

Unaudited, $ millions, for the year ended October 31		2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Balance at beginning of year		**$10,731**	$12,180	$12,071	$10,345	$ 9,901	$9,793	$9,425	$9,475	$8,729	$7,887
Adjustment for change in accounting policy		**—**	10(1)	6(2)	—	(42)(3)	(140)(4)	—	—	—	—
Premium on repurchase of common shares		**—**	(1,035)	(1,084)	—	(269)	(736)	(873)	(397)	—	—
Changes in share capital	Preferred	**—**	598	133	550	800	—	—	—	300	(217)
	Common	**93**	(17)	19	108	15	(41)	(167)	(93)	23	50
Changes in contributed surplus		**12**	(1)	9	24	26	—	—	—	—	—
Changes in foreign currency translation adjustments		**(115)**	49	(196)	(222)	2	38	8	(4)	1	10
Net income (loss)		**2,646**	(32)	2,091	1,950	542	1,582	1,932	934	946	1,461
Dividends	Preferred	**(132)**	(125)	(100)	(75)	(50)	(17)	(17)	(17)	(16)	(8)
	Common	**(924)**	(902)	(781)	(591)	(577)	(536)	(501)	(492)	(498)	(434)
Other		**11**	6	12	(18)	(3)	(42)	(14)	19	(10)	(20)
Balance at end of year		**$12,322**	$10,731	$12,180	$12,071	$10,345	$9,901	$9,793	$9,425	$9,475	$8,729

(1) 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.

(2) 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 derivative at fair value.

(3) 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-officer directors, as encouraged by section 3870.

(4) 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.

Common Share Information

Unaudited, as at or for the year ended October 31		2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Average number outstanding (thousands)		**335,135**	339,263	355,735	360,048	360,553	372,305	388,951	409,789	415,030	413,545
Per share	– basic earnings (loss)	**$ 7.50**	$ (0.46)	$ 5.60	$ 5.21	$ 1.37	$ 4.19	$ 4.95	$ 2.23	$ 2.24	$ 3.51
	– diluted earnings (loss)(1)	**7.43**	(0.46)	5.53	5.18	1.35	4.13	4.90	2.21	2.22	3.49
	– dividends	**2.76**	2.66	2.20	1.64	1.60	1.44	1.29	1.20	1.20	1.05
	– book value(2)	**29.59**	25.00	29.92	28.78	25.75	26.44	25.17	22.68	22.08	21.07
Share price (3)	– high	**87.87**	80.80	73.90	60.95	57.70	57.00	50.50	42.60	59.80	41.75
	– low	**72.90**	67.95	59.35	39.50	34.26	43.20	30.50	28.00	24.40	26.55
	– close	**87.60**	72.20	73.90	59.21	38.75	48.82	48.40	31.70	30.65	41.20
Price to earnings multiple(4) (12-month trailing)		**11.8**	n/m	13.4	11.4	28.7	11.8	9.9	14.3	13.8	11.8
Dividend payout ratio		**36.8%**	n/m	39.2%	31.5%	117.2%	34.2%	26.2%	53.6%	53.5%	29.9%

(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.

(2) Common shareholders' equity divided by the number of common shares issued and outstanding at end of year.

(3) The high and low price during the year, and closing price on the last trading day of the year, on the TSX.

(4) Prior year information has been restated to conform with the presentation adopted in 2006.

n/m – not meaningful due to the net loss in the year.

