CIBC

2000 Annual Report

innovation + accountability

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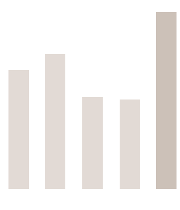


Contents

CIBC is a full-service financial institution comprising four strategic business units: Electronic Commerce, Retail and Small Business Banking, Wealth Management and CIBC World Markets. CIBC has more than eight million retail banking customers and 8,000 corporate and investment banking customers. Total assets were $268 billion at year end, market capitalization was $18.3 billion and BIS Tier 1 capital ratio was 8.7%.

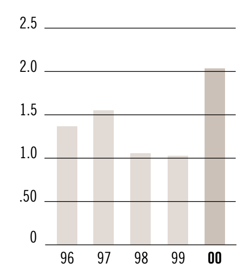
www.cibc.com

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements about the operations, priorities, targets, plans, objectives and strategies of CIBC for 2001 and subsequent years, including the forward-looking statements of CIBC's business lines (Electronic Commerce and Technology; Retail and Small Business Banking; Wealth Management and CIBC World Markets), and functional groups (Treasury and Balance Sheet Management; Risk Management; Administration; and Corporate Development). 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". In particular, we refer you to the forward-looking statements stated in the proposed objectives of each of CIBC's business lines and functional groups on pages 18, 22, 25, 28 and 31. For more information about the nature of forward-looking statements, see page 12.

Last year we said that our objective was to provide our shareholders with the best total return of all the major Canadian banks over the next three years. In 2000, we did outperform the other Canadian banks with a total shareholder return of 57.5%

Net Income
($ billions)
Our total return was achieved in part due to our strong net income growth. Net income doubled from 1999.



Measuring performance

CIBC has made a commitment to raising the bar on accountability. Our goals are to improve our capital allocation decisions among our business lines, as well as to help our shareholders better understand the measures by which we are driving value creation.

In 2000, we introduced a more rigorous review process to measure and manage our 37 businesses. We have fully allocated expenses and capital to our business activities and have developed standardized internal reporting. To monitor progress, we measure 140 performance metrics every month. The result is that we are directing capital and other resources to those businesses where we have a long-term, sustainable competitive advantage.

We also continue to work toward increased financial transparency for our shareholders. We continue to increase the level of disclosure and analysis in our annual report; as an example, we now disclose revenue for 19 business subsegments in the MD&A. In addition, key examples of the performance metrics discussed above are shown on the following pages.

innovation + accountability

Creating value

Doing things differently

The new economy demands new approaches. In each of our business lines we are innovating and growing.

We have a ground-breaking new electronic banking strategy through which we expect to dramatically increase our retail customer base. We have reorganized our traditional retail businesses, to simplify our banking offers. Throughout all of our businesses, we are putting the customer at the centre. In Wealth Management, we know we have a distribution advantage which we are now using more productively. Last but not least, we have a successful integrated niche strategy in U.S. wholesale banking and a competitive strength in merchant banking.

OUR 2001 OBJECTIVES

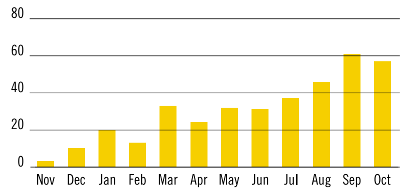
- Best total return to shareholders
- 18% ROE by 2002
- EPS growth of 15% per year
- 60% NIX ratio by 2002
- Tier 1 capital ratio of 8%-9% and total capital ratio of 11%-12%

Ongoing objectives

- 17%-20% ROE in Electronic Commerce
- 16%-18% ROE in Retail and Small Business Banking
- Over 50% ROE in Wealth Management
- 15%-20% ROE in CIBC World Markets

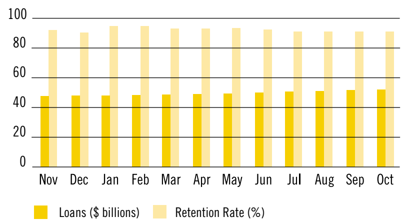
Selected performance metrics

CIBC's senior executive team reviews 140 different financial and operating measures on a monthly basis as part of the bank's performance measurement process. Here we provide some of these performance measures:



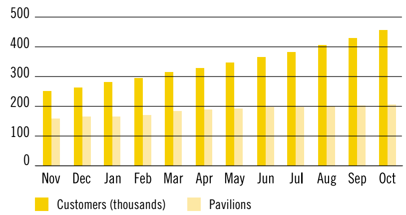
Total investor return (%)
(cumulative from October 31, 1999)

CIBC generated the highest investor return among the major Canadian banks during fiscal 2000. $100 invested in CIBC shares at the end of October 1999 would have appreciated to $157 by the end of October 2000, assuming reinvestment of dividends.



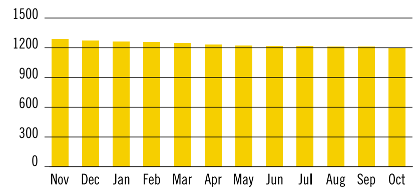
Residential mortgages

The average dollar amount of residential mortgages administered by CIBC increased almost 11.3% during the year. Retention rates decreased marginally in the last four months of the year, but stabilized at 91%.



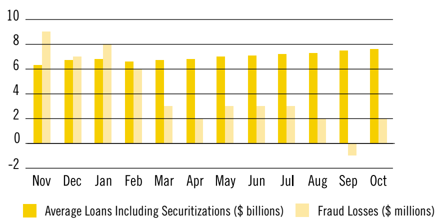
Amicus customers (thousands) and pavilions

Amicus now services more than 200 pavilions and, through the year, acquired new customers at a rate of nearly 20,000 per month. In the fourth quarter, the acquisition rate increased to 25,000 per month.



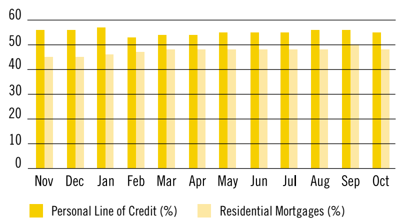
Number of branches in Canada

As customer channel preferences changed, CIBC responded by reducing its branch network and increasing its electronic banking points of access. CIBC closed 93 branches this year.



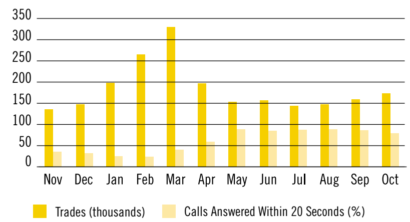
VISA

The average dollar amount of CIBC's card loans, including amounts securitized, increased more than 20% during the year. Leadership in the card business brings with it added challenges with respect to fraud losses. A concerted effort to enhance the security of its customers resulted in a marked decrease in the level of losses during the year.



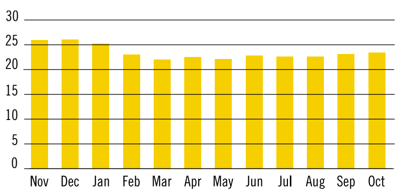
Creditor insurance sales penetration

As part of the refocusing of its insurance efforts during the year, CIBC is looking to improve its penetration in creditor insurance sales. The efforts are still in their early stages, but penetration has lagged expectations somewhat to this point.



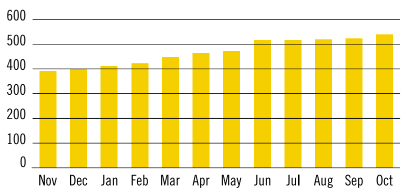
Discount brokerage

CIBC Investor Services Inc. responded effectively to the recent extraordinary growth in discount trading volumes. This is evident in the improvement in its call centre and interactive voice response capabilities, bringing the bank to industry standard call response times – 80% of calls answered within 20 seconds.



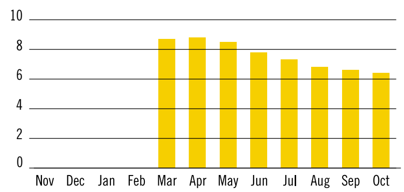
Credit capital markets core portfolio
(Risk-weighted assets – $ billions)

The credit capital markets portfolio (loans to large corporations) decreased over the year, reflecting our desire to migrate capital to higher yielding investments.



Number of merchant banking investments

CIBC has been growing its merchant banking business as part of its integrated financial services offer, with a view to harvesting securities gains over the coming years.



Non-core wholesale loans
(Risk-weighted assets – $ billions)

In February, Treasury and Balance Sheet Management was given responsibility for managing down the non-core wholesale loan portfolio. So far, the portfolio has been reduced by more than $2 billion in risk-weighted assets from the peak level in April.

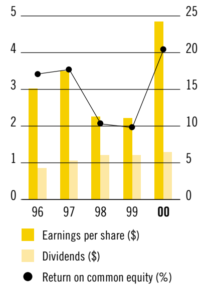
2000 financial highlights

As at or for the year ended October 31		2000	1999	1998	1997	1996	US$ 2000[1]
COMMON SHARE INFORMATION							
Per share	- basic earnings	**$ 4.97**	$ 2.23	$ 2.26	$ 3.51	$ 3.02	**$ 3.37**
	- fully diluted earnings	**$ 4.84**	$ 2.22	$ 2.25	$ 3.50	$ 3.02	**$ 3.29**
	- dividends	**$ 1.29**	$ 1.20	$ 1.20	$ 1.05	$ 0.85	**$ 0.88**
	- book value	**$ 25.17**	$ 22.68	$ 22.08	$ 21.07	$ 18.62	**$ 16.53**
Share price	- high	**$ 50.50**	$ 42.60	$ 59.80	$ 41.75	$ 28.30	**$ 33.17**
	- low	**$ 30.50**	$ 28.00	$ 24.40	$ 26.55	$ 18.00	**$ 20.03**
	- closing	**$ 48.40**	$ 31.70	$ 30.65	$ 41.20	$ 27.85	**$ 31.79**
Shares outstanding	- average basic (thousands)	**388,951**	409,789	415,030	413,545	415,028	**388,951**
	- average fully diluted (thousands)	**404,569**	422,501	425,303	422,403	422,148	**404,569**
	- end of period (thousands)	**377,140**	402,279	415,515	414,294	411,914	**377,140**
Market capitalization ($ millions)		**$ 18,254**	$ 12,752	$ 12,736	$ 17,069	$ 11,472	**$ 11,989**
VALUE MEASURES							
Price to earnings multiple (12 months trailing)		**9.7**	14.2	13.5	11.7	9.2	**9.7**
Dividend yield (based on closing share price)		**2.7%**	3.8%	3.9%	2.5%	3.1%	**2.7%**
Dividend payout ratio		**25.9%**	53.6%	53.0%	29.9%	28.1%	**25.9%**
Market value to book value ratio		**1.92**	1.40	1.39	1.96	1.50	**1.92**
OPERATING RESULTS ($ millions)							
Total revenue on a taxable equivalent basis (TEB)[2]		**$ 12,210**	$ 10,265	$ 9,242	$ 8,621	$ 7,459	**$ 8,289**
Provision for credit losses - specific		**970**	600	280	360	387	**658**
	- general	**250**	150	200	250	93	**170**
		$ 1,220	$ 750	$ 480	$ 610	$ 480	**$ 828**
Non-interest expenses		**$ 8,096**	$ 7,998	$ 7,125	$ 5,372	$ 4,584	**$ 5,496**
Net income		**$ 2,060**	$ 1,029	$ 1,056	$ 1,551	$ 1,366	**$ 1,399**
OPERATING MEASURES							
Net interest margin (TEB)[2]		**1.68%**	1.67%	1.59%	1.97%	2.33%	**1.68%**
Net interest margin on average interest earning assets (TEB)[2]		**1.99%**	2.03%	1.91%	2.27%	2.67%	**1.99%**
Efficiency ratio[3]		**66.3%**	77.9%	77.1%	62.3%	61.5%	**66.3%**
Return on average assets		**0.78%**	0.38%	0.38%	0.66%	0.70%	**0.78%**
Return on equity		**20.5%**	9.8%	10.3%	17.7%	17.1%	**20.5%**
Number of employees (FTE)		**44,215**	45,998	47,171	42,446	41,606	**44,215**
BALANCE SHEET AND OFF-BALANCE SHEET INFORMATION ($ millions)							
Cash and securities		**$ 79,921**	$ 72,019	$ 71,765	$ 53,183	$ 47,937	**$ 52,492**
Loans and acceptances		**$ 154,740**	$ 145,646	$ 163,252	$ 155,864	$ 142,551	**$ 101,633**
Total assets		**$ 267,702**	$ 250,331	$ 281,430	$ 237,989	$ 210,232	**$ 175,827**
Deposits		**$ 179,632**	$ 160,041	$ 159,875	$ 138,898	$ 127,421	**$ 117,982**
Common shareholders' equity		**$ 9,493**	$ 9,125	$ 9,175	$ 8,729	$ 7,670	**$ 6,235**
Average assets		**$ 263,119**	$ 271,844	$ 278,823	$ 236,025	$ 196,063	**$ 178,631**
Average interest earning assets		**$ 221,331**	$ 223,774	$ 232,114	$ 204,121	$ 171,365	**$ 150,262**
Average common shareholders' equity		**$ 9,420**	$ 9,323	$ 9,100	$ 8,195	$ 7,332	**$ 6,395**
Assets under administration		**$ 691,400**	$ 609,500	$ 398,700	$ 245,100	$ 205,300	**$ 454,112**
BALANCE SHEET QUALITY MEASURES							
Common equity to risk-weighted assets		**7.1%**	6.8%	6.3%	5.9%	6.0%	**7.1%**
Return on risk-weighted assets		**1.53%**	0.74%	0.70%	1.11%	1.09%	**1.53%**
Tier 1 capital ratio		**8.7%**	8.3%	7.7%	7.0%	6.6%	**8.7%**
Total capital ratio		**12.1%**	11.5%	10.8%	9.8%	9.0%	**12.1%**
Net impaired loans after general allowance ($ millions)		**$ (575)**	$ (266)	$ (123)	$ 28	$ 692	**$ (378)**
Net impaired loans to net loans and acceptances		**(0.37)%**	(0.18)%	(0.08)%	0.02%	0.5%	**(0.37)%**

(1) Represents the translation of Canadian GAAP financial information into US$ using the year-end rate of $0.6568 for balance sheet figures and the average rate of $0.6789 for operating results.
(2) Taxable equivalent basis (TEB). Net interest income includes tax-exempt income on certain securities. Since this income is not taxable to CIBC, the rate of interest or dividend received by CIBC is significantly lower than would apply to a loan of the same amount. As the impact of tax-exempt income varies from year to year, such income has been adjusted to a taxable equivalent basis to permit uniform measurement and comparison of net interest income. An equal and offsetting adjustment is made to increase the provision for income taxes.
(3) Efficiency ratio may also be referred to as non-interest expenses to revenue ratio.

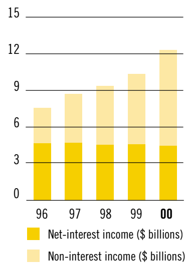
Measuring value

CIBC financial profile at a glance



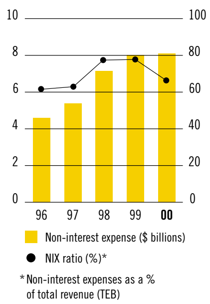
Earning per share/Dividends/ROE
(EPS - $, Dividend - $, ROE - %)

EPS is a measure of our net income after tax and preferred share dividends divided by average common shares outstanding. Dividends per share represent the portion of EPS paid to common shareholders in cash or through the dividend reinvestment plan. Return on equity is a key measure of bank profitability, and is measured by net income divided by average common shareholders' equity. All three grew in 2000.



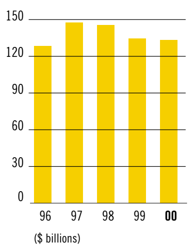
Total revenue (TEB)
($ billions)

Total revenue is comprised of: net interest income, which is a measure of the interest and dividends earned on our assets, net of interest paid on liabilities; plus non-interest income, which is income earned from fees for services such as wealth management fees, and underwriting commissions. In 2000, we increased the ratio of non-interest income to total revenue to 63.9% from 55.8%. Revenue was affected by a number of items as detailed on page 34.



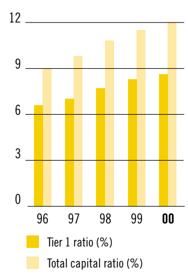
Non-interest expenses/NIX ratio
(Non-interest expenses - $ billions, NIX Ratio - %)

Non-interest expenses include all of our costs except interest expenses, provision for credit losses, and income taxes. The NIX ratio is a measure of non-interest expenses divided by total revenue. In 2000, non-interest expenses increased by 1% and our NIX ratio fell from 78% to 66%. A number of items affected these comparisons. Please refer to page 36.



Risk-weighted assets
($ billions)

Risk-weighted assets are calculated by applying weighting factors specified by regulators to all our assets. The decline in our risk-weighted assets in 2000 reflects our strategy to improve our capital productivity by reallocating balance sheet resources to those businesses where we have a sustainable competitive advantage. Please see pages 31 and 44.



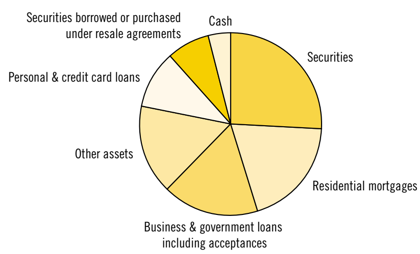
Capital ratios
(%)

CIBC is one of the strongest capitalized banks in Canada. At year end, our Tier 1 capital ratio was 8.7% and our total capital ratio was 12.1%. For more detail please see page 43.

HOW WE DID IN 2000

Financial targets	Measurement	2000 performance
Share price	Best total return of Canadian banks over next 3 years	No. 1 in 2000, 57.5% versus bank index of 40.4%
ROE	18% by 2002	19.3%(1)
Earnings growth	Fully diluted EPS growth rate of 15% per year	$4.55(1) up 105% from 1999 EPS of $2.22
Efficiency	Non-interest expenses to revenue ratio of 60% by 2002	68.1%(1)
Capital strength	7.5%-8.5% (Tier 1)	8.7%
	10.5%-11.5% (total capital)	12.1%

(1) Normalized for the gains on sales of corporate assets and the additional specific provision for government-sponsored student loans



Allocation of assets
CIBC is well diversified with 30% of our balance sheet in lower risk cash and securities and 30% in loans and mortgages to individuals.

Getting things done

Created Amicus to consolidate CIBC's co-branded retail electronic banking businesses

Hedged most of the remaining 47 million share investment n Global Crossing Ltd.

Acquired St. Anthony Bank in Illinois, which gives operational and regulatory flexibility to expand electronic banking operations in the United States

Formed strategic alliance with Safeway Inc. to deliver electronic banking services to U.S. customers under the banner Safeway SELECT Bank

Chosen by Yahoo! Inc. to provide Yahoo! PayDirect U.S. consumers with a quick, easy way to request, send and make payments over the Internet, for a full online person- o-person payment solution

Became first Canadian bank to advise on and sell securi- ies including third-party investments nationally through branches

Launched the CIBC AeroCorporate Card with Air Canada, enabling businesses to manage expenses while their employees earn Aeroplan miles

ntroduced VeriSign, a security service to protect e-commerce applications and communications over the Internet

Unveiled bizSmart with The Business Depot Ltd., a new e-banking and e-commerce small business banking offer o provide Canadian small businesses access to no-fee online daily banking

Launched the innovative "Better Than Prime" variable-rate mortgage, offering customers 101-basis points below prime for the first nine months and simple conversion to a fixed-term

Streamlined and simplified GIC products offered from 42 to 13

No. 1 Canadian card issuer with 30+% market share

Divested non-core businesses, including office properties n Canada, Swiss private banking operations, and property and casualty insurance subsidiaries

CIBC World Markets led and co-managed equity offerings amounting to US$34.5 billion, up from US$25.9 billion last year

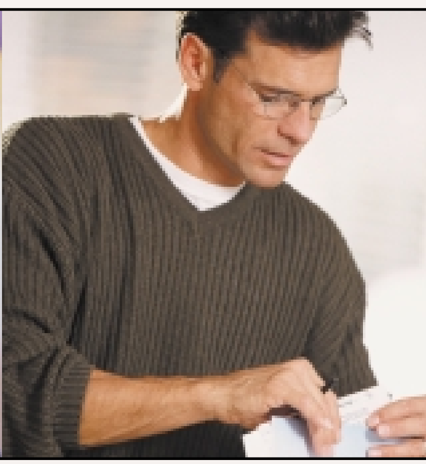
Realized gain of $697 million on the sale of 16.8 million shares of Global Crossing Ltd.

Repurchased 26.5 million common shares for $1.1 billion under a normal course issuer bid that began December 15, 1999 and ends December 14, 2000

Electronic banking customer acquisition – a new approach

Over the course of the year, we acquired 225,000 new customers through Amicus. We are currently adding customers at a rate of 25,000 per month. Subsequent to year end, we signed a letter of intent with Investors Group Inc., Great-West Lifeco Inc. and London Life Insurance Co. to distribute banking and brokerage products and services under their brands.

Amicus™

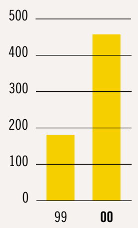


Small Business Growth

CIBC is committed to building upon our leadership position with our small business customers. Small business loan volumes grew 12% in 2000. To enhance our service to this segment, this year we launched bizSmart, a strategic alliance with Business Depot and other leading suppliers to Canadian small business to provide Canada's first no-fee, online banking offer.

SMALL BUSINESS CUSTOMER LOANS
($ billions)

Amicus new customers
thousands



YAHOO! PayDirect

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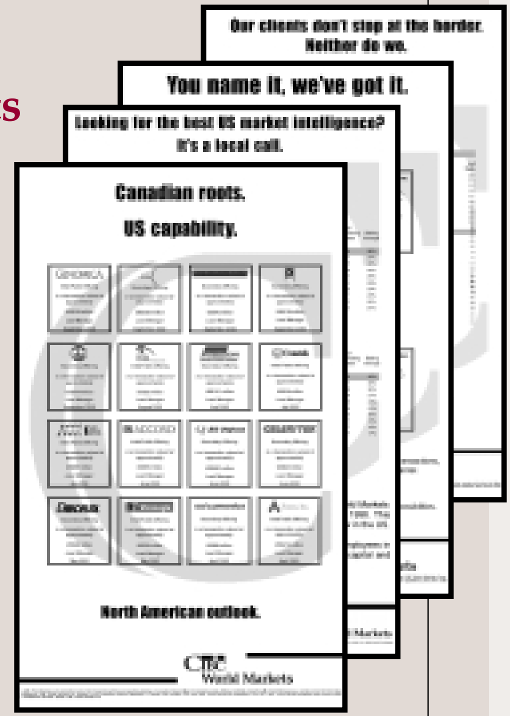
CIBC World Markets

CIBC World Markets provides clients with a full range of investment services. Revenue grew 23% this year. We are proud to be the only Canadian bank with a comprehensive cross-border capability.



Driving more growth

Throughout all of our businesses, we are putting the customer at the centre

Wealth Management

Assets under administration grew to $163 billion in 2000. We intend to continue to grow this business in 2001 by expanding our sales of third-party products.

2000 $163 billion
1999 $141 billion
1998 $122 billion

ADMINISTERED ASSETS
($ billions)

Card product strength

CIBC remains the No. 1 Canadian bank card issuer with more than 30% market share and 43% of the premium card market.

LOAN BALANCES
($ billions)

1997: $4.8 1998: $5.2 1999: $6.3 2000: $7.7

We are making it easier to be a CIBC customer

A year ago, we laid out a fresh course for CIBC. We made a commitment to you to generate the best total shareholder return of any Canadian bank by 2002. I am pleased to report that, thanks to tremendous commitment and effort on the part of our employees, our shareholders have had a most successful year. In fiscal 2000, CIBC's total return to shareholders was 57.5%, outpacing all of our Canadian competitors.

This remarkable performance was accomplished during a period of rapid change, inside and outside your bank. Success in such an environment required creating a more flexible organizational structure and fostering a culture where our people put the customer at the centre of everything they do. That is because performance is more than financial results. Performance starts with customers. Creating value for customers is what ultimately creates value for shareholders.

JOHN HUNKIN
Chairman and Chief Executive Officer

Generating sustainable earnings growth through:

- **Aggressive customer acquisition**
- **Simplified product delivery in retail banking**
- **Distribution strength in wealth management**
- **Integrated niche strategy in corporate and investment banking**

Strong financial performance

CIBC's earnings in 2000 were more than $2 billion reflecting solid performance across our businesses and generally robust capital markets. We exceeded our key performance targets and reported return on equity of 20.5%. We also exceeded our $500 million cost reduction target by a healthy margin.

Our balance sheet is in excellent shape. CIBC's regulatory capital ratios remain among the strongest in the industry, with Tier 1 of 8.7% and total of 12.1%. We are actively managing our balance sheet by focusing on businesses where we have a sustainable competitive advantage and by exiting non-core businesses. And this year we repurchased 26.5 million common shares at an average price of $40.42.

Growth

We are excited about the key strategies in each of our business units:

• We have a ground-breaking new electronic banking strategy through which we expect to significantly increase our retail customer base over the next several years.

• We have reorganized our traditional retail businesses, to simplify our banking offers and put the customer at the centre.

• We know we have a distribution advantage in wealth management that we are now using more productively.

• We have a successful integrated niche strategy in U.S. wholesale banking and a competitive strength in merchant banking.

Customer acquisition

In electronic banking, our key strategy is aggressive customer acquisition utilizing strategic alliances with leading brands in North America. This year, we created Amicus to bring together all our co-branded retail electronic banking businesses and expand our national network in the United States. We have created an Internet bank with the right mix of customer interface and electronic delivery. Our strategy creates the proverbial "win-win" – customers get lower-cost banking at brand-name retail locations, and CIBC gains access to strong brands and millions of new customers. Our target is to add at least one million new customers by 2002.

Putting the customer at the centre

In the retail sector, our intent is to provide our customers with simpler, smarter banking solutions. This decision to provide a more straightforward offering will require investment in our people, through enhanced training, including our new "Retail University" program.

We are also investing $100 million in technology upgrades to place the right customer service tools in the hands of our employees. During 2000, CIBC closed 93 branches across Canada – primarily those that experienced a significant drop in volume. While some additional low-use branches will be closed in the year ahead, our primary emphasis in 2001 will be on technology and customer service enhancements to strengthen our core Canadian retail franchise. In addition, we have segmented our customer groups so that we can be more responsive to their needs. We have also assigned one senior executive in retail banking the primary accountability of improving customer loyalty and profitability. I am confident these activities will result in a significant improvement in customer satisfaction. This year, we improved customer loyalty, efficiency and profitability.

Leveraging a distribution advantage

In wealth management, our strategic focus is on distribution with less emphasis on product manufacturing. We are successfully leveraging our sales force in the branches to sell the full range of products, including third-party products. We are refining our product approach to focus on leadership areas including mutual funds, index funds and GICs. As well, we are re-engineering our discount brokerage platform to accommodate greater volumes and house third-party products. This business continues to generate superior results with unprecedented volumes in our private client and discount brokerage operations. Return on equity is more than 75% and assets under management are $163 billion.

Successful North American wholesale banking platform

We have built an integrated North American wholesale banking capability that is proving to be a very successful model. By being very clear about our target markets and by offering a full range of financing capabilities with very focused customer service, we are winning an increasing amount of business. North American equity new issue activity increased 33% this year and M&A transactions were up 50%. Merchant banking is proving to be an enduring contributor to our bottom line and an integral part of our wholesale banking strategy.

This year we were able to demonstrate the success of our wholesale banking strategy. We surpassed our earnings and ROE objectives, generating more than $1 billion in earnings and 25.6% ROE.

Managing our balance sheet

During the year we took a number of steps to allocate capital to those businesses with the greatest potential for growth and superior returns. We exited businesses that do not have a sustainable competitive advantage. These included our property and casualty insurance companies, Swiss private banking operations, the international structured trade finance business, and the sale of seven office properties wholly owned by CIBC. We have invested in strategic growth areas such as Amicus, card products, merchant banking and repurchased 26.5 million common shares for $1.1 billion.

Looking ahead

The environment ahead will be challenging. There are early indications that credit and capital markets are slowing and certainly competitive pressures in retail banking are likely to continue. We intend to continue to invest in our growth strategies and in improving customer satisfaction. These activities are critical for our long-term growth. We are confident that a continued balanced focus between investing in new and innovative strategies and maintaining a strong disciplined focus on measurement will lead to superior, sustainable returns for our shareholders.

CIBC had an excellent year. We are firmly on track to meet our 2002 targets and our commitment to you as shareholders to provide a superior return. I want to take this opportunity to congratulate our people, for it has been their efforts that has made our success possible and it will be their continued creativity and enthusiasm that will enable CIBC to achieve its full potential.

J.S. Hunkin
Chairman and Chief Executive Officer

In your community

At CIBC, community involvement is about people. It is the 8,100 employees in 29 cities – plus their neighbours, friends and family – who participated in the CIBC "Run For the Cure". It is the 3,300 CIBC World Markets employees who took part in "Children's Miracle Day". It is the thousands of unsung activities of our people in communities across Canada, in the United States and around the world. At CIBC, our philosophy of giving reflects our commitment to the communities where our people live and work.

YOUTHVISION

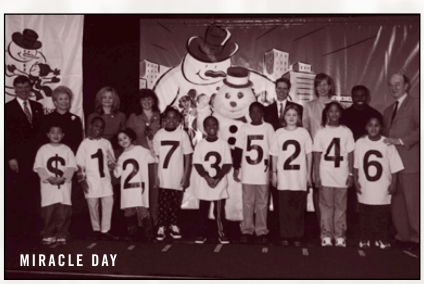
And yes, it is also about financial support – more than $33 million in 2000, making CIBC one of the most generous corporations in Canada.

CIBC continues to be recognized as a Caring Company by the Canadian Centre for Philanthropy. This designation applies to corporations that donate more than 1% of pre-tax profits to charity.

As one of Canada's largest corporate donors, CIBC provides support to a broad range of worthwhile causes on a national, regional and local level, focusing on youth and education. Through Youth**vision**, CIBC funds hundreds of initiatives that combine education, research, mentoring and skills development, encouraging young people to stay in school and plan for their future. This year, the CIBC Youth**vision** scholarship program, a unique partnership with Big Brothers and Sisters of Canada and the YMCA, once again awarded 30 students with scholarships and internships, valued at up to $35,000 each. Other community-based initiatives include the National Aboriginal Achievement Awards, recognizing outstanding achievement in the aboriginal community; WORKink, a virtual employment resource centre for employers and for job seekers with disabilities, and CanadaHelps.org, a new online vehicle for Canadian charities and donors. Through Famous 5 activities in Calgary and Ottawa, CIBC recognized the roles of five remarkable women – Emily Murphy, Henrietta Muir Edwards, Louise McKinney, Nellie McClung and Irene Parlby – for their efforts in 1929 in changing the British North America Act, to have women recognized as "persons."


FAMOUS 5

On the first Wednesday of every December, CIBC World Markets sales and trading staff around the world and CIBC Wood Gundy and CIBC Oppenheimer Financial Consultants donate their fees and commissions to children's charities. Since 1984, more than $46 million has been raised for children's charities. In 1999, Miracle Day raised a record $12.7 million worldwide. In the U.S., our community and corporate donations programs focus on the health, education and welfare of children.



MIRACLE DAY

But, in the end, it is our employees who are vital to CIBC's community presence. Through the Employee as Ambassador Program, CIBC proudly recognizes employee volunteerism by supporting a broad range of community programs with corporate contributions.

Management's discussion and analysis

Contents

Management's discussion and analysis for 2000 has been designed to provide stakeholders with a more meaningful presentation of our business lines. Accountability statements, strategic commentary and key messages from each business line leader have been integrated in the business line review to complement the financial commentary.

Management's discussion and analysis of CIBC's 2000 results and operations is organized into five main sections:

Overview
To facilitate understanding of CIBC's 2000 results, especially comparability with prior years, this section sets out CIBC's significant business developments. A high-level discussion of consolidated financial results is also provided to set the framework for the more detailed business line discussion which follows.

Business line review
This section provides an overview of CIBC's businesses and an explanation of CIBC's reporting structure, which is consistent with how the business is managed. In addition, the business leader for each of our business lines reviews the year. Business line performance is measured against 2000 objectives and an in-depth financial review is provided. Finally, business line objectives are set going forward.

Functional groups
The functional groups provide infrastructure support services to the business lines, the costs of which are generally allocated to the business lines. In this section, the business leader for each functional group reviews the year and establishes priorities going forward.

Consolidated financial review
This section provides a discussion of CIBC's consolidated income statements and balance sheets, including capital and how CIBC manages risk.

Business environment
This section outlines the environment in which CIBC conducts its business. An economic review of the year is included as well as an overview of the competitive and regulatory environments in which CIBC operates. Accounting and reporting developments complete the section.

A NOTE ABOUT FORWARD-LOOKING STATEMENTS
This annual report contains forward-looking statements about CIBC. A forward-looking statement is subject to 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 could cause actual results to differ materially from the expectations expressed in any of CIBC's forward-looking statements. These factors include current, pending and proposed legislative or regulatory developments; intensifying competition resulting from established competitors, new entrants and global consolidation of the financial services industry; technological change; global capital market activity including interest rate fluctuation, currency value fluctuation and general economic conditions world-wide as well as in Canada, the United States and other countries where CIBC has business operations; and CIBC's success in managing the costs associated with the expansion of existing distribution channels, developing new ones and in realizing increased revenue from these channels, including electronic commerce-based efforts. 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.

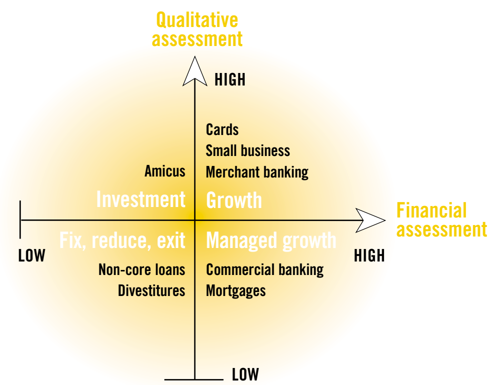
Overview

Business themes

Balance sheet (including capital) management

CIBC introduced a more rigorous balance sheet resource allocation process during 2000. The process is based on a principal investor mindset, which means allocating balance sheet resources (economic capital, risk-weighted assets and total assets) to businesses of high strategic value and high, sustainable returns. The performance of every business across the bank is assessed based on both the quantity and quality of earnings. Quality considers volatility, sustainability, strategic imperative and growth potential of earnings. The result is that the businesses have been designated into one of four quadrants.

Balance sheet resource allocation matrix[1]



(1) Businesses presented here are selected examples only

Investment: Businesses with a high strategic value and potential high earnings, but low current earnings. One example is Amicus, which was formed in 2000 to consolidate CIBC's co-branded electronic retail banking businesses. In 2000, balance sheet resources supporting Amicus were increased by more than 75%. Alliances under the Amicus umbrella include President's Choice Financial, Marketplace Bank, Safeway SELECT Bank, Yahoo! PayDirect and Bank@work.

Growth: Businesses with high sustainable earnings and strong growth prospects. Examples of businesses in this quadrant and their related increases in balance sheet resources in 2000 include: cards (up over 20%), small business (up over 10%) and merchant banking (up almost 25%). The merchant banking business generated $1,021 million in revenue in 2000 and is an important part of CIBC's strategy. At year end, CIBC had investments in more than 300 companies diversified by geography and industry. In addition to their ongoing contribution to CIBC's net income, merchant banking investments are powerful tools for building new client relationships and cementing long-term and profitable relationships. Equity investments in client businesses are often made as part of a larger financing transaction. CIBC continued to benefit from this strategy in 2000 by harvesting significant gains during the year.

Managed growth: Businesses that continue to be strong financial performers, but with more limited growth prospects. Examples of businesses in this quadrant include commercial banking (balance sheet usage was reduced by about 5%) and mortgages (balance sheet usage increased by more than 5%).

Fix, reduce, exit: Businesses and operations that have low earnings and low strategic value. CIBC liberates capital from these businesses and redeploys it to *investment* and *growth* businesses. Examples of activities in 2000 include:
(i) Divestiture of office properties, which reduced risk-weighted assets by over $700 million and resulted in an after-tax gain of $143 million.
(ii) Divestiture of property and casualty insurance companies, which resulted in a $97 million after-tax gain.
(iii) Divestiture of CIBC Suisse S.A., which resulted in a $20 million after-tax gain and reduced risk-weighted assets by more than $700 million.
(iv) Reduction of the non-core loan book, releasing more than 25% of the balance sheet resources utilized by this portfolio.

Comprehensive cost reduction program

CIBC achieved its target set in fiscal 1999, to reduce base operating expenses by $500 million on an annualized basis by the fourth quarter of 2000. Progress was measured against a base using second quarter 1999 expense levels, excluding certain revenue-related expenses (incentive compensation, commissions and other variable costs), new investment in strategic growth businesses and restructuring. Annualized savings were $592 million.

COMPREHENSIVE COST REDUCTION PROGRAM

$ millions	**Q4/2000**	Q2/1999
Total non-interest expenses	**$ 2,031**	$ 1,826
Exclusions (as noted above)		
Incentive bonuses	**467**	265
Commissions	**147**	107
Other variable expenses	**34**	34
Restructuring credit	**(31)**	-
New York premises consolidation	**50**	-
New investment in strategic growth businesses	**115**	23
	$ 782	$ 429
Base expenses	**$ 1,249**	$ 1,397
Change from Q2/99	**$ 148**	
Annualized savings	**$ 592**	

To support the cost reduction program, a $426 million pre-tax restructuring charge was taken in 1999. Further details on major restructuring activities in 2000 are provided in Note 2 to the consolidated financial statements on page 65.