Dividends on Preferred Shares(1)

Unaudited, for the year ended October 31		2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Class A	Series 4	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$3.4106
	Series 5	**—**	—	—	—	—	—	—	—	—	0.8240
	Series 9	**—**	—	—	—	—	—	—	—	1.1375	2.2750
	Series 12	**—**	—	—	—	—	—	2.4100	2.4267	2.4097	2.2462
	Series 13	**—**	—	—	—	—	—	1.7500	1.7500	1.7500	1.7500
	Series 14	**—**	—	—	1.1156	1.4875	1.4875	1.4875	1.4875	1.4875	1.4870
	Series 15	**—**	—	1.0709	1.4125	1.4125	1.4125	1.4125	1.4125	1.4125	1.4110
	Series 16	**—**	—	1.8456	2.0025	2.2244	2.1724	2.0948	2.1093	2.0946	1.1367
	Series 17	**—**	—	1.3551	1.3625	1.3625	1.3625	1.3625	1.3625	1.3625	0.7880
	Series 18	**1.3750**	1.3750	1.3750	1.3750	1.3750	1.3750	1.3750	1.3750	1.3628	—
	Series 19	**1.2375**	1.2375	1.2375	1.2375	1.2375	1.2375	1.2375	1.2375	0.7404	—

Series 20	**—**	1.5780	1.6908	1.8253	2.0276	1.9801	1.9095	1.9227	1.1703	—
Series 21	**—**	1.5095	1.5000	1.5000	1.5000	1.5000	1.1372	—	—	—
Series 22	**—**	1.9518	2.0520	2.2152	2.4606	2.4031	1.7713	—	—	—
Series 23	**1.3250**	1.3250	1.3250	1.3250	1.3250	0.9938	—	—	—	—
Series 24	**1.5000**	1.5000	1.5000	1.5000	1.2962	—	—	—	—	—
Sereis 25	**1.5000**	1.5000	1.5000	1.5000	0.8048	—	—	—	—	—
Series 26	**1.4375**	1.4375	1.4375	1.0859	—	—	—	—	—	—
Series 27	**1.4000**	1.4000	1.5484	—	—	—	—	—	—	—
Series 28	**0.0800**	0.0799	0.1996	—	—	—	—	—	—	—
Series 29	**1.3500**	1.3500	—	—	—	—	—	—	—	—
Series 30	**1.2000**	1.1938	—	—	—	—	—	—	—	—

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

Governance

One of the cornerstones for CIBC's long-term success rests on our commitment to a strong set of governance principles and an implementation framework. This framework has evolved under the strategic oversight of an experienced Board of Directors committed to leadership in corporate governance. Together with the management team, the Board has set the tone for a corporate culture that fosters openness, accountability and transparency.

Sustaining our governance practices

Long-term success requires effective governance. The Board of Directors and management of CIBC are committed to excellence in governance. Each year, we continue to strive for improvements in our governance structure and processes.

In 2006, CIBC's Board made excellent progress in strengthening its governance practices.

To enhance accountability at the Board level, CIBC adopted a director voting policy that requires majority voting for the election of a director. Under the terms of the Director Tenure Policy, any director who does not receive majority support in an uncontested election is required to submit his or her resignation to the Board's Corporate Governance Committee.

At the management level, we continue to achieve compliance with the requirements of section 404 of the U.S. Sarbanes-Oxley Act (SOX 404). In 2006, for a third consecutive year, we met the SOX 404 reporting requirements set by the U.S. Securities and Exchange Commission.

CIBC was recognized in 2006 by the Canadian Coalition for Good Governance (CCGG) for exemplary disclosure and demonstrating best practices in shareholder communications. In particular, the CCGG cited CIBC's disclosure about our director selection process and director orientation and continuing education programs.

CIBC continues to participate in industry discussions on new guidelines and recommendations related to the disclosure of executive and director compensation and is committed to being a leader in this regard.

Working with senior management

The Board has the duty to supervise the management of the business and affairs of CIBC and pursue CIBC's best interest.

The Board is fully focused on strategic oversight and operational discussions with management.

Regular and candid interaction between the Board and management strengthens governance and supports the long-term interests of CIBC. Directors work with management to obtain and review the information necessary for the Board to provide strategic direction. Management regularly reviews the form and content of information being provided to the Board and considers the Board's feedback in enhancing management's reporting to the Board.

Facilitating independent assessment and oversight

The Board continues to recognize the importance of maintaining its independence. The Board of Directors Independence Standards are available at www.cibc.com and reflect independence standards derived from the Affiliated Persons regulations under the Bank Act and the corporate governance rules and guidelines of the New York Stock Exchange (NYSE) and the Canadian Securities Administrators. Under these standards, 16 of CIBC's 18 directors are considered to be independent.

Complying with industry governance standards

The practices and procedures of CIBC's management and the Board foster compliance with legal and regulatory governance rules and industry 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.

Committed to transparent and timely reporting

The directors and management of CIBC are committed to promoting consistent disclosure practices aimed at accurate, timely and broadly disseminated disclosure of material information about CIBC. The CIBC Disclosure Policy sets standards for coordinating disclosure of material information about CIBC to the market. The policy is available at www.cibc.com and provides further details regarding communications with investors, analysts and media, as well as our process for earnings announcements.

Governance framework and committee structure

CIBC's governance framework guides the Board and management in fulfilling their obligations to CIBC and its stakeholders.

CIBC's Statement of Corporate Governance Practices, available at www.cibc.com, describes this comprehensive framework, details the Board's responsibilities and describes Board policy on director qualifications, nomination, tenure and independence. CIBC's governance framework is built upon a qualified Board of Directors with diverse backgrounds and skills; a constructive relationship between the Board and management and a robust set of governance and control policies and procedures.

Board of directors

Brent S. Belzberg (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 (2003)
President,
CRS Inc.
(Toronto, Ontario, Canada)
William L. Duke (1991)
President,
Annandale Farms Inc.
(Kenosee Lake, Saskatchewan, Canada)
Ivan E.H. Duvar (1989)
President and Chief Executive Officer,
MIJAC Inc.
(Amherst, Nova Scotia, Canada)
William A. Etherington (1994)
Chairman of the Board,
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
(Montreal, Quebec, 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, Advisory Board
Tricap Restructuring Fund
(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., O.Q. (1997)
Chairman and Chief Executive Officer,
Telesystem Ltd.
(Montreal, Quebec, Canada)
Stephen G. Snyder (2000)
President and Chief Executive Officer,
TransAlta Corporation
(Calgary, Alberta, Canada)
Cynthia M. Trudell (2005)
Company Director
(Knoxville, Tennessee, U.S.A.)
Ronald W. Tysoe (2004)
Senior Advisor,

Perella Weinberg Partners LP
(New York, New York, U.S.A.)

Senior executive team

McCaughey, G.T. (Gerry)
President and Chief Executive Officer
CIBC
Baxendale, S.A. (Sonia)
Senior Executive Vice-President
CIBC Retail Markets
Capatides, M.G. (Michael)
Executive Vice-President
and General Counsel
Legal and Regulatory Compliance
Lalonde, R.A. (Ron)
Senior Executive Vice-President
Administration, Technology
and Operations
McGirr, S.R. (Steven)
Senior Executive Vice-President
and Chief Risk Officer
Treasury and Risk Management
Shaw, B.G. (Brian)
Senior Executive Vice-President CIBC and
Chairman and Chief Executive Officer
CIBC World Markets
Venn, R.E. (Richard)
Senior Executive Vice-President
Corporate Development
Woods, T.D. (Tom)
Senior Executive Vice-President
and Chief Financial Officer
Finance

Senior officers

Boluch, M.J. (Mike)
Executive Vice-President
Technology Solutions
Administration, Technology
and Operations
Brown, G.W. (Gary)
Managing Director, Head of U.S. Region
CIBC World Markets
Cadsby, T.R. (Ted)
Executive Vice-President
Retail Distribution
CIBC Retail Markets
Caturay, M. (Michelle)
Vice-President and Corporate Secretary
Legal and Regulatory Compliance
Clifford, D.B. (David)
Managing Director
Merchant Banking and European
Investment and Corporate Banking
CIBC World Markets
Delaney, C. (Colette)
Senior Vice-President
GICs, Deposits and Payments
CIBC Retail Markets
Dodig, V.G. (Victor)
Executive Vice-President
Wealth Management
CIBC Retail Markets
Ferren, J.P. (John)
Vice-President
Investor Relations, Finance
Forbes, S.J. (Stephen)
Senior Vice-President
Communications and Public Affairs
Administration, Technology
and Operations