1999 Business themes

• A new chairman and chief executive officer and a new senior executive team were appointed.
• A new organizational structure was established (see pages 16–17).
• A pre-tax restructuring charge of $426 million (1998: $79 million) was taken in support of the cost reduction program.
• CIBC applied for a national bank licence in the U.S. and, effective October, 1999, CIBC National Bank was authorized to begin operations. This positioned CIBC for entry into the U.S. retail banking market, using electronic delivery channels.
• CIBC World Markets' unique cross-border capability to provide integrated financing solutions to North American corporate government and institutional clients was enhanced in 1999 with the completion of the Oppenheimer integration.

Operating results

OPERATING RESULTS

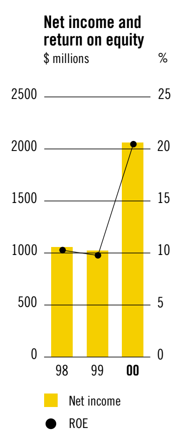
$ millions, for the years ended October 31	**2000**	1999	1998
Net income before the following, net of income taxes	**$ 1,794**	$ 1,296	$ 1,179
Gains on sales of corporate assets	**260**	-	64
Restructuring credit (charge)	**18**	(242)	(44)
Oppenheimer acquisition-related costs	**(12)**	(25)	(143)
Net income	**$ 2,060**	$ 1,029	$ 1,056

HIGHLIGHTS

- **Total shareholder return was 57.5% for the year, versus the bank index of 40.4%**
- **Record net income of $2,060 million**
- **Return on equity of 20.5%**
- **Revenue up 19%, boosted by divestiture gains**
- **Efficiency ratio improved to 66.3%, showing progress toward our objective of 60% by 2002**
- **Strong Tier 1 and total capital ratios of 8.7% and 12.1%, respectively**

Net income

CIBC reported net income of $2,060 million in 2000, up $1,031 million or 100% from 1999. Return on equity was 20.5% in 2000, up from 9.8% in 1999. Earnings per share were $4.97, up from $2.23 in 1999.



As noted in the table, CIBC's net income in 2000 includes non-recurring gains on the sale of certain office properties ($143 million after-tax), our property and casualty insurance companies ($97 million after-tax) and CIBC Suisse S.A. ($20 million after-tax).

The restructuring credit in 2000 represents an adjustment of the 1999 restructuring provision, which was in support of the cost reduction program. The adjustment of the 1999 restructuring provision resulted primarily from lower severance costs than originally estimated (due to higher levels of attrition and redeployment within CIBC) as well as a reduction in the scope of certain initiatives.

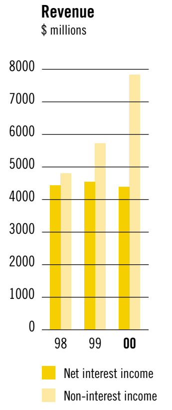
Costs related to the 1997 acquisition of Oppenheimer were $12 million in 2000, down $13 million from 1999.

Net income before the items in the table was $1,794 million in 2000, up $498 million or 38% from 1999. The increase was due to strong revenue across all business lines. Non-interest income, in particular, was up 36%, including a $397 million after-tax gain on the sale of part of our investment in Global Crossing Ltd. This gain was partially offset by a $278 million after-tax increase in the provision for credit losses. The specific and general provision for credit losses increased by $216 million and $62 million, respectively, from 1999.

CIBC's 1999 net income of $1,029 million was down $27 million or 3% from $1,056 million in 1998. Net income in 1998 benefited from the gain on disposal of Comcheq, a payroll-processing subsidiary, while both years were adversely affected by a restructuring charge and Oppenheimer acquisition-related costs. Excluding these items, 1999 net income was $1,296 million, up $117 million or 10% from $1,179 million in 1998.

Revenue

Total revenue in 2000 was $12,210 million, on a taxable equivalent basis (TEB) (see definition on page 17), up $1,945 million or 19% from 1999. Revenue for the year ended October 31, 2000 was boosted by gains on the sales of certain office properties ($203 million), the property and casualty insurance companies ($97 million) and CIBC Suisse S.A. ($28 million). Excluding these items, revenue for the year was $11,882 million, up $1,617 million or 16% from 1999 due to strength across all business lines. CIBC World Markets revenue was up $882 million, driven by merchant banking gains including a $697 million (1999: $583 million) gain on the sale of a portion of our investment in Global Crossing Ltd. and record levels of equity related activities. As well, 1999 included significant investment write-downs. Wealth Management revenue was up $558 million primarily due to favourable market conditions and volumes as well as growth in our client base. Strong performance in cards drove a $68 million increase in Electronic Commerce revenue, while both retail banking and small business banking posted solid revenue increases.



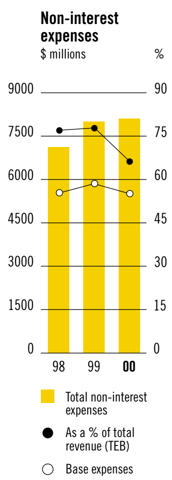
Non-interest expenses

Non-interest expenses were $8,096 million, up $98 million from 1999, while the efficiency ratio of 66.3% in 2000 improved from 77.9% in 1999, primarily as a result of higher revenue.

Base expenses (explained in detail on page 36) were $5,524 million, down $289 million or 5% from 1999, reflecting the success of our cost reduction program.

The overall increase in expenses resulted primarily from volume-related compensation (up $666 million) and investment in Amicus and bizSmart (up $182 million).

At October 31, 2000, CIBC had 44,215 full-time equivalent employees, down 1,783 from the end of 1999. The net reduction resulted primarily from restructuring activities, partially offset by growth in support of strategic initiatives.

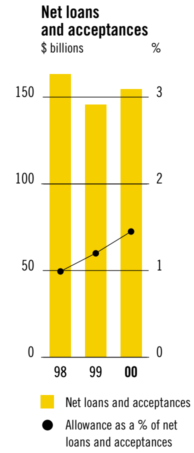


Assets

Assets totaled $267.7 billion at October 31, 2000, up $17.4 billion from 1999 primarily due to increases in securities held for trading ($7.2 billion), residential mortgages ($5.3 billion), and personal and credit card loans ($2.9 billion). Within business and government loans, a significant decrease in large corporate loans was offset by an increase in small business loans. Fluctuations resulted primarily from the balance sheet resource allocation process directed by Treasury and Balance Sheet Management (TBM).

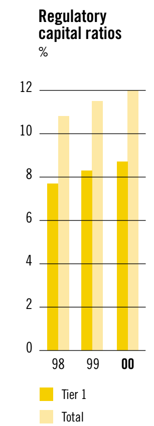
Gross impaired loans were $1,661 million at October 31, 2000, up from $1,482 million one year ago. CIBC's total allowance for credit losses, which includes specific and general allowances, was $2.2 billion at October 31, 2000.

During 2000, we sold our portfolio of seven wholly owned office properties located in Vancouver, Edmonton, Hamilton, Montreal, Oshawa and Toronto. A pre-tax gain of $182 million ($128 million after-tax) was recognized during the year, from a total pre-tax gain of $333 million. The remaining gain relates to the portion of the premises that CIBC continues to occupy and will be recognized over the approximate 10-year average term of the related leases. An additional property was sold during the year for a net pre-tax gain of $21 million ($15 million after-tax).



Capital

CIBC's total capital for regulatory purposes was $16.1 billion at October 31, 2000, up $0.7 billion from 1999. Tier 1 and total capital ratios were 8.7% and 12.1%, respectively, at October 31, 2000, up from 8.3% and 11.5% at October 31, 1999.

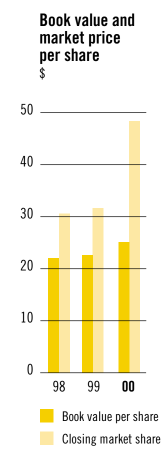


Shareholder value

CIBC's common share price was $48.40 on October 31, 2000, up $16.70 or 53% from $31.70 at the end of 1999. Total shareholder return was 57.5%, well above the bank index of 40.4%.

Dividends were $1.29 per share, which represents a dividend yield of 2.7% based on the closing share price for the year. Book value was $25.17 per share in 2000, up from $22.68 per share in 1999.

Under CIBC's normal course issuer bid that began December 15, 1999, CIBC repurchased for cancellation 26.5 million common shares during the year for an aggregate consideration of $1,074 million. The normal course issuer bid ends December 14, 2000.



Outlook

The year 2000 has been excellent. The environment ahead will be more challenging. Economic forecasts indicate slower growth in 2001 and a less favourable interest rate environment. Although our balance sheet continues to be in solid shape, early indications are that the credit and capital markets may be slower in the coming months. We intend to continue to invest in our strategic initiatives and to continue improving our customer satisfaction ratings. These investments are critical for our long-term growth.

Business line review

The CIBC organization – focused on creating shareholder value

Electronic Commerce, Technology + Operations

Is the technology engine for CIBC:

- Comprising business services and operations and technology functions
- Business activities, including cards, mortgages, insurance, payments and direct to consumer banking
- New business opportunities, including Amicus (electronic and Internet banking) and cibc.com (new ventures)

Retail and Small Business Banking

Provides financial services – lending, deposit and investment products – through CIBC branches, ABM network, PC Banking and telephone banking to:

- More than 5 million individual retail customers
- 350,000 small business customers in Canada
- 350,000 retail and commercial customers in the Caribbean

Wealth Management

Helps individual clients achieve their financial goals through a sales force of 2,900 financial professionals

- More than 1.5 million Wealth Management customers
- Full-service and discount brokerage
- Mutual funds
- GICs
- Global private banking and trust
- Investment management services
- Banking and credit services

CIBC World Markets

Delivers integrated financial solutions to investment and corporate banking clients throughout North America, with capabilities in selected products in Europe and Asia. Areas of specialization are:

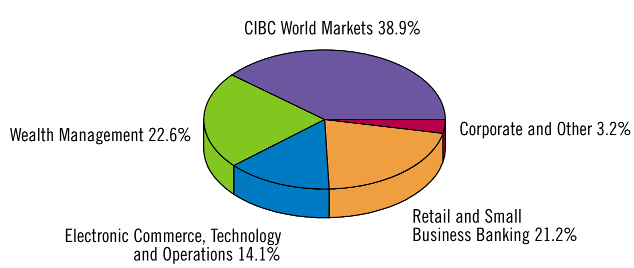
- Investment and corporate banking, including mergers and acquisitions
- Research, sales and trading of securities and derivatives
- Merchant banking
- Commercial banking

Functional groups

Four functional groups provide infrastructure support services, with costs generally allocated to the business lines. These groups are:

- Treasury and Balance Sheet Management – manages CIBC's balance sheet resource allocation process to ensure strong, effective capitalization across legal entities, and provides asset/liability funding, liquidity, cash and collateral management
- Risk Management – centrally manages CIBC's exposure to credit, market and operational risk
- Administration – provides governance and support services to the business lines to ensure that CIBC, its businesses and subsidiaries operate in an efficient, controlled and integrated manner
- Corporate Development – stimulates an owner-manager mindset among business leaders and seeks ways to create long-term value

Revenue by business line (for the year ended October 31, 2000)



How CIBC reports

In 2000, CIBC realigned its financial reporting based on the organizational and management structure announced June 3, 1999. We have four business lines – Electronic Commerce, Technology and Operations (Electronic Commerce); Retail and Small Business Banking; Wealth Management; and CIBC World Markets. These business lines are supported by four functional groups – Treasury and Balance Sheet Management (TBM); Risk Management; Administration; and Corporate Development. Comparative figures, previously reported based on two strategic business units – Personal and Commercial Bank and CIBC World Markets – have been restated to reflect the new management reporting structure.

CIBC has introduced a new model, the Manufacturer/Customer Segment/Distributor Management Model, to measure and report the results of operations of the four business lines. Under this model, internal payments for sales commissions and distribution service fees are made among business lines. As well, revenue and expenses relating to certain activities (such as the payments business described under Electronic Commerce) are fully allocated to the business lines. In addition, the revenue and expenses of the four functional groups are generally allocated to the four business lines. Management uses this model to better understand the economics of our customer segments, our products and our delivery channels.

The model utilizes certain estimates and allocation methodologies in the preparation of segmented financial information. These estimates and methodologies may be refined from time to time and restatement of various periods may occur.

SEGMENTED INCOME STATEMENT

$ millions, for the three years ended October 31		Electronic Commerce	Retail & Small Business Banking	Wealth Management	CIBC World Markets	Corporate and Other[1]	CIBC total
2000	**Net interest income (TEB)[2]**	**$ 2,253**	**$ 1,053**	**$ 576**	**$ 407**	**$ 124**	**$ 4,413**
	Non-interest income	**1,312**	**243**	**1,837**	**4,138**	**267**	**7,797**
	Intersegment revenue[3]	**(1,849)**	**1,294**	**351**	**204**	**-**	**-**
	Total revenue (TEB)[2]	**1,716**	**2,590**	**2,764**	**4,749**	**391**	**12,210**
	Non-interest expenses	**1,155**	**1,809**	**2,080**	**2,906**	**177**	**8,127**
	Restructuring charge	**(28)**	**10**	**(11)**	**-**	**(2)**	**(31)**
	Provision for credit losses	**169**	**514**	**1**	**286**	**250[4]**	**1,220**
	Income (loss) before taxes and non-controlling interests	**420**	**257**	**694**	**1,557**	**(34)**	**2,894**
	Income taxes and non-controlling interests	**97**	**52**	**233**	**434**	**18**	**834**
	Net income (loss)	**$ 323**	**$ 205**	**$ 461**	**$ 1,123**	**$ (52)**	**$ 2,060**
1999	Net interest income (TEB)[2]	$ 2,178	$ 975	$ 630	$ 811	$ (57)	$ 4,537
	Non-interest income	1,365	173	1,245	2,843	102	5,728
	Intersegment revenue[3]	(1,895)	1,350	331	213	1	-
	Total revenue (TEB)[2]	1,648	2,498	2,206	3,867	46	10,265
	Non-interest expenses	1,149	1,753	1,925	2,608	137	7,572
	Restructuring charge	77	68	53	182	46	426
	Provision for credit losses	103	238	14	245	150[4]	750
	Income (loss) before taxes and non-controlling interests	319	439	214	832	(287)	1,517
	Income taxes and non-controlling interests	120	148	38	292	(110)	488
	Net income (loss)	$ 199	$ 291	$ 176	$ 540	$ (177)	$ 1,029
1998	Net interest income (TEB)[2]	$ 2,140	$ 997	$ 556	$ 740	$ 5	$ 4,438
	Non-interest income	1,096	224	1,257	2,100	127	4,804
	Intersegment revenue[3]	(1,750)	1,248	335	166	1	-
	Total revenue (TEB)[2]	1,486	2,469	2,148	3,006	133	9,242
	Non-interest expenses	832	1,660	1,760	2,700	94	7,046
	Restructuring charge	-	-	-	79	-	79
	Provision for credit losses	119	186	-	(25)	200[4]	480
	Income (loss) before taxes and non-controlling interests	535	623	388	252	(161)	1,637
	Income taxes and non-controlling interests	202	252	125	57	(55)	581
	Net income (loss)	$ 333	$ 371	$ 263	$ 195	$ (106)	$ 1,056

(1) Corporate and Other comprises the four functional groups – Treasury and Balance Sheet Management (TBM); Risk Management; Administration; and Corporate Development – that support CIBC's business lines, as well as CIBC Mellon's custody business and other revenue and expense items not directly attributable to the four business lines. TBM revenue, expenses, capital and balance sheet items are allocated to the four business lines through a combination of funds transfer pricing and revenue, expense, balance sheet and capital allocation models. TBM is responsible for CIBC's overall balance sheet including capital management. As well, TBM's integrated treasury division provides all funding and financing, liquidity, cash and collateral management services across the business lines. The expenses of the Administration and Risk Management groups are also generally allocated to the business lines. In 2000, other also comprises the general provision for credit losses of $250 million, as well as the $203 million pre-tax gain on the sale of CIBC's office properties. In 1999, other includes the general provision for credit losses of $150 million, $83 million of restructuring and $125 million for the write-down of certain investments.

(2) Taxable equivalent basis (TEB). Net interest income includes tax-exempt income on certain securities. Since this income is not taxable to CIBC, the rate of interest or dividend received by CIBC is significantly lower than would apply to a loan of the same amount. As the impact of tax-exempt income varies from year to year, such income has been adjusted to a taxable equivalent basis to permit uniform measurement and comparison of net interest income. An equal and offsetting adjustment is made to increase the provision for income taxes.

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

(4) Represents an increase in the general provision for credit losses.

Electronic Commerce, Technology and Operations

OUR PRIORITIES ARE:

- To significantly grow our retail customer base through aggressive customer acquisition
- To support the ongoing business operations of CIBC through technology, process, product and business consulting
- To deliver leading edge, business sensitive, cost-effective electronic and technology based solutions to CIBC's businesses
- To identify new e-commerce business opportunities through direct investment or joint ventures

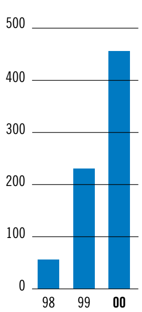
The Electronic Commerce, Technology and Operations group (Electronic Commerce) was formed in 1999 to focus CIBC's resources on changing the way CIBC creates, markets and distributes financial services in a rapidly evolving technology world. This business generates 14% of CIBC's revenue and employs about 15,300 people.

Electronic Commerce combines business services and technology under one leadership to maximize our technology strengths. Electronic Commerce includes operations and technology functions and the following business activities: cards, mortgages, insurance, Amicus, cibc.com, payments and direct to consumer banking.

Amicus

This year we created Amicus to bring together all our co-branded retail electronic banking businesses: President's Choice Financial (Loblaw Companies Limited), Marketplace Bank (Winn-Dixie Stores Inc.), Safeway SELECT Bank (Safeway Inc.), Yahoo! PayDirect and Bank@work. Amicus is an electronic and Internet bank complemented by retail pavilions.

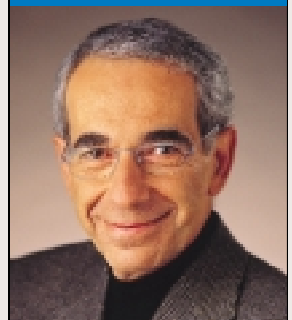
Total customers (000's)



The Amicus strategy is to aggressively acquire electronic banking customers by offering lower-cost banking services through brand-name retail locations. Under Amicus, customers get convenient access to lower-cost banking, CIBC gains access to millions of new customers and our co-branded retailers benefit from our banking services. Our current relationships give us access to about 45 million customers across Canada and the United States. We believe this strategy will significantly increase our retail customer base in the next few years.

President's Choice Financial, launched in 1998, was our first strategic alliance. We now have 167 pavilions in Loblaw stores, providing customers with no-fee electronic banking, including chequing and savings accounts, mortgages and RRSP products. In an internal survey, more than 74% of customers rate service as very good or excellent compared with industry results of 60%. Loans and deposits managed per pavilion are up 280% year-over-year, and funds managed per customer have increased 56%.

HOW WE DID



DAVID MARSHALL
Vice-Chairman

Our performance against 2000 objectives

Target

Double the number of electronic banking customers within one year

Result

- The number of total electronic banking customers grew 97% from 231,000 to 456,000, primarily through alliances with grocery retailers

Target

Increase sales of banking products through electronic channels by 50% within one year

Result

- Sales volumes through telephone and PC Banking were up 16%. Growth in the number of calls received reduced our ability to increase outbound marketing calls required to meet the sales growth target and stay within our expense target. Including Amicus, sales volumes were up 48%

Target

Change business processes that are not serving customers well or are exceeding industry cost benchmarks

Result

- To accommodate growth in telephone banking, we are opening a new call centre in Fredericton, N.B. in early 2001

Ongoing objectives

- Achieve 17%–20% return on equity, excluding Amicus
- Add at least one million total new Amicus customers by the end of 2002
- Bring to market two new cibc.com ventures annually

Marketplace Bank opened in late 1999. It is an alliance between CIBC and Winn-Dixie Stores Inc., a major grocery retailer in the southeastern U.S. that serves 14 million customers. Marketplace Bank recently received a customer satisfaction rating of 75%, with 38 pavilions operating at year end.

Our alliance with Safeway Inc. was announced in June and is modelled after President's Choice Financial. Safeway is among the top 10% of Fortune 500 companies. It has more than 1,400 stores in the U.S., and is the third-largest food and drug retailer. We opened 25 pavilions in the fourth quarter.

In addition to President's Choice Financial, Marketplace Bank and Safeway SELECT Bank, Amicus includes our new relationship with Yahoo! and Bank@work.

Yahoo! PayDirect gives consumers in the U.S. a quick and easy way to receive and send payments over the Internet.

Bank@work is a no-fee-banking program offered to 10 major Canadian employers with 12 sites operational. Nortel Networks Corporation is our largest client, and we have signed up 80% of employees at the Toronto locations. We expect to continue to expand Bank@work as it is an inexpensive customer-acquisition model potentially applicable to hundreds of alliances in Canada and the U.S.

Expenses related to Amicus were $267 million in 2000. Next year, CIBC plans to increase this amount. As the business continues to grow, Amicus is expected to be the main driver of CIBC's retail growth strategy.

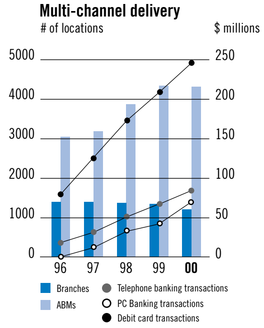
Subsequent to year end, CIBC announced its intention to form a long-term alliance with Investors Group Inc., Great-West Lifeco Inc. and London Life Insurance Co. to distribute a full range of financial products and services under their own brands. Amicus will provide the products, services, operating infrastructure and technology to support this arrangement. Subject to regulatory approval and final agreements, the new products are expected to be introduced in 2001, beginning with Investors Group Inc. This newest relationship further demonstrates the flexibility of our electronic banking platform.

In 2001, we expect to more than double the number of banking pavilions with our co-branded retailers and launch two new Amicus bank cards.

Direct to consumer

CIBC customers process 90% of retail transactions through electronic channels.

CIBC has one of the largest ABM networks in Canada. New technology offers are progressing, including wireless banking and speech recognition functionality at call centres. Our call centres, located in Regina, Toronto, Fredericton and Halifax, serve 2.4 million telephone banking customers. During the year, the Halifax call centre achieved ISO 9000 certification from the International Standards Organization.



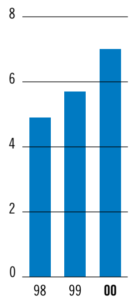
cibc.com

In 2000, we created cibc.com to seek out profitable new ventures in e-commerce. Its mandate is to make strategic investments in technology start-ups to turn ideas into businesses that will help CIBC deliver creative, web-enabled banking solutions to our customers and superior equity returns to our shareholders. The primary focus, working with CIBC's merchant banking group, is on investing in and creating new e-businesses and e-commerce platforms, such as VeriSign's Internet-based security solutions. With VeriSign, CIBC offers a fully managed security service for Canadian companies that uses best-practice technology to secure e-commerce applications and communications over the Internet. Another example is Procuron, a new business-to-business online procurement marketplace, of which CIBC is a founding member.

Cards

We remain the No. 1 Canadian bank card issuer with more than 30% market share and 43% of the premium card market. We have 3.9 million accounts and our card products have been the entry point to 30% of CIBC new retail customers, excluding Amicus.

Cards balances under administration
$ billions



The source of our success is proactive customer acquisition and a co-branding strategy that enables us to offer a suite of cards that helps customers build travel miles and reward points. Last year we strengthened our travel points program by extending our contract with Air Canada to December 2009. During the year, we introduced an Aerogold card for small business.

In the past 12 months, we had 23% growth in cards based on average balances under administration of $7.0 billion.

Mortgages

CIBC Mortgages Inc. (CMI) continues its strong Canadian presence in both the residential and commercial mortgage markets. This year, the "Better Than Prime Mortgage" – our most successful new mortgage product – gained momentum and now represents 17% of new volume in residential mortgages. CMI uses a multi-brand and multi-channel approach, selling mortgages in CIBC branches and through a national sales force. Mortgages are also marketed under President's Choice Financial and other private brands. Residential volumes grew by 10% in 2000 and CIBC now has 12.2% market share. Mortgages under administration are up 9% from 1999, almost double the growth rate of the market.

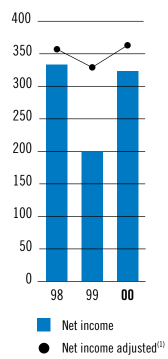
Financial results – Electronic Commerce

Net income

Electronic Commerce generated net income of $323 million in 2000, up $124 million from 1999. Net income in 2000 included a $97 million after-tax gain on the sale of our property and casualty insurance companies and also included a $16 million after-tax credit to adjust the 1999 restructuring provision. Net income in 1999 included a restructuring charge of $44 million after-tax.

In 1999, net income was $199 million, down $134 million from 1998, due in part to the $44 million after-tax restructuring charge in 1999 and a $28 million after-tax charge for a revision in the estimated useful life of certain technology assets.

Net income
$ millions



(1) Net income adjustments were: restructuring, the gain on the sale of property and casualty insurance companies, Amicus spending and the revision in the estimated life of certain technology assets.

ELECTRONIC COMMERCE $ millions, for the years ended October 31	**2000**	1999	1998
Net interest income (TEB)	**$ 2,253**	$ 2,178	$ 2,140
Non-interest income	**1,312**	1,365	1,096
Intersegment revenue	**(1,849)**	(1,895)	(1,750)
Total revenue (TEB)	**1,716**	1,648	1,486
Non-interest expenses	**1,155**	1,149	832
Restructuring charge	**(28)**	77	-
Provision for credit losses	**169**	103	119
Net income before income taxes	**420**	319	535
Income taxes and non-controlling interests	**97**	120	202
Net income	**$ 323**	$ 199	$ 333
Full-time equivalent employees	**15,264**	15,346	14,930

The items noted in the following table assist in the comparison of results in 2000, 1999 and 1998 for Electronic Commerce:

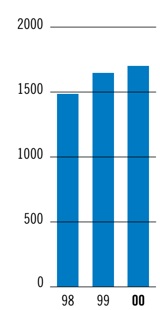
ELECTRONIC COMMERCE $ millions, for the years ended October 31	**2000**	1999	1998
Total revenue before the following	**$ 1,619**	$ 1,648	$ 1,486
Gain on disposal of corporate assets	**97**	-	-
Total revenue	**$ 1,716**	$ 1,648	$ 1,486
Non-interest expenses before the following	**$ 888**	$ 999	$ 790
Amicus	**267**	102	42
Revision in the estimated useful life of certain technology assets	**-**	48	-
Non-interest expenses	**$ 1,155**	$ 1,149	$ 832
Efficiency ratio	**65.7%**	74.4%	56.0%
Efficiency ratio – excluding restructuring charge and above-noted items	**56.2%**	60.6%	53.2%
Return on equity (ROE)	**22.8%**	12.5%	23.5%
ROE – excluding restructuring charge and above-noted items	**26.3%**	22.3%	24.0%

Revenue

Electronic Commerce total revenue in 2000 was $1,716 million on a taxable equivalent basis (TEB). Excluding the gain on the sale of our property and casualty insurance companies, revenue was $1,619 million, down $29 million or 2% from 1999. The decrease was largely due to revenue forgone from discontinued insurance businesses and lower treasury revenue, partially mitigated by growth in cards.

Electronic Commerce total revenue in 1999 was $1,648 million, up $162 million or 11% from 1998 due to growth, especially in cards.

Revenue
$ millions

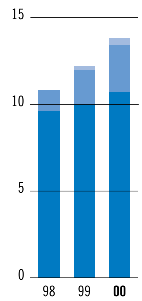


REVENUE $ millions, for the years ended October 31	**2000**	1999	1998
Total revenue (TEB)			
Mortgages[1]	**$ 334**	$ 340	$ 399
Cards[1]	**912**	778	691
Insurance	**245**	233	226
Other	**225**	297	170
	$ 1,716	$ 1,648	$ 1,486

(1) Mortgages and Cards revenue is net of sales commissions and service fees paid to other business lines under the Manufacturer/ Customer Segment/Distributor Management Model. These sales commissions and service fees amounted to $106 million (1999: $94 million; 1998: $88 million) for Mortgages and $46 million (1999: $37 million; 1998: $37 million) for Cards, respectively.

Mortgages include both residential and commercial mortgages. Revenue totaled $334 million, down $6 million or 2% from 1999. Mortgage balances outstanding were up; however, revenue was down because interest margins decreased as higher interest rates caused a decline in prepayment fees received.

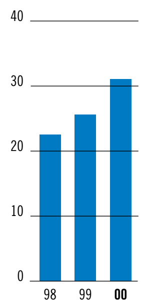
Mortgage origination volumes
$ billions



Cards comprise a portfolio of credit and debit cards as well as a merchant business. Revenue totaled $912 million, up $134 million from 1999 due to 21% growth in purchase volumes and 23% growth in average balances under administration.

Subsequent to year end, CIBC and National Data Corporation (NDC) of Atlanta, Georgia, announced an agreement to form a 10-year marketing alliance to enhance and expand their merchant products and services in the North American marketplace. CIBC Merchant Card Services will join with NDC's current payment processing business to form Global Payments Inc., a new public company. Under the terms of the deal, CIBC will sell its merchant acquiring business, a division of cards, and purchase a 26.25% equity stake in Global Payments Inc. The deal is contingent upon obtaining regulatory approvals in Canada and the United States.

Cards purchase volumes
$ billions



Insurance provides creditor and property and casualty insurance products. Revenue totaled $245 million, up $12 million from 1999 due primarily to the gain on sale of our property and casualty insurance companies at the end of August. Excluding the gain on sale, revenue was $148 million, down $85 million from 1999 as a result of exiting direct life insurance products in April, underwriting of property and casualty insurance, and strengthening reserves. Going forward, the insurance business focus will be on the distribution and marketing of creditor, term life, travel medical and accidental death insurance and improving return on capital. Concentrating on distribution and marketing will facilitate increasing sales through CIBC channels.

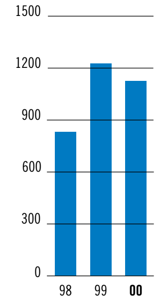
Other includes Amicus, electronic and self-service banking, the allocation of a portion of treasury revenue and INTRIA third-party technology services. Revenue totaled $225 million, down $72 million from 1999 primarily due to lower treasury revenue.

In addition, revenue of $1,849 million (1999: $1,895 million) was managed and fully allocated to other business lines within CIBC. This relates largely to the payments business.

Expenses

Non-interest expenses were $1,155 million in 2000, up $6 million or 1% from 1999, after excluding the restructuring charge in 1999 and the adjustment in 2000. The Electronic Commerce cost reduction program achieved savings that helped offset spending on Amicus and other strategic initiatives. Amicus spending totaled $267 million (1999: $102 million; 1998: $42 million), or 23% of non-interest expenses.

Expenses
$ millions



The efficiency ratio was 56.2%, down from 60.6% in 1999 and 53.2% in 1998 after excluding the gain on sale of our property and casualty insurance companies, Amicus spending, restructuring and the revision in estimated useful life of certain technology assets.

Full-time equivalent employees totaled 15,264, down 82 from 1999, as growth in Amicus partially offset the decline in the number of employees due to the insurance sale and other cost reduction initiatives. Full-time equivalent employees in 1999 were up 416 from 1998.

In 1999, non-interest expenses were $1,101 million, excluding the restructuring charge of $77 million and a $48 million charge for a revision in the estimated useful life of certain technology assets, up $269 million or 32% from 1998. The increase was due to the cost of preparing for year 2000, as well as business growth.

Provision for credit losses

The provision for credit losses totaled $169 million, up 64% from 1999 as a result of the strong volume growth in the cards business and the maturation of new accounts.

Average assets

Average assets in 2000 were $77.4 billion, up $9.6 billion or 14.2% from 1999 due to growth in cards and mortgages.

SCALE

- **$52 billion in residential mortgages, $7.7 billion in card assets managed**
- **Process more than five billion transactions through INTRIA annually**
- **Nearly 800,000 PC Banking customers, more than two million telephone banking customers**
- **456,000 Amicus customers**

MARKET POSITION

- **Canada's largest credit-card issuer**
- **Largest processor of VISA and Interac debit transactions**

Retail and Small Business Banking

OUR PRIORITIES ARE:

- To improve customer loyalty
- To drive profitability growth

Retail and Small Business Banking provides financial services to more than five million retail and 350,000 small business customers in Canada, as well as 350,000 retail and commercial clients in the Caribbean. Lending, deposit and investment products, and other banking services are offered through an extensive network of CIBC branches, as well as through electronic channels. This business generates 21% of CIBC's revenue and employs about 20,500 people.

During the year, we segmented our customer base into two distinct groups (retail and small business), continued to define the economics of the business and developed performance metrics and enhanced accountabilities.

Retail Banking

Retail banking delivered solid financial results while undertaking significant restructuring activities, including branch network reconfiguration. About 90% of basic customer transactions are now done through electronic channels, but most financial product sales are still completed through branches. To support our focus on increasing sales volumes, we have adopted a staffing model for branches to share front-line staff and deploy the optimal number of sales and service professionals based on customer traffic patterns.

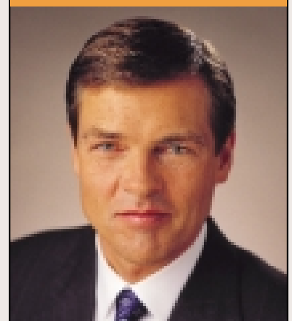
We are focused on improving customer loyalty. During the year, we concentrated on streamlining our processes, simplifying our product line, and investing in technology and training to deliver the best possible service and significantly improve the customer experience. These efforts had a positive impact on customer loyalty, which increased 2%, as measured by an ongoing internal survey.

CIBC has been investing $100 million in technology upgrades and training for the front line. In the branch network, 5,000 new personal computers and servers were installed, and we are continuing to improve our infrastructure with efficient operating systems. To increase employee capability, we launched significant new training initiatives, including a "Retail University". More than 5,000 employees will participate in this program over the next year.

Small Business Banking

During the year, we created a separate group of 2,000 professionals committed to improving how we serve the small business segment. This group is organized into teams to strengthen our integrated offer to better meet both the personal and business financial services needs of our clients, as well as to establish a basis for better account relationship continuity.

HOW WE DID



MIKE PEDERSEN
Senior Executive Vice-President

Our performance against 2000 objectives

Target

Improve customer loyalty 10% by 2002

Result

- Ratings for 2000 improved by 2% over 1999, based on internal customer loyalty measures for October 2000

Target

Become No. 1 bank for small business customers by 2002

Result

- In a recent external survey of small business customers, CIBC ranked first among Canadian banks with 77% of our small business customers also conducting their personal business with CIBC
- The latest available provincial market share statistics record a 27 basis point improvement over 1999 in our share of business loans in the under $1 million category
- The launch of bizSmart provides Canada's first no-fee, online banking offer for small business

Target

Grow small business loans by 15% a year

Result

- Small business loan volumes at year end were 12% higher than 1999

Ongoing objectives

- Achieve 16%-18% return on equity by 2002
- Improve customer loyalty 10% by 2002
- Become No. 1 bank for small business customers by 2002

Access to funding for new businesses was improved by simplifying overdraft and line of credit financing. We also increased market share of small business customers who borrow, and we made considerable progress against our objective of growing small business lending volumes.

We launched bizSmart, a strategic alliance with Business Depot and other leading suppliers to Canadian small businesses. BizSmart provides Canada's first no-fee, online banking offer for small businesses. It is a "clicks and bricks" offer aimed at the fast growing market of more than two million Canadian small office and home office clients. With bizSmart, they can access no-fee financial services, e-purchasing, and management services through kiosks in Business Depot stores, online at bizSmart.com, by phone, or through CIBC's ABM network.

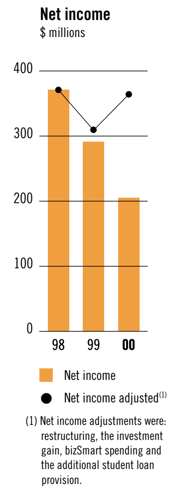
West Indies

CIBC West Indies continues to rank among the top three banks in its major markets. We operate in Antigua, Bahamas, Barbados, Cayman Islands, Jamaica, St. Lucia, St. Vincent and the Grenadines, and Turks and Caicos. We continue to enhance technology and distribution capabilities to 350,000 customers in this region. The West Indies group experienced considerable business volume growth in 2000, in both the loan and deposit portfolios. On an average basis, from October 1999 to October 2000, the loan business, which includes mortgages, personal and commercial loans, and credit cards, was up more than 15%, with deposits growing more than 14% during the same period.

Financial Results – Retail and Small Business Banking

Net income

Retail and Small Business Banking (RSBB) generated net income of $205 million in 2000, down $86 million or 30% from $291 million in 1999. Net income in 2000 included an additional $143 million after-tax provision for credit losses related to the government-sponsored student loan portfolio and a $6 million after-tax charge to adjust the restructuring provision, while 1999 net income included a $39 million after-tax restructuring charge and a $21 million gain on an investment. Excluding these items, net income in 2000 was $354 million, up $45 million or 15% from 1999. The increase reflects higher revenue in both retail banking and small business banking, partly offset by reduced loan spreads and lower treasury revenue.