Gilman, W.P. (Warren)
Managing Director
Head of Asia-Pacific Region
CIBC World Markets
Hasan, R. (Raza)
Senior Vice-President
Mortgages, Lending and Insurance
CIBC Retail Markets
Horrocks, M.G. (Michael)
Executive Vice-President and Treasurer
Treasury and Risk Management
Johannson, E. (Ernie)
Senior Vice-President
Marketing
CIBC Retail Markets
Kilgour, P.K.M. (Ken)
Executive Vice-President
Credit and Investment
Risk Management
Treasury and Risk Management
Leith, D.G. (David)
Managing Director
Canadian Investment
and Corporate Banking
CIBC World Markets
Letley, P.A. (Peter)
Managing Director,
Head of Europe Region
CIBC World Markets
Lounsbery, P. (Phipps)
Managing Director
Global Debt Capital Markets
CIBC World Markets
Mannarn, A.M. (Art)
Executive Vice-President
Global Operations
Administration, Technology
and Operations
McSherry, J.R. (James)
Executive Vice-President and
Managing Director
Commercial Banking
CIBC World Markets
McVittie, K.A. (Kimberley)
Ombudsman and Chief Privacy Officer
Legal and Regulatory Compliance
Moseley, T.S. (Tim)
Senior Vice-President
and Chief Compliance Officer
Legal and Regulatory Compliance
Moss, J. (Jacqueline)
Executive Vice-President
Human Resources
Administration, Technology
and Operations
Orr, J.D. (John)
Executive Vice-President
and Managing Director, Deputy Head
of Corporate Development and
Head of International Retail Banking
Corporate Development
Patterson, K.J. (Kevin)
Senior Vice-President
and Chief Auditor
Internal Audit and Corporate Security
Legal and Regulatory Compliance
Phillips, R. (Richard)
Managing Director
Global Equities
CIBC World Markets
Renihan, B.A. (Bruce)
Executive Vice-President and Controller
Finance

Shaw, F. (Francesca)
Senior Vice-President
and Chief Accountant
Finance
Westcott, G.C. (Grant)
Executive Vice-President
Technology Infrastructure
Administration, Technology
and Operations

Board committees

The Board has established four committees to assist in carrying out its duties and to enhance governance. Each committee has a mandate outlining its functions and responsibilities. These mandates are outlined in greater detail in the Management Proxy Circular and are available at www.cibc.com.

Audit Committee — reviews the integrity of CIBC's financial statements, financial disclosures and internal controls over financial reporting; monitors the system of internal control and CIBC's compliance with legal and regulatory requirements; selects the external auditors for shareholder approval; reviews the qualifications, independence and performance of the external auditors and CIBC's internal auditors; and acts 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*

Corporate Governance Committee — assists the Board of Directors in fulfilling its corporate governance oversight responsibilities. It 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*

Management Resources and Compensation Committee — assists 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 — assists 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, G.D. Giffin, J.A. Grant, P.M. Hayles, S.G. Snyder (Chair), R.W. Tysoe*

Management committees

Senior management has responsibility for CIBC's business activities as well as for the design and effectiveness of governance and controls.

The Chief Executive Officer leads the management of CIBC's business and affairs and the implementation of resolutions and policies approved by the Board of Directors.

Through the senior executive team, 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.

Management committees are in place to support the senior executive team on the governance and control activities of CIBC and various aspects of the oversight of CIBC's operations. These committees include:

Capital and Risk Committee — oversees credit, liquidity and market risks and matters relating to the composition and usage of CIBC's balance sheet (including capital) and the measurement, monitoring and control of related resources.

Disclosure Committee — assists the Chief Executive Officer and Chief Financial Officer in fulfilling their oversight responsibility for the accuracy, completeness and timeliness of CIBC disclosure. The purpose of the committee is to promote consistent disclosure practices aimed at accurate, complete, timely and broadly disseminated disclosure of material information about CIBC to the market in accordance with applicable laws and stock exchange requirements.

Financial Transactions Oversight Committee - reviews those transactions brought before it to assess whether CIBC is exposing itself to any undue reputation and legal risks.

Governance and Control Committee — acts as the most senior point of management review, counsel and input on the design and assessment of CIBC's governance and internal control structure, within the parameters and strategic objectives established by the Chief Executive Officer and direction provided by the Board.

Accountability for ongoing governance and control

Ultimately, governance and control involves and connects the Board, management and employees. While the Board and management play the principal roles in governance, virtually every employee has an impact on control.

All full-time employees are required to complete annual certification and testing on the CIBC Code of Conduct. The Code is a control that promotes ethical decision-making on a daily basis and supports behaviour that is consistent with our core values of trust, teamwork and accountability.

Shareholder Information

Dividends

Common shares

Ex-dividend date	Record date	Payment date	Dividends per share	Number of common shares on record date
Sep.26/06	Sep.28/06	Oct.27/06	$ 0.70	336,019,764
Jun.26/06	Jun.28/06	Jul.28/06	$ 0.70	335,646,024
Mar.24/06	Mar.28/06	Aprl.28/06	$ 0.68	335,376,007
Dec.22/05	Dec.28/05	Jan.27/06	$ 0.68	334,499,885

Preferred shares

Ex-dividend date	Record date	Payment date	Series 18	Series 19	Series 23	Series 24	Series 25	Series 26	Series 27	Series 28*	Series 29	Series 30
Sep.26/06	Sep.28/06	Oct.27/06	$0.343750	$0.309375	$0.331250	$0.375000	$0.375000	$0.359375	$0.350000	$0.020000	$0.337500	$0.300000
Jun.26/06	Jun.28/06	Jul.28/06	$0.343750	$0.309375	$0.331250	$0.375000	$0.375000	$0.359375	$0.350000	$0.020000	$0.337500	$0.300000
Mar.24/06	Mar.28/06	Apr.28/06	$0.343750	$0.309375	$0.331250	$0.375000	$0.375000	$0.359375	$0.350000	$0.020000	$0.337500	$0.300000
Dec.22/05	Dec.28/05	Jan.27/06	$0.343750	$0.309375	$0.331250	$0.375000	$0.375000	$0.359375	$0.350000	$0.020000	$0.337500	$0.300000

* On November 25, 2005, CIBC announced that it is making an offer to purchase for cancellation all of the outstanding Class A Series 28 Preferred Shares at a price of $10.00 per share. The offer will remain open for acceptance until the earlier of June 17, 2009 or it is withdrawn by CIBC by providing 60 days notice, in French and English, in a national Canadian newspaper. Holders should contact their broker for assistance in order to tender their Series 28 shares into this offer. Brokers should contact CIBC World Markets Inc. at 416-956-6045, referencing the Series 28 shares for further information in order to tender their Series 28 shares into this offer.

Stock exchange listings

Common shares of the Bank are listed for trading in Canada on the Toronto Stock Exchange and in the U.S. on the New York Stock Exchange (ticker symbol – CM).

All preferred shares are listed on the Toronto Stock Exchange and trade under the following ticker symbols:

Series 18	CM.PR.P
Series 19	CM.PR.R
Series 23	CM.PR.A
Series 24	CM.PR.B
Series 25	CM.PR.C
Series 26	CM.PR.D
Series 27	CM.PR.E
Series 29	CM.PR.G
Series 30	CM.PR.H
Series 31	CM.PR.I

Anticipated 2007 record and dividend payment dates for common and preferred shares*

Record dates	Payment dates
December 28**	January 29
March 28	April 27
June 28	July 27
September 28	October 29

* Payment of dividends for common and preferred shares is subject to approval by the Board of Directors.