RSBB net income in 1999 was $291 million, down $80 million or 22% from 1998. The decrease was due to a higher provision for credit losses, a restructuring charge, and the expense of converting the branch network to segmented sales and service platforms.

RETAIL AND SMALL BUSINESS BANKING

$ millions, for the years ended October 31	**2000**	1999	1998
Net interest income (TEB)	**$ 1,053**	$ 975	$ 997
Non-interest income	**243**	173	224
Intersegment revenue	**1,294**	1,350	1,248
Total revenue (TEB)	**2,590**	2,498	2,469
Non-interest expenses	**1,809**	1,753	1,660
Restructuring charge	**10**	68	-
Provision for credit losses	**514**	238	186
Net income before income taxes	**257**	439	623
Income taxes and non-controlling interests	**52**	148	252
Net income	**$ 205**	$ 291	$ 371
Full-time equivalent employees (FTE)(1)	**15,418**	15,717	16,735

(1) FTE were calculated based on standard hours worked during the month. FTE is lower than the number of employees, which includes part-time workers.

The items noted in the following table assist in the comparison of results in 2000, 1999 and 1998 for Retail and Small Business Banking:

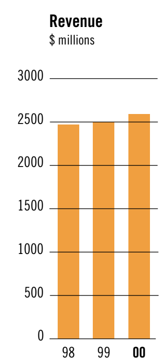
RETAIL AND SMALL BUSINESS BANKING

$ millions, for the years ended October 31	**2000**	1999	1998
Total revenue before the following	**$ 2,590**	$ 2,477	$ 2,469
Gain on disposal of corporate investment	**-**	21	-
Total revenue	**$ 2,590**	$ 2,498	$ 2,469
Non-interest expenses before the following	**$ 1,792**	$ 1,753	$ 1,660
bizSmart	**17**	-	-
Non-interest expenses	**$ 1,809**	$ 1,753	$ 1,660
Provision for credit losses before the following	**$ 264**	$ 238	$ 186
Additional student loan provision	**250**	-	-
Provision for credit losses	**$ 514**	$ 238	$ 186
Efficiency ratio	**70.2%**	72.9%	67.2%
Efficiency ratio – excluding restructuring charge and above noted-items	**69.2%**	70.8%	67.2%
Return on equity (ROE)	**10.2%**	13.8%	19.4%
ROE – excluding restructuring charge and above-noted items	**19.3%**	14.7%	19.4%

Revenue

Total revenue for the RSBB business line was $2,590 million on a taxable equivalent basis (TEB). Excluding the $21 million investment gain in 1999, revenue in 2000 was up $113 million or 5% from 1999.

In 1999, total business line revenue was $2,498 million, up $29 million from 1998, as increases from higher business volumes and the investment gain were partly offset by lower treasury revenue and lower interest margins.



REVENUE $ millions, for the years ended October 31	2000	1999	1998
Total revenue (TEB)			
Retail banking	**$ 886**	$ 822	$ 834
Small business banking	**780**	678	677
West Indies	**268**	263	253
Lending products	**624**	650	607
Other	**32**	85	98
	$ 2,590	$ 2,498	$ 2,469

Retail banking is the individual customer segment (customers other than those in Imperial Service). Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses. Revenue was $886 million, up $64 million or 8% from 1999 due to business growth in loans and investments, and higher retail deposit interest margins.

Small business banking is the customer segment supporting small owner-operated businesses, including owners' personal holdings. Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses. Revenue was $780 million, up $102 million or 15% from 1999 primarily due to growth in deposits, investments, and loan portfolios. Total outstanding balances of loans and deposits increased 11% from the end of 1999.

West Indies is a full-service banking operation servicing all customer segments through a branch network and electronic delivery channels. Revenue is earned on net interest spreads and sales and service fees. Revenue was $268 million, up $5 million or 2% from 1999. Excluding a $21 million investment gain in 1999, revenue was up $26 million or 11%, due to higher business volumes.

Lending products comprise personal (including student loans), small business and agricultural lending portfolios. Revenue is earned through net interest spreads and service fees; part of this revenue is paid to the customer segments. Revenue was $624 million, down $26 million from 1999 due to lower interest margins, which offset the impact of $1.4 billion in higher loan volumes. The reduction in margins is a result of a continuing shift of the product mix into lower spread products such as secured lines of credit.

Other consists primarily of the allocation of a portion of treasury revenue. Revenue was $32 million, down $53 million from 1999 due to lower treasury revenue and a $6 million asset write-down.

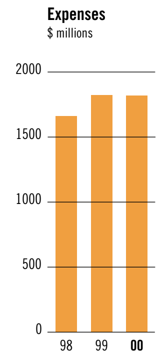
Expenses

Non-interest expenses were $1,809 million in 2000, up $56 million or 3% from 1999, after excluding the $68 million restructuring charge in 1999 and a $10 million charge in 2000 to adjust the 1999 restructuring provision. The majority of the increase is due to increased incentive compensation based on operating results, a rise in the level of non-credit losses and strategic spending.

Strategic spending represents $17 million or 0.9% of non-interest expenses. The major strategic initiative was the launch of bizSmart – our on-line banking offer for small business customers. Other investment programs included a major technology upgrade for the branch service platform, and Retail University – an in-branch and in-class learning program for retail banking employees.

After excluding restructuring from both years, bizSmart spending of $17 million from 2000, and the $21 million gain from the disposal of a corporate investment from 1999, the efficiency ratio for 2000 was 69.2%, down from 70.8% in 1999.

Full-time equivalent employees totaled 15,418, down 299 from 1999, due primarily to the restructuring program. Adjusting for new branches, technology initiatives, launch of bizSmart, creation of small business advisory teams and for employees completing service in restructured positions, full-time equivalent positions were down 855 or 5% from 1999.



In 1999, non-interest expenses were $1,753 million, excluding the restructuring charge of $68 million. Expenses in 1999 were up $93 million or 6% from 1998 due to general salary increases and branch reconfiguration costs.

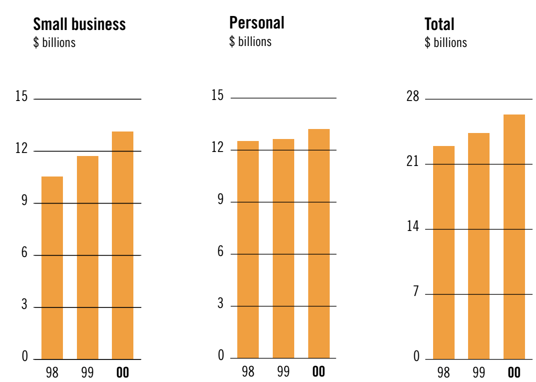
Provision for credit losses

The $514 million provision for credit losses in 2000 includes an additional $250 million specific provision taken in the fourth quarter for credit losses relating to government-sponsored student loans. This increase reflected the results of management's assessment of the portfolio, giving consideration to the expiry of the contract with the federal government on July 31, 2000, ongoing negotiations with various provinces and overall poor credit performance. Excluding the additional provision relating to student loans, the provision for credit losses totaled $264 million, up $26 million from $238 million in 1999.

Average assets

Average assets in 2000 were $48.2 billion, up $4.2 billion or 10% from 1999, mainly due to the increase in loan volumes. Small business loans at October 31, 2000 were up 12% from 1999, and personal loans were up 5%.

Loans in Canada



SCALE
- More than five million retail clients
- 350,000 small business clients
- 350,000 West Indies clients

MARKET POSITION
- No. 2 and No. 3 market share in retail and small business
- Top three market share in West Indies markets

Wealth Management

OUR PRIORITIES ARE:

- To increase branch-based sales professionals accredited to sell third-party products
- To enhance our discount brokerage offer and improve customer service capabilities
- To grow market share in GICs

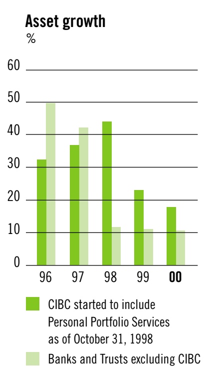
Wealth Management is a leader in helping individual clients achieve their financial goals through a sales force of more than 2,900 financial professionals. These professionals deliver an array of investment products and services including: full-service and discount brokerage, a full range of proprietary and non-proprietary mutual funds, GICs, global private banking and trust, investment management services and a wide array of banking and credit services. This business generates 23% of CIBC's revenue and employs about 7,500 people.

CIBC has a significant wealth management business with $163 billion in assets under administration (excluding institutional assets).

Imperial Service

In fiscal 2000, CIBC became the first Canadian bank to receive regulatory approval for its branch-based financial advisors (Imperial Service) to advise on and sell securities including more than 1,200 third-party investments, as well as CIBC's family of mutual funds. The ability to offer a full range of investment, banking and credit services, enables CIBC's financial advisors to provide clients with a broad range of financial planning and investment management services.

We continue to invest in professional development programs to ensure that CIBC's wealth management sales force is better able to meet client needs.



Mutual funds

CIBC Securities Inc. continues to be the Canadian leader in index funds with more than $3.9 billion in assets, and has maintained its No. 1 ranking in mutual fund net sales among Canadian banks and trust companies. Mutual fund asset growth was 17% for the year, with 19.8% bank and trust companies mutual fund market share.

HOW WE DID

GERRY McCAUGHEY
Senior Executive Vice-President

Our performance against 2000 objectives

Target
Increase assets under administration by 10% within one year

Result
- Achieved 16% increase

Target
Maintain a leadership position in index mutual funds by growing assets by 25% for the year

Result
- Achieved 72% increase

Ongoing objectives

- Achieve more than 50% return on equity
- Increase GIC market share by 20 basis points
- Maintain a leadership position in index mutual funds by growing assets by 15% for the year
- Increase total wealth management assets under administration by 6%

Global Private Banking and Trust

In 2000, we refocused our domestic trust operations (CIBC Trust Corporation) on trust and custody activities. Our commitment for Global Private Banking and Trust is to service the onshore and offshore needs of clients through global operations that are aligned with CIBC's domestic strategy.

Discount brokerage service

CIBC Investor Services Inc. experienced record trading volumes in 2000. We have made investments to increase capacity and accommodate greater customer demands. Investment in our discount brokerage business (Investor's Edge) improved our product offer and customer service capabilities. Specifically we introduced:

- **a voice-activated telephone quote service**
- **a comprehensive investment research service**
- **stock screening and information tools**

Full-service brokerage and asset management

Assets under administration in our full-service brokerages are $109 billion, up 19% from October 31, 1999. CIBC Wood Gundy and CIBC Oppenheimer experienced record revenue resulting from favourable market conditions, as well as growth in our client base. Initiatives that have contributed to this include value-added asset management programs and insurance services for our clients.

GICs

Based on research indicating client preferences, we reduced our GIC offering from 42 to 13 widely available GIC investment products, which represented the highest portion of our GIC assets. The result provides clearer GIC choices that continue to meet clients' investment needs.

Year 2001

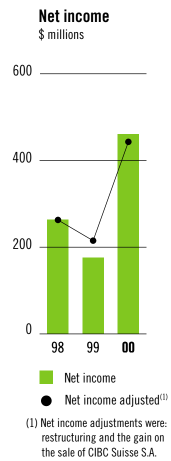
Through continued investment in our business we are equipping our sales force to respond to the growing demand for wealth management investment services.

Financial results – Wealth Management

Net income

Wealth Management generated net income of $461 million in 2000, up $285 million from the year ended October 31, 1999 primarily due to increased revenue reflecting favourable market conditions as well as growth in our client base.

In 1999, Wealth Management net income was $176 million, down $87 million or 33% from 1998 largely due to increased employee related costs and infrastructure expenses including a $30 million after-tax restructuring charge.



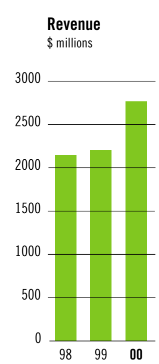
WEALTH MANAGEMENT $ millions, for the years ended October 31	**2000**	1999	1998
Net interest income (TEB)	**$ 576**	$ 630	$ 556
Non-interest income	**1,837**	1,245	1,257
Intersegment revenue	**351**	331	335
Total revenue (TEB)	**2,764**	2,206	2,148
Non-interest expenses	**2,080**	1,925	1,760
Restructuring charge	**(11)**	53	-
Provision for credit losses	**1**	14	-
Net income before income taxes	**694**	214	388
Income taxes and non-controlling interests	**233**	38	125
Net income	**$ 461**	$ 176	$ 263
Full-time equivalent employees	**7,540**	8,249	8,110

The items noted in the following table assist in the comparison of results in 2000, 1999 and 1998 for Wealth Management:

WEALTH MANAGEMENT $ millions, for the years ended October 31	**2000**	1999	1998
Total revenue before the following	**$ 2,736**	$ 2,206	$ 2,148
Gain on disposal of corporate assets	**28**	-	-
Total revenue	**$ 2,764**	$ 2,206	$ 2,148
Efficiency ratio	**74.9%**	89.7%	81.9%
Efficiency ratio – excluding restructuring charge and above noted-items	**76.0%**	87.3%	81.9%
Return on equity (ROE)	**78.8%**	26.5%	45.0%
ROE – excluding restructuring charge and above-noted items	**74.1%**	31.3%	45.0%

Revenue

Wealth Management total revenue in 2000 was $2,764 million on a taxable equivalent basis (TEB), up $558 million or 25% from 1999 due to growth across all business lines, in particular private client investment, asset management and wealth products.



Wealth Management total revenue in 1999 was $2,206 million, up $58 million or 3% from 1998.

Imperial Service is the customer segment offering financial advice to CIBC's high-value clients. Specially trained financial advisers support the financial planning and product fulfillment needs of these clients. Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses. Revenue was $619 million, up $31 million from 1999 mainly due to higher retail deposit interest margins.

Private client investment and asset management generates fees and commissions from full-service retail brokerage providing equity and debt investments, mutual fund products, asset management service and advisory and financial planning services to individuals in Canada and the United States. Revenue was $1,430 million, up $352 million from 1999. Revenue increased due to higher retail trading volumes, as well as growth in our client base. Also contributing to the increase were higher than normal incentive fees representing our no-risk participation in the profits of investment partnerships.

REVENUE

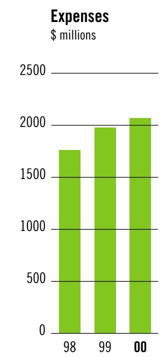
$ millions, for the years ended October 31	**2000**	1999	1998
Total revenue (TEB)			
Imperial Service	**$ 619**	$ 588	$ 583
Private client investment and asset management	**1,430**	1,078	989
Global private banking and trust	**153**	113	121
Wealth products	**513**	344	381
Other	**49**	83	74
	$ 2,764	$ 2,206	$ 2,148

Global private banking and trust provides a comprehensive range of global solutions, including investment management, trusts, private banking and global custody to meet the financial management needs of individuals, families and corporations with significant financial resources. Revenue was $153 million, up $40 million from 1999 primarily due to the $28 million gain on the sale of CIBC Suisse S.A.

Wealth products includes mutual funds, investment management services, online and discount brokerage services and GICs. These investment products are developed and distributed to retail, small business and Imperial Service customers. Revenue was $513 million, up $169 million from 1999 due to strong market conditions and increases to our customer base. In particular, discount brokerage trading volumes increased 111% from 1999 and discount brokerage assets under administration grew 46% from 1999. As well, growth in mutual funds was strong, resulting in assets under administration increasing by $3.5 billion or 17% from 1999.

Other consists primarily of the allocation of a portion of treasury revenue. Revenue was $49 million, down $34 million from 1999 due to lower treasury revenue.

Expenses



Non-interest expenses were $2,080 million in 2000, up $155 million or 8% from 1999 after excluding the restructuring charge from 1999 and the adjustment in 2000. The increase was primarily due to revenue-related expenses, of which the most significant is variable compensation. Excluding the revenue-related expenses from both 1999 and 2000, non-interest expenses were $1,263 million, down $71 million from 1999. The decrease resulted from cost reduction initiatives.

Full-time equivalent employees declined from the prior year primarily due to re-alignment of the Imperial Service sales force, restructuring of the domestic trust operations and the sale of CIBC Suisse S.A.

Non-interest expenses in 1999 were up $165 million or 9% from 1998 after excluding $53 million in restructuring expenses. Excluding the revenue-related expenses and the restructuring expenses, non-interest expenses were up $68 million or 5% from 1998 primarily due to employee related and infrastructure expenses.

Selected information

Average assets in 2000 were $19.3 billion, up $1.7 billion or 9% from 1999.

Wealth Management assets under administration (excluding international assets administered for institutional clients) totaled $163.2 billion at year end, an increase of $22.4 billion or 16% from 1999. Growth in administered assets has been strong due to increased customer investment activity and strong market conditions.

SCALE
- **$163.2 billion in administered assets, excluding institutional assets**
- **More than 2,900 accredited financial professionals**

MARKET POSITION
- **Leader in index mutual funds with more than $3.9 billion in assets**
- **Leader in fee-based pooled funds with $5.5 billion in assets in Canada**

WEALTH MANAGEMENT ASSETS UNDER ADMINISTRATION(1)

$ billions, as at October 31	**2000**	1999	1998	Service
Mutual funds	**$ 23.7**	$ 20.2	$ 16.4	Mutual funds and professional investment management services.
Investor's Edge discount brokerage	**13.6**	9.3	6.3	Asset consolidation and brokerage trading services offered through PC Banking, telephone banking and CIBC branches.
Global private banking and trust	**16.9**	19.7	17.1	Offshore banking, investment, trust and advisory services offered to a client base of affluent individuals.
Private client				
Canada	**42.1**	35.7	31.6	Full-service retail brokerage businesses providing equity, debt and mutual fund products, as well as advisory and financial planning services to individuals.
U.S.	**66.9**	55.9	50.3	
	$ 163.2	$ 140.8	$ 121.7	

(1) Excludes international assets administered for institutional clients and TAL Global Asset Management Inc.'s other managed assets.

CIBC World Markets

OUR PRIORITIES ARE:

- To continue to build our U.S. client franchise
- To continue to increase our share of cross-border financings

CIBC World Markets provides clients with a full range of investment banking products throughout North America, with strong capabilities in selected products in Europe and Asia. We are proud to be the only Canadian bank with a comprehensive cross-border capability. This business generates 39% of CIBC's revenue and employs about 3,300 people.

During fiscal 2000, we exceeded our objective of $1 billion in net income and surpassed our 15% to 20% return on equity goal with an ROE of 25.6%. These results reflect the successful implementation of a strategy that was launched five years ago to broaden our capabilities, particularly in the U.S. market. For example, in the early nineties, our presence in the U.S. market was confined to corporate lending. Today, we have the same full-service capabilities there that we have in Canada, and revenue from our U.S. operations now exceeds those of our Canadian operations.

CIBC World Markets' four businesses – capital markets, investment banking and credit products, merchant banking and commercial banking – all performed well this year. This diversified revenue base provides additional stability to our earnings.

We reorganized our debt capital markets business and now have a streamlined, integrated operation with reduced expenses and capital. The financial performance of our equity structured products group, which creates equity strategies to manage risk or generate attractive long-term returns, was excellent, and we plan to build on this skill base.

In our investment banking and credit products business, 2000 was particularly active for our teams specializing in mergers and acquisitions (M&A), health care, technology, power technology, media and telecommunications. Successes this year included advising on the largest ever technology M&A transaction. Our structured finance group continues its leadership in asset securitization globally, and the cross-border leasing team completed a US$1 billion financing for one of Europe's largest telecommunications companies.

With investments around the world, our merchant bank continues to perform exceptionally well. In addition to healthy returns, our merchant banking investments and private equity fund investments are introducing CIBC World Markets to potential new clients and transaction opportunities in the U.S. and Europe. In conjunction with Electronic Commerce, we created cibc.com, a merchant banking venture to invest in technology start-ups. We ended fiscal 2000 with more than $2.7 billion in unrealized gains across our merchant banking portfolios.

HOW WE DID

DAVID KASSIE
Vice-Chairman

Our performance against 2000 objectives

Target

Achieve $1 billion in net income after-tax and a 15% to 20% return on equity

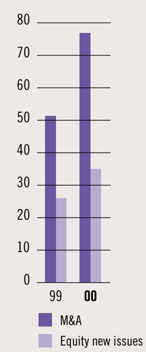
Result

- Achieved net income after tax of $1.1 billion and return on equity of 25.6%

Ongoing objectives

- Sustain $1 billion net income after tax
- Achieve 15% to 20% return on equity
- Sustain $600 million to $800 million in annual merchant banking revenue

North American strategic growth
$ billions



Our commercial banking business, which serves companies with revenue of more than $5 million, has improved its returns, processes and relationships with core clients and is implementing a number of new initiatives to further enhance future capabilities.

North American operations

With the 1999 completion of our full-service platform in the U.S., CIBC World Markets offers clients in both Canada and the U.S. full access to the North American capital markets and comprehensive cross-border financing solutions.

In the U.S., we are targeting growth-oriented companies who want an investment bank with full-service capabilities and the quality of service typically associated with boutique firms. In Canada, where our market position is well established, we have maintained a leading position in virtually all aspects of investment banking and commercial banking. Together, these two operations are attracting new clients and increasing our share of lead-managed deals throughout North America.

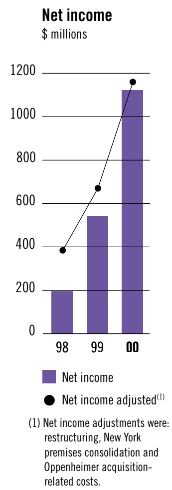
Our equity new issue activity experienced a surge in business this year, with North American volumes increasing to $34.5 billion in fiscal 2000, up from $25.9 billion in fiscal 1999. In M&A, our transaction values in fiscal 2000 were $76.9 billion, up from $51.4 billion in fiscal 1999. Our expertise in bought deals and merchant banking has also helped us to secure new clients and lead transactions.

Financial Results – CIBC World Markets

Net income

CIBC World Markets generated net income of $1,123 million in 2000, up $583 million from $540 million in 1999. The increase was primarily due to continued growth in merchant banking and capital markets business, partially offset by lower investment banking and credit products revenue, which resulted from losses associated with exiting certain businesses and lower leveraged finance (i.e. corporate lending and high yield activities) revenue.

In 1999, CIBC World Markets net income was $540 million, up $345 million from 1998. The 1999 results were driven by improved trading revenue and merchant banking gains, offset in part by investment securities write-downs and the restructuring charge.



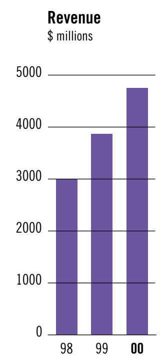
CIBC WORLD MARKETS $ millions, for the years ended October 31	2000	1999	1998
Net interest income (TEB)	**$ 407**	$ 811	$ 740
Non-interest income	**4,138**	2,843	2,100
Intersegment revenue	**204**	213	166
Total revenue (TEB)	**4,749**	3,867	3,006
Non-interest expenses	**2,906**	2,608	2,700
Restructuring charge	**-**	182	79
Provision for credit losses	**286**	245	(25)
Net income before income taxes	**1,557**	832	252
Income taxes and non-controlling interests	**434**	292	57
Net income	**$ 1,123**	$ 540	$ 195
Full-time equivalent employees	**3,281**	3,571	3,949

The items noted in the following table assist in the comparison of results in 2000, 1999 and 1998 for CIBC World Markets:

CIBC WORLD MARKETS $ millions, for the years ended October 31	2000	1999	1998
Non-interest expenses before the following	**$ 2,836**	$ 2,563	$ 2,460
New York premises consolidation	**50**	-	-
Oppenheimer acquisition-related costs	**20**	45	240
Non-interest expenses	**$ 2,906**	$ 2,608	$ 2,700
Efficiency ratio	**61.2%**	72.1%	92.4%
Efficiency ratio – excluding restructuring charge and above noted-items	**59.7%**	66.3%	81.8%
Return on equity (ROE)	**25.6%**	11.6%	3.7%
ROE – excluding restructuring charge and above-noted items	**26.5%**	14.7%	6.3%

Revenue

CIBC World Markets total revenue in 2000 was $4,749 million on a taxable equivalent basis (TEB), up $882 million or 23% from 1999. Revenue increased in part from the reallocation of capital to higher yielding businesses. Merchant banking revenue growth continued, up $559 million from 1999. In addition, capital markets revenue was $510 million higher than in 1999 as equity related activities were at record levels.



In 1999, CIBC World Markets total revenue was $3,867 million, up $861 million or 29% from 1998. Merchant banking revenue was up $428 million and included a gain on the sale of a portion of our investment in Global Crossing Ltd., partially offset by write-downs. The rest of the increase resulted from improved capital markets revenue and the successful implementation of the U.S. growth strategy.

REVENUE

$ millions, for the years ended October 31	**2000**	1999	1998
Total revenue (TEB)			
Capital markets	**$ 1,516**	$ 1,006	$ 816
Investment banking and credit products	**1,707**	1,906	1,591
Merchant banking	**1,021**	462	34
Commercial banking	**475**	468	596
Other	**30**	25	(31)
	$ 4,749	$ 3,867	$ 3,006

Capital markets operates trading, sales and research businesses serving institutional, corporate and government clients across North America and around the world. Revenue was $1,516 million, up $510 million from 1999 due to significant revenue growth in equity structured products and U.S. institutional equity activities, driven in part by strong market conditions during the year.

Investment banking and credit products provides advisory services and underwriting of debt, credit and equity for corporate and government clients across North America and around the world. Revenue was $1,707 million, down $199 million from 1999 mainly due to reduced deal flow in leveraged finance markets. In the year, the business continued its strategy of exiting capital intensive businesses. As such, a $46 million loss was recognized with respect to our ongoing program to dispose of non-core lending assets. Also, a $20 million loss was recognized on the sale of the international structured trade finance business.

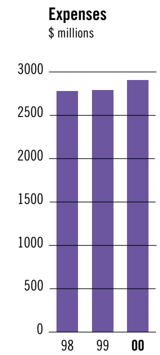
Merchant banking makes investments to create, grow and recapitalize companies across a variety of industries. Revenue was $1,021 million, up $559 million from 1999. Current year revenue benefited from a number of significant gains including $697 million (1999: $583 million) on the disposal of a portion of our investment in Global Crossing Ltd. Revenue in 1999 was also affected by significant write-downs on the Loewen Group and Newcourt Credit Group Ltd.

CIBC World Markets is near completion of a program to hedge most of its remaining 47 million share investment in Global Crossing Ltd. CIBC has entered into forward sale contracts with a range of maturities from 2001 to 2003. Floor prices have been set at between US$20–$28 per share and ceiling prices at US$46–$64 per share.

Commercial banking originates financial solutions centred around credit products for medium-sized businesses in Canada. Revenue was $475 million, up $7 million from 1999.

Other includes the allocation of a portion of treasury revenue; CEF Capital, an affiliated Asian merchant bank holding company; and other revenue not directly attributed to the main businesses listed above. Revenue was $30 million, up $5 million from 1999.

Expenses



Non-interest expenses were $2,906 million in 2000, up $298 million or 11% from 1999 after excluding the restructuring charge from 1999. The increase was primarily due to revenue-based compensation which was up from 1999, in line with the 23% increase in revenue as well as a $50 million charge for New York premises consolidation.

The efficiency ratio, excluding restructuring, the New York premises consolidation and Oppenheimer acquisition-related costs, was 59.7%, down from 66.3% in 1999. The improved efficiency ratio is due to higher revenue and the benefits of the 2000 cost reduction initiative.

Full-time equivalent employees totaled 3,281, down 8% from 1999 due to restructuring initiatives.

In 1999, non-interest expenses were $2,608 million, down $92 million or 3% from 1998, excluding restructuring. This reduction reflects the impact of a successful cost reduction program initiated across CIBC World Markets.

Average assets and return on equity

Average assets in 2000 were $117.9 billion, down $23.7 billion or 16.8% from 1999 primarily due to a reduction in securities borrowed or purchased under resale agreements.

Return on equity was 25.6%, up from 11.6% in 1999 due largely to the successful implementation of cost controls and capital allocation strategies that resulted in higher revenue. Strong market conditions during the year also contributed to the increase.

SCALE

- **Extensive industry and advisory specialists focused on North America and selected international markets**
- **Complete range of corporate and investment banking products throughout North America**

MARKET POSITION

- **A leader in investment and corporate banking in Canada**
- **No. 1 investment bank to North American biotech industry**
- **A leader in global asset securitization**

Functional groups

Treasury and Balance Sheet Management

While CIBC has a history of strong balance sheet management, the creation of Treasury and Balance Sheet Management (TBM) has taken our discipline and focus to the next level. During the year, TBM established a balance sheet resource allocation process that has resulted in shifting resources to higher-return and/or strategic growth activities (see matrix below).

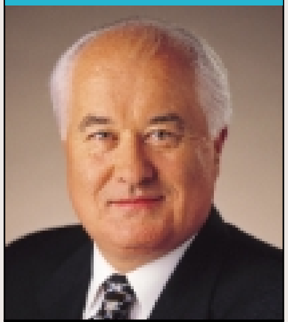
CIBC established TBM to optimize the linkage between balance sheet (including capital) and risk, and to maximize shareholder value. In conjunction with Finance, TBM has developed a performance measurement and management system based on economic and shareholder value-added principles. This system provides a framework used by TBM for setting balance sheet and risk resource tolerance limits and overall balance sheet resource management.

CIBC's capital mix and its use of capital are shifting. To generate more consistent revenue growth within CIBC, lower-yielding and more variable-return risk-weighted assets have been reduced. Continued strong capital ratios are supporting growth in 2000 in retail activities and enabled CIBC to repurchase 26.5 million common shares in 2000, compared with 13.7 million in 1999.

At the same time, the global competitive environment continues to evolve, with major implications for banks and other financial institutions. Alternatives for transferring credit risk, such as secondary loan trading and credit derivatives continue to grow at a significant pace and underscore the fact that banks and other financial institutions are no longer best positioned to be owners of credit risk. The natural evolution away from the current practice of "originating and holding" credit to a practice of "originating and selling" credit continues to be a predominant industry trend.

TBM will continue to capitalize on opportunities to improve CIBC's use of balance sheet resources, through a variety of techniques such as securitizing credit to move assets off the balance sheet, or by freeing up capital from underperforming and/or low-return activities. During the year, TBM's treasury division also significantly managed down its market risk exposures by reducing long, proprietary positions in its asset/liability gap portfolio. This action was taken in response to an interest rate environment characterized by a flattening yield curve. As a result of the reduction in market risk exposures and the flattening yield curve, treasury revenue was down in 2000 compared with 1999.

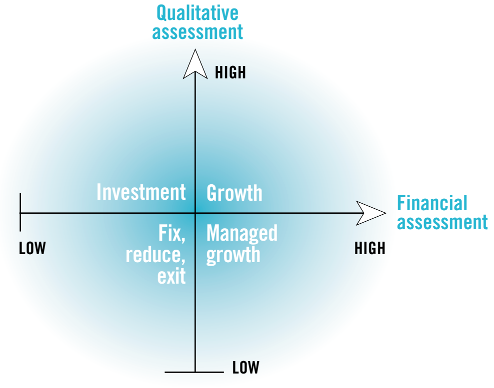
OUR PRIORITIES



WAYNE FOX
Vice-Chairman

- Target capital ratios of 8%-9% Tier 1 and 11%-12% total
- Manage balance sheet and risk resources to support achievement of 15% EPS growth and 18% ROE
- Reallocate balance sheet (including capital) and risk resources based on sustainable economic performance and other key metrics

Balance sheet resource allocation matrix



TBM is comprised of:

Treasury, which provides bank-wide asset/liability funding, liquidity, cash and collateral management activities.

Credit Portfolio Management, where the objective is to assist in the transformation of the loan business from the traditional model of "buy and hold" to "originate to sell" using a wide variety of new techniques and tools to manage credit exposures in order to optimize the risk-return trade-off. Among the methods used are: sales of existing loans, hedging exposures through credit derivatives, securitizations of pools of loans and rationing of credit where appropriate.

Capital Management, which is responsible for ensuring that CIBC is strongly capitalized, that the bank's capital is structured in the most effective manner, and for managing capital in the bank's legal entities. Activities include recommending and implementing share repurchase programs, capital issuance and placements. The balance sheet resource allocation process resides here.

Collectively, TBM will continue to apply economic and shareholder value-added discipline to balance sheet resource management to support CIBC in meeting its long-term objectives.

SCALE
- Average assets $263.1 billion
- Risk-weighted assets $132.9 billion
- BIS Tier 1 capital $11.5 billion
- BIS total capital $16.1 billion
- Average RMU's $107.5 million (net of $33.1 million diversification effect)

Risk Management

CIBC's Risk Management Group oversees CIBC's global credit, market and operational risk exposures. Specifically, Risk Management has responsibility to:
- Develop and recommend risk management policy
- Measure and monitor compliance with established policy
- Develop and implement methodologies to measure and manage risk
- Design and implement infrastructure necessary to identify, measure, manage and control risk
- Approve credit risk
- Manage CIBC's high risk corporate and commercial loan portfolios

The group functions as an independent unit, reporting directly to the Chairman and CEO and is represented in offices across Canada and in New York, London, Tokyo, Singapore and West Indies.

Credit quality remains strong. Net impaired loans after the general allowance were negative $575 million, compared to negative $266 million at the end of 1999. The total allowance for credit losses at year end was $2.2 billion, an increase of $488 million from 1999. The general allowance increased by $250 million during the year to $1.25 billion or 0.94% of risk-weighted assets, reflecting a prudent approach to the current economic cycle, portfolio composition and continued refinement of CIBC's allowance methodology.

Specific provisions during the year were $970 million compared to $600 million in 1999. The increase in specific provisions primarily relates to the consumer loan portfolio, specifically government-sponsored student loans and losses associated with growth in the credit card portfolio, and corporate loans in the U.S. (see page 37).

CIBC has implemented a comprehensive Value at Risk price risk methodology for the measurement of market risk (see page 49). Using this measure, trading risk exposure is under $21 million at year end, down 17% from 1999. Daily net trading revenue remained within predicted limits throughout the year, averaging $2.8 million compared to $2.7 million in 1999 and $0.5 million in 1998. Net trading revenue was positive 74% of the days compared to 72% in 1999 and 66% in 1998.

OUR PRIORITIES

BOB MARK
Senior Executive Vice-President

- Identify, measure, manage and control risk
- Continue progress towards a fully integrated approach to risk management
- Implementation of CreditVaR for large corporate and commercial exposures
- Completion of the implementation of operational risk measurement systems across the organization
- Early preparedness for the Bank of International Settlements' "BIS 2000+" regulatory capital requirements

As a recognized leader and innovator in market risk management, the group continues to transition towards a more fully integrated approach to risk management, building upon its market risk management expertise in modelling to create new tools for the measurement and management of credit risk. CIBC's Value at Risk model for the credit risk portfolio ('CreditVaR') (see page 47) will be implemented for use within the corporate and commercial lending portfolios in 2001 and will be an integral part of the RAROC (see page 53) and pricing models for those businesses.

Risk Management continues to build its expertise in the measurement of operational risk. The Operational Value at Risk measure ('OPVaR') (see page 53) uses historical loss information where available, supplemented by scenario analysis, to form a measurement basis for managing operational risk and the operational risk component of economic capital.

Administration

The Administration group provides governance and support services to CIBC and its strategic business units. It comprises finance, purchasing, corporate communications, human resources, marketing, corporate real estate and governance, which includes legal, audit and compliance functions.

These infrastructure units are charged with establishing bank-wide processes to ensure CIBC, its subsidiaries and businesses operate in an efficient, controlled and integrated manner in achieving corporate objectives.

The Administration group works with the Chairman and the senior teams of the bank to establish operating and financial performance targets, to monitor progress against the targets and to report results in a clear and transparent way to both internal and external stakeholders.

We also deliver an array of services to CIBC business units – everything from marketing support to payroll services. Our goal is to deliver these services, either directly or through third-party suppliers, as efficiently and effectively as possible.

During fiscal 2000, the Administration group beat its own cost reduction targets by 4% and also successfully managed a review process to ensure that the bank achieved overall cost reduction targets. Our group also introduced new performance management processes for business and individuals to ensure continued improvements in corporate and individual accountability.

In fiscal 2001, the Administration group will continue to focus on driving greater efficiencies in its own areas and throughout the bank. Other important objectives relate to support for the key strategic initiatives of building the Amicus electronic and Internet banking business and the revitalization of the CIBC brand. We will continue to take a leadership role in performance measurement and management systems to improve accountability and performance of all our business activities.

The group will also lead an important initiative to seek out opportunities for strategic outsourcing. Our objective is to create opportunities to achieve long-term cost efficiencies, improve operational effectiveness, increase our management focus on our key business activities, and create attractive career opportunities for our people.

OUR PRIORITIES

RON LALONDE
Senior Executive Vice-President
and Chief Administrative Officer

- Ongoing cost management performance
- Improved financial measures to facilitate clear decision-making
- Attract and retain talented and motivated people
- Provide clear communication to our internal and external audiences

Corporate Development

In keeping with its mandate to encourage an owner-manager mindset among the organization's business leaders, Corporate Development works with CIBC's core businesses to identify opportunities that will create additional value for CIBC shareholders.

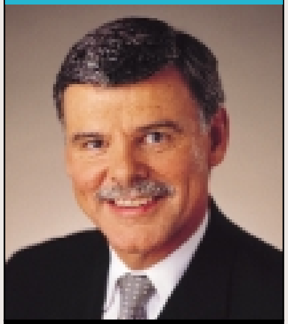
This year, we have been very active in a number of areas: determining ways we can accelerate the growth of high-return businesses; liberating capital by exiting non-strategic or low-return businesses; identifying new partners and joint venture opportunities that will create shareholder value; helping to prioritize strategies and capital requirements; identifying mechanisms for improving business unit performance; and expediting decisions related to e-business opportunities.

Corporate Development has played an integral role in the sales of CIBC's property and casualty insurance companies, our private client operation in Switzerland (CIBC Suisse S.A.), and several office properties. We were pivotal in the arrangement with Investors Group Inc., Great-West Lifeco Inc. and London Life Insurance Co., as well as in the alliance with National Data Corporation to form Global Payments Inc. for our credit card merchant acquiring business.

We continue to assist in the development of potential alliances for our rapidly expanding Amicus strategy. We also played a key role in the development and formation of Procuron, an innovative development in the Canadian business-to-business e-commerce arena.

We are working in close association with cibc.com, our new venture to identify significant e-commerce investment opportunities.

OUR PRIORITIES



RICHARD VENN
Senior Executive Vice-President

- Surface for shareholders unrecognized value in our businesses
- Identify opportunities for investment divestiture and harvesting

Consolidated financial review

Consolidated income statements

Revenue

HIGHLIGHTS
- **Total revenue up 19%**
- **Lower average assets led to 3% decline in net interest income**
- **Non-interest income up 36%, driven by fee income and investment securities gains**
- **Trading activities and commissions on securities transactions were strong contributors to non-interest income**

Total revenue consists of net interest and non-interest income.

Total revenue for the year was $12,210 million (TEB), up from $10,265 million in 1999. The 19% or $1,945 million increase was driven by a 36% or $2.1 billion increase in non-interest income. The increase resulted from the sale of corporate assets as well as strong performance from fee-based revenue, trading activities, and gains on the sale of merchant banking investments. Net interest income was down 3% or $124 million.

In 1999, total revenue of $10,265 million was up $1,023 million from 1998, driven by a 2% gain in net interest income and a 19% increase in non-interest income.

Net interest income and margin

NET INTEREST INCOME AND MARGIN

$ millions, for the years ended October 31	2000	1999	1998
Average assets	**$ 263,119**	$ 271,844	$ 278,823
Net interest income (TEB)	**$ 4,413**	$ 4,537	$ 4,438
Net interest margin (TEB)	**1.68%**	1.67%	1.59%

Net interest income includes interest and dividends earned on assets, net of interest paid on liabilities. Net interest margin is net interest income expressed as a percentage of average assets.

Net interest income was down marginally from 1999 due to lower average assets.

Additional analysis of net interest income and margin is provided on pages 94–95.

In 1999, net interest income increased $99 million from 1998 due primarily to higher income from equity accounted investments and increased residential mortgage and credit card loan balances.

Non-interest income

NON-INTEREST INCOME

$ millions, for the years ended October 31	2000	1999	1998
Fees for services			
Underwriting	**$ 886**	$ 700	$ 717
Deposit	**503**	490	486
Credit	**508**	495	415
Card	**368**	314	315
Trust and custodial	**457**	371	327
Mutual funds	**280**	184	158
Insurance	**124**	214	207
	3,126	2,768	2,625
Commissions on securities transactions	**1,480**	1,181	1,163
Trading activities	**977**	584	66
Investment securities gains, net	**970**	378	96
Income from CIBC securitized assets	**237**	200	120
Other	**1,007**	617	734
Total non-interest income	**$ 7,797**	$ 5,728	$ 4,804

Non-interest income includes all revenue not classified as net interest income.

Non-interest income was up $2,069 million or 36% from 1999.

Fees for services increased $358 million or 13% as underwriting, card services, trust and custodial and mutual funds all posted strong growth, partially offset by the $90 million decrease in insurance due to exiting direct life insurance products.

- Underwriting fees grew 27% primarily due to the success of the U.S. investment banking platform, partially offset by declines in leveraged finance.
- Card services was up 17%, reflecting new account growth, especially in premium cards.
- Trust and custodial jumped 23%. The increase is primarily due to higher than normal annual incentive fees representing CIBC's no-risk participation in the profits of investment partnerships.
- Mutual funds includes management fees and commissions on the sale of third-party mutual funds. Revenue increased 52%, consistent with the increase in assets under administration.

Commissions on securities transactions were up $299 million or 25% due to higher retail trading volumes in the market.

Trading activities were up $393 million or 67% from 1999. Trading activities are included in trading revenue which is discussed in the next section.

Investment securities gains include realized gains and losses on disposals as well as write-downs to reflect other than temporary impairment of securities held for investment purposes. Revenue included $697 million (1999: $583 million) related to the sale of a portion of our investment in Global Crossing Ltd. In 1999, gains were partially offset by write-downs related to shares held in The Loewen Group and Newcourt Credit Group Inc.

Income from CIBC securitized assets was up $37 million or 19% due primarily to higher revenue from CIBC's securitization of investment and non-investment grade loans.

Other includes the gains and losses on the disposal of fixed assets and sale of subsidiaries, foreign exchange commissions, other payment services and other commissions and fees. Other was up $390 million or 63% mainly due to the sale of office properties, our property and casualty insurance companies and CIBC Suisse S.A.

In 1999, non-interest income was $5,728 million, up $1,040 million or 22% from 1998 after excluding revenue of $116 million from the sale of Comcheq in 1998. The increase was due to growth in fees ($143 million), improved revenue from trading activities ($518 million) and higher net gains on investment securities ($282 million).

Trading revenue

TRADING REVENUE

$ millions, for the years ended October 31	**2000**	1999	1998
Net interest income (TEB)	**$ (260)**	$ 2	$ 71
Trading activities	**977**	584	66
Total trading revenue	**$ 717**	$ 586	$ 137
By type:			
Interest rate	**$ 231**	$ 296	$ 97
Foreign exchange	**36**	24	50
Equities	**394**	119	(40)
Commodities and other(1)	**56**	147	30
Total trading revenue	**$ 717**	$ 586	$ 137

(1) Includes asset swaps, credit derivatives and secondary loan trading and sales.

Trading revenue includes net interest income earned on trading portfolios and net gains or losses from trading activities, mainly within CIBC World Markets.

CIBC holds positions in both liquid and less liquid traded financial instruments as a fundamental component of providing integrated financial solutions to meet client investment and risk management needs. Trading revenue is generated from these transactions with clients and, to a lesser extent, from proprietary trading. Traded instruments include debt and equity securities, as well as foreign exchange, commodity and derivative products. Positions are recorded at fair values, with realized or unrealized gains and losses from changes in fair value recognized in trading activities as non-interest income, while net interest earned on trading positions is reflected as net interest income in the consolidated statements of income.

Trading activities and related risk management strategies can periodically shift revenue between trading activities and net interest income. Therefore, CIBC World Markets views trading-related net interest revenue as an integral part of trading revenue.

In 2000, trading revenue was $717 million, up $131 million from 1999. The increase resulted from significant revenue growth in equity structured products, a hybrid proprietary and client business employing technology and human capital to manage trading strategies in equity markets, as well as growth in U.S. institutional equity activities. Growth was driven in part by strong market activities during the year. Lower trading revenue from other products was due in part to a restructuring of credit derivative products during the year.

In 1999, trading revenue totaled $586 million, up significantly from 1998, which was adversely affected by fourth quarter trading losses stemming from volatility in global financial markets.

Non-interest expenses

HIGHLIGHTS

- **Base non-interest expenses down 5% as cost reduction initiative successful**
- **Efficiency ratio improved to 66.3%**
- **Volume-related non-interest expenses up 42%**
- **$31 million credit in 2000 to adjust the 1999 restructuring charge**
- **Amicus and bizSmart spending supports our electronic banking strategy**

Non-interest expenses include all of CIBC's costs except interest expenses, provision for credit losses and income taxes.

Non-interest expenses were $8,096 million in 2000, up $98 million or 1% from 1999. The following table assists in the year-over-year comparison of non-interest expenses.

NON-INTEREST EXPENSES

$ millions, for the years ended October 31	2000	1999	1998
Base expenses(1)	**$ 5,524**	$ 5,813	$ 5,541
Incentive bonuses and commissions(2)	**2,269**	1,603	1,463
Restructuring charge	**(31)**	426	79
Amicus and bizSmart(3)	**284**	102	42
New York premises consolidation	**50**	-	-
Revision in estimated life of certain technology assets	**-**	54	-
Total non-interest expenses	**$ 8,096**	$ 7,998	$ 7,125

(1) Includes Oppenheimer acquisition-related costs (2000: Nil; 1999: Nil; 1998: $56 million).
(2) Includes Oppenheimer acquisition-related costs (2000: $20 million; 1999: $45 million; 1998: $184 million).
(3) Strategic spending for Amicus and bizSmart is spread across most of the non-interest expense categories.

Base expenses in 2000 were $5,524 million, down $289 million or 5% from 1999, demonstrating the success of our cost reduction initiative.

Volume driven *incentive bonuses and sales commissions* were up $666 million or 42%.

The $31 million *restructuring* credit in 2000 represents an adjustment of the 1999 restructuring charge, which was in support of the CIBC-wide cost reduction program.

Amicus and bizSmart expenses are in support of CIBC's expansion of its electronic banking alliances. Amicus brings together our co-branded retail electronic banking businesses and bizSmart provides Canada's first no-fee online banking offer for small businesses. Spending in support of these initiatives totaled $284 million, up $182 million from 1999.

The *New York premises consolidation* charge of $50 million in 2000 results from the decision to consolidate premises in one central location, thereby enhancing our ability to service clients more efficiently.

During 1999, the *estimated useful life of certain technology assets* was revised to more closely reflect expected useful life.

Non-interest expenses may also be analyzed on a functional basis:

Employee compensation and benefits was up $549 million or 13%.

- Salaries were down $131 million or 6% from 1999 despite incremental salaries of $41 million related to Amicus and bizSmart in 2000. The overall decrease in salaries reflects the success of CIBC's cost reduction initiative.
- Incentive bonuses (primarily in CIBC World Markets) were up $463 million and commissions (largely in Wealth Management) were up $203 million from 1999, mainly due to increased revenue.

NON-INTEREST EXPENSES ON A FUNCTIONAL BASIS

$ millions, for the years ended October 31	2000	1999(1)	1998(1)
Employee compensation and benefits			
Salaries	**$ 2,235**	$ 2,366	$ 2,247
Incentive bonuses	**1,636**	1,173	972
Commissions	**633**	430	491
Benefits	**433**	419	349
	4,937	4,388	4,059
Occupancy costs	**634**	594	556
Computer and office equipment(2)	**758**	849	678
Communications	**371**	380	389
Advertising and business development	**273**	283	314
Professional fees	**240**	211	228
Business and capital taxes	**108**	127	130
Restructuring charge	**(31)**	426	79
Other	**806**	740	692
Total non-interest expenses	**$ 8,096**	$ 7,998	$ 7,125

(1) Certain comparative figures have been restated to conform with the presentation used in 2000.
(2) Includes year 2000 costs totaling $10 million (1999: $88 million; 1998: $103 million).

Occupancy costs in 2000 included a $50 million charge pertaining to the consolidation of New York premises. Excluding this charge, occupancy costs were $584 million, down $10 million or 2% from 1999, despite incremental costs of $7 million in 2000 pertaining to Amicus and bizSmart.

Computer and office equipment was down $91 million or 11% from 1999, which included year 2000 readiness costs and incremental amortization expense related to a revision in the estimated useful life of technology assets. The decrease was partially offset by Amicus and bizSmart spending.

Communications comprises telecommunications, postage, courier and stationery. Expenses were down slightly despite incremental spending of $14 million in 2000 relating to Amicus and bizSmart.

Advertising and business development were down due to the success of the cost reduction program.

Professional fees were up $29 million or 14% due primarily to spending on Amicus and bizSmart.

Business and capital taxes are included in the tax analysis on page 38.

Restructuring charge of $426 million in 1999 was in support of the CIBC-wide cost reduction program. The $79 million charge in 1998 pertained to CIBC World Markets.

Other comprises outside services, unrecoverable losses, other personnel costs and donations. Other was up $66 million due to Amicus and bizSmart spending and volume related variable expenses in CIBC World Markets.

In 1999, non-interest expenses totaled $7,998 million, including a restructuring charge of $426 million (1998: $79 million), and Oppenheimer acquisition-related costs of $45 million (1998: $240 million). Excluding these amounts, 1999 non-interest expenses totaled $7,527 million, compared to $6,806 million in 1998, an increase of $721 million or 11%, much of which is related to revenue-based compensation in CIBC World Markets.

Provision for credit losses

PROVISION FOR (RECOVERY OF) CREDIT LOSSES

$ millions, for the years ended October 31	2000	1999	1998
Canada			
Residential mortgages	**$ 5**	$ 7	$ 8
Student loans	**365**	104	56
Personal loans	**94**	90	83
Credit card loans	**154**	94	110
Total consumer loans	**618**	295	257
Non-residential mortgages	**5**	1	1
Trades and services	**9**	115	16
Financial institutions	**1**	8	(2)
Manufacturing	**56**	136	(3)
Real estate	**(24)**	(59)	(94)
Agriculture	**5**	1	2
Natural resources	**7**	8	(2)
Transportation	**73**	10	24
Communications	**1**	8	9
Other	**2**	(2)	6
Total business and government loans	**135**	226	(43)
	753	521	214
United States			
Total consumer loans	**(6)**	1	(2)
Trades and services	**61**	29	14
Financial institutions	**45**	15	-
Manufacturing	**39**	54	5
Real estate	**(15)**	(30)	(11)
Natural resources	**1**	-	11
Transportation	**13**	(1)	(2)
Communications	**13**	-	1
Other	**47**	1	-
	198	69	16
Other countries			
Total consumer loans	**12**	12	6
Trades and services	**-**	2	1
Financial institutions	**1**	24	-
Manufacturing	**1**	-	15
Real estate	**(6)**	10	2
Transportation	**10**	(40)	(6)
Communications	**-**	-	29
Other	**1**	2	3
	19	10	50
Credit losses charged to income			
- specific provision	**970**	600	280
- general provision	**250**	150	200
Total credit losses charged to the consolidated statements of income	**$ 1,220**	$ 750	$ 480
As a percentage of total net loans and acceptances	**0.79%**	0.51%	0.29%

The provision for credit losses charged to income in 2000 was $1,220 million, compared with $750 million in 1999. The 2000 provision included $970 million for specific allowances and $250 million to increase the general allowance.

Specific provisions increased $370 million from 1999. Provisions associated with the consumer portfolios accounted for $316 million of this increase, while the business and government portfolio accounted for $54 million.

The increase in consumer portfolio specific provisions is substantially due to a $250 million increase in the specific provision relating to the government-sponsored student loan portfolio. This increase reflected the results of management's assessment of the portfolio giving consideration to the expiry of the contract with the federal government on July 31, 2000, ongoing negotiations with various provinces and overall poor credit performance. Going forward, our involvement in government contracts for student loans will not expose CIBC to credit risk. The remaining increase related to credit card loans and was due primarily to strong volume growth.

Increases in the business and government portfolios are the result of increased loss experience in the U.S. portfolio and reduced recovery experience in all geographic regions. This increase is partially offset by improved loss experience in Canada and other countries.

A discussion of general and specific allowances is included on page 41.

During 1999, the provision for credit losses charged to income included $600 million for specific allowance and $150 million to increase the general allowance for a total of $750 million.

Taxes

TAXES

$ millions, for the years ended October 31	**2000**	1999	1998
Income taxes			
Income taxes	**$ 641**	$ 320	$ 460
Taxable equivalent adjustment	**131**	129	101
Total income taxes	**772**	449	561
Indirect taxes			
Capital taxes	**92**	101	101
Property and business taxes	**44**	84	85
Payroll taxes (employer portion)	**202**	197	194
GST and sales taxes	**182**	176	166
Total indirect taxes	**520**	558	546
Total taxes	**$ 1,292**	$ 1,007	$ 1,107
Combined Canadian federal and provincial tax rate	**42.85%**	43.2%	43.2%
Income taxes as a percentage of net income before income taxes (TEB)	**26.7%**	29.6%	34.3%
Total taxes as a percentage of net income before deduction of total taxes (TEB)	**38.1%**	49.2%	51.5%

Total income and indirect taxes increased $285 million or 28% in 2000.

Income taxes are comprised of income taxes imposed on CIBC non-consolidated (the "parent") as well as on CIBC's foreign and domestic subsidiaries.

Total income taxes were $772 million in 2000, up $323 million from 1999. This increase was primarily due to increased income levels both in the parent and various subsidiaries.

The combined Canadian federal and provincial income tax rate of 42.85% (1999 – 43.2%) is the parent bank's statutory income tax rate. Variations in this rate can result from legislative changes to corporate income tax rates enacted by the federal and provincial governments and from changes in the proportions of income earned in each of the provinces and in offshore branches of the parent. In 2000, the rate declined primarily as a result of a reduction in the Ontario corporate income tax rate from 15.5% to 14.5%, effective May 2, 2000. A substantial proportion of the parent's business is carried on in Ontario.

Income taxes as a percentage of net income before income taxes (TEB) declined from 29.6% in 1999 to 26.7% in 2000. The decline was attributable in part to lower rates of tax applying to gains realized on the disposition of investments and discontinued businesses. Also, a greater proportion of CIBC's income in 2000 was earned in subsidiaries operating in lower tax jurisdictions.

Indirect taxes are comprised of capital, property and business, payroll and GST and sales taxes.

Indirect taxes were $520 million, down $38 million or 7% from 1999, primarily as a result of decreases in property and business taxes, and capital taxes. Property and business taxes decreased as a result of the sales of office properties. Capital taxes were lower, owing to reduced levels of capital resulting from CIBC's share repurchase program, preferred share redemptions, and increased dividends paid, offset in part by higher earnings by domestic subsidiaries and the parent.

The October 18, 2000 federal government Economic Statement and Budget Update (mini-budget) proposed income tax rate decreases of 6%, phased in over a period of years. Under generally accepted accounting principles, CIBC is required to establish a future tax asset in respect of expenses that are not currently deductible for tax purposes, such as the general allowance for credit losses. The future tax asset has been established at substantively enacted future tax rates. CIBC is in a net future tax asset position with respect to its Canadian operations. Once the mini-budget proposals are considered to be substantively enacted, CIBC will be required to reduce the value of its future tax asset in recognition of the probability the expenses will be claimed at the lower rate. On the assumption the proposals will be considered to be substantively enacted in fiscal 2001, the future tax asset will be reduced by approximately $90 million through a charge to income tax expense in that year.

In 1999, total income and indirect taxes decreased to $1,007 million from $1,107 million in 1998. The decrease was attributable to reduced income taxes of $112 million, which occurred primarily because the parent had lower income due to a restructuring charge and higher securities and loan losses.

Consolidated balance sheets

CONDENSED BALANCE SHEETS

$ millions, as at October 31	**2000**	1999
Assets		
Cash resources	**$ 10,679**	$ 12,527
Securities		
Securities held for investment and loan substitutes	**16,025**	13,438
Securities held for trading	**53,217**	46,054
	$ 69,242	$ 59,492
Loans		
Residential mortgages	**51,898**	46,613
Personal and credit card loans	**27,452**	24,532
Business and government loans, including acceptances	**56,179**	56,343
General allowance for credit losses	**(1,250)**	(1,000)
	$ 134,279	$ 126,488
Securities borrowed or purchased under resale agreements (reverse repos)	**20,461**	19,158
Derivative instruments market valuation	**23,847**	24,449
Other assets	**9,194**	8,217
	$ 267,702	$ 250,331
Liabilities and shareholders' equity		
Deposits	**$ 179,632**	$ 160,041
Obligations related to securities sold short	**13,992**	15,563
Obligations related to securities lent or sold under repurchase agreements	**14,199**	13,640
Derivative instruments market valuation	**24,374**	25,097
Other liabilities and acceptances	**19,718**	20,388
Subordinated indebtedness	**4,418**	4,544
Shareholders' equity	**11,369**	11,058
	$ 267,702	$ 250,331

HIGHLIGHTS

- **During 2000, TBM instituted a balance sheet resource allocation process whereby resources were diverted from underperforming activities to those providing higher returns. The increases and decreases discussed below result substantially from this effort.**

Assets

Total assets of $267.7 billion at October 31, 2000 increased $17.4 billion from $250.3 billion at October 31, 1999. This increase was principally driven by growth in the following asset classes: securities held for trading – largely equity securities (by $7.2 billion to $53.2 billion), residential mortgages (by $5.3 billion to $51.9 billion) and personal and credit card loans (by $2.9 billion to $27.5 billion). Further, while total levels of business and government loans (including acceptances) decreased nominally, a significant decrease in large corporate loans was offset by an increase in small business loans.

Reverse repos are a low risk form of secured lending with minimal capital requirements; however, the interest earned on reverse repos is lower than that on other loans. Reverse repos were up $1.3 billion from 1999.

Derivative instruments market valuation represents the unrealized gains (assets) and losses (liabilities) on derivative contracts used in trading activities. The October 31, 2000 balance of $23.8 billion was comparable with that at October 31, 1999.

Liabilities and shareholders' equity

Deposits were $179.6 billion at October 31, 2000, up $19.6 billion from October 31, 1999. The increase related mainly to growth in deposits from businesses and governments.

Subordinated indebtedness was $4.4 billion at October 31, 2000, comparable with 1999. Note 9 to the consolidated financial statements on page 70 provides further details on subordinated indebtedness.

Shareholders' equity was $11.4 billion at October 31, 2000. The repurchase of common shares during the year and the payment of dividends offset increases to shareholders' equity from the retention of earnings.

Securities

SECURITIES HELD FOR INVESTMENT

$ millions, as at or for the years ended October 31	2000	1999
Securities held for investment		
Market value[1]	**$ 18,491**	$ 16,897
Book value	**15,864**	13,277
Unrealized excess of market value over book value	**$ 2,627**	$ 3,620
Unrealized excess of market value over book value at beginning of year	**$ 3,620**	$ 2,131
Realized net gains from the sale of securities held for investment	**(970)**	(378)
(Decline) appreciation in market value of securities held for investment	**(23)**	1,867
Unrealized excess of market value over book value at end of year	**$ 2,627**	$ 3,620

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

All securities other than those held for trading are classified as securities held for investment and are recorded at cost. Securities held for investment were $15.9 billion, up $2.6 billion from 1999.

As at October 31, 2000, the unrealized excess of market value over book value of CIBC's investment securities portfolio totaled $2.6 billion. The unrealized excess of market value over book value of securities held for investment is included in income when the investments are sold. Note 3 to the consolidated financial statements on pages 66-67 provides further details on carrying and estimated market values of securities held for investment.

CIBC World Markets is near completion of a program to hedge most of its remaining 47 million share investment in Global Crossing Ltd. We entered into forward sale contracts with a range of maturities from 2001 to 2003. Floor prices have been set at between US$20–$28 per share and ceiling prices at US$46–$64 per share. CIBC's investments in Global Crossing Ltd., including the impact of the forward sale contracts, had a $1.7 billion excess of market value over book value at October 31, 2000.

Securities held for trading were $53.2 billion, up $7.2 billion from 1999. The increase was due mainly to seized opportunities in equity markets. Securities held for trading are stated at estimated fair value with both realized and unrealized gains and losses included in trading activities in the consolidated statements of income.

Loans and acceptances

LOANS AND ACCEPTANCES (NET OF ALLOWANCE FOR CREDIT LOSSES)[1]

$ millions, as at October 31	2000	1999
Residential mortgages	**$ 51,898**	$ 46,613
Student loans	**4,263**	4,380
Personal loans	**17,567**	15,937
Credit card loans	**5,622**	4,215
Total consumer loans	**79,350**	71,145
Business and government loans, including acceptances[2]	**56,179**	56,343
Securities borrowed or purchased under resale agreements	**20,461**	19,158
General allowance	**(1,250)**	(1,000)
Total net loans and acceptances	**$ 154,740**	$ 145,646

(1) See detail in the Supplementary Annual Financial Information on page 96.
(2) Government loans totaled $902 million at October 31, 2000 (1999: $1,395 million).

Portfolio diversification

CIBC's loans and acceptances portfolio is well diversified to ensure that concentration by customer, industry, geography and currency are within prudent and acceptable limits.

Consumer loans totaled $79.4 billion in 2000, up $8.2 billion or 12% from 1999 and represented 59% of total net loans and acceptances, excluding securities borrowed or purchased under resale agreements. The increase in 2000 was due to growth in residential mortgages of $5.3 billion or 11% reflecting strong housing markets in Canada. In addition, credit card loan balances grew $1.4 billion or 33% from 1999. These increases reflect our strategic emphasis on retail business.

Business and government loans, including acceptances were $56.2 billion in 2000, consistent with 1999. The portfolio increased $0.7 billion or 2% in Canada and $0.3 million or 19% in the West Indies. Portfolio growth in these regions was offset by reductions in Asia, Europe and the U.S. Decreases in the financial services, real estate and manufacturing segments were substantially offset by increases in the transportation and communications and trades and services sectors.

CIBC's exposure to Asia, Latin America and Eastern Europe continued to decline. Total securities, net derivatives, lending related and other asset exposures were down $2.5 billion to $4.7 billion in 2000.

From an industry perspective, CIBC manages its concentrations through a series of industry groups, segment and subsegments, with oil and gas, governments, financial institutions and communications and high-technology representing the largest segments. CIBC's portfolio remains well diversified with none of its segments representing more than 14% of the total portfolio.

Allowances – general and specific

At October 31, 2000, the accumulated total allowance for credit losses was $2,236 million, up $488 million from 1999. Total allowances now represent 135% of the gross impaired loans and acceptances portfolio, up from 118% in 1999.

Specific allowance

Specific allowances were $986 million as at October 31, 2000, an increase of $238 million from the previous year. Specific allowances now represent 0.64% of total net loans and acceptances, up from 0.51% in 1999.

Allowances specifically related to the consumer portfolios were $510 million, up $267 million or 110%. This increase was primarily due to government-sponsored student loans, where a $365 million (including the additional $250 million) provision was recorded in 2000, reflecting losses embedded in the portfolio. During 2000 we evaluated the status of the student loan portfolio, giving consideration to the expiry of the contract with the federal government on July 31, 2000, ongoing negotiations with various provinces, and overall poor credit performance. We have adjusted the specific provision to reflect the results of our evaluation.

Business and government specific allowances were $476 million, down $29 million or 6% from 1999. Reductions were experienced in all geographic regions except the United States, where specific allowances grew by $47 million from 1999.

Net impaired loans, before the general provision, were down year over year, with the increases in business and government portfolios being offset by decreases in the consumer portfolios.

General allowance

The general allowance provides for credit losses which are present in the credit portfolio, but which have not yet been specifically identified.

The level to which general allowances are accumulated is based on the expected losses associated with individual asset portfolios, adjusted by management for economic or portfolio risk trends and changes in lending policies and standards. These portfolios include business loans and acceptances, off-balance sheet credit instruments such as credit commitments and letters of credit, and consumer loan portfolios.

Expected losses for business portfolios are based on the risk rating of each credit facility and loss factors associated with each risk rating which have been derived from historical experience. Expected losses for consumer portfolios are based on historical flow and loss rates.

CIBC's general allowance methodology utilizes a portfolio by portfolio approach. While the general allowances may be determined with respect to individual portfolios or business segments, the whole allowance remains available to absorb losses in the entire credit portfolio, which have not yet been specifically identified.

During 2000, CIBC increased its general allowance level by $250 million to $1.25 billion, reflecting a prudent approach to the current economic cycle, portfolio composition and continued refinement of CIBC's allowance methodology.

This level, in the opinion of management, provides adequately for losses existing in the loan portfolio when considered together with specific allowances.

CHANGES IN NET IMPAIRED LOANS(1)

$ millions, as at or for the years ended October 31	Business and government loans	Consumer(2) loans	Total before general allowance	General allowance	2000 total	Business and government loans	Consumer(2) loans	Total before general allowance	General allowance	1999 total	Business and government loans	Consumer(2) loans	Total before general allowance	General allowance	1998 total
Gross impaired loans															
Balance at beginning of year	**$ 1,019**	**$ 463**	**$ 1,482**	**$ -**	**$ 1,482**	$ 1,050	$ 436	$ 1,486	$ -	$ 1,486	$ 1,203	$ 416	$ 1,619	$ -	$ 1,619
New additions	**1,008**	**776**	**1,784**	**-**	**1,784**	911	826	1,737	-	1,737	485	742	1,227	-	1,227
Returned to performing status, repaid or sold	**(408)**	**(348)**	**(756)**	**-**	**(756)**	(534)	(453)	(987)	-	(987)	(388)	(380)	(768)	-	(768)
Gross impaired loans prior to write-offs	**1,619**	**891**	**2,510**	**-**	**2,510**	1,427	809	2,236	-	2,236	1,300	778	2,078	-	2,078
Write-offs	**(415)**	**(434)**	**(849)**	**-**	**(849)**	(408)	(346)	(754)	-	(754)	(250)	(342)	(592)	-	(592)
Balance at end of year	**$ 1,204**	**$ 457**	**$ 1,661**	**$ -**	**$ 1,661**	$ 1,019	$ 463	$ 1,482	$ -	$ 1,482	$ 1,050	$ 436	$ 1,486	$ -	$ 1,486
Allowances															
Balance at beginning of year	**$ 505**	**$ 243**	**$ 748**	**$ 1,000**	**$ 1,748**	$ 551	$ 208	$ 759	$ 850	$ 1,609	$ 724	$ 217	$ 941	$ 650	$ 1,591
Write-offs	**(415)**	**(434)**	**(849)**	**-**	**(849)**	(408)	(346)	(754)	-	(754)	(250)	(342)	(592)	-	(592)
Provisions	**346**	**624**	**970**	**250**	**1,220**	292	308	600	150	750	18	262	280	200	480
Recoveries	**44**	**77**	**121**	**-**	**121**	69	75	144	-	144	53	79	132	-	132
Foreign exchange and other	**(4)**	**-**	**(4)**	**-**	**(4)**	1	(2)	(1)	-	(1)	6	(8)	(2)	-	(2)
Balance at end of year	**$ 476**	**$ 510**	**$ 986**	**$ 1,250**	**$ 2,236**	$ 505	$ 243	$ 748	$ 1,000	$ 1,748	$ 551	$ 208	$ 759	$ 850	$ 1,609
Net impaired loans															
Balance at beginning of year	**$ 514**	**$ 220**	**$ 734**	**$ (1,000)**	**$ (266)**	$ 499	$ 228	$ 727	$ (850)	$ (123)	$ 479	$ 199	$ 678	$ (650)	$ 28
Net change in gross impaired	**185**	**(6)**	**179**	**-**	**179**	(31)	27	(4)	-	(4)	(153)	20	(133)	-	(133)
Net change in allowance	**29**	**(267)**	**(238)**	**(250)**	**(488)**	46	(35)	11	(150)	(139)	173	9	182	(200)	(18)
Balance at end of year(3)	**$ 728**	**$ (53)**	**$ 675**	**$ (1,250)**	**$ (575)**	$ 514	$ 220	$ 734	$ (1,000)	$ (266)	$ 499	$ 228	$ 727	$ (850)	$ (123)
Gross impaired loans less specific allowance as a percentage of total net loans and acceptances					**0.44%**					0.50%					0.45%
Net impaired loans and acceptances after general allowance:															
As a percentage of total net loans and acceptances					**(0.37)%**					(0.18)%					(0.08)%
As a percentage of shareholders' equity					**(5.06)%**					(2.41)%					(1.10)%

(1) Impaired loans includes $13 million (1999: nil; 1998: nil) of loan substitute securities and allowances for credit losses of $2.0 million (1999: nil; 1998: nil) relating to loan substitute securities.
(2) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or interest is contractually 90 days in arrears.
(3) Excludes allowances on letters of credit totaling $2 million (1999: $4 million; 1998: $17 million).

Impaired loans

Impaired loans are those for which, in the opinion of management, there no longer is reasonable assurance of the full and timely collection of principal and interest. Note 1 to the consolidated financial statements, commencing on page 62, outlines the criteria and processes for designating and accounting for impaired loans.

During the year, $1,784 million of loans were newly classified as impaired, up 2.7% from 1999. Business and government loan classifications grew by $97 million or 11%, partially offset by a $50 million or 6% reduction in consumer loan classifications.

Reductions in gross impaired loans through remediation, repayment or sale were $756 million, down $231 from 1999, reflecting lower experience in both the consumer and business and government loan portfolios.

Deposits

DEPOSITS

$ millions, as at October 31	2000	1999	1998
Individuals	**$ 63,109**	$ 60,878	$ 59,993
Businesses and governments	**103,141**	85,940	84,862
Banks	**13,382**	13,223	15,020
	$ 179,632	$ 160,041	$ 159,875
Canadian currency	**$ 105,567**	$ 89,431	$ 85,297
Foreign currencies	**74,065**	70,610	74,578
	$ 179,632	$ 160,041	$ 159,875

Deposits were $179.6 billion at October 31, 2000, up $19.6 billion from 1999 mainly due to the increase in deposits from businesses and governments.

Deposits from businesses and governments include operating and investment accounts, as well as commercial paper and term certificates issued through domestic and international capital markets. These deposits were up $17.2 billion at October 31, 2000 from October 31, 1999. Further details on the composition of deposits are provided in Note 7 to the consolidated financial statements on page 69 and in the supplementary annual financial information on page 100.

Regulatory capital and capital ratios

As discussed on page 31, TBM is responsible for ensuring that CIBC is strongly capitalized, that the bank's capital is structured in the most effective manner, for allocating capital among CIBC's businesses and for managing capital in CIBC's legal entities (including share repurchase programs and capital issuance).

Capital strength

CIBC is one of the strongest capitalized banks in Canada. This capital strength is important to protect CIBC's depositors and creditors from risks inherent in CIBC's various businesses, to enable CIBC to take advantage of attractive business opportunities, and to maintain CIBC's favourable credit standing.

CIBC has approved internal policies to meet or exceed regulatory requirements specified in guidelines issued by the Office of the Superintendent of Financial Institutions (OSFI), market expectations for capital strength and internal assessments of economic capital. Internal assessments, which are determined using risk measurement techniques, are discussed under Management of Market Risk on pages 48–51. CIBC manages its capital level and capital mix within its policy framework to maximize shareholder value.

Regulatory capital

Regulatory capital is calculated in accordance with OSFI guidelines, which are based on standards issued by the Bank for International Settlements (BIS). These standards were first introduced in November 1988 to establish capital requirements for credit risk. Effective January 1, 1998, standards were amended to include capital for market risk in trading portfolios.

Regulatory capital comprises three tiers. The tiers are distinguished based on three capital properties: permanence; freedom from mandatory fixed charges against earnings; and a subordinated legal position to the rights of depositors and other creditors. Tier 1 is the highest quality capital, possessing all three capital properties. Tier 2 does not have the same degree of permanence or freedom from fixed charges as Tier 1 capital and cannot normally exceed the amount of Tier 1 capital. The concept of Tier 3 capital was created under the BIS standards in conjunction with the introduction of market risk capital requirements in January 1998. Specific qualifying guidelines have not been issued by OSFI. No Canadian bank has issued Tier 3 capital to date.

The components of CIBC's Tier 1 and Tier 2 capital are shown in the table below.

REGULATORY CAPITAL AND CAPITAL RATIOS

$ millions, as at October 31	**2000**	1999	1998
Tier 1 capital			
Common shares	**$ 2,868**	$ 3,035	$ 3,128
Retained earnings	**6,625**	6,090	6,047
Non-cumulative preferred shares	**1,876**	1,933	1,961
Shareholders' equity	**11,369**	11,058	11,136
Non-controlling interests in subsidiaries	**248**	204	230
Goodwill	**(110)**	(123)	(154)
	$ 11,507	11,139	11,212
Tier 2 capital			
Perpetual debentures	**614**	686	788
Other debentures (net of amortization)	**3,672**	3,768	3,767
General allowance for credit losses (1)	**997**	1,000	850
	5,283	5,454	5,405
Total Tier 1 and Tier 2 capital	**16,790**	16,593	16,617
Securitization-related deductions	**(308)**	(288)	(320)
Investments in unconsolidated subsidiaries and other substantial investments	**(428)**	(870)	(532)
Total capital available for regulatory purposes	**$ 16,054**	$ 15,435	$ 15,765
Total risk-weighted assets (see page 44)	**$ 132,893**	$ 134,567	$ 145,475
Regulatory capital ratios			
Tier 1 capital	**8.7%**	8.3%	7.7%
Total capital	**12.1%**	11.5%	10.8%
Leverage ratio	**16.3x**	16.3x	17.5x

(1) General allowance for credit losses may be included in Tier 2 capital up to a limit of 0.75% 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 all balance sheet assets and off-balance sheet exposures. Risk-weighted assets reflecting market risk in the trading portfolio are calculated based on CIBC's value-at-risk simulation models approved by OSFI.

CIBC's risk-weighted assets were $132.9 billion as at October 31, 2000, a decrease of $1.7 billion during the year and have, as a result of TBM's balance sheet resource allocation process, been shifted towards higher-returning activities.

Regulatory capital and leverage ratios

Regulatory capital ratios are determined by dividing Tier 1 and total regulatory capital by the calculated amount of risk-weighted assets. OSFI has indicated that a well-capitalized deposit-taking financial institution's Tier 1 regulatory capital ratio should be at least 7% of its risk-weighted assets and total regulatory capital at least 10%. CIBC's Tier 1 and total capital ratios were 8.7% and 12.1%, respectively, as at October 31, 2000, well above this standard.

Financial institutions must also meet a leverage ratio (or assets-to-capital multiple) test. CIBC's leverage ratio was 16.3 times capital, well within the permitted maximum.

CIBC's capital ratios and leverage ratio improved over the year due to strong earnings coupled with moderate growth in assets.

RISK-WEIGHTED ASSETS

	Amount	Risk-weighted amounts		
$ millions, as at October 31		**2000**	1999	1998
On-balance sheet assets (Balance sheet amounts)				
Cash resources	$ 10,679	**$ 1,550**	$ 1,936	$ 1,729
Securities issued or guaranteed by Canada, provinces, municipalities, OECD banks and governments	34,135	**313**	101	522
Other securities	35,107	**4,776**	5,130	4,276
Loans to or guaranteed by Canada, provinces, territories, municipalities, OECD banks and governments	7,055	**416**	306	287
Mortgage loans	54,342	**16,699**	14,750	14,760
Other loans	84,255	**63,785**	60,118	62,103
Acceptances	9,088	**8,935**	9,012	10,379
Other assets	33,041	**6,217**	5,758	5,886
Total on-balance sheet assets	$ 267,702	**$ 102,691**	$ 97,111	$ 99,942
Off-balance sheet instruments (Contract/Notional amounts)				
Credit Related Arrangements				
Lines of credit	$ 112,177	**$ 11,640**	$ 15,700	$ 17,879
Guarantees and letters of credit	28,605	**6,018**	8,259	6,945
Other	293	**293**	324	244
	141,075	**17,951**	24,283	25,068
Derivatives	1,351,920	**5,583**	6,249	8,896
Total off-balance sheet instruments	$ 1,492,995	**$ 23,534**	$ 30,532	$ 33,964
Total risk-weighted assets before adjustments for market risk		**$ 126,225**	$ 127,643	$ 133,906
Add: Market risk for trading activity[1]		**6,668**	6,924	11,569
Total risk-weighted assets		**$ 132,893**	$ 134,567	$ 145,475

(1) Under the BIS 1998 Capital Accord, effective January 1998, trading assets are subject to market risk calculations.

Regulatory capital generation

Total regulatory capital increased by $619 million during the year, the details of which are outlined in the following table.

Under CIBC's normal course issuer bid that began December 15, 1999, CIBC repurchased for cancellation 26.5 million common shares during the year for an aggregate consideration of $1,074 million. The normal course issuer bid ends December 14, 2000.

CAPITAL GENERATION

$ millions, as at October 31	**2000**	1999	1998(1)
Internally generated capital			
Net income	**$ 2,060**	$ 1,029	$ 1,056
Other amounts credited (charged), to retained earnings	**(6)**	15	(9)
Capital from operations	**2,054**	1,044	1,047
Dividends	**(629)**	(604)	(614)
General allowance for credit losses	**(3)**	150	200
Other (2)	**479**	(301)	(125)
	1,901	289	508
External financing			
Subordinated indebtedness	**(168)**	(101)	332
Preferred shares	**(57)**	(28)	443
Common shares	**(167)**	(93)	23
Premium on repurchase of common shares and preferred shares	**(890)**	(397)	(10)
	(1,282)	(619)	788
Total increase (decrease) in regulatory capital	**$ 619**	$ (330)	$ 1,296

(1) Certain comparative figures have been restated to conform with the presentation used in 2000.
(2) Other includes non-controlling interests in subsidiaries and deductions from regulatory capital which include goodwill, securitization-related deductions, investments in unconsolidated subsidiaries and other substantial investments.

Changes in regulatory capital requirements

The BIS launched a major review of the capital requirements for credit risk to recognize the many changes that have taken place in the financial marketplace, including more sophisticated techniques for measuring and mitigating credit risk.

A discussion paper was issued by the BIS in June 1999 inviting comment by national regulators and other interested parties. One of the proposals involves using banks' internal risk rating systems as a basis for measuring regulatory credit risk.

The Canadian banks, through the Canadian Bankers Association, submitted a response to the BIS proposals in March 2000. It is expected that revised proposals will be issued by the BIS early in calendar 2001 for a second round of consultation and comment.

The same risk measures and models used to drive regulatory capital for the capital markets businesses are also used to drive economic capital. While CIBC uses a more refined set of parameters for economic capital, the use of the same suite of models leads to better alignment between economic and regulatory capital. We also use internal models for attribution of capital to our non-trading businesses. As regulatory bodies move to allow a broader use of models for regulatory capital for the banking businesses, CIBC will apply these internal models as appropriate.

Management of risk

CIBC manages risk through a comprehensive framework of infrastructure, policies and methods that supports activities and effective management.

Two standing committees of CIBC's Board of Directors oversee management's activities that result in risk. The board reviews and approves all credit, investment and market risk policies annually.

At the operational level, the senior executive team and four management committees comprised of senior management and business line representatives, oversee and direct CIBC's risk exposures arising from business activities.

The board and management committees establish risk management policies, limits and procedures, approve risk management strategies, and monitor portfolio performance and trends. These management committees work closely with the lines of business and the board to manage CIBC's exposure to three basic types of risk – credit, market and operational. These risks are discussed on pages 47–53.

BOARD OF DIRECTORS

RISK MANAGEMENT AND CONDUCT REVIEW COMMITTEE

- Ensures policy guidelines and systems exist and are adhered to (credit, market and operational risk).
- Reviews and approves individual credits and investments.
- Monitors portfolio trends.
- Reviews and approves policies on loan concentrations.
- Reviews and approves procedures for dealing with related party transactions and conflict of interest issues.
- Reviews Canadian Deposit Insurance Corporation (CDIC) self assessment.

Chair: External Director

AUDIT COMMITTEE

- Oversees CIBC's financial reporting process on behalf of the Board of Directors.
- Reviews CIBC's financial statements.
- Liaises with internal and external auditors.
- Reviews internal control procedures and loan loss provisions.
- Reviews CDIC self assessment.

Chair: External Director

MANAGEMENT COMMITTEES

SENIOR EXECUTIVE TEAM

- Enterprise-wide governance.
- Establishes mandates and membership of Management Committees.
- Establishes CIBC-wide Strategic Direction, Performance Targets and Risk Limits.
- Assesses strategy and monitors Asset Liability and Capital Management.
- Approves delegated authorities and limits to Capital and Risk Committee.
- Approves material transactions and strategic investments.

Chair: Chairman & CEO, CIBC

CAPITAL AND RISK COMMITTEE

- Approves policy and limits at a business level for credit, market and liquidity risk management.
- Approves balance sheet (including capital) resource allocation and economic capital measurement within parameters established by senior executive team.
- Monitors portfolios, risk performance and intervention with material risk issues.
- Approves mandates and membership for Investment Committee, including delegation of limits and authorities.
- Approves new material risk and strategic allocation of balance sheet resources for the introduction of new products, new businesses and/or new channels.

Chair: Vice-Chairman, Treasury and Balance Sheet Management

OPERATIONS AND ADMINISTRATION COMMITTEE

- Establishes policy and framework for CIBC-wide management of operational risk and internal control processes and performs ongoing assessment of effectiveness.
- Reviews internal assessments of adherence to internal control framework.
- Approves exceptions to policies or standards.
- Oversees corrective action concerning significant control weaknesses or emerging control issues.
- Monitors implementation of significant projects and intervention, as required.
- Refers compliance and control matters relating to credit, capital or market risk to the Capital and Risk Committee.

Chair: Senior Executive Vice-President, Wealth Management

CREDIT COMMITTEE

- Approves credit requests within delegated limits.
- Presents new credit requests and certain renewals in excess of delegated limits to the Risk Management and Conduct Review Committee.

Chair: Executive Vice-President, Risk Management

INVESTMENT COMMITTEE

- Approves merchant banking investments within delegated limits.

Chair: Senior Executive Vice-President, Corporate Development

Management of credit risk

In the normal course of business, credit risk arises when CIBC relies on another party to honour or perform contractual obligations that have economic value to CIBC.

Direct credit risk arises on the loan portfolio and represents the possibility that customers will be unable or unwilling to repay some of, or the entire principal amount they have borrowed, or to make interest payments when due.

Contingent credit risk arises on derivative instruments. When CIBC's entitlements under a derivative contract have developed value, CIBC is dependent on the counterparty honouring its obligations so that CIBC can realize that value. The contingent credit risk is represented by the market value of the contract plus an allowance for potential increases in market value in the future. Market value is the amount CIBC's counterparty would be required to pay another party to assume obligations to CIBC under the contract.

Infrastructure

CIBC's credit authority emanates from the Board of Directors and is delegated through the chairman and chief executive officer to the senior executive vice-president, risk management. This authority is ultimately delegated, in part, to senior officers of risk management and to the senior officers of each business segment.

Risk Management Division directs the delegation of credit authority within CIBC's line organization.

TBM's credit portfolio management division assists in the transformation of the loan business from the traditional model of "buy and hold" to "originate and sell" using a wide variety of new techniques and tools to manage credit exposures to optimize the risk-return trade-off.

CIBC's risk management structure controls the credit process and is designed to instill a strong sense of accountability and a disciplined approach throughout the organization.

Policies

Direct credit risk and contingent credit risk are aggregated and subjected to the same credit policies and processes.

Policies designed to prevent concentrations within CIBC's loan portfolio are fundamental to the management of direct credit risk. There are two key policies.

- The single name/common risk concentration policy limits CIBC's exposure to any individual borrower or group of related borrowers, based on risk rating.
- The industry concentration policy limits the percentage of the business loans and securities portfolio, within 16 industry groups.

Other credit risk policies address management of geographic and product concentrations, syndicated bank credit and bridge credit concentrations, requirements for environmental reviews and real estate appraisals, maintenance of portfolio lending standards, delegation of lending authority and conflicts of interest with respect to mergers and acquisitions.

Methods

CIBC imposes a disciplined approach to risk by continuously monitoring all credit exposures and aggressively managing past due and impaired accounts. Computer-based loan management models, formal risk rating guidelines for commercial and corporate clients, and credit scoring for small business and consumer clients are some of the tools used by credit officers and risk managers in identifying and managing risk. Specific industry profiles have been developed, outlining factors such as key credit risks, and appropriate products and terms to assist lending officers and risk managers in adhering to policies and standards.

Currently, CIBC employs RAROC credit models (see page 53) for the attribution of economic capital and expected losses to all of its lines of business.

During 1999, CIBC continued to advance its credit risk measurement and modeling capabilities with the development of its own internal credit value at risk model ("Credit VaR") for assessing economic capital and expected losses. Credit VaR will be implemented for use within the corporate and commercial lending portfolios for 2001, and will be an integral part of RAROC and pricing models for those businesses.

Country risk arises when CIBC is exposed to the possibility that its assets could become frozen in a foreign country because of imposed exchange controls or other economic or political disturbances. With the exception of Canada and the United States, the credit worthiness of all countries in which CIBC operates is assessed and rated at least annually. Formal restrictions are in place against transactions in higher risk countries to ensure exposures are subject to review and approval by Risk Management Division and appropriate management committees.

Environmental risk associated with lending activities is proactively managed through a formal Environmental Risk Management program. Under the program, lenders and risk managers receive training and support to identify and evaluate potential environmental risk exposure and to help customers understand their environmental risks. Where appropriate, environmental assessments are conducted to evaluate and mitigate these risks.

Management of market risk

Market risk is the risk of loss arising from changes in values of financial instruments and includes interest rate, foreign exchange, equity, credit spread, commodity and liquidity risks. CIBC's framework for management of risk comprises infrastructure, policies and methodology, which CIBC considers meet best practice risk management standards.

Within CIBC, an independent market risk management group oversees all market risk associated with trading portfolios as well as structural market risk associated with CIBC's balance sheet. Market risk management processes ensure that overall price risk, and its components, are well understood within the organization.

In January 1998, CIBC received approval from OSFI to use proprietary risk measurement models for all aspects of the Bank for International Settlements (BIS) 98 Accord related to market risk capital requirements for trading portfolios. In September 1998, CIBC World Markets plc, CIBC's U.K. subsidiary, received approval from the Bank of England to use CIBC's proprietary risk models to calculate capital under its regulatory directives. Regulatory acceptance of CIBC's proprietary risk measurement models permits CIBC to better deploy capital by using assets more effectively than would be possible under the alternative standardized market risk approach developed under the BIS 98 Accord.

For purposes of BIS 98, CIBC measures the following general and specific market risks:

- Interest rate risk is risk relating to the parallel and non-parallel shifts upward or downward in yield curves.
- Credit spread risk is risk arising from changes in the market's perception of generic and individual credit quality and liquidity.
- Equity risk is risk arising from movements in share prices or share indices.
- Foreign exchange risk is risk arising from exchange rate movements.
- Commodity risk is risk arising from movements in commodity prices.

Specific market risk relates to the issuer specific component of risk in, for instance, corporate bond or equity portfolios. Specific risk is the element of risk due solely to the individual debtor or equity, not modeled elsewhere in the market risk framework.

Infrastructure

The market risk management group is independent of the business units. Its activities are reviewed and approved, as appropriate, by the Capital and Risk Committee, the senior executive team and, ultimately, by the Risk Management and Conduct Review Committee of the board. In addition to understanding, measuring and monitoring risks, market risk management ensures that, on a daily basis, the individual components and overall market risk exposures of CIBC are within approved risk limits, and that only authorized activities are undertaken.

The quality and skills of risk managers are critical to achieving best practice risk management. Each business incurring significant market risk is the focus of an experienced market risk manager, facilitating comprehensive risk coverage. Data from trading systems around the world is consolidated in a central risk management database. The centralized control of risk measurements and access to large amounts of risk management data support the global management of market risk through integrated risk reporting and analysis, and limit monitoring. CIBC generates a detailed risk report and limit monitoring summary each morning, based on the previous day's trading. This report provides an enterprise-wide view of market risk and is integral to the review of risk exposure at CIBC's trading room meeting each morning. Each day all risk positions are monitored against authorized limits by an independent risk manager, and positions that exceed authorized limits are promptly reported to senior management. Reports on compliance with risk limits are made at least monthly to the Capital and Risk Committee, and quarterly to the Risk Management and Conduct Review Committee of the Board.

Policies

CIBC has developed comprehensive policies and procedures for market risk management. These policies relate to identification and measurement of the various types of market and trading credit risk, and to the establishment of limits within which CIBC manages its overall price risk exposure. The policies explicitly state risk tolerance levels, expressed in terms both of statistically based value at risk measures, and of potential "worst case" stress losses. The Risk Management and Conduct Review Committee approves overall levels of risk CIBC may assume.

CIBC uses a three-tiered approach to set price risk limits on the amounts of interest rate, credit spread, foreign exchange, commodity and equity risks that the organization can assume. The first-tier limits are CIBC's overall price risk and worst case stress limits, and are set by the senior executive team, in keeping with the risk tolerance expressed by the Risk Management and Conduct Review Committee. The second-tier limits are designed to control the risk profile of positioning activities at the business unit level. They are established by agreement of market risk management and trading management and are approved by the CIBC Capital and Risk Committee. This committee is responsible for ensuring that the risk/reward and portfolio management principles, policies and processes are consistent with industry practice. The committee is also responsible for providing recommendations to the senior executive team for the approval of Tier 1 risk and stress limits and ensuring that audit findings are appropriately addressed. The third-tier limits are delegated down to the desk level and are designed to monitor risk concentration and the impact of book specific stress events. Policies also outline requirements for yield curve and valuation model construction, and link to finance policy with respect to mark-to-market methodologies, and the independent valuation of positions.

Structural interest rate risk and foreign exchange risk associated with all of CIBC's on and off-balance sheet positions are actively managed within senior executive team policies and Tier 1 limits.

Risk measurement methodology

Overview

Since no single measure reflects all aspects of market risk, CIBC utilizes several different risk measures:

• Value-at-Risk - CIBC's Risk Measurement Unit (RMU) methodology enables the like-for-like comparison of risk in different businesses and asset classes.

• Stress testing and scenario analysis, which provide insight into portfolio behavior under extreme circumstances.

• Backtesting, which validates the effectiveness of risk quantification through analysis of actual, and theoretical revenue.

RMU methodology

CIBC has developed and implemented a comprehensive Value at Risk (VaR) price risk measurement methodology that expresses risk in terms of risk measurement units (RMUs). The VaR or RMU methodology is a statistically defined, probability-based approach that uses volatilities and correlations to quantify price risks, in dollar terms.

The RMU is CIBC's price risk measure of the potential loss from adverse market movements that can occur under normal market conditions, based on historical data and recent market experience. An RMU is defined as the overnight loss with less than a 1% probability of occurring in normal markets. The RMU methodology uses numerous risk factors as inputs, including, for example, interest rate risk, exposure to multiple yield curve points, exposure to multiple basis and spread relationships, and exposure to multiple implied volatility points. RMU is computed through use of the historical volatility of each risk factor, and the associated historical correlations between them. A composite RMU measure is determined by aggregating the RMU measures for each of interest rate, credit spread, equity, foreign exchange and commodity market risks and the reduction due to the portfolio effect of combining the risks. The composite RMU is then expressed as a potential worst case loss that can occur over one day, no more than 1% of the time, or equivalently, within a confidence interval of 2.33 standard deviations, in normal markets.

The model covers all financial products traded by CIBC, i.e. foreign exchange products, derivatives, debt securities, equities and commodities. The RMU-based methodology is based on the variance-covariance model, otherwise known as the Delta, Gamma, Vega, Rho, Theta model (or DGVRT model). The DGVRT model is supplemented by a hybrid "Monte Carlo" and historical simulation model for large options positions and when market risk factors exhibit "fat tails" in their distributions (i.e. a larger probability of occurrence of an extreme event than would be expected in a normal distribution).

The measurement of the credit risks associated with many trading products also utilizes a VaR approach which quantifies the credit equivalent risk of a transaction as the actual mark-to-market of the transaction, at any time, plus a worst case probability-based potential exposure over the remaining life of the transaction.

Stress testing and scenario analysis

While the RMU methodology captures CIBC's exposure to unlikely events in normal market conditions, stress testing and scenario analysis are designed to add insight to the possible outcomes of abnormal market conditions.

CIBC's stress testing measures the effect on portfolio values of a wide range of extreme moves in market prices, some based on historical experience, others defined with reference to specific book concentrations. 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. CIBC's scenario analysis approach simulates the impact on the portfolio of extreme market events unfolding over an extended period of up to a full calendar quarter. In this case the changing portfolio characteristics, and the market movements, are dynamic. This allows analysis of the impact of changes in market liquidity, and potential risk mitigation strategies over time.

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.

As of October 31, 2000, CIBC's scenario analysis program included various historical and hypothetical scenarios. Amongst the historical scenarios were the 1987 equity market crash, the 1994 period of U.S. Federal Reserve tightening, and the 1998 Russian-led crisis. The hypothetical scenarios include potential market crises originating in North America and in Asia, including, for example, an abrupt change in the credit cycle associated with a U.S. economic "hard landing".

Key to the effectiveness of the scenario analysis program is the timely review of the applicability of the scenarios. A number of the current hypothetical scenarios were developed during the year, and a "millennium crisis" scenario was discontinued after the uneventful passage into year 2000.

CIBC's core stress tests and scenario analyses are run daily, with further ad hoc analyses carried out on a regular basis. 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.

Backtesting

Key to the sustained integrity of CIBC's risk models, is the process of "backtesting". For each of CIBC's trading portfolios, and in aggregate, daily RMUs are compared with net trading-related revenue (NTRR). NTRR is defined to include the net interest income and the daily change in value of mark-to-market trading portfolios, but excludes fee income and other non-risk related elements. The backtesting process serves to confirm that actual positive and negative NTRR outcomes are consistent with the statistical assumptions of the RMU model. This process is further enhanced through the calculation of a hypothetical or "static" profit and loss (P/L). (Static P/L is comparable with NTRR for an unchanged position). Static P/L represents the theoretical change in portfolio value due to each day's price movements, of the prior day's closing portfolio, on the assumption that it remained unchanged. Comparison of this daily static P/L with RMU is required by OSFI, and serves as a further validation of the integrity of the RMU model.

Trading activities

CIBC trades a wide range of products globally, including foreign exchange, derivatives, debt and equity securities, and commodities. Trading activities relate primarily to customer flows and market making, and to a small extent, proprietary trading. Cash and derivative instruments are used to manage risks in the trading portfolio.

The RMU by risk type chart shows the "mix" of price risks through fiscal 2000, expressed in terms of RMU, by type of risk and aggregate risk. The risks are inter-related and consequently, are only additive after taking into account the diversification effect, which reflects the reduction of risk due to portfolio effects among the trading positions.

RMU BY RISK TYPE – TRADING PORTFOLIO

$ millions	2000 year end	2000 average	1999 year end	1999 average
Interest rate risk	**$ 6.37**	**$ 9.97**	$ 12.24	$ 13.10
Credit spread risk	**13.25**	**14.59**	14.40	13.80
Equity risk	**14.07**	**13.97**	15.55	14.77
Foreign exchange risk	**0.86**	**1.51**	0.97	1.79
Commodity risk	**0.96**	**1.39**	2.11	2.02
Diversification effect	**(15.02)**	**(18.48)**	(20.59)	(20.52)
Total risk	**$ 20.49**	**$ 22.95**	$ 24.68	$ 24.96

CIBC's primary trading risk exposures to interest rates arise from activities in the global debt and money markets, particularly from transactions in Canadian, U.S., European and Japanese markets. The primary instruments are government and corporate debt and interest rate swaps. Credit sensitive securities also give rise to credit spread exposure. The bulk of the trading exposure to foreign exchange risk arises from transactions involving the U.S. dollar, the Euro, the British pound, and the Japanese yen, whereas the primary risks of loss in equities are in the Canadian, U.S. and European equity markets.

The histogram presents the frequency distribution of daily NTRR for fiscal 2000. Net trading-related revenue was positive for 74% of the days in 2000 compared with 72% in 1999 and 66% in 1998. The average daily net trading-related revenue was $2.8 million in 2000, compared with $2.7 million in 1999 and $0.5 million in 1998.

The net trading-related revenue and RMU graph compares the 2000 actual daily NTRR with the previous day's predicted RMU measures. As indicated previously, the potential positive and potential negative revenues are derived from statistically defined probability-based models that utilize CIBC's market positions and prior market correlations and volatilities under normal market conditions. Statistically, the actual net trading-related losses would be expected to exceed the potential negative revenue predicted an equivalent of two to three times per year.

As shown in the graph on page 51, there were no occasions on which actual daily net trading-related revenue fell outside the range predicted by the previous day's RMU.

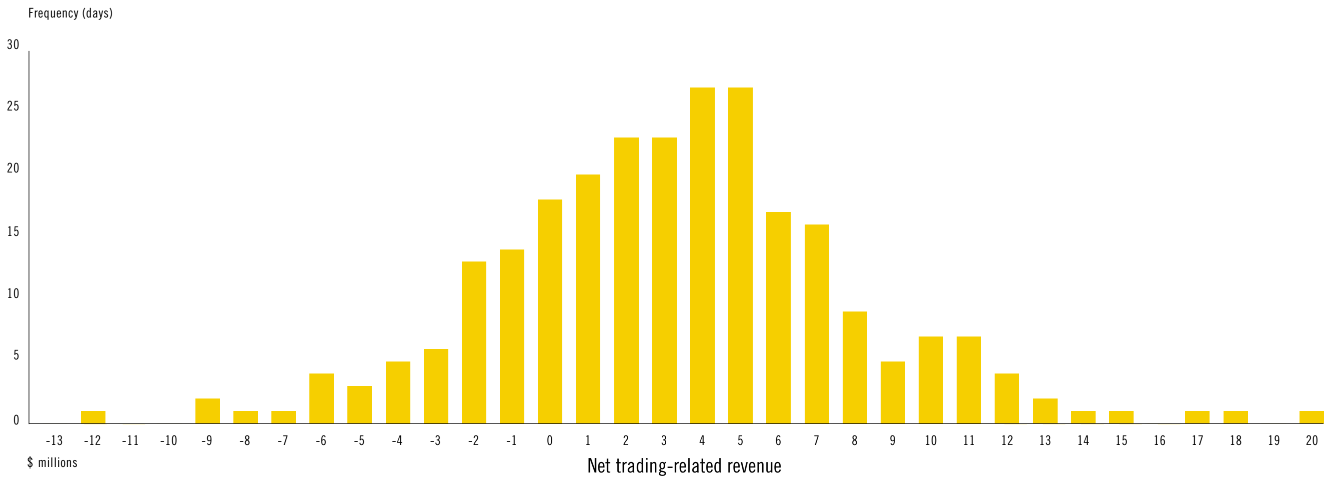
Non-trading activities

CIBC's business includes managing market risk exposures arising from non-trading activities. These risks include interest rate, equity and foreign exchange exposures arising from our retail customer banking business, merchant banking portfolio and other non-trading activities. Foreign exchange exposure arising from structural on balance sheet assets and liabilities and investments in foreign operations are included in non-trading activities.

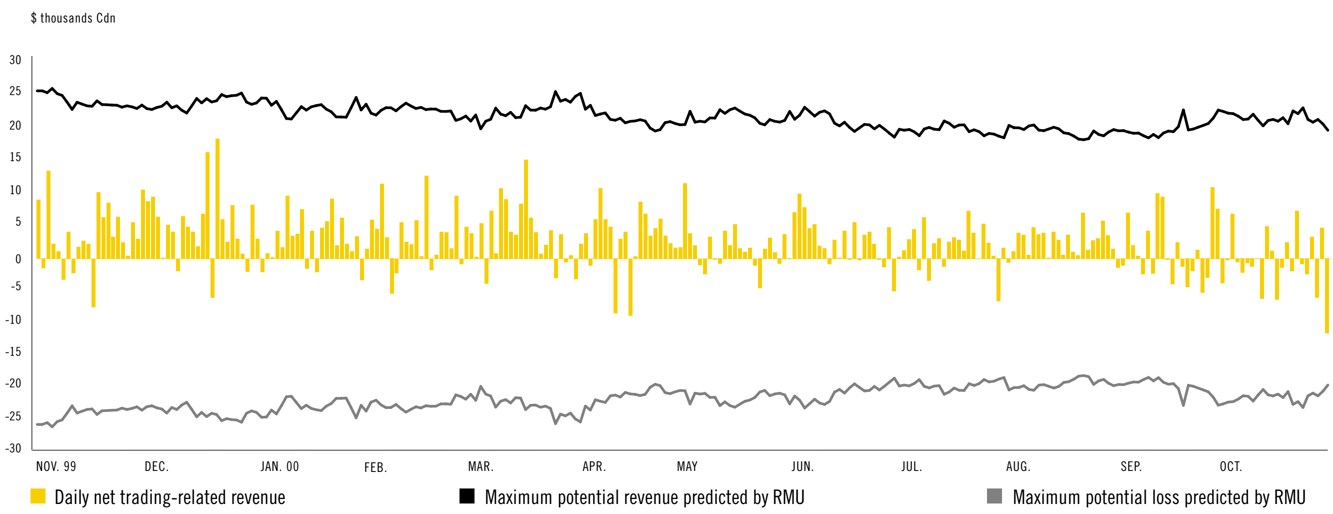
The risks of the non-trading portfolios are monitored and measured in terms of RMUs as well as other measures. CIBC adopts a prudent approach to managing these exposures within senior executive team policies. These exposures are included in a weekly risk report to the senior executive team and are monitored against established limits.

The non-trading portfolio risk consists primarily of risk inherent in asset/liability management activities and activities of foreign and domestic subsidiaries. The largest core asset/liability interest rate exposure is the Canadian dollar interest rate risk position on the CIBC consolidated balance sheets. Risk exposure arises mostly as a result of mismatches in the maturities of assets (e.g. residential mortgages) and deposits (e.g. guaranteed investment certificates). This "mismatch" gives rise to an exposure to changing interest rates. Other sources of interest rate risk include options embedded in retail products including retail commitments and associated hedges.

FREQUENCY DISTRIBUTION OF 2000 DAILY NET TRADING-RELATED REVENUE



BACKTESTING OF NET TRADING-RELATED REVENUE VS. RMU



The non-trading foreign exchange risk of the CIBC consolidated balance sheets arises primarily from structural on-balance sheet assets and liabilities and from investments in foreign operations. CIBC's approach to the structural foreign exchange position is designed to ensure the exposure is managed in an appropriately conservative manner.

Equity exposure within the non-trading activities arises from various areas including merchant banking activities, as well as from equity linked retail products (equity linked GICs) and associated hedges.

The RMU by risk type chart shows the mix of non-trading risks by type of risk and aggregate risk. The substantial reduction in interest rate risk reflects Treasury and Balance Sheet Management's strategy of reducing long, proprietary positions in the asset/liability gap portfolio. The risks are inter-related and, consequently, are only additive after taking into account the diversification effect that reflects the reduction of risk due to portfolio effects among the different positions. In 2000, the model was enhanced to include the diversification effect. Merchant banking positions are currently measured and monitored in notional terms and are therefore not included in the non-trading portfolio table.

RMU BY RISK TYPE – NON-TRADING PORTFOLIO

$ millions	**2000 year end**	**2000 average**	1999 year end	1999 average
Interest rate risk	**$ 70.41**	**$ 107.05**	$ 128.90	$ 97.68
Equity risk	**14.30**	**12.90**	13.00	10.55
Foreign exchange risk	**0.31**	**0.36**	0.60	0.39
Diversification effect (1)	**(5.39)**	**(2.66)**	-	-
Total risk	**$ 79.63**	**$ 117.65**	$ 142.50	$ 108.62

(1) In 1999, the risk types in the non-trading portfolio are conservatively assumed to be one hundred percent correlated (i.e. diversification effect is assumed to be zero).

Asset Liability Management

Asset Liability Management (ALM) is conducted by Treasury and Balance Sheet Management under the supervision of the senior executive team. Compliance with established policies limiting interest rate risk is monitored daily by the Market Risk Management Group.

Interest rate risk results primarily from differences in the maturities or repricing dates of assets and liabilities, both on and off the balance sheet as well as from embedded options in retail products. These outright interest rate risk exposures, and option exposures are reviewed weekly by the senior executive team using the RMU framework used to measure all market risks across the entire CIBC group of companies. A variety of cash instruments and derivatives, principally interest rate swaps, futures and options are used to manage and control interest rate risks. Derivatives are used to modify the interest rate characteristics of related balance sheet instruments and to hedge anticipated exposures when market conditions of price and liquidity are deemed beneficial.

On and off-balance sheet assets and liabilities are reported in time frames based on the earlier of their contractual repricing date or maturity date. CIBC's total interest rate risk exposure as at October 31, 2000 is outlined in Note 10 to the consolidated financial statements on page 71. It should be noted that this reported interest rate position presents CIBC's risk exposure only at a point in time. Exposure can change depending on the customers preferences for product and terms, changes in CIBC's expectations of interest rate movements, and the nature of CIBC's active management of the various and diverse portfolios that comprise the consolidated interest rate risk position.

Given CIBC's consolidated maturity and repricing portfolio profile at October 31, 2000, as adjusted for estimated prepayments, an immediate 1% increase in interest rates across all maturities would reduce net income after taxes by approximately $33 million over the next 12 months, and common shareholders' equity as measured on a present value basis by approximately $320 million.

Liquidity risk

CIBC's liquidity policy is designed to ensure the availability of sufficient cost-effective funds to honour all financial commitments, including commitments to customers. The policy emphasizes a two-pronged approach involving containment and mitigation of liquidity exposure.

Liquidity risk exposure is contained through the use of a prudent distribution of liability maturities to ensure net cash outflows in any given time horizon are manageable. Liquidity risk exposure is further mitigated through the maintenance of pools of higher quality liquid assets, which can be sold or pledged as secured borrowing, to provide a ready source of cash.

CIBC's liquidity policy is established by Treasury and Balance Sheet Management and the senior executive team and is approved by the Board of Directors. The policy includes guidelines and limits on net cash outflows, minimum liquid asset inventories and funding diversification measures. CIBC manages liquidity by monitoring actual and expected inflows and outflows of funds on a daily basis.

CIBC's funding strategy includes development of diverse sources of domestic and international funds. At October 31, 2000 Canadian dollar deposits by individuals stood at $56.0 billion, providing a stable and secure source of funding. CIBC's total securities portfolio of $69.2 billion is summarized in Note 3 to the consolidated financial statements on page 66 and includes liquid assets of $56.7 billion.

Operational risk management

Operational risk is defined as the potential for material dollar losses arising from events caused by failures in people, process and technology, as well as external dependencies. It excludes losses that are directly attributable to either market or credit risk.

Operational risk losses can be categorized into the following loss types:

- *Legal liability* includes third-party lawsuits.
- *Regulator and compliance penalties* includes fines and the direct cost of other penalties, such as licence revocations.
- *Loss of or damage to assets* includes the direct reduction in value of physical assets, including certificates, resulting from an accident.
- *Transaction errors* includes restitution payments (principal and/or interest) or other compensation to clients as well as disbursements made to incorrect parties and not recovered.
- *Theft, fraud and unauthorized activities.*

Operational losses include the direct internal loss, net of recoveries, as well as any external direct costs or write-down involved in the resolution of the operational failure.

Policies and methods

The first line of defence is to manage people, processes and technology in a manner that avoids or reduces all potential operational losses to their lowest level given the business strategy.

People risk is mitigated through human resource policies and practices including employee training and development, comprehensive recruiting and screening programs and selection criteria, as well as formal codes of conduct and corporate security programs.

Process risk is mitigated through procedural controls such as requirements for clear delegation of authority and segregation of duties, documentation of policies and procedures, safeguarding and recordkeeping controls and the provision of timely and accurate management information for monitoring and decision-making purposes.

Technology risk is managed through controls over systems development and change management, as well as through information security programs and system access controls.

The second line of defence is to have sufficient cover if the risk materializes into a loss. Expected losses are covered by earnings. Unexpected losses are covered by economic capital, and for certain types of loss, by insurance. The risks of catastrophic loss are covered through risk avoidance or risk control programs (including Insurance and Business Continuity Management), which reduce the probability or potential severity of such losses to within acceptable corporate parameters. CIBC also has in place a comprehensive, integrated corporate insurance program to protect its earnings from the occurrence of unexpected, high severity loss occurring through criminal activity, property loss or damage and liability exposures.

Operational risk measurement

CIBC has developed an Operational Value at Risk (OPVaR) measure which uses historical loss information where available, supplemented by scenario analysis, to derive frequency and loss given event (severity) distributions. These frequency and severity distributions are used to derive the operational risk loss distribution, which forms the measurement basis for managing operational risk, and which is used to determine the operational risk component of economic capital. At present, the inputs to many of the loss distributions are derived through the application of scenario analysis and judgement, rather than historical loss information. CIBC is participating in a number of industry initiatives to improve the measurement methodology, create a comprehensive industry loss operational database and propose risk-based approaches to determine the operational risk component of regulatory capital.

Infrastructure

Senior management, business management, risk management, internal audit, and support functions such as legal, compliance, operations, technology, finance and human resources collaborate to manage operational risk, as well as business, strategic and reputational risk.

The Operations and Administration Committee directs the management of operational risk and CIBC's internal control structure within the parameters and strategic objectives established by the senior executive team. Furthermore, senior management is accountable to the Board of Directors for maintaining a strong and disciplined internal control environment to provide reasonable assurance to shareholders and other stakeholders that operational risk is prudently managed.

Risk adjusted return on capital (RAROC)

RAROC is a risk-adjusted profitability measurement and management framework that supports strategic as well as tactical decision making. It links risk, reward and shareholder value and provides a consistent view of profitability across businesses. RAROC is used to facilitate pricing, performance management, portfolio management, balance sheet management and resource allocation.

Risk Management develops and implements the risk measurement and capital models, and quantifies economic capital and expected losses. This information is provided to the business lines to assist in deal analysis. Economic capital is a balance sheet resource that is allocated by the Capital and Risk Committee. Businesses are also charged for their use of economic capital in their performance measurement reports, which complements the use of RAROC and provides an incentive to the business lines to maximize risk-adjusted profitability.

Economic capital is attributed for each of credit, market and operational risks for a large part of CIBC businesses. As such, RAROC makes significant use of the risk measurement infrastructure developed within Risk Management. Businesses are attributed economic capital and expected losses as a function of risk, and are held accountable to generate appropriate returns on those risks.

Business environment

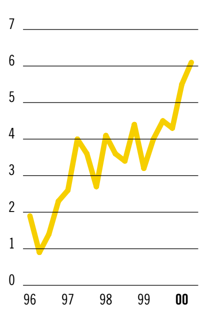
Economic

The Canadian economy entered 2000 on a very healthy note. U.S. demand for Canadian exports was strong and there was a surge in business investment (partly due to efforts made to prevent year 2000 computer problems). As well, strong employment growth late in calendar 1999 helped boost disposable incomes and consumer spending. This contributed to healthy year-over-year growth of credit and debit card revenue and strong growth of retail and small business banking. Although mortgage rates edged higher in the quarter, the increase was not sufficient to dampen housing demand which surged late in 1999 and contributed to an increase in mortgage lending. Demand for wealth management services accelerated early in the year due to the strong economic climate throughout North America, a sustained improvement in equity markets and the growing participation of households in financial markets. The high level of investor confidence through late 1999 and into early 2000 helped to fuel North American stock markets and contributed to the performance of Wealth Management and CIBC World Markets.

Overall, the economic climate remained robust through the second and third quarters of the year. Buoyant consumer confidence, relatively stable interest rates and sustained growth of disposable incomes, which benefitted from cuts to federal and provincial income taxes, contributed to the growth of consumer spending and business investment. In general, this strong pattern of domestic demand contributed to increased revenue from Retail and Small Business Banking.

Despite higher oil prices and volatile stock markets in the fourth quarter, solid growth of full-time employment supported strong income growth. This contributed to a rebound in consumer spending and housing demand and to an improvement in mortgage activity and consumer borrowing. As well, despite signs of softening demand in North America late in the fourth quarter, the generally positive economic fundamentals continued to sustain the growth of wealth management services.

Disposable income
y/y % change



Looking ahead to 2001, the outlook is clouded by concerns about the direct effects of higher oil prices on discretionary spending and the possibility that energy prices will feed into the core inflation rate leading to a further tightening of monetary policy. These factors, together with the effects of the rise in interest rates over the past six quarters, are likely to constrain growth in 2001. Having said this, the effects of the recent drop in the capital gains inclusion rate from two-thirds to 50% should have a positive impact on the investment climate in Canada. Furthermore, the prospect of significant cuts to personal and corporate income taxes in 2001 will, in the short term, mitigate the effects of higher interest rates. In the longer term, lower tax rates should contribute to an increase in productivity that will ultimately make the Canadian economy less inflation prone.

Competitive

CIBC conducts business primarily in North America. In Canada, it operates as a full-service wholesale and retail bank. In the U.S., CIBC continues to operate as a wholesale bank with a mid-market focus. Following authorization in 1999 to commence retail banking operations in the U.S., CIBC has been developing its presence in the electronic retail banking arena.

CIBC operates in an extremely competitive environment, particularly with respect to the range and pricing of products and services offered. In Canada, there is increasing foreign competition, particularly in electronic banking, investment banking and credit cards. In the U.S., commercial and investment banks and other financial service firms continue to face significant merger and acquisition activity and new competition and innovation in electronic commerce.

Regulatory

The CIBC group of companies is subject to complex and changing legal and regulatory environments in Canada and in other jurisdictions where CIBC operates. The principal regulators include the federal and provincial governments in Canada and the governments of the United States and other countries where CIBC carries out business. Securities regulators and self-regulatory bodies, such as stock exchanges, also regulate CIBC's activities.

CIBC is subject to the bylaws of the Canada Deposit Insurance Corporation. These bylaws require standards of sound business and financial practices intended to ensure that member institutions are prudently managed.

Comprehensive policies and procedures are in place to promote compliance with applicable laws and regulations by CIBC and its subsidiaries, their directors, management and employees. Management is responsible for ongoing compliance with such laws and regulations, and CIBC's compliance and internal audit functions each have a mandate to assess and report on the performance of management in discharging its governance responsibilities.

During 2000, new financial services legislation (Bill C-38) was introduced into Parliament which, if passed, will change the Canadian banking industry. Due to the federal election called for November 27, 2000, the legislation will need to be re-introduced by the new Parliament. Both the governing and the official opposition parties have stated that Bill C-38 is a high priority and that they will reintroduce essentially the same legislation when Parliament resumes sitting.

New Canadian privacy legislation (Bill C-6) will also impact the financial services sector in the way customer and employee information is handled.

In November 1999, the United States Congress approved a financial services modernization bill allowing cross-industry mergers among banks, investment banks and insurance companies. This continues to have extensive implications for the supervision and regulation of U.S. financial markets, allowing broader powers for CIBC in the U.S. CIBC continues to assess these developments and is considering how best to take advantage of these new opportunities.

Accounting and reporting developments

Compliance with U.S. Generally Accepted Accounting Principles (U.S. GAAP)

As a Canadian company, CIBC's consolidated financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles (Canadian GAAP).

Effective November 13, 1997, CIBC was listed on the New York Stock Exchange. In anticipation of the New York Stock Exchange listing, CIBC's 1996 and subsequent financial statements include additional note disclosure in accordance with U.S. GAAP. To a large extent, Canadian and U.S. GAAP are consistent. However, in those instances where Canadian and U.S. GAAP are not consistent, Canadian GAAP prevails. Material differences are explained and quantified in Note 24 to the consolidated financial statements on pages 88–92.

Future accounting policy changes

The impact of recently issued Canadian accounting standards to be implemented in the future is explained in Note 26 to the consolidated financial statements on page 92. The impact of recently issued U.S. accounting standards to be implemented in the future is explained in Note 24 to the consolidated financial statements on page 91. This explanation includes the impact of implementing U.S. accounting standard SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133).

Consolidated financial results

Contents

Financial reporting responsibility of management

The management of Canadian Imperial Bank of Commerce (CIBC) is responsible for the preparation of the Annual Report, which includes the consolidated financial statements. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, including the accounting requirements of the Superintendent of Financial Institutions, Canada (OSFI).

In meeting its responsibility for the reliability and integrity of the consolidated financial statements, management has developed, and maintains, a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded and liabilities are recognized. The system focuses on the need for the employment and training of qualified and professional staff, effective written communication between management and staff and management guidelines and policies. The system also addresses the need for established policies on social responsibility and corporate conduct, and a management organization philosophy which reflects accountability within delineated areas of responsibility. Of necessity, the consolidated financial statements contain items that reflect the best estimates and judgments of management.

The accounting, reporting and internal control systems are reviewed by the Chief Inspector and his staff who examine and review all aspects of CIBC's operations. Systems and procedures to ensure employee compliance with conflict of interest rules and with securities legislation are monitored by the Compliance Officer. The Chief Inspector and the Compliance Officer have full access to the Audit Committee of the Board of Directors of CIBC.

CIBC's interim and annual consolidated financial statements are reviewed by the Audit Committee with management, the Chief Accountant and the shareholders' auditors, in the presence of the Chief Inspector and the Executive Vice-President, Legal and Compliance, before the statements are reviewed by the Board of Directors.

In addition, the Audit Committee has the duty to review the adoption of, and changes in, accounting principles and practices which have a material effect on the consolidated financial statements; to review investments and transactions that could adversely affect the well-being of CIBC which are brought to the attention of the Committee by the Chief Inspector and the shareholders' auditors or any officer of CIBC; to review financial reports requiring Board approval prior to submission to securities commissions or other regulatory authorities; to help develop CIBC's financial disclosure philosophy; to assess and review key management estimates and judgments material to reported financial information; and to review the shareholders' auditors' fees.

The consolidated financial statements and management's discussion and analysis, contained in the Annual Report, have been reviewed and approved by the Board of Directors upon the recommendation of the Audit Committee.

J.S. Hunkin
Chairman and
Chief Executive Officer

T.D. Woods
Chief Financial Officer
December 7, 2000

Auditors' report to shareholders

We have audited the consolidated balance sheets of Canadian Imperial Bank of Commerce (CIBC) as at October 31, 2000 and 1999 and the consolidated statements of income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended October 31, 2000. These consolidated 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. 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.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of CIBC as at October 31, 2000 and 1999 and the results of its operations and its cash flows for each of the years in the three-year period ended October 31, 2000 in accordance with Canadian generally accepted accounting principles, including the accounting requirements of the Superintendent of Financial Institutions, Canada.

Arthur Andersen LLP
PricewaterhouseCoopers LLP
Chartered Accountants
Toronto, Canada
December 7, 2000

Consolidated financial statements

Consolidated balance sheets

$ millions, as at October 31	2000	1999(1)
ASSETS		
Cash resources		
Cash and non-interest-bearing deposits with banks	**$ 1,383**	$ 1,902
Interest-bearing deposits with banks	**9,296**	10,625
	10,679	12,527
Securities (Note 3)		
Securities held for investment	**15,864**	13,277
Securities held for trading	**53,217**	46,054
Loan substitute securities	**161**	161
	69,242	59,492
Loans (Note 4)		
Residential mortgages	**51,898**	46,613
Personal and credit card loans	**27,452**	24,532
Business and government loans	**47,091**	47,047
Securities borrowed or purchased under resale agreements	**20,461**	19,158
General allowance for credit losses	**(1,250)**	(1,000)
	145,652	136,350
Other		
Derivative instruments market valuation (Note 18)	**23,847**	24,449
Customers' liability under acceptances	**9,088**	9,296
Land, buildings and equipment (Note 5)	**1,508**	2,213
Other assets (Note 6)	**7,686**	6,004
	42,129	41,962
	$ 267,702	$ 250,331
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits (Note 7)		
Individuals	**$ 63,109**	$ 60,878
Businesses and governments	**103,141**	85,940
Banks	**13,382**	13,223
	179,632	160,041
Other		
Derivative instruments market valuation (Note 18)	**24,374**	25,097
Acceptances	**9,088**	9,296
Obligations related to securities sold short	**13,992**	15,563
Obligations related to securities lent or sold under repurchase agreements	**14,199**	13,640
Other liabilities (Note 8)	**10,630**	11,092
	72,283	74,688
Subordinated indebtedness (Note 9)	**4,418**	4,544
Shareholders' equity		
Preferred shares (Note 11)	**1,876**	1,933
Common shares (Note 11)	**2,868**	3,035
Retained earnings	**6,625**	6,090
	11,369	11,058
	$ 267,702	$ 250,331

(1) Certain comparative figures have been restated to conform with the presentation used in 2000.

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

J.S. Hunkin
Chairman and Chief Executive Officer

I.E.H. Duvar
Director

Consolidated statements of income

$ millions, for the years ended October 31		2000	1999	1998
Interest income				
Loans		**$ 11,467**	$ 11,215	$ 11,731
Securities		**3,297**	2,692	2,645
Deposits with banks		**563**	498	624
		15,327	14,405	15,000
Interest expense				
Deposits and other liabilities		**10,728**	9,691	10,271
Subordinated indebtedness		**317**	306	392
		11,045	9,997	10,663
Net interest income (Note 3)		**4,282**	4,408	4,337
Provision for credit losses (Note 4)		**1,220**	750	480
		3,062	3,658	3,857
Non-interest income				
Fees for services	Underwriting	**886**	700	717
	Deposit	**503**	490	486
	Credit	**508**	495	415
	Card	**368**	314	315
	Trust and custodial	**457**	371	327
	Mutual funds	**280**	184	158
	Insurance	**124**	214	207
		3,126	2,768	2,625
Commissions on securities transactions		**1,480**	1,181	1,163
Trading activities (Note 3)		**977**	584	66
Investment securities gains, net		**970**	378	96
Income from securitized assets		**237**	200	120
Other		**1,007**	617	734
		7,797	5,728	4,804
		10,859	9,386	8,661
Non-interest expenses				
Employee compensation and benefits		**4,937**	4,388	4,059
Occupancy costs		**634**	594	556
Computer and office equipment		**758**	849	678
Communications		**371**	380	389
Advertising and business development		**273**	283	314
Professional fees		**240**	211	228
Business and capital taxes		**108**	127	130
Restructuring charge (Note 2)		**(31)**	426	79
Other		**806**	740	692
		8,096	7,998	7,125
Income before income taxes and non-controlling interests		**2,763**	1,388	1,536
Income taxes (Note 14)		**641**	320	460
		2,122	1,068	1,076
Non-controlling interests in net income of subsidiaries		**62**	39	20
Net income		**$ 2,060**	$ 1,029	$ 1,056
Dividends on preferred shares (Note 11)		**$ 128**	$ 112	$ 116
Net income applicable to common shares		**1,932**	917	940
		$ 2,060	$ 1,029	$ 1,056
Average number of common shares outstanding (in thousands)	- Basic	**388,951**	409,789	415,030
	- Fully diluted	**404,569**	422,501	425,303
Net income per common share (in dollars) (Note 15)	- Basic	**$ 4.97**	$ 2.23	$ 2.26
	- Fully diluted	**$ 4.84**	$ 2.22	$ 2.25
Dividends per common share (in dollars) (Note 11)		**$ 1.29**	$ 1.20	$ 1.20

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

Consolidated statements of changes in shareholders' equity

$ millions, as at or for the years ended October 31	2000	1999	1998
Preferred shares (Note 11)			
Balance at beginning of year	**$ 1,933**	$ 1,961	$ 1,518
Issue of preferred shares	**345**	-	641
Redemption of preferred shares	**(425)**	-	(250)
Translation adjustment on foreign currency preferred shares	**23**	(28)	52
Balance at end of year	**$ 1,876**	$ 1,933	$ 1,961
Common shares (Note 11)			
Balance at beginning of year	**$ 3,035**	$ 3,128	$ 3,105
Issue of common shares	**34**	10	23
Repurchase of common shares for cancellation	**(201)**	(103)	-
Balance at end of year	**$ 2,868**	$ 3,035	$ 3,128
Retained earnings			
Balance at beginning of year	**$ 6,090**	$ 6,047	$ 5,624
Net income	**2,060**	1,029	1,056
Dividends	**(629)**	(604)	(614)
Premium on redemption of preferred shares	**(17)**	-	(10)
Premium on repurchase of common shares	**(873)**	(397)	-
Foreign currency translation adjustment, net of income taxes(1)	**8**	(4)	1
Other	**(14)**	19	(10)
Balance at end of year	**$ 6,625**	$ 6,090	$ 6,047

(1) The cumulative balance in the foreign currency translation account is a gain/(loss) of $2 million (1999: $(6) million; 1998: $(2) million).

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

Consolidated statements of cash flows

$ millions, for the years ended October 31	2000	1999	1998
Cash flows provided by (used in) operating activities			
Net income	**$ 2,060**	$ 1,029	$ 1,056
Adjustments to determine net cash flows:			
Provision for credit losses	**1,220**	750	480
Amortization	**360**	368	294
Restructuring charge, net of cash payments	**(31)**	325	72
Future income taxes	**(267)**	3	(97)
Investment securities gains, net	**(970)**	(378)	(96)
Accrued interest receivable	**(332)**	743	(772)
Accrued interest payable	**250**	(632)	1,045
Net change in securities held for trading	**(7,163)**	2,009	(17,278)
Gains on disposal of subsidiaries	**(125)**	-	(116)
(Gain)/loss on disposal of land, buildings and equipment	**(199)**	27	(24)
Current income taxes payable	**102**	391	(641)
Other, net	**(1,163)**	2,069	1,584
	(6,258)	6,704	(14,493)
Cash flows provided by (used in) financing activities			
Deposits, net of withdrawals	**19,591**	(66)	20,027
Obligations related to securities sold short	**(1,571)**	(486)	485
Net obligations related to securities lent or sold under repurchase agreements	**559**	(18,970)	892
Issue of subordinated indebtedness	**-**	400	785
Redemption of subordinated indebtedness	**(175)**	(262)	(1,095)
Issue of preferred shares	**345**	-	641
Redemption of preferred shares	**(442)**	-	(260)
Issue of common shares	**34**	10	23
Repurchase of common shares for cancellation	**(1,074)**	(500)	-
Dividends	**(629)**	(604)	(614)
Other, net	**81**	1,054	(735)
	16,719	(19,424)	20,149
Cash flows provided by (used in) investing activities			
Interest-bearing deposits with banks	**1,329**	(1,819)	(2,229)
Loans, net of repayments	**(10,381)**	(4,983)	(16,542)
Proceeds from securitizations	**1,162**	3,005	7,958
Purchase of securities held for investment	**(8,595)**	(9,222)	(12,908)
Proceeds from sales of securities held for investment	**6,168**	9,069	14,839
Net securities borrowed or purchased under resale agreements	**(1,303)**	17,135	4,562
Net cash paid for acquisition of subsidiary	**-**	-	(460)
Proceeds from disposal of subsidiaries	**486**	-	144
Purchase of land, buildings and equipment	**(378)**	(387)	(368)
Proceeds from disposal of land, buildings and equipment	**862**	12	55
	(10,650)	12,810	(4,949)
Effect of exchange rate changes on cash and cash equivalents	**13**	(21)	88
Net increase (decrease) in cash and cash equivalents during year	**(176)**	69	795
Cash and cash equivalents at beginning of year	**1,700**	1,631	836
Cash and cash equivalents at end of year	**$ 1,524**	$ 1,700	$ 1,631
Represented by:			
Cash and non-interest-bearing deposits with banks	**$ 1,383**	$ 1,902	$ 1,989
Cheques and other items in transit, net (Notes 6 & 8)	**141**	(202)	(358)
Cash and cash equivalents at end of year	**$ 1,524**	$ 1,700	$ 1,631
Cash interest paid	**$ 10,795**	$ 10,629	$ 9,618
Cash income taxes paid	**$ 554**	$ 140	$ 860

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

Notes to the consolidated financial statements

1. Summary of significant accounting policies

The consolidated financial statements of Canadian Imperial Bank of Commerce and its subsidiaries (CIBC) have been prepared in accordance with Canadian generally accepted accounting principles, including the accounting requirements of the Office of the Superintendent of Financial Institutions, Canada (OSFI).

A reconciliation of the impact on assets, liabilities, net income and retained earnings arising from differences between Canadian and U.S. generally accepted accounting principles is provided in Note 24. Disclosures reflected in these consolidated financial statements comply in all material respects with those required under U.S. generally accepted accounting principles.

A description of future Canadian accounting policy changes is provided in Note 26.

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

The following paragraphs describe CIBC's significant accounting policies:

Basis of consolidation

The consolidated financial statements include the accounts of all subsidiaries on a consolidated basis. Intercompany accounts and transactions have been eliminated. Goodwill, representing the excess of the purchase price over the fair value of the net assets of the subsidiaries acquired, and intangible assets are amortized to income over their estimated useful lives, not exceeding 20 years, using the straight-line method, except where a write-down is required to reflect an impairment loss. Goodwill and intangible asset balances are reviewed periodically for impairment. When the expected future cash flows are less than the carrying value of the assets, goodwill and intangible assets are written-down to their net recoverable amount.

Investments in companies over which CIBC has significant influence are accounted for by the equity method and are included in securities held for investment in the consolidated balance sheets. CIBC's share of earnings from these investments is included in interest income.

Foreign currency translation

Assets and liabilities arising from foreign currency transactions are translated into Canadian dollars at month-end exchange rates at the dates of the consolidated financial statements while the associated revenues and expenses are translated using average monthly exchange rates. Realized and unrealized gains and losses arising on the translation are included in the current year consolidated statement of income.

Assets and liabilities of CIBC's foreign operations are translated into Canadian dollars using month-end exchange rates at balance sheet dates, while the associated revenues and expenses are translated at the average monthly exchange rates in effect. Exchange gains and losses arising from the translation of net investment positions and from the results of hedging these positions are reported in retained earnings.

Securities

Securities held for investment comprise all securities other than those which are held for trading. Equity securities are stated at cost and debt securities at amortized cost, determined on the average cost basis. Realized gains and losses on disposal and write-downs to reflect other than temporary impairments in value are included in investment securities gains in the consolidated statements of income.

Securities held for trading are purchased for resale within a short period of time and are stated at estimated market value. Gains and losses realized on disposal and unrealized gains and losses from market value fluctuations are included in trading activities in the consolidated statements of income.

Loan substitute securities are accounted for in the same manner as loans. They represent after-tax financing arrangements, which provide issuers with tax effective borrowings.

Obligations related to securities sold short are recorded as liabilities and are carried at their fair values. Realized and unrealized gains and losses thereon are included in trading activities in the consolidated statements of income.

Dividend and interest income on all securities, including the amortization of premiums and discounts on debt securities, are included in interest income.

Loans

Loans are stated net of unearned income and allowances for credit losses.

Loan fees

Fees relating to loan origination, including commitment, restructuring and renegotiation fees, are considered an integral part of the yield earned on the loan and are deferred as unearned income and amortized to interest income over the term of the loan. Fees received for commitments which 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.

Securitizations

CIBC periodically sells groups of loans or receivables to special purpose vehicles (SPVs) which issue securities to investors. If these transactions transfer the risks and rewards of ownership from CIBC and meet accepted criteria for recognition as sales, the assets are removed from the consolidated balance sheets.

Securitization affects the components of income reported in the consolidated statements of income, including net interest income, provision for credit losses and non-interest income. Non-interest income from securitized assets comprises gains on sale, losses under recourse arrangements and servicing income. All of these components are recognized only when earned, received in cash and the SPV has no recourse to the cash.

Impaired loans

A loan is classified as impaired when, in the opinion of management, there no longer is 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 necessary 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 or any specific allowance has been reversed and it is determined that the loan principal is fully collectible in accordance with the original contractual terms of the loan.

Allowance for credit losses

Management establishes and maintains an allowance for credit losses which it considers the best estimate of probable credit-related losses existing in CIBC's portfolio of on and off-balance sheet financial instruments, giving due regard to current conditions. Impaired loans are carried at their estimated 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 market price of the loan. Any changes in the estimated realizable amounts over time are reported wholly as a charge or credit to the allowance for credit losses. The allowance for credit losses consists of specific and general components, which are deducted from the related asset categories, and specific allowances relating to off-balance sheet items, which are included in other liabilities in the consolidated balance sheets.

Management conducts ongoing credit assessments of the business and government loan portfolio on an account-by-account basis and establishes specific allowances when doubtful accounts are identified. Residential mortgage and personal and credit card 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 outstanding.

The general allowance is provided for losses which management estimates are inherent in the portfolio at the balance sheet date, and which relate to loans not yet specifically identified as impaired and not yet captured in the determination of specific allowances. The general allowance is established based on statistical estimates of probable losses inherent in the portfolio. The estimate takes into account historical loss experience, loan portfolio composition, current market trends and recovery rates.

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

Securities purchased under resale agreements are stated at cost plus accrued interest and are secured loans insofar as they represent a purchase of securities by CIBC effected with a simultaneous agreement to sell them back at a future date, which is generally near term. Interest income thereon is included in loan interest income in the consolidated statements of income. Obligations related to securities sold under repurchase agreements are stated at cost plus accrued interest and represent the borrowing equivalent of securities purchased under resale agreements. Interest thereon is reflected in deposits and other liabilities interest expense in the consolidated statements of income.

Securities borrowed and securities lent are recorded at the amount of cash advanced or received. Securities borrowed consist primarily of government and equity securities. CIBC monitors the market value of the securities borrowed and lent on a daily basis and calls for additional collateral when appropriate. Fees received or paid are recorded as interest income or interest expense in the consolidated statements of income.

Derivative instruments

Derivative instruments are contracts that require or provide the opportunity to exchange cash flows or payments determined by applying certain rates, indices or changes therein to notional contract amounts.

CIBC utilizes derivatives in two broadly defined activities: trading operations and, to a lesser extent, in asset-liability management.

Derivatives held for trading purposes

CIBC's 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, CIBC acts as a derivatives dealer or market maker, and is prepared to transact with clients by quoting bid and offer prices, with the objective of providing a spread to CIBC. CIBC also takes 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 entered into for trading purposes, including derivatives used to hedge risks created by assets and liabilities which are marked to market, are stated at fair values. Quoted market prices, when available, are used to determine the fair values of derivatives held for trading. Otherwise, fair values are estimated using pricing models. Where appropriate, a valuation adjustment is made to cover market, model and credit risks, as well as administrative costs. Realized and unrealized trading gains and losses are included in trading activities in the consolidated statements of income. Derivatives with a positive fair value are reported as assets while derivatives with a negative fair value are reported as liabilities in the consolidated balance sheets, in both cases as derivative instruments market valuation. Assets and liabilities with the same counterparty are netted only where CIBC has both the legal right as well as intent to settle the assets and liabilities on a net basis.

Derivatives held for asset-liability management purposes

CIBC uses derivative financial 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 or to modify interest rate characteristics of specific non-trading on-balance sheet assets and liabilities, or groups of similar non-trading on-balance sheet assets and liabilities.

When derivative instruments, primarily interest rate swaps, modify the interest rate characteristics of specific financial assets or liabilities or groups of similar financial assets or liabilities, these derivative instruments are accounted for using the accrual method. Under this method, interest income or expense on these derivative instruments is accrued for and included in interest income or expense in the consolidated statements of income and reported in other assets or other liabilities in the consolidated balance sheets.

Derivative instruments may be designated as hedges of financial risk exposures of on-balance sheet assets or liabilities, firm commitments and anticipated transactions or of foreign currency exposures arising from net investments in foreign operations. Designation as a hedge is only allowed if both at the inception of the hedge and throughout the hedge period, the changes in the market value of the derivative instrument substantially offset the effects of price or interest rate changes on the exposed items.

Gains and losses on derivative instruments used to hedge interest rate risk exposures of on-balance sheet assets and liabilities, except for hedges of foreign currency denominated assets and liabilities, are recognized as interest income or expense at the same time as interest income or expense related to the hedged on-balance sheet assets and liabilities. There is no recognition in the consolidated balance sheets or consolidated statements of income of unrealized gains or losses on derivatives used to hedge on-balance sheet assets and liabilities.

Certain liabilities, whose values are determined based on an underlying index or asset, are accounted for on a modified accrual basis. Under this method, the carrying value of the liabilities is adjusted to reflect changes in the value of the underlying index or asset, subject to a minimum guaranteed redemption value, if any. These adjustments are recorded as interest expense in the consolidated statements of income. Derivatives which are used to hedge these liabilities are accounted for on a similar basis, with adjustments recorded as interest income in the consolidated statements of income.

Foreign currency derivative instruments that hedge foreign currency risk exposures from foreign denominated assets and liabilities are revalued each month using the spot foreign exchange rate and are included in other assets or other liabilities in the consolidated balance sheets. Resulting gains and losses are recognized as non-interest income or expense in the consolidated statements of income. The hedged items are also revalued using the spot foreign exchange rate with the resulting gains or losses recognized as non-interest income or expense. Any difference between the contracted interest rates on the foreign currency derivative hedge is accrued in interest income or expense in the consolidated statements of income.

Gains and losses on derivative instruments used to hedge firm commitments or anticipated transactions are deferred and recognized in income or as adjustments to the carrying amount of the assets and liabilities which they hedge in the period that the committed or anticipated transactions occur. Anticipated transactions can be hedged only when significant characteristics and expected terms of the anticipated transactions are identified and it is probable that the anticipated transactions will occur. There is no recognition in the consolidated statements of income of unrealized gains or losses on derivatives hedging anticipated transactions. Premiums paid for options used for hedging purposes are amortized over the life of the contract.

A hedging relationship is terminated if the hedge ceases to be effective; the underlying asset, liability or future transaction being hedged is liquidated or terminated and the derivative instrument is still outstanding; or, if the derivative instrument is no longer designated as a hedging instrument.

If the relationship of hedging or modification of interest rate characteristics is terminated, the difference between the fair value of the derivative and its accrued value upon termination is recorded in other assets or other liabilities or as an adjustment to the carrying amount of the hedged assets or liabilities. These amounts are amortized into income or expense over the lesser of the remaining term to maturity of the derivative hedge and the hedged asset or liability.

Acceptances and customers' liability under acceptances

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

Land, buildings and equipment

Land is reported at cost. Buildings, 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	2 to 10 years
Office furniture and other equipment	4 to 15 years
Leasehold improvements	Over estimated useful life

Gains and losses on disposal are reported in non-interest income in the consolidated statements of income.

Future income taxes

CIBC uses the asset and liability method to provide for income taxes on all transactions recorded in the consolidated financial statements. The asset and liability method requires that income taxes reflect the expected future tax consequences 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 based on the tax rates which are expected to be in effect when the underlying items of income and expense are expected to be realized.

Pension and other post-retirement benefits

CIBC is the sponsor of a pension plan under which all eligible employees are entitled to benefits based on length of service and rates of pay.

Based on management's best estimate assumptions, actuarial valuations of the pension obligations are made periodically for accounting purposes by an independent actuary using the projected benefit method prorated on service. Market-related values are used to value pension fund assets.

The annual pension expense includes the estimated present value of the cost of future pension benefits payable in respect of services rendered in the current period, interest on projected pension obligations net of earnings on plan assets and the amortization of experience gains and losses. Amortization is charged on a straight-line basis over the expected average remaining service life of the employee groups covered by the plan.

CIBC also provides certain health care and life insurance benefits to eligible pensioners. The costs of such benefits are expensed as incurred.

Stock-based compensation

CIBC provides compensation to certain employees in the form of stock options. CIBC follows the intrinsic value based method of accounting for such awards; consequently no expense is recognized for stock options as the strike price thereon is set at the market price on the issue date of the awards. When options are exercised, the proceeds received by CIBC are credited to common shares.

Under CIBC's stock option plan, participants may elect to exercise up to 50% of their vested options as Stock Appreciation Rights (SARs). During the year, CIBC changed its method of accounting for SARs. Prior periods have not been restated as the impact of this change is not significant. Payments in respect of SARs are charged to retained earnings when SARs are exercised.

Insurance revenues and expenses

Premiums less claims and changes in actuarial liabilities are reflected in non-interest income while administrative costs are included in non-interest expenses in the consolidated statements of income. Investment income is included in income from securities in the consolidated statements of income.

Assets under administration

Assets under administration are comprised of assets under management, assets securitized and still administered by CIBC and assets administered by CIBC in the capacity of custodian. Mutual fund assets managed by CIBC on behalf of its clients are considered assets under management. Assets under administration are not the property of CIBC and are not included in the consolidated balance sheets. Trust and custodial and mutual funds fees are included in non-interest income as fees for services. Trust and custodial fees are primarily investment, estate and trust management fees and are recorded on an accrual basis. Custodial service fees are recorded as earned, except for prepaid fees which are deferred and amortized over the contract term. Mutual funds fees are recorded on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows comprise cash, deposits with the Bank of Canada, current operating accounts, overnight deposits with banks and, on a net basis, uncleared cheques and other items in transit.

1999 and 1998 financial information

Certain 1999 and 1998 financial information has been reclassified, where necessary, to conform with the presentation adopted in 2000.

2. Restructuring

In 1999, a pre-tax restructuring charge of $426 million was included in non-interest expenses in the consolidated statement of income. The restructuring program was developed to achieve three objectives – reduce costs, reallocate capital to more profitable businesses and realign operations with the new business units.

Significant actions taken under the restructuring program in fiscal 2000 include the following:

• *Electronic Commerce* restructured mortgage operations, exited direct life insurance products and reorganized its technology infrastructure and payments business.

• *Retail and Small Business Banking* reconfigured its Canadian branch network, with a net reduction of 93 branches.

• *Wealth Management* restructured domestic trust operations, refocused internal sales support and changed the composition of its Imperial Service sales force.

• *CIBC World Markets* closed its Taiwan office, sold its international structured trade finance business and restructured its commercial banking customer service platform.

• *Corporate and Other* consolidated asset/liability, funding, liquidity, cash and collateral management as well as support functions including finance and human resource operations.

Approximately 3,100 positions were reduced in fiscal 2000 (1999: 480 positions). At program inception, planned employee reductions through restructuring totaled 4,200 positions.

During the year, CIBC changed its estimate for restructuring, resulting in a net $31 million reduction in the original provision. The change in estimate resulted from facts and circumstances occurring subsequent to the original restructuring charge. In particular, severance costs were less than originally anticipated due to higher levels of attrition and redeployment within CIBC as well as a reduction in the scope of certain initiatives.

The status of the restructuring provision is as follows:

RESTRUCTURING PROVISION

$ millions, as at or for the years ended October 31	2000 Termination benefits	2000 Other	2000 Total	1999 Termination benefits	1999 Other	1999 Total
Balance at beginning of year	**$ 346**	**$ 19**	**$ 365**	$ 66	$ 1	$ 67
Restructuring charge	**-**	**-**	**-**	377	49	426
Change in estimate	**(31)**	**-**	**(31)**	-	-	-
Cash payments	**(229)**	**(10)**	**(239)**	(97)	(4)	(101)
Non-cash items	**-**	**-**	**-**	-	(27)	(27)
Balance at end of year	**$ 86**	**$ 9**	**$ 95**	$ 346	$ 19	$ 365

The $95 million restructuring balance at October 31, 2000 includes $17 million which was paid in November 2000 to certain former Oppenheimer employees terminated as a result of the restructuring. The remaining balance of $78 million relates to restructuring programs across all business lines. These programs will be completed in 2001.

3. Securities

	Residual term to contractual maturity															
	Within 1 year		1 to 5 years		5 to 10 years		Over 10 years		No specific maturity		**2000 Total**		1999 Total		1998 Total	
$ millions, as at October 31	Carrying value	Yield (1)	Carrying value	Yield (1)	Carrying value	Yield (1)	Carrying value	Yield (1)	Carrying value	Yield (1)	**Carrying value**	**Yield (1)**	Carrying value	Yield (1)	Carrying value	Yield (1)
Securities held for investment																
Canadian federal government	$ 148	5.6%	$ 3,965	5.8%	$ 233	5.8%	$ 283	6.0%	$ -	-	**$ 4,629**	**5.9%**	$ 2,374	5.4%	$ 2,192	5.5%
Other Canadian governments	710	6.0	356	5.9	38	6.0	207	6.6	-	-	**1,311**	**6.1**	1,548	5.7	1,624	5.6
U.S. Treasury	13	6.4	-	-	145	6.7	-	-	-	-	**158**	**6.7**	82	4.8	128	5.0
Other U.S. agencies	478	6.4	1,475	6.4	304	6.3	692	7.1	-	-	**2,949**	**6.5**	1,844	5.4	3,049	5.3
Other foreign governments	782	6.3	154	6.3	236	5.8	66	5.8	-	-	**1,238**	**6.2**	846	5.8	919	5.5
Corporate debt	1,368	6.6	738	7.4	166	7.2	96	6.8	-	-	**2,368**	**7.1**	3,104	5.2	2,178	5.5
Corporate equity	44	6.3	211	6.6	163	6.1	3	6.7	2,499	-	**2,920**	**-**	3,276	-	2,511	-
Equity accounted investments	-	-	-	-	-	-	-	-	291	-	**291**	**-**	203	-	198	-
Total debt securities																
Carrying value	$ 3,499		$ 6,688		$ 1,122		$ 1,344		$ -		**$ 12,653**		$ 9,798		$ 10,090	
Estimated fair value	$ 3,520		$ 6,718		$ 1,166		$ 1,398		$ -		**$ 12,802**		$ 9,803		$ 10,340	
Total equity securities																
Carrying value	$ 44		$ 211		$ 163		$ 3		$ 2,790		**$ 3,211**		$ 3,479		$ 2,709	
Estimated fair value (2)	$ 54		$ 211		$ 365		$ 3		$ 5,056		**$ 5,689**		$ 7,094		$ 4,590	
Total investment securities																
Carrying value	$ 3,543		$ 6,899		$ 1,285		$ 1,347		$ 2,790		**$ 15,864**		$ 13,277		$ 12,799	
Estimated fair value (2)	$ 3,574		$ 6,929		$ 1,531		$ 1,401		$ 5,056		**$ 18,491**		$ 16,897		$ 14,930	
Securities held for trading (3)																
Canadian federal government	$ 5,453		$ 6,983		$ 536		$ 411		$ -		**$ 13,383**		$ 11,977		$ 13,519	
Other Canadian governments	315		496		542		573		-		**1,926**		1,436		1,434	
U.S. Treasury and agencies	2,619		1,425		298		181		-		**4,523**		5,262		5,849	
Other foreign governments	1,108		152		86		13		-		**1,359**		595		2,758	
Corporate debt	4,960		2,146		1,436		792		-		**9,334**		9,967		11,534	
Corporate equity	13		5		-		-		22,674		**22,692**		16,817		12,969	
Total trading securities	$ 14,468		$ 11,207		$ 2,898		$ 1,970		$22,674		**$ 53,217**		$ 46,054		$ 48,063	
Loan substitute securities																
Carrying value	$ 7	4.9%	$ 133	4.9%	$ -	-	$ -	-	$ 21	-	**$ 161**	**4.3%**	$ 161	4.3%	$ 108	4.2%
Estimated fair value	$ 7		$ 133		$ -		$ -		$ 21		**$ 161**		$ 161		$ 108	
Total securities																
Carrying value	$ 18,018		$ 18,239		$ 4,183		$ 3,317		$25,485		**$ 69,242**		$ 59,492		$ 60,970	
Estimated fair value (2)	$ 18,049		$ 18,269		$ 4,429		$ 3,371		$27,751		**$ 71,869**		$ 63,112		$ 63,101	

(1) Represents the weighted average yield which is determined by applying the weighted average of the book yields of individual fixed income securities and the stated dividend rates of corporate equity securities.
(2) The fair value of publicly traded equity securities held for investment does not take into account any adjustments for resale restrictions that expire within one year, adjustments for liquidity or future expenses.
(3) As securities held for trading are recorded at fair value, carrying value equals fair value.

ESTIMATED FAIR VALUES OF SECURITIES HELD FOR INVESTMENT

$ millions, as at October 31	2000 Carrying value	2000 Unrealized gains	2000 Unrealized losses	2000 Estimated fair value	1999 Carrying value	1999 Unrealized gains	1999 Unrealized losses	1999 Estimated fair value
Securities issued or guaranteed by:								
Canadian federal government	**$ 4,629**	**$ 77**	**$ (11)**	**$ 4,695**	$ 2,374	$ 52	$ (18)	$ 2,408
Other Canadian governments	**1,311**	**28**	**(7)**	**1,332**	1,548	41	(40)	1,549
U.S. Treasury	**158**	**8**	**-**	**166**	82	-	-	82
Other U.S. agencies	**2,949**	**11**	**(4)**	**2,956**	1,844	7	-	1,851
Other foreign governments	**1,238**	**39**	**-**	**1,277**	846	15	(1)	860
Corporate securities								
Debt	**2,368**	**14**	**(6)**	**2,376**	3,104	30	(81)	3,053
Equity (1)	**2,920**	**2,702**	**(224)**	**5,398**	3,276	3,744	(129)	6,891
Equity accounted investments	**291**	**-**	**-**	**291**	203	-	-	203
	$ 15,864	**$ 2,879**	**$ (252)**	**$ 18,491**	$ 13,277	$ 3,889	$ (269)	$ 16,897

(1) One equity security held for investment was mostly hedged by forward sales contracts with a range of maturities from 2001 to 2003. The unrealized gain related to securities held for investment as at October 31, 2000 would increase by $89 million as a result of these hedges.

Trading activities

Trading revenue is earned through the trading of securities, foreign exchange and derivative products. Net interest income on trading assets is integral to trading activities and is therefore included in total trading revenue.

Trading activities include dealing and other securities and derivatives trading activities measured at fair value, with gains and losses recognized in income. Trading activities exclude underwriting fees and commissions on securities transactions which are shown separately in the consolidated statements of income.

TRADING REVENUE

$ millions, for the years ended October 31	2000	1999	1998
Net interest income consists of:			
Non-trading related	**$ 4,632**	$ 4,492	$ 4,334
Trading related	**(350)**	(84)	3
Net interest income	**$ 4,282**	$ 4,408	$ 4,337
Trading revenue consists of:			
Trading related net interest income	**$ (350)**	$ (84)	$ 3
Non-interest income - trading activities	**977**	584	66
Trading revenue	**$ 627**	$ 500	$ 69
Trading revenue by product line:			
Interest rates	**$ 231**	$ 296	$ 97
Foreign exchange	**36**	24	50
Equities	**304**	33	(108)
Commodities and other (1)	**56**	147	30
Trading revenue	**$ 627**	$ 500	$ 69

(1) Includes asset swaps, credit derivatives and secondary loan trading and sales.

4. Loans

$ millions, as at October 31	2000 Gross amount	2000 Allowance	2000 Net total	1999 Gross amount	1999 Allowance	1999 Net total
Residential mortgages	**$ 51,921**	**$ 23**	**$ 51,898**	$ 46,637	$ 24	$ 46,613
Personal and credit card loans	**27,939**	**487**	**27,452**	24,751	219	24,532
Business and government loans	**47,567**	**476**	**47,091**	47,552	505	47,047
Securities borrowed or purchased under resale agreements	**20,461**	**-**	**20,461**	19,158	-	19,158
General allowance for credit losses	**-**	**1,250**	**(1,250)**	-	1,000	(1,000)
	$ 147,888	**$ 2,236**	**$ 145,652**	$ 138,098	$ 1,748	$ 136,350

LOAN MATURITIES

$ millions, as at October 31	Residential term to contractual maturity: Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	2000 Total
Residential mortgages	$ 11,835	$ 36,989	$ 2,928	$ 146	**$ 51,898**
Personal and credit card loans	20,485	6,108	856	3	**27,452**
Business and government loans	27,674	12,743	6,055	619	**47,091**
Securities borrowed or purchased under resale agreements	20,461	-	-	-	**20,461**
	$ 80,455	$ 55,840	$ 9,839	$ 768	**146,902**
General allowance for credit losses					**(1,250)**
					$ 145,652

ALLOWANCE FOR CREDIT LOSSES

$ millions, as at or for the years ended October 31	Specific [1] 2000	1999	1998	General 2000	1999	1998	Total [1][2] 2000	1999	1998
Balance at beginning of year	**$ 752**	$ 776	$ 945	**$ 1,000**	$ 850	$ 650	**$ 1,752**	$ 1,626	$ 1,595
Write-offs	**(849)**	(754)	(592)	**-**	-	-	**(849)**	(754)	(592)
Recoveries	**121**	144	132	**-**	-	-	**121**	144	132
Provision for credit losses charged to the consolidated statements of income	**970**	600	280	**250**	150	200	**1,220**	750	480
Foreign exchange and other adjustments	**(6)**	(14)	11	**-**	-	-	**(6)**	(14)	11
Balance at end of year	**$ 988**	$ 752	$ 776	**$ 1,250**	$ 1,000	$ 850	**$ 2,238**	$ 1,752	$ 1,626

(1) Includes allowances on letters of credit totaling $2 million (1999: $4 million; 1998: $17 million).
(2) The allowance for credit losses is comprised of $2,236 million (1999: $1,752 million; 1998: $1,626 million) for loans and $2 million (1999: nil; 1998: nil) for loan substitute securities.

IMPAIRED LOANS

$ millions, as at October 31	2000 Gross amount	Specific allowance	Net total	1999 Gross amount	Specific allowance	Net total
Residential mortgages [1]	**$ 148**	**$ 23**	**$ 125**	$ 138	$ 24	$ 114
Personal and credit card loans [1]	**309**	**487**	**(178)**	325	219	106
Business and government loans	**1,191**	**474**	**717**	1,019	505	514
Total impaired loans	**$ 1,648**	**$ 984**	**$ 664**	$ 1,482	$ 748	$ 734
Loan substitute securities	**13**	**2**	**11**	-	-	-
Total impaired loans and loan substitute securities	**$ 1,661**	**$ 986**	**$ 675**	$ 1,482	$ 748	$ 734

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

As at October 31, 2000, other past due loans totaled $61 million (1999: $68 million) of which $58 million (1999: $44 million) was in Canada and $3 million (1999: $24 million) was outside Canada. Other past due loans, excluding credit card loans and government guaranteed loans, are loans where repayment of principal or payment of interest is contractually in arrears between 90 and 180 days. These loans have not been classified as impaired loans because they are both fully secured and in the process of collection. If the number of days in arrears reaches 180, the loans become impaired notwithstanding the security held.

As at October 31, 2000, the interest entitlements on loans classified as impaired were $101 million for Canadian domiciled loans (1999: $98 million; 1998: $96 million) and $45 million for foreign domiciled loans (1999: $26 million; 1998: $34 million), of which interest recognized on loans classified as impaired was $51 million for Canadian domiciled loans (1999: $59 million; 1998: $41 million) and $26 million for foreign domiciled loans (1999: $13 million; 1998: $10 million).

5. Land, buildings and equipment

$ millions, as at October 31	2000 Cost	Accumulated amortization [1]	Net book value	1999 Net book value
Land	**$ 129**	**$ -**	**$ 129**	$ 243
Buildings	**541**	**199**	**342**	912
Computer equipment	**1,524**	**1,151**	**373**	412
Office furniture and other equipment	**984**	**569**	**415**	407
Leasehold improvements	**581**	**332**	**249**	239
	$ 3,759	**$ 2,251**	**$ 1,508**	$ 2,213

(1) Amortization of buildings, equipment and leasehold improvements for the year amounted to $313 million (1999: $315 million; 1998: $252 million).

In April 2000, CIBC sold its real estate investment portfolio of seven wholly-owned office properties. These properties had a net book value of $523 million and CIBC reported a pre-tax gain of $333 million on the sale. A portion of the pre-tax gain on sale was deferred as it relates to the premises which CIBC continues to occupy. The deferred gain of $151 million will be recognized in income over the approximate 10-year average term of the related leases.

In 1999, CIBC revised the estimated useful life for certain technology assets to reflect replacement dates which differed from those originally anticipated. The effect of this change was to reduce net income in 1999 by $31 million.

6. Other assets

$ millions, as at October 31	**2000**	1999
Accrued interest receivable	**$ 1,568**	$ 1,236
Brokers' client accounts	**733**	1,276
Prepaid pension costs (Note 13)	**252**	267
Goodwill and intangible assets(1)	**242**	279
Other prepayments and deferred items	**1,023**	718
Cheques and other items in transit, net	**141**	-
Other, including accounts receivable	**3,727**	2,228
	$ 7,686	$ 6,004

(1) Amortization of goodwill and intangible assets for the year amounted to $47 million (1999: $53 million; 1998: $42 million).

7. Deposits

$ millions, as at October 31	Payable on demand(1)	Payable after notice(2)	Payable on a fixed date(3) Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	**2000 Total**	1999 Total
Individuals	$ 4,240	$ 18,064	$ 27,845	$ 12,934	$ 26	$ -	**$ 63,109**	$ 60,878
Businesses and governments	13,814	6,163	75,164	6,260	1,194	546	**103,141**	85,940
Banks	569	1	12,567	245	-	-	**13,382**	13,223
	$ 18,623	$ 24,228	$ 115,576	$ 19,439	$ 1,220	$ 546	**$ 179,632**	$ 160,041
Total deposits include:								
Non-interest-bearing deposits								
In domestic offices							**$ 7,093**	$ 6,569
In foreign offices							**619**	619
Interest-bearing deposits								
In domestic offices							**109,342**	94,172
In foreign offices							**60,822**	57,870
U.S. federal funds purchased							**1,756**	811
							$ 179,632	$ 160,041

(1) Deposits payable on demand include all deposits for which CIBC does not have the right to require notice of withdrawal. These deposits are, in general, chequing accounts.
(2) Deposits payable after notice include all deposits for which CIBC can legally require notice of withdrawal. These deposits are, in general, savings accounts.
(3) 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.

8. Other liabilities

$ millions, as at October 31	**2000**	1999
Accrued interest payable	**$ 2,603**	$ 2,353
Gold and silver certificates	**287**	240
Brokers' client accounts	**1,931**	2,462
Cheques and other items in transit, net	**-**	202
Deferred items	**509**	346
Future income taxes (Note 14)	**2**	147
Restructuring provision (Note 2)	**95**	365
Accrued expenses	**1,282**	1,961
Non-controlling interests in subsidiaries	**248**	204
Other, including accounts payable	**3,673**	2,812
	$ 10,630	$ 11,092

9. Subordinated indebtedness

The following indebtedness is unsecured and subordinated to deposits and other liabilities. Foreign denominated indebtedness either funds foreign denominated assets (including net investments in foreign operations) or is combined with cross currency swaps to create synthetic Canadian dollar liabilities.

TERMS OF SUBORDINATED INDEBTEDNESS

$ millions, as at October 31

		Earliest date redeemable by CIBC				
Interest rate %	Maturity date	at greater of Canada Yield Price(1) and par	at par	Denominated in foreign currency	**2000**	1999
10.375	January 31, 2000(3)				**$ -**	$ 41
12.45	December 1, 2000(3)				**9**	9
5.5	June 21, 2003(3)			Yen 5 billion	**70**	71
11.125	February 10, 2004(3)				**1**	1
7.1	March 10, 2004	March 10, 1999			**67**	67
8.55	May 12, 2005	May 12, 2000			**70**	70
8.65	August 22, 2005	August 22, 2000			**200**	200
5.52(2)	September 5, 2006		September 5, 2001		**220**	220
Floating(4)	March 7, 2007		March 7, 2002		**100**	100
Floating(5)	October 30, 2007(10)		October 30, 2002		**210**	250
Floating(5)	March 4, 2008		March 4, 2003		**50**	50
Floating(6)(7)	May 19, 2008		May 18, 2003	US$ 250 million	**380**	368
6.5(2)	October 21, 2009	October 21, 1999	October 21, 2004		**400**	400
7.4(2)	January 31, 2011		January 31, 2006		**250**	250
8.15(2)	April 25, 2011	April 25, 2001	April 25, 2006		**250**	250
7.0(2)	October 23, 2011	October 23, 2001	October 23, 2006		**250**	250
Floating(6)(8)	August 14, 2012		August 14, 2007	US$ 300 million	**457**	441
5.89(2)	February 26, 2013	February 26, 1998	February 26, 2008		**120**	120
9.65	October 31, 2014	November 1, 1999			**250**	250
8.7	May 25, 2029(3)				**25**	25
8.7	May 25, 2032(3)				**25**	25
8.7	May 25, 2033(3)				**25**	25
8.7	May 25, 2035(3)				**25**	25
11.6	January 7, 2031	January 7, 1996			**200**	200
10.8	May 15, 2031	May 15, 2021			**150**	150
Floating(9)	July 31, 2084		July 27, 1990	US$ 257 million	**391**	378
Floating(11)	August 31, 2085		August 20, 1991	US$ 146 million(12)	**223**	308
					$ 4,418	$ 4,544

(1) Canada Yield Price: a price calculated to provide a yield to maturity equal to the yield of a Government of Canada bond of appropriate maturity plus a predetermined spread.
(2) Interest rate is fixed at the indicated rate until the earliest date redeemable at par by CIBC and thereafter, on the three month bankers' acceptance rate plus 1.00%.
(3) Not redeemable prior to maturity date.
(4) Interest rate is based on the three month bankers' acceptance rate plus 0.20% until the earliest date redeemable by CIBC and thereafter, on the three month bankers' acceptance rate plus 1.00%.
(5) Interest rate is based on the three month bankers' acceptance rate plus 0.21% until the earliest date redeemable by CIBC and thereafter, on the three month bankers' acceptance rate plus 1.00%.
(6) Issued by CIBC World Markets plc and guaranteed by CIBC on a subordinated basis.
(7) Interest rate is based on the three month London inter-bank offered rate (LIBOR) plus 0.25% until the earliest date redeemable by CIBC World Markets plc and thereafter, on the three month LIBOR plus 0.75%.
(8) Interest rate is based on the three month LIBOR plus 0.35% until the earliest date redeemable by CIBC World Markets plc and thereafter, on the three month LIBOR plus 1.35%.
(9) Interest rate is based on the six month LIBOR plus 0.25%.
(10) $40 million of the indebtedness was repurchased for cash on October 31, 2000.
(11) Interest rate is based on the six month LIBOR plus 0.125%.
(12) US$63 million of the indebtedness was repurchased for cash during 2000.

The aggregate contractual maturities of CIBC's subordinated indebtedness are outlined in the following table.

REPAYMENT SCHEDULE

$ millions

Within 1 year	$ 9
1 to 2 years	-
2 to 3 years	70
3 to 4 years	68
4 to 5 years	270
Over 5 years	4,001
	$ 4,418

10. Interest rate sensitivity

CIBC is exposed to interest rate risk as a consequence of the mismatch, or gap, between the assets, liabilities and off-balance sheet instruments scheduled to mature or reprice on particular dates. The gaps which existed at October 31 are detailed below.

	Based on earlier of maturity or repricing date of interest sensitive instruments						
$ millions, as at October 31	Floating rate	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Not interest rate sensitive	**Total**
2000 Assets							
Cash resources	$ 56	$ 6,512	$ 2,553	$ -	$ -	$ 1,558	**$ 10,679**
Effective yield(1)		6.35%	6.66%				
Securities held for investment	2,092	4,347	989	4,279	1,443	2,875	**16,025**
Effective yield(1)		6.22%	6.35%	6.08%	7.02%		
Securities held for trading	-	9,157	6,407	10,489	4,958	22,206	**53,217**
Effective yield(1)		6.14%	5.99%	6.03%	6.89%		
Loans	47,294	43,652	13,212	35,261	4,876	1,357	**145,652**
Effective yield(1)		6.97%	7.29%	6.90%	7.27%		
Other	-	23,847	-	-	-	18,282	**42,129**
Total assets	$ 49,442	$ 87,515	$ 23,161	$ 50,029	$ 11,277	$ 46,278	**$ 267,702**
Liabilities and shareholders' equity							
Deposits	$ 26,951	$ 82,486	$ 36,441	$ 15,363	$ 1,736	$ 16,655	**$ 179,632**
Effective yield(1)		5.83%	5.63%	5.87%	6.09%		
Obligations related to securities sold short	-	1,535	134	3,488	2,894	5,941	**13,992**
Effective yield(1)		5.31%	5.79%	5.42%	6.10%		
Obligations related to securities lent or sold under repurchase agreements	-	14,199	-	-	-	-	**14,199**
Effective yield(1)		5.55%					
Subordinated indebtedness	-	1,598	443	808	1,569	-	**4,418**
Effective yield(1)		6.78%	6.17%	7.18%	8.64%		
Other	-	24,374	-	-	-	31,087	**55,461**
Total liabilities and shareholders' equity	$ 26,951	$ 124,192	$ 37,018	$ 19,659	$ 6,199	$ 53,683	**$ 267,702**
On-balance sheet gap	$ 22,491	$ (36,677)	$ (13,857)	$ 30,370	$ 5,078	$ (7,405)	**$ -**
Off-balance sheet gap	-	(737)	(909)	(2,125)	3,771	-	**-**
Total gap	$ 22,491	$ (37,414)	$ (14,766)	$ 28,245	$ 8,849	$ (7,405)	**$ -**
Total cumulative gap	$ 22,491	$ (14,923)	$ (29,689)	$ (1,444)	$ 7,405	$ -	**$ -**
Gap by currency							
On-balance sheet gap							
Canadian currency	$ 21,672	$ (33,867)	$ (6,162)	$ 29,166	$ 3,087	$ (13,896)	**$ -**
Foreign currencies	819	(2,810)	(7,695)	1,204	1,991	6,491	**-**
Total on-balance sheet gap	22,491	(36,677)	(13,857)	30,370	5,078	(7,405)	**-**
Off-balance sheet gap							
Canadian currency	-	(12,350)	5,565	3,698	3,087	-	**-**
Foreign currencies	-	11,613	(6,474)	(5,823)	684	-	**-**
Total off-balance sheet gap	-	(737)	(909)	(2,125)	3,771	-	**-**
Total gap	$ 22,491	$ (37,414)	$ (14,766)	$ 28,245	$ 8,849	$ (7,405)	**$ -**
1999 Gap by currency							
On-balance sheet gap							
Canadian currency	$ 17,125	$ (17,599)	$ (9,159)	$ 24,105	$ 1,341	$ (15,813)	$ -
Foreign currencies	(635)	(1,148)	(9,238)	669	4,954	5,398	-
Total on-balance sheet gap	16,490	(18,747)	(18,397)	24,774	6,295	(10,415)	-
Off-balance sheet gap							
Canadian currency	-	(21,107)	9,346	5,957	5,804	-	-
Foreign currencies	-	7,089	(4,157)	(2,474)	(458)	-	-
Total off-balance sheet gap	-	(14,018)	5,189	3,483	5,346	-	-
Total gap	$ 16,490	$ (32,765)	$ (13,208)	$ 28,257	$ 11,641	$ (10,415)	$ -
Total cumulative gap	$ 16,490	$ (16,275)	$ (29,483)	$ (1,226)	$ 10,415	$ -	$ -

(1) Represents the weighted average effective yield based on the earlier of contractual repricing or maturity date.

11. Share capital

Authorized

Preferred Shares

An unlimited number of Class A Preferred Shares and Class B Preferred Shares without par value issuable in series for an aggregate consideration not exceeding $5,000 million for each class.

Common Shares

An unlimited number of Common Shares without par value issuable for an aggregate consideration not exceeding $10,000 million.

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 below. Each series, with the exception of Series 18, also provides CIBC 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. Shareholders acquire the same conversion option at a specified conversion date. Furthermore, subject to OSFI approval, CIBC may elect to redeem for cash any shares tendered for conversion or to arrange for their cash sale to another purchaser.

TERMS OF PREFERRED SHARES

				Conversion for common	
	Quarterly dividends per share	Specified redemption date	Cash redemption price per share	CIBC conversion date	Shareholders' conversion date
Series 12[(1)]	US$ 0.406250	October 31, 2000	US$ 26.00	October 31, 2000	July 31, 2003
		October 31, 2001	US$ 25.50		
		October 31, 2002	US$ 25.00		
Series 13[(1)]	$ 0.437500	October 31, 2000	$ 26.00	October 31, 2000	July 31, 2003
		October 31, 2001	$ 25.50		
		October 31, 2002	$ 25.00		
Series 14	$ 0.371875	July 31, 2003	$ 26.00	July 31, 2003	July 31, 2006
		July 31, 2004	$ 25.50		
		July 31, 2005	$ 25.00		
Series 15	$ 0.353125	July 31, 2004	$ 26.00	July 31, 2004	July 31, 2007
		July 31, 2005	$ 25.50		
		July 31, 2006	$ 25.00		
Series 16	US$ 0.353125	October 29, 2004	US$ 25.50	October 29, 2004	October 29, 2007
		October 29, 2005	US$ 25.25		
		October 29, 2006	US$ 25.00		
Series 17	$ 0.340625	October 29, 2004	$ 25.50	October 29, 2004	October 29, 2007
		October 29, 2005	$ 25.25		
		October 29, 2006	$ 25.00		
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 20	US$ 0.321875	October 31, 2005	US$ 25.50	October 31, 2005	April 30, 2008
		October 31, 2006	US$ 25.25		
		October 31, 2007	US$ 25.00		
Series 21	$ 0.375000	July 31, 2005	$ 26.00	July 31, 2005	July 31, 2010
		July 31, 2006	$ 25.75		
		July 31, 2007	$ 25.50		
		July 31, 2008	$ 25.25		
		July 31, 2009	$ 25.00		
Series 22	US$ 0.390625	July 31, 2005	US$ 26.00	July 31, 2005	July 31, 2010
		July 31, 2006	US$ 25.75		
		July 31, 2007	US$ 25.50		
		July 31, 2008	US$ 25.25		
		July 31, 2009	US$ 25.00		

(1) These shares were redeemed by CIBC on October 31, 2000.

OUTSTANDING SHARES AND DIVIDENDS PAID

As at or for the years ended October 31	**2000** Shares outstanding No. of shares	**2000** Shares outstanding $ millions	**2000** Dividends paid $ millions	**2000** Dividends paid per share	1999 Shares outstanding No. of shares	1999 Shares outstanding $ millions	1999 Dividends paid $ millions	1999 Dividends paid per share	1998 Dividends paid $ millions	1998 Dividends paid per share
Class A Preferred Shares										
Fixed rate shares entitled										
to non-cumulative dividends										
Series 9	**-**	**$ -**	**$ -**	**$ -**	-	$ -	$ -	$ -	$ 11	$ 1.14
Series 12	**-**	**-**	**14**	**US$ 1.63**	6,000,000	221	14	US$ 1.63	14	US$ 1.63
Series 13	**-**	**-**	**14**	**$ 1.75**	8,000,000	200	14	$ 1.75	14	$ 1.75
Series 14	**8,000,000**	**200**	**12**	**$ 1.49**	8,000,000	200	12	$ 1.49	12	$ 1.49
Series 15	**12,000,000**	**300**	**17**	**$ 1.41**	12,000,000	300	17	$ 1.41	17	$ 1.41
Series 16	**5,500,000**	**210**	**11**	**US$ 1.41**	5,500,000	203	11	US$ 1.41	12	US$ 1.41
Series 17	**6,500,000**	**162**	**9**	**$ 1.36**	6,500,000	162	9	$ 1.36	9	$ 1.36
Series 18	**12,000,000**	**300**	**17**	**$ 1.38**	12,000,000	300	17	$ 1.38	16	$ 1.36
Series 19	**8,000,000**	**200**	**10**	**$ 1.24**	8,000,000	200	10	$ 1.24	6	$ 0.74
Series 20	**4,000,000**	**152**	**8**	**US$ 1.29**	4,000,000	147	8	US$ 1.29	5	US$ 0.77
Series 21	**8,000,000**	**200**	**9**	**$ 1.14**	-	-	-	-	-	-
Series 22	**4,000,000**	**152**	**7**	**US$ 1.18**	-	-	-	-	-	-
Total preferred share capital and dividends		**$ 1,876**	**$ 128**			$ 1,933	$ 112		$ 116	
Common Shares										
Total common share capital at beginning of year	**402,278,579**	**$ 3,035**			415,515,134	$ 3,128				
Issued pursuant to the Employee Stock Option Plan	**1,405,416**	**34**			506,445	10				
Repurchase of common shares	**(26,543,800)**	**(201)**			(13,743,000)	(103)				
Total common share capital and dividends	**377,140,195**	**$ 2,868**	**$ 501**	**$ 1.29**	402,278,579	$ 3,035	$ 492	$ 1.20	$ 498	$ 1.20
Total dividends paid			**$ 629**				$ 604		$ 614	

Restrictions on the payment of dividends

CIBC is prohibited by the Bank Act (Canada) from declaring any dividends on its preferred or common shares when CIBC is, or would be placed by such declaration, in contravention of the capital adequacy and liquidity regulations or any regulatory directives issued under the Act. In addition, the ability to pay common share dividends is restricted by the terms of the outstanding preferred shares whereby CIBC may not pay dividends on its common shares at any time unless all dividends to which preferred shareholders are then entitled have been declared and paid or set apart for payment.

Shareholder investment plan

Under the Shareholder Investment Plan, eligible shareholders have the right to participate in one or more of the Dividend Reinvestment Option, the Share Purchase Option and the Stock Dividend Option.

Shares reserved for issue

As at October 31, 2000, 3,808,958 common shares are reserved for future issue pursuant to the Employee Stock Option Plan.

Normal course issuer bid

On December 15, 1999, CIBC commenced a normal course issuer bid, effective for one year, to purchase up to 5% of CIBC's outstanding common shares as at November 30, 1999. On June 1, 2000, CIBC announced that the normal course issuer bid had been amended to increase the number of common shares that may be purchased for cancellation to approximately 10% of CIBC's issued and outstanding common shares as at November 30, 1999. Under the program, as at October 31, 2000, 26.5 million shares were purchased at an average price of $40.42 per share.

On September 17, 1998, CIBC announced a program to purchase up to 20 million of its outstanding common shares. Under the program, which was completed in August 1999, 13.7 million shares were purchased at an average price of $36.38 per share.

12. Stock-based compensation

Compensation expense recognized in respect of CIBC's stock-based compensation plans totaled $345 million (1999: $142 million; 1998: $45 million). In addition, CIBC charged $8 million to retained earnings in respect of SARs. CIBC has the following stock-based compensation plans:

Employee Stock Option Plan

Under CIBC's Employee Stock Option Plan, 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 equal to the market price of the shares at the grant date. In general, the options vest evenly over a four-year period and expire ten years from the grant date. Options expiring in February 2001 vest based on the achievement of certain operating results. Additionally, certain options expiring in February 2010 vest based upon the attainment of certain specified share prices, and certain options vest based upon the earlier of the attainment of these prices and seven years.

Up to 50% of vested options granted prior to 2000 can be exercised as SARs. SARs can be exchanged for a cash amount equal to the difference between the option strike price and the weighted average price of the common shares on The Toronto Stock Exchange the day immediately preceding the day the SARs are exercised.

During the year, CIBC changed its method of accounting for SARs. Prior periods have not been restated as the impact of this change is not significant. When SARs are exercised, CIBC records the cash payment to option holders as a charge to retained earnings. This amounted to $8 million in 2000.

Employee Share Purchase Plan

Under CIBC's Employee Share Purchase Plan, qualifying employees can choose each year to have up to 6% of their annual base earnings withheld to purchase CIBC common shares. CIBC matches 50% of the employee contribution amount. All contributions are used by the plan trustee to purchase common shares during each pay period in the open market. CIBC contributions vest after two years of continuous participation in the plan and all subsequent contributions vest immediately. CIBC's contribution is expensed as paid and totaled $24 million (1999: $26 million; 1998: $25 million).

Restricted Share Program

Under CIBC's Restricted Share Program (RSP), share equivalents are awarded under three compensation plans.

Restricted Share Awards

Under the CIBC Restricted Share Awards (RSA) plan, beginning this year, certain key employees are granted annual awards to receive CIBC common shares as part of their total compensation. Additionally, RSAs may be awarded as special grants. RSAs generally vest and are distributed evenly over a three-year period, beginning one year after the fiscal year of the grant. The funding for awards under this program is paid into a trust which purchases CIBC common shares in the open market. Compensation expense in respect of RSAs is recognized in an amount equal to the sum to be transferred to the trust in respect of the current fiscal year allocations and totaled $22 million for 2000.

Stock Participation Plan

Under the CIBC Stock Participation Plan (SPP), beginning this year, certain key employees are granted awards to receive CIBC common shares as a portion of their annual incentive bonus. Additionally, SPP awards may be issued as special grants. SPP awards generally vest and are distributed evenly over a three-year period, beginning one year after the fiscal year of the grant. The funding for awards under this program is paid into a trust which purchases CIBC common shares in the open market. Compensation expense in respect of SPP awards is recognized in an amount equal to the sum to be transferred to the trust in respect of the current fiscal year allocations and totaled $128 million for 2000.

Retirement Deferred Share Units

Under CIBC's RSP for certain senior executives, participants are awarded Retirement Deferred Share Units (RDSU) which vest after two years if certain performance criteria are achieved. Each RDSU represents the right to receive the market value equivalent of one CIBC common share and is redeemable only upon the participant's retirement, death or termination. Compensation expense in respect of the RDSUs is charged to income at the date of grant. No RDSUs were granted in 2000 (1999: $2 million).

Long Term Incentive Plan and Special Incentive Program

Under CIBC's Long Term Incentive Plan (LTIP), certain key CIBC employees are provided with common share-based awards. The funding for awards under this plan is paid into a trust which purchases CIBC common shares in the open market. The awards vest over a three-year period.

In 2000, CIBC introduced a special incentive program (SIP) for certain key employees to receive common share-based awards. The funding for awards under the SIP is comparable with those of the LTIP. The awards under the SIP vest and are distributed when the plan expires on October 31, 2003.

Compensation expense for these plans totaled $171 million for 2000 (1999: $106 million; 1998: $36 million).

EMPLOYEE STOCK OPTION PLAN

	2000		1999		1998	
As at or for the years ended October 31	**Number of stock options**	**Weighted average exercise price**	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding at beginning of year	**16,933,275**	**$ 31.36**	13,106,825	$ 28.20	11,131,619	$ 23.02
Granted	**5,196,956**	**$ 36.27**	4,842,000[(1)]	$ 38.75	3,632,980	$ 40.65
Exercised	**(1,405,416)**	**$ 23.89**	(506,445)	$ 20.00	(1,221,283)	$ 19.14
Forfeited/Cancelled	**(95,000)**	**$ 41.64**	(388,050)	$ 35.62	(200,846)	$ 32.55
Exercised as SARs	**(382,628)**	**$ 21.47**	(121,055)	$ 18.71	(235,645)	$ 18.94
Outstanding at end of year	**20,247,187**	**$ 33.28**	16,933,275	$ 31.36	13,106,825	$ 28.20
Exerciseable at end of year	**9,141,886**	**$ 28.33**	7,043,274	$ 23.51	5,084,611	$ 19.83

(1) Options outstanding as at October 31, 1999 have been adjusted to reflect two special option grants issued in fiscal 1999.

OPTIONS OUTSTANDING

Exercise price	Stock options outstanding	Stock options vested	Expiry
$ 33.850	604,000	351,000	February 2001
$ 15.375	630,925	630,925	February 2003
$ 17.813	770,750	770,750	February 2004
$ 16.375	965,915	965,915	February 2005
$ 21.125	1,750,385	1,750,385	February 2006
$ 31.700	2,516,851	1,887,638	February 2007
$ 40.650	3,300,688	1,650,344	February 2008
$ 32.150 - $ 38.950	4,794,717	1,134,929	February - December 2009
$ 37.600 - $ 45.100	4,912,956	-	February - September 2010
	20,247,187	9,141,886	

Non-officer Director Stock Option Plan

In June, 2000, CIBC introduced a new stock option plan for non-officer members of CIBC's Board of Directors. Under this plan, each director who is not an officer or employee of CIBC is 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 Toronto Stock Exchange for the five trading days preceding the date of grant. The options, which are not eligible for SARs, vest immediately and expire 10 years from the grant date.

The plan is subject to approval by CIBC's shareholders at the Annual Meeting to be held on March 1, 2001 and to any approvals required under applicable law and stock exchange rules.

A total of 48,000 options were granted under this plan during 2000. These options have not been included in the tables above as the plan has not yet been approved. A maximum of 200,000 common shares may be issued under this plan.

13. Post-retirement benefits

CIBC provides pension benefits to qualified employees. The benefits are, in general, based on years of service and compensation near retirement. Effective November 1, 1999, CIBC's two principal pension plans, the contributory and the non-contributory defined benefit pension plans, were amalgamated. Assets and obligations of the plans remained unchanged. The amalgamation had no impact on the consolidated financial statements.

CIBC's funding policy for its principal pension plan is based on the funding standards of local regulatory authorities which require contributions to provide for the accumulated benefit obligation and current service cost, except where contributions are not required and are not tax-deductible.

Assets held within the principal pension plan are primarily treasury bills, government bonds, corporate bonds and equities.

Post-retirement life insurance, health and dental care benefits are expensed as incurred and amounted to $11 million in 2000 (1999: $10 million; 1998: $14 million).

The funded status of the principal pension plan and the amounts recognized in CIBC's consolidated balance sheets are as follows:

FUNDED STATUS OF PENSION PLAN

$ millions, as at October 31	**2000**	1999
Accumulated benefit obligation		
Vested	**$ 1,641**	$ 1,500
Non-vested	**38**	42
	$ 1,679	$ 1,542
Plan assets at market-related value	**$ 2,545**	$ 2,362
Projected benefit obligation	**(2,013)**	(1,875)
Funding excess	**532**	487
Unrecognized prior service cost	**43**	43
Unrecognized transition net assets	**4**	6
Unrecognized net experience (gains)	**(327)**	(269)
Prepaid pension costs	**$ 252**	$ 267

Pension expense is reported as employee compensation and benefits on the consolidated statements of income. Pension expense and actuarial assumptions relating to the pension plan consist of the following:

PENSION EXPENSE

$ millions, for the years ended October 31	**2000**	1999	1998
Service cost – benefits earned	**$ 54**	$ 50	$ 47
Interest cost on projected benefit obligation	**145**	135	130
Actual earnings on assets	**(359)**	(302)	(135)
Net amortization and deferral	**190**	140	(35)
Net pension expense	**$ 30**	$ 23	$ 7

ACTUARIAL ASSUMPTIONS

For the years ended October 31	**2000**	1999	1998
Discount rate for benefit obligation	**7.5%**	7.5%	7.5%
Rate of compensation increase	**4.5%**	4.5%	4.5%
Expected long-term rate of return on plan assets	**7.5%**	7.5%	7.5%
Expected average remaining service life of the employee service groups	**13 years**	13 years	13 years

14. Income taxes

The components of income tax expense reported in the consolidated statements of income consist of the following:

COMPONENTS OF INCOME TAX EXPENSE

$ millions, for the years ended October 31	2000	1999	1998
Current income taxes			
Federal	**$ 510**	$ 38	$ 362
Provincial	**194**	31	162
Foreign	**204**	248	33
	908	317	557
Future income taxes			
Federal	**(162)**	16	(66)
Provincial	**(59)**	2	(24)
Foreign	**(46)**	(15)	(7)
	(267)	3	(97)
	$ 641	$ 320	$ 460

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 CIBC's business carried on in each province. CIBC is 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 are estimated at $90 million as at October 31, 2000 (1999: $75 million; 1998: $35 million).

The effective rates of income tax in the consolidated statements of income are different from the combined Canadian federal and provincial income tax rate of 42.9% (1999: 43.2%; 1998: 43.2%) as set out below.

RECONCILIATION OF INCOME TAXES

$ millions, for the years ended October 31	2000	1999	1998
Combined Canadian federal and provincial income tax rate applied to net income before income taxes	**$ 1,184**	$ 600	$ 663
Income taxes adjusted for the effect of:			
Earnings of foreign subsidiaries	**(504)**	(291)	(177)
Tax-exempt income and gains	**(122)**	(135)	(61)
Federal large corporations tax	**14**	16	20
Temporary tax on capital	**8**	10	10
Earnings of domestic subsidiaries	**39**	31	10
Other	**22**	89	(5)
Income taxes in the consolidated statements of income	**$ 641**	$ 320	$ 460

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

TOTAL INCOME TAXES

$ millions, for the years ended October 31	2000	1999	1998
Consolidated statements of income			
Income taxes	**$ 641**	$ 320	$ 460
Consolidated statements of changes in shareholders' equity			
Foreign currency translation adjustment	**(179)**	146	(238)
Other	**-**	-	(7)
	$ 462	$ 466	$ 215

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

SOURCES OF FUTURE INCOME TAX BALANCES

$ millions, as at October 31	2000	1999	1998
Future income tax liabilities			
Lease receivables	**$ 816**	$ 605	$ 488
Buildings and equipment	**43**	129	124
Prepaid pension costs	**88**	98	86
Undistributed earnings of foreign subsidiaries	**320**	295	92
Securitization receivables	**5**	9	14
Unrealized foreign currency translation gains	**115**	89	143
Other	**63**	63	-
	1,450	1,288	947
Future income tax assets			
Allowance for credit losses	**757**	547	447
Unearned income	**72**	30	44
Investment revaluations	**262**	125	35
Tax loss carry forwards	**5**	11	26
Provisions	**228**	295	74
Deferred charges	**123**	132	89
Other	**1**	1	9
	1,448	1,141	724
Future income taxes	**$ 2**	$ 147	$ 223

15. Net income per common share

Net income per common share is determined as net income minus dividends on preferred shares, divided by the average number of common shares outstanding.

Fully diluted net income per common share reflects the potential dilutive effect of exercising the employee stock options outstanding and any other dilutive conversions.

16. Capital requirements

CIBC's 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).

Total regulatory capital is the sum of Tier 1 and Tier 2 capital less certain deductions. Tier 1 capital consists of common shares, retained earnings, non-cumulative preferred shares and non-controlling interests in subsidiaries, less any unamortized goodwill and identified intangible assets in excess of 5% of gross Tier 1 capital. Tier 2 capital consists of unamortized subordinated indebtedness and the general allowance for credit losses, to a maximum of 0.75% of risk-weighted assets. The concept of Tier 3 capital was created under the BIS standards in conjunction with the introduction of market risk capital requirements in January 1998. Specific qualifying guidelines with respect to Tier 3 capital have not been issued by OSFI.

OSFI requires that banks maintain minimum Tier 1 and total capital ratios of 4% and 8%, respectively. To be considered "well capitalized" by OSFI, the minimum requirements are 7% and 10%, respectively. OSFI also requires that banks not exceed a maximum leverage ratio (or asset to capital multiple) of 20 times, unless otherwise approved.

CIBC's capital ratios and leverage ratio are as follows:

CAPITAL AND LEVERAGE RATIOS

$ millions, as at October 31	**2000**	1999
Tier 1 capital	**$ 11,507**	$ 11,139
Total regulatory capital	**$ 16,054**	$ 15,435
Tier 1 capital ratio	**8.7%**	8.3%
Total capital ratio	**12.1%**	11.5%
Leverage ratio	**16.3x**	16.3x

17. Related party transactions

In the ordinary course of business, CIBC provides normal banking services to affiliated companies on terms similar to those offered to non-related parties.

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

AMOUNTS OUTSTANDING FROM DIRECTORS, OFFICERS AND EMPLOYEES

$ millions, as at October 31	**2000**	1999
Mortgage loans	**$ 475**	$ 505
Personal loans	**458**	450
	$ 933	$ 955

18. Fair value of financial instruments

The following tables present the fair value of on and off-balance sheet financial instruments of CIBC based on the valuation approach set out below.

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

Quoted market prices are not available for a significant portion of CIBC's financial instruments. Consequently, the fair values presented are estimates derived using present value or other valuation techniques and may not be indicative of the ultimate net realizable value.

The quoted market price of publicly traded equities held for investment does not take into account any adjustments for resale restrictions that are less than one year from the reporting date or adjustments for liquidity and future expenses.

Due to the judgment used in applying a wide range of acceptable valuation techniques and estimations in calculating fair value amounts, fair values are not necessarily comparable among financial institutions. The calculation of estimated fair values is based on market conditions at a specific point in time and may not be reflective of future fair values.

The fair values disclosed exclude the values of assets and liabilities that are not considered financial instruments, such as land, buildings and equipment. The value of intangible assets such as customer relationships and leases, which in management's opinion add significant value to CIBC, are also excluded from the following tables.

FAIR VALUE OF FINANCIAL INSTRUMENTS

$ millions, as at October 31	2000 Book value	2000 Fair value	2000 Fair value over book value	1999 Book value	1999 Fair value	1999 Fair value over book value
Assets						
Cash resources	**$ 10,679**	**$ 10,679**	**$ -**	$ 12,527	$ 12,527	$ -
Securities	**69,242**	**71,869**	**2,627**	59,492	63,112	3,620
Loans	**145,652**	**144,723**	**(929)**	136,350	134,884	(1,466)
Customers' liability under acceptances	**9,088**	**9,088**	**-**	9,296	9,296	-
Other	**4,457**	**4,457**	**-**	4,115	4,115	-
Liabilities						
Deposits	**$ 179,632**	**$ 179,728**	**$ 96**	$ 160,041	$ 160,082	$ 41
Acceptances	**9,088**	**9,088**	**-**	9,296	9,296	-
Obligations related to securities sold short	**13,992**	**13,992**	**-**	15,563	15,563	-
Obligations related to securities lent or sold under repurchase agreements	**14,199**	**14,199**	**-**	13,640	13,640	-
Other liabilities	**7,362**	**7,362**	**-**	7,517	7,517	-
Subordinated indebtedness	**4,418**	**4,642**	**224**	4,544	4,762	218
Derivative financial instruments						
Net assets/(liabilities) – held for trading	**$ (527)**	**$ (527)**	**$ -**	$ (648)	$ (648)	$ -
– held for asset-liability management	**$ 287**	**$ 728**	**$ 441**	$ 269	$ 364	$ 95

FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS(1)

$ millions, as at October 31	2000 Fair value Positive	2000 Fair value Negative	2000 Fair value Net	1999 Fair value Positive	1999 Fair value Negative	1999 Fair value Net
Held for trading purposes						
Interest rate products						
Forward rate agreements	**$ 12**	**$ 9**	**$ 3**	$ 51	$ 52	$ (1)
Swap contracts	**6,471**	**5,577**	**894**	9,493	8,675	818
Purchased options	**668**	**-**	**668**	996	-	996
Written options	**-**	**771**	**(771)**	-	1,281	(1,281)
Total interest rate products	**7,151**	**6,357**	**794**	10,540	10,008	532
Foreign exchange products						
Forward contracts	**1,643**	**2,142**	**(499)**	2,713	3,184	(471)
Swap contracts	**4,517**	**3,747**	**770**	5,005	3,720	1,285
Purchased options	**5,979**	**-**	**5,979**	295	-	295
Written options	**-**	**5,956**	**(5,956)**	-	285	(285)
Total foreign exchange products	**12,139**	**11,845**	**294**	8,013	7,189	824
Other	**4,557**	**6,172**	**(1,615)**	5,896	7,900	(2,004)
Total held for trading	**23,847**	**24,374**	**(527)**	24,449	25,097	(648)
Held for asset-liability management purposes						
Interest rate products						
Swap contracts	**713**	**543**	**170**	689	496	193
Purchased options	**22**	**-**	**22**	33	-	33
Written options	**-**	**-**	**-**	-	5	(5)
Total interest rate products	**735**	**543**	**192**	722	501	221
Foreign exchange products						
Forward contracts	**33**	**90**	**(57)**	94	31	63
Swap contracts	**259**	**145**	**114**	205	312	(107)
Total foreign exchange products	**292**	**235**	**57**	299	343	(44)
Other	**563**	**84**	**479**	236	49	187
Total held for asset-liability management	**1,590**	**862**	**728**	1,257	893	364
Total fair value	**25,437**	**25,236**	**201**	25,706	25,990	(284)
Less: impact of master netting agreements	**(17,109)**	**(17,109)**	**-**	(12,624)	(12,624)	-
	$ 8,328	**$ 8,127**	**$ 201**	$ 13,082	$ 13,366	$ (284)
Average fair value of derivatives held for trading(2)						
Interest rate products	**$ 9,103**	**$ 8,318**	**$ 785**	$ 13,510	$ 13,206	$ 304
Foreign exchange products	**9,404**	**9,358**	**46**	10,245	8,829	1,416
Other	**5,622**	**7,123**	**(1,501)**	6,158	7,633	(1,475)
	$ 24,129	**$ 24,799**	**$ (670)**	$ 29,913	$ 29,668	$ 245

(1) As at October 31, 2000 and 1999, deferred gains and losses associated with derivative instruments used to hedge anticipated asset-liability management transactions (including firm commitments) were not significant.
(2) Average fair values represent monthly averages.

Methods and assumptions – on-balance sheet financial instruments

Financial instruments valued at carrying value

Due to their short term maturity, the carrying values of certain on-balance sheet financial instruments are assumed to approximate their fair values. These include cash resources, customers' liability under acceptances, other assets, acceptances, obligations related to securities sold short, obligations related to securities lent or sold under repurchase agreements and other liabilities.

Securities

The estimated fair values of securities are detailed in Note 3 and are based on quoted market prices when available; otherwise, fair values are estimated using quoted market prices of similar securities.

Loans

The estimated fair values for performing variable rate loans that reprice frequently are assumed to be equal to their carrying values. The fair values of other loans are estimated using a discounted cash flow calculation that uses market interest rates currently charged for loans with similar terms and credit risks.

Deposit liabilities

The fair values of floating rate deposits are assumed to be equal to their carrying values. The estimated fair values of fixed rate deposits are determined by discounting the contractual cash flows, using market interest rates currently offered for deposits of similar terms.

Subordinated indebtedness

The fair values are determined by reference to current market prices for the same or similar debt instruments.

Methods and assumptions – off-balance sheet financial instruments

Derivative instruments

The fair values of derivatives are based on quoted market prices or dealer quotes when available. Otherwise, fair values are estimated on the basis of pricing models which incorporate current market and contractual prices of the underlying instruments, time value of money, yield curve and volatility factors.

Credit-related arrangements

Commitments to extend credit are primarily variable rate and do not expose CIBC to interest rate risk.

19. Financial instruments

As explained in Note 1, in the normal course of business, CIBC utilizes various derivative instruments which will limit or give rise to varying degrees and types of risk.

Derivative products used by CIBC

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

Interest rate products

Forward rate agreements are contracts that effectively fix a future interest rate. The agreement provides that at a predetermined future date, a cash settlement will be made between the parties based upon the difference between the contracted rate and a specified current market rate, and upon an agreed notional principal amount. No exchange of principal amount takes place.

Interest rate futures are standardized contractual obligations with a specified financial exchange whose value is based upon making or taking delivery of specified quantities of a financial instrument on specified future dates, at a price established on the exchange. These contracts differ from forward contracts in that they are in standard amounts with standard delivery dates and are transacted on an established exchange.

Interest rate swaps are financial transactions in which two counterparties exchange cash flows over a period of time based on rates applied to defined notional principal amounts.

Purchased interest rate options are contracts in which the right, but not the obligation, is acquired by the option purchaser from the option writer either to buy or sell, on a specified future date or within a specified time, a stipulated financial instrument at a stated price.

Written interest rate options are contracts in which the writer, for a fee, allows the purchaser the right, but not the obligation, to buy or sell on a specified future date or within a specified time a stipulated financial instrument at a stated price.

Foreign exchange products

Foreign exchange forward contracts are transactions in which an amount of one currency is purchased or sold for delivery in exchange for the delivery of another amount of a second currency, at a specified future date or range of dates.

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

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.

Other derivative products

CIBC also transacts equity, commodity (including precious metal), energy-related products and credit derivatives in both over-the-counter and fixed exchange markets.

Notional amounts

The following table presents the notional amounts of derivative instruments.

The notional amounts are not recorded as assets or liabilities on the consolidated balance sheets 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 represent the volume of outstanding transactions and do not represent the potential gain or loss associated with market risk or credit risk of such instruments. As at October 31, 2000, the notional amounts of derivatives held for trading purposes were $1,233 billion (1999: $1,576 billion), or 91% of total notional amounts (1999: 94%). The notional amounts of derivatives held for asset-liability management were $119 billion (1999: $94 billion), or 9% of total notional amounts (1999: 6%).

NOTIONAL AMOUNTS

	Residual term to contractual maturity					Analyzed by use			
$ millions, as at October 31	Under 3 months	3 to 12 months	1 year through 5 years	Over 5 years	**2000 Total notional amounts**	**Trading**	**2000 ALM (1)**	Trading	1999 ALM(1)
Interest rate products									
Over-the-counter									
Forward rate agreements	$ 19,759	$ 16,023	$ 694	$ -	**$ 36,476**	**$ 36,476**	**$ -**	$ 161,520	$ 294
Swap contracts	66,290	131,904	311,275	133,233	**642,702**	**555,454**	**87,248**	668,527	72,404
Purchased options	3,963	19,415	33,260	9,117	**65,755**	**58,843**	**6,912**	65,986	6,221
Written options	7,432	24,678	38,910	10,880	**81,900**	**81,900**	**-**	75,656	295
	97,444	192,020	384,139	153,230	**826,833**	**732,673**	**94,160**	971,689	79,214
Exchange traded									
Futures contracts	18,644	51,384	21,131	-	**91,159**	**89,134**	**2,025**	160,450	4,319
Purchased options	4,183	6,653	-	-	**10,836**	**10,836**	**-**	13,416	29
Written options	2,604	3,621	-	-	**6,225**	**6,225**	**-**	9,305	56
	25,431	61,658	21,131	-	**108,220**	**106,195**	**2,025**	183,171	4,404
Total interest rate products	122,875	253,678	405,270	153,230	**935,053**	**838,868**	**96,185**	1,154,860	83,618
Foreign exchange products									
Over-the-counter									
Forward contracts	81,474	30,498	14,112	89	**126,173**	**119,866**	**6,307**	197,700	7,368
Swap contracts	5,196	17,728	34,853	26,753	**84,530**	**75,273**	**9,257**	85,210	2,529
Purchased options	41,837	6,370	2,792	6	**51,005**	**51,005**	**-**	14,104	-
Written options	37,575	6,478	2,022	565	**46,640**	**46,640**	**-**	18,412	-
	166,082	61,074	53,779	27,413	**308,348**	**292,784**	**15,564**	315,426	9,897
Exchange traded									
Futures contracts	194	-	-	-	**194**	**194**	**-**	181	-
Purchased options	70	-	-	-	**70**	**70**	**-**	-	-
Written options	70	-	-	-	**70**	**70**	**-**	-	-
	334	-	-	-	**334**	**334**	**-**	181	-
Total foreign exchange products	166,416	61,074	53,779	27,413	**308,682**	**293,118**	**15,564**	315,607	9,897
Other(2)									
Over-the-counter	9,823	15,965	47,900	12,697	**86,385**	**79,129**	**7,256**	79,840	978
Exchange traded	20,883	732	185	-	**21,800**	**21,800**	**-**	25,586	54
Total other	30,706	16,697	48,085	12,697	**108,185**	**100,929**	**7,256**	105,426	1,032
	$ 319,997	$ 331,449	$ 507,134	$ 193,340	**$ 1,351,920**	**$ 1,232,915**	**$ 119,005**	$ 1,575,893	$ 94,547

(1) ALM: asset-liability management.
(2) Includes equity futures, swaps and options; precious metals and other commodity forwards, futures, swaps and options, and credit derivatives.

Risk

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, exchange rates, equity or commodity prices or indices change such that the previously contracted derivative transactions have become more or less favourable than what can be negotiated under current market conditions for contracts with 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.

The market risks arising through trading activities are managed in order to mitigate risk, where appropriate, and with a view to maximize trading revenues. To further manage risks, CIBC 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 CIBC is a party and the net market and credit risks to which CIBC is 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 CIBC would incur a loss in replacing the defaulted transaction. CIBC limits 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 master netting agreements, collateral and other credit mitigation techniques. Credit risk on exchange traded futures and options is limited as these transactions are standardized contracts executed on established exchanges that assume the obligations of counterparties and are subject to initial margins and daily settlement of variation margins. Written options have no credit risk as the counterparty has already performed in accordance with the terms of the contract through an upfront payment of the premium.

The following table summarizes the credit exposure of CIBC arising from derivative instruments. The current replacement cost is the estimated cost of replacement of 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 that the current replacement cost could increase over the remaining term of each transaction, based on a formula prescribed by OSFI. OSFI prescribes a standard measure of counterparty credit risk to be applied to the credit equivalent amount to arrive at the risk-weighted amount. This is presently used in determining the regulatory capital requirements for derivatives.

CIBC negotiates master netting agreements with counterparties with which it has 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 as well as to help contain the build up of credit exposure resulting from multiple deals with more active counterparties.

CREDIT RISK

	2000					1999				
	Current replacement cost			Credit equivalent amount	Risk-weighted amount	Current replacement cost			Credit equivalent amount	Risk-weighted amount
$ millions, as at October 31	Trading	ALM(1)	Total			Trading	ALM(1)	Total		
Interest rate products										
Forward rate agreements	$ 12	$ -	$ 12	$ 16	$ 4	$ 51	$ -	$ 51	$ 96	$ 20
Swap contracts	6,471	713	7,184	10,642	2,691	9,493	689	10,182	13,742	3,348
Purchased options	668	22	690	993	276	996	33	1,029	1,419	436
	7,151	735	7,886	11,651	2,971	10,540	722	11,262	15,257	3,804
Foreign exchange products										
Forward contracts	1,643	33	1,676	3,248	1,032	2,713	94	2,807	5,509	1,442
Swap contracts	4,517	259	4,776	8,754	2,622	5,005	205	5,210	9,359	2,368
Purchased options	5,979	-	5,979	6,601	3,163	295	-	295	529	172
	12,139	292	12,431	18,603	6,817	8,013	299	8,312	15,397	3,982
Other(2)	4,557	563	5,120	9,776	3,443	5,896	236	6,132	9,653	3,177
	23,847	1,590	25,437	40,030	13,231	24,449	1,257	25,706	40,307	10,963
Less: impact of master netting agreements	(17,109)	-	(17,109)	(22,559)	(7,648)	(12,624)	-	(12,624)	(18,260)	(4,714)
	$ 6,738	$ 1,590	$ 8,328	$ 17,471	$ 5,583	$ 11,825	$ 1,257	$ 13,082	$ 22,047	$ 6,249

(1) ALM: asset-liability management.

(2) Includes equity swaps and options; precious metals and other commodity forwards, swaps and options, and credit derivatives.

20. Credit-related arrangements

Credit-related arrangements are off-balance sheet instruments and are typically entered into to meet the financing needs of customers or to facilitate international trade. CIBC's 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 for credit-related arrangements represent the maximum amount of additional credit that CIBC could be obligated to extend. The contract amounts also represent the credit risk amounts should the contracts be fully drawn down, 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 credit risk.

	Contract amounts	
$ millions, as at October 31	**2000**	1999
Lines of credit(1)	**$ 112,177**	$ 133,432
Direct credit substitutes:		
Financial guarantees	**9,003**	12,916
Securities lent	**17,368**	14,586
Transaction-related contingencies	**1,974**	1,946
Documentary letters of credit	**260**	324
Other(2)	**293**	364
	$ 141,075	$ 163,568

(1) Includes irrevocable lines of credit totaling $90,790 million (1999: $99,711 million) of which $65,813 million (1999: $66,191 million) will expire in one year or less, and excludes lines of credit for credit cards as the lines are short-term in nature and are revocable at CIBC's discretion.
(2) Includes forward asset purchases.

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

Direct credit substitutes include guarantees or equivalent instruments, such as standby letters of credit which back financial obligations of the customer. Also included as direct credit substitutes are securities lent against collateral. The credit risk associated with direct credit substitutes is essentially the same as that involved in extending loan commitments to customers. The amount of collateral obtained, if deemed necessary by CIBC, is based on management's credit evaluation of the borrower and may include a charge over present and future assets of the borrower.

Transaction-related contingencies are guarantees which back particular performance obligations rather than customers' financial obligations. Examples of transaction-related contingencies are performance bonds, warranties and indemnities.

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

21. Concentration of credit risk

Concentrations of credit exposure may arise with a group of counterparties which have similar economic characteristics or that 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 foreign and domestic credit exposure associated with CIBC's on-balance sheet financial instruments is summarized in the table "Geographic Distribution of Major Assets" in Note 22.

The amounts of credit exposure associated with CIBC's off-balance sheet financial instruments are summarized in the table below.

CREDIT EXPOSURE

$ millions, as at October 31	**Canada**	**United States**	**Other countries**	**2000 Total**	Canada	United States	Other countries	1999 Total
Credit-related arrangements(1)								
Lines of credit	**$ 50,459**	**$ 54,121**	**$ 7,597**	**$ 112,177**	$ 66,467	$ 60,613	$ 6,352	$ 133,432
Other credit-related arrangements	**20,371**	**5,711**	**2,816**	**28,898**	17,768	8,937	3,431	30,136
	$ 70,830	**$ 59,832**	**$ 10,413**	**$ 141,075**	$ 84,235	$ 69,550	$ 9,783	$ 163,568
Derivative instruments(2)								
By counterparty type								
Financial institutions	**$ 2,375**	**$ 7,125**	**$ 9,902**	**$ 19,402**	$ 2,306	$ 6,952	$ 11,871	$ 21,129
Governments	**1,223**	**21**	**9**	**1,253**	909	18	54	981
Other	**1,835**	**2,198**	**749**	**4,782**	1,241	1,477	878	3,596
	5,433	**9,344**	**10,660**	**25,437**	4,456	8,447	12,803	25,706
Less: impact of master netting agreements	**(2,880)**	**(6,924)**	**(7,305)**	**(17,109)**	(1,553)	(4,863)	(6,208)	(12,624)
Total derivative instruments	**$ 2,553**	**$ 2,420**	**$ 3,355**	**$ 8,328**	$ 2,903	$ 3,584	$ 6,595	$ 13,082

(1) Credit-related arrangements are allocated based on the location in which they are recorded.
(2) Derivative instruments are allocated based on the location of ultimate risk.

22. Segmented information

CIBC's 2000 financial reporting is based on four business lines – Electronic Commerce, Technology and Operations (Electronic Commerce); Retail and Small Business Banking; Wealth Management; and CIBC World Markets. These business lines are supported by four functional groups – Treasury and Balance Sheet Management (TBM); Risk Management; Administration; and Corporate Development. Comparative figures, previously reported based on two strategic business units – Personal and Commercial Bank and CIBC World Markets – have been restated to reflect the new management reporting structure.

The four business lines differ in terms of products and services offered, as well as the geographic location of customers.

Electronic Commerce combines business services and technology under one leadership to maximize CIBC's technology strengths. Electronic Commerce includes operations and technology functions and the following business activities: cards, mortgages, insurance, Amicus, cibc.com, payments and direct to consumer banking.

Retail and Small Business Banking comprises a full-service banking operation providing lending, deposit and investment products and other banking services through an extensive network of CIBC branches in Canada and the West Indies, as well as through electronic channels.

Wealth Management delivers an array of investment products and services through a sales force of financial professionals, including: full-service brokerage (reported under CIBC World Markets in 1999), discount brokerage, a full range of proprietary and non-proprietary mutual funds, GICs, global private banking and trust, investment management services, and a wide array of banking and credit services.

CIBC World Markets provides clients with a full range of investment banking products throughout North America, with strong capabilities in selected products in Europe and Asia. CIBC World Markets includes commercial banking activities (reported under Personal and Commercial Bank in 1999).

CIBC SEGMENTED INCOME STATEMENT

$ millions, for the years ended October 31		Electronic Commerce	Retail & Small Business Banking	Wealth Management	CIBC World Markets	Corporate and Other(1)	CIBC Total
2000	Net interest income (TEB)(2)	**$ 2,253**	**$ 1,053**	**$ 576**	**$ 407**	**$ 124**	**$ 4,413**
	Non-interest income	**1,312**	**243**	**1,837**	**4,138**	**267**	**7,797**
	Intersegment revenue(3)	**(1,849)**	**1,294**	**351**	**204**	**-**	**-**
	Total revenue (TEB)(2)	**1,716**	**2,590**	**2,764**	**4,749**	**391**	**12,210**
	Non-interest expenses	**1,155**	**1,809**	**2,080**	**2,906**	**177**	**8,127**
	Restructuring charge	**(28)**	**10**	**(11)**	**-**	**(2)**	**(31)**
	Provision for credit losses	**169**	**514**	**1**	**286**	**250(5)**	**1,220**
	Income (loss) before taxes and non-controlling interests	**420**	**257**	**694**	**1,557**	**(34)**	**2,894**
	Income taxes	**84**	**26**	**233**	**410**	**19**	**772**
	Non-controlling interests	**13**	**26**	**-**	**24**	**(1)**	**62**
	Net income (loss)	**$ 323**	**$ 205**	**$ 461**	**$ 1,123**	**$ (52)**	**$ 2,060**
	Average assets(4)	**$ 77,410**	**$ 48,201**	**$ 19,307**	**$ 117,900**	**$ 301**	**$ 263,119**
1999	Net interest income (TEB)(2)	$ 2,178	$ 975	$ 630	$ 811	$ (57)	$ 4,537
	Non-interest income	1,365	173	1,245	2,843	102	5,728
	Intersegment revenue(3)	(1,895)	1,350	331	213	1	-
	Total revenue (TEB)(2)	1,648	2,498	2,206	3,867	46	10,265
	Non-interest expenses	1,149	1,753	1,925	2,608	137	7,572
	Restructuring charge	77	68	53	182	46	426
	Provision for credit losses	103	238	14	245	150(5)	750
	Income (loss) before taxes and non-controlling interests	319	439	214	832	(287)	1,517
	Income taxes	117	126	38	279	(111)	449
	Non-controlling interests	3	22	-	13	1	39
	Net income (loss)	$ 199	$ 291	$ 176	$ 540	$ (177)	$ 1,029
	Average assets(4)	$ 67,770	$ 44,024	$ 17,647	$ 141,631	$ 772	$ 271,844
1998	Net interest income (TEB)(2)	$ 2,140	$ 997	$ 556	$ 740	$ 5	$ 4,438
	Non-interest income	1,096	224	1,257	2,100	127	4,804
	Intersegment revenue(3)	(1,750)	1,248	335	166	1	-
	Total revenue (TEB)(2)	1,486	2,469	2,148	3,006	133	9,242
	Non-interest expenses	832	1,660	1,760	2,700	94	7,046
	Restructuring charge	-	-	-	79	-	79
	Provision for credit losses	119	186	-	(25)	200(5)	480
	Income (loss) before taxes and non-controlling interests	535	623	388	252	(161)	1,637
	Income taxes	202	225	125	63	(54)	561
	Non-controlling interests	-	27	-	(6)	(1)	20
	Net income (loss)	$ 333	$ 371	$ 263	$ 195	$ (106)	$ 1,056
	Average assets(4)	$ 66,604	$ 42,414	$ 16,156	$ 149,554	$ 4,095	$ 278,823

(1) Corporate and Other comprises the four functional groups – TBM; Risk Management; Administration; and Corporate Development – that support CIBC's business lines, as well as CIBC Mellon's custody business and other revenue and expense items not directly attributable to the four business lines. TBM revenues, expenses, capital and balance sheet items are allocated to the four business lines through a combination of funds transfer pricing and capital and expense allocation models. TBM is responsible for overall capital and balance sheet management. As well, TBM's integrated Treasury Division provides all funding and financing activities, liquidity, cash and collateral management. The expenses of the Administration and Risk Management groups are also generally allocated to the business lines.
(2) Taxable equivalent basis (TEB) is defined on page 101. This is the measure reviewed by CIBC's management.
(3) Intersegment revenue represents internal sales commissions, service fee and revenue allocations under the Manufacturer/Customer Segment/Distributor Management Model.
(4) Assets are disclosed on an average basis as this measure is most relevant to a financial institution and is the measure reviewed by CIBC's management.
(5) Represents an increase in the general allowance for credit losses.

Results for CIBC's operating segments are based on CIBC's internal financial reporting systems which are maintained on a taxable equivalent basis and adjusted to be consistent with systems utilized in the preparation of CIBC's consolidated financial statements. The assets and liabilities of the segments are transfer priced, using a funding methodology which best reflects their nature and term, at wholesale market rates. Non-interest expenses are matched against the revenue to which they relate. Indirect expenses are allocated to the segments based on appropriate criteria.

CIBC introduced a new model, the Manufacturer/Customer Segment/Distributor Management Model, in 2000 to measure and report the results of operations of the four business lines. Under this model, internal payments for sales commissions and distribution service fees are made among business lines. As well, revenue and expenses relating to certain activities (such as the payments business described under Electronic Commerce) are fully allocated to the business lines. In addition, the revenue and expenses of the four functional groups are generally allocated to the four business lines. Management uses this model to better understand the economics of CIBC's customer segments, products and delivery channels.

The model utilizes certain estimates and allocation methodologies in the preparation of segmented financial information. These estimates and methodologies may be refined from time to time and restatement of various periods may occur.

Revenue

Revenue for each of the business lines is summarized as follows:

CIBC REVENUE BY BUSINESS LINE(1) (TEB)

$ millions, for the years ended October 31	2000	1999	1998
Electronic Commerce			
Mortgages(2)	**$ 334**	$ 340	$ 399
Cards(2)	**912**	778	691
Insurance	**245**	233	226
Other	**225**	297	170
	1,716	1,648	1,486
Retail and Small Business Banking			
Retail banking	**886**	822	834
Small business banking	**780**	678	677
West Indies	**268**	263	253
Lending products	**624**	650	607
Other	**32**	85	98
	2,590	2,498	2,469
Wealth Management			
Imperial Service	**619**	588	583
Private client investment and asset management	**1,430**	1,078	989
Global private banking and trust	**153**	113	121
Wealth products	**513**	344	381
Other	**49**	83	74
	2,764	2,206	2,148
CIBC World Markets			
Capital markets	**1,516**	1,006	816
Investment banking and credit products	**1,707**	1,906	1,591
Merchant banking	**1,021**	462	34
Commercial banking	**475**	468	596
Other	**30**	25	(31)
	4,749	3,867	3,006
Corporate and Other	**391**	46	133
Total(3)	**$ 12,210**	$ 10,265	$ 9,242

(1) Revenue includes the impact of internal sales commissions, service fee and revenue allocations under the Manufacturer/Customer Segment/Distributor Management Model.
(2) Mortgages and Cards revenue is net of sales commissions and service fees paid to other business lines under the Manufacturer/Customer Segment/Distributor Management Model. These sales commissions and service fees amounted to $106 million (1999: $94 million; 1998: $88 million) for Mortgages and $46 million (1999: $37 million; 1998: $37 million) for Cards.
(3) A TEB adjustment of $131 million (1999: $129 million; 1998: $101 million) must be deducted from this table to reconcile combined segment revenue to reported revenue of $12,079 million (1999: $10,136 million; 1998: $9,141 million) in the consolidated statements of income.

Electronic Commerce

Mortgages include both residential and commercial mortgages. Revenue is earned from net interest spreads and fees.

Cards comprise a portfolio of credit and debit cards as well as a merchant business. Revenue is earned from net interest spreads and service fees from retail customers and merchants.

Insurance provides creditor and property and casualty insurance products. Revenue comprises earned premiums less claims plus investment income. Insurance also earns commissions from its distribution of creditor and life products.

Other includes Amicus, electronic and self-service banking, the allocation of a portion of treasury revenue and INTRIA third-party technology services.

Retail and Small Business Banking

Retail banking is the individual customer segment (customers other than those in Imperial Service). Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses.

Small business banking is the customer segment supporting small owner-operated businesses, including owners' personal holdings. Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses.

West Indies is a full-service banking operation servicing all customer segments through a branch network and electronic delivery channels. Revenue is earned on net interest spreads and sales and service fees.

Lending products comprise personal (including student loans), small business and agricultural lending portfolios. Revenue is earned on net interest spreads and service fees; part of this revenue is paid to the customer segments.

Other consists primarily of the allocation of a portion of treasury revenue.

Wealth Management

Imperial Service is the customer segment offering financial advice to CIBC's high-value clients. Specially trained financial advisers support the financial planning and product fulfillment needs of these clients. Revenue is earned from sales and service fees paid by CIBC's product groups, primarily the investments, deposits and lending products businesses.

Private client investment and asset management generates fees and commissions from full-service retail brokerage providing equity and debt investments, mutual fund products, asset management services and advisory and financial planning services to individuals in Canada and the United States.

Global private banking and trust provides a comprehensive range of global solutions, including investment management, trusts, private banking and global custody to meet the financial management needs of individuals, families and corporations with significant financial resources. Revenue is earned from net interest spreads, fees and commissions.

Wealth products includes mutual funds, investment management services, online and discount brokerage services and GICs. These investment products are developed and distributed to retail and small business banking and Imperial Service customers. Revenue is earned from net interest spreads, fees and commissions.

Other consists primarily of the allocation of a portion of treasury revenue.

CIBC World Markets

Capital markets operates trading, sales and research businesses serving institutional, corporate and government clients across North America and around the world. Revenue is generated from fees, commissions, spread-based income and from taking proprietary positions within prescribed risk parameters.

Investment banking and credit products provides advisory services and underwriting of debt, credit and equity for corporate and government clients across North America and around the world. Revenue is earned from net interest spreads on corporate loans and fees on loan syndications.

Merchant banking makes investments to create, grow and recapitalize companies across a variety of industries. Revenue is generated from fees, interest and dividends earned on investments and from gains or losses associated with these investments.

Commercial banking originates financial solutions centred around credit products for medium-sized businesses in Canada. Revenue is generated from interest, fees and service charges.

Other includes the allocation of a portion of treasury revenue; CEF Capital, an affiliated Asian merchant bank holding company; and other revenue not directly attributed to the main businesses listed above.

Geographic distribution

CIBC earns revenue and incurs expenses from domestic and foreign activities, and has domestic and foreign assets from which income is earned. Assets are allocated based on the location of ultimate risk, while net income and related income taxes are allocated based on the geographic location in which income is recorded. The geographic distribution of net income and major assets are set out in the following table.

GEOGRAPHIC DISTRIBUTION OF NET INCOME

$ millions, for the years ended October 31		Canada	United States	West Indies	Other countries	Total
2000	Net interest income	**$ 2,957**	**$ 119**	**$ 772**	**$ 434**	**$ 4,282**
	Non-interest income	**4,032**	**2,827**	**867**	**71**	**7,797**
	Total revenue	**6,989**	**2,946**	**1,639**	**505**	**12,079**
	Non-interest expenses	**4,918**	**2,632**	**185**	**361**	**8,096**
	Provision for credit losses	**1,034**	**166**	**21**	**(1)**	**1,220**
	Income before taxes and non-controlling interests	**1,037**	**148**	**1,433**	**145**	**2,763**
	Income taxes	**428**	**22**	**220**	**(29)**	**641**
	Non-controlling interests	**12**	**24**	**26**	**-**	**62**
	Net income	**$ 597**	**$ 102**	**$ 1,187**	**$ 174**	**$ 2,060**
1999	Net interest income	$ 3,235	$ 294	$ 514	$ 365	$ 4,408
	Non-interest income	2,607	2,318	704	99	5,728
	Total revenue	5,842	2,612	1,218	464	10,136
	Non-interest expenses	5,095	2,244	186	473	7,998
	Provision for credit losses	644	96	15	(5)	750
	Income (loss) before taxes and non-controlling interests	103	272	1,017	(4)	1,388
	Income taxes	29	91	251	(51)	320
	Non-controlling interests	3	13	23	-	39
	Net income	$ 71	$ 168	$ 743	$ 47	$ 1,029
1998	Net interest income	$ 3,224	$ 334	$ 436	$ 343	$ 4,337
	Non-interest income	3,109	1,677	109	(91)	4,804
	Total revenue	6,333	2,011	545	252	9,141
	Non-interest expenses	4,501	2,073	156	395	7,125
	Provision for credit losses	402	20	16	42	480
	Income (loss) before taxes and non-controlling interests	1,430	(82)	373	(185)	1,536
	Income taxes	601	(51)	11	(101)	460
	Non-controlling interests	4	(7)	23	-	20
	Net income (loss)	$ 825	$ (24)	$ 339	$ (84)	$ 1,056

GEOGRAPHIC DISTRIBUTION OF MAJOR ASSETS (1)

$ millions, as at September 30 and October 31		**2000**	1999	1998
Canada		**$ 157,493**	$ 144,807	$ 152,737
United States		**66,079**	64,848	87,560
Europe	United Kingdom	**6,862**	6,714	10,349
	France	**3,731**	4,334	4,336
	Germany	**6,469**	6,399	6,921
	Other European countries	**9,173**	11,042	11,628
		26,235	28,489	33,234
Latin America		**510**	556	918
West Indies		**4,776**	4,663	4,306
Asia and Pacific	Japan	**2,072**	3,818	5,403
	Hong Kong	**1,172**	1,625	2,412
	Australia	**439**	509	790
	Other Asian and Pacific countries	**1,348**	2,155	3,222
		5,031	8,107	11,827
Middle East and Africa		**1,041**	735	771
General allowance for credit losses (2)		**(1,250)**	(1,000)	(850)
Major assets(1)		**259,915**	251,205	290,503
Other assets		**8,975**	7,386	11,182
Total assets as at September 30 (3)		**$ 268,890**	$ 258,591	$ 301,685
Net change in October		**(1,188)**	(8,260)	(20,255)
Total assets as at October 31		**$ 267,702**	$ 250,331	$ 281,430
Canadian currency (2)		**$ 161,393**	$ 146,500	$ 146,944
Foreign currencies		**$ 106,309**	$ 103,831	$ 134,486

(1) Major assets consist of cash, loans, securities, deposits with banks, customers' liability under acceptances and derivative instruments market valuation, after deduction of allowances for credit losses.
(2) For purposes of presentation, the general allowance for credit losses has been entirely applied to Canadian dollar based lending.
(3) The information presented here is compiled for regulatory purposes and reported on a calendar quarter basis.

23. Commitments and contingent liabilities

Long-term commitments for leases

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

In April 2000, CIBC sold seven wholly-owned office properties. The sale represents 3.9 million square feet of leaseable space in office buildings located in Vancouver, Edmonton, Hamilton, Montreal, Oshawa and Toronto. Under the terms of the sale, CIBC will lease back much of the space occupied prior to the sale.

Prior to October 31, 2000, CIBC decided to consolidate its leased premises in New York, and made the decision to enter into a lease agreement for a new office building. As a result, CIBC will no longer utilize existing office premises which it currently leases. At October 31, 2000, CIBC recorded an expense of $50 million in respect of estimated future net costs related to the existing leased properties that will no longer be used. Lease commitments under the existing property leases are included in the table below.

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

LEASE COMMITMENTS(1)(2)

$ millions

2001	$ 336
2002	328
2003	302
2004	265
2005	214
2006 and thereafter	1,110

(1) Total rental expense in respect of buildings and equipment charged to the consolidated statements of income was $428 million (1999: $394 million; 1998: $374 million).
(2) Future minimum lease commitments under sale-leaseback amount to $54 million in 2001, $53 million in 2002, $51 million in 2003, $49 million in 2004, $49 million in 2005 and $269 million in 2006 and thereafter.

Other commitments and contingent liabilities

In the ordinary course of business, securities and other assets are pledged against liabilities or used to facilitate certain activities. The table presents the details of notional amounts pledged.

PLEDGED ASSETS

$ millions, as at October 31	**2000**	1999(1)
Bank of Canada(2)	**$ -**	$ 45
Foreign governments and central banks(2)	**2,349**	1,980
Clearing systems, payment systems and depositories(2)	**372**	379
Margins for exchange traded futures and options, and collateralized derivative transactions	**2,276**	2,117
Collateral related to securities borrowed, securities sold short and securities lent or sold under repurchase agreements