** 2006

2007 quarterly earnings reporting

2007 quarterly earnings dates are anticipated to be March 1, May 31, August 30 and December 6.

Credit ratings

	Senior debt	Preferred shares
DBRS	AA(low)	Pfd-1(low)
Fitch	AA-	
Moody's	Aa3	
S&P	A+	A-
		P-1(low)

Shareholder investment plan (SIP)

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).

Direct dividend deposit service

Canadian residents may have their CIBC common share 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, and 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
Website: www.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

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 18, 2006

/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 18, 2006

/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, 2006 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 18, 2006

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, 2006 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 18, 2006

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 each of Ms Jalynn Bennett, Mr. Gary Colter, Mr. Ivan Duvar, The Honourable John Manley and Ms Cynthia Trudell is a "financial expert" (as so defined) and (iii) that each is "independent" (as that term is defined in 17 CFR 240.10A-3).

In accordance with the rules of the Securities and Exchange Commission, notwithstanding their designation as "audit committee expert," each of the individuals listed above shall not (i) be deemed "experts" for any purpose, including, without limitation, for purposes of Section 11 of the Securities Act of 1933, as amended, or (ii) have any greater duties, obligations or liability than those imposed on any other member of the audit committee or board of directors.

Mr. Ivan Duvar is designated as an audit committee financial expert based on his previous experience as the principal executive officer for two public companies (including having the principal financial officer report to him), his participation on a number of public company boards of directors, his previous experience chairing CIBC's audit committee and his current experience as chair of the audit committee of ING Canada Inc. (a public company) and two private companies. Mr. Ivan Duvar has also completed courses or attended seminars on management accounting and on the audit process.

The Honourable John Manley is designated as an audit committee financial expert based on his experience as a lawyer advising on corporate, commercial and tax matters as well as his experience as a senior member of the Canadian federal government, including serving as Minister of Finance and as Deputy Chairman of the Treasury Board.

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, 2006 to the Chief Executive Officer, Chief Financial Officer, Chief Accountant or Controller of CIBC.

In November 2006, CIBC adopted a revised Code of Conduct. 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. The Code of Conduct was updated to address the following issues:

- Soliciting charitable donations on behalf of CIBC or a CIBC-sponsored event: the updated Code of Conduct emphasizes the voluntary nature of donations and directs that employees, clients and suppliers not be put in a position where they feel obligated to contribute.
- Political contributions and activities: the updated Code of Conduct states that political activities are not permitted on CIBC premises or facilities. This includes political fundraising and campaigning, and promoting political causes.
- Gifts and entertainment: the value of items or benefits that are given or received are subject to the limits outlined in a new CIBC Gifts and Entertainment Policy.
- Full and fair disclosure: the updated Code of Conduct reaffirms the expectation that staff must never: make misleading entries into CIBC systems; misrepresent a client's financial position; forge or tamper with anyone's signature, or, by-pass procedures that are key to the integrity of CIBC's records.

Exhibit B.10: Principal Accountant Fees and Services

Information about the principal accountant fees and services is contained in Exhibit B.3(d). The Audit Committee pre-approves all services performed by the shareholders' auditor for CIBC and its subsidiaries in accordance with the Policy on the Scope of Services of the Shareholders' Auditors, a copy of which is contained in Exhibit B.3(a).

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 nos. 333-09874 and 333-130283) of Canadian Imperial Bank of Commerce (“CIBC”) of our reports dated December 6, 2006, 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, 2006.

/s/ Ernst & Young LLP

Ernst & Young LLP
Chartered Accountants
Toronto, Canada
December 18, 2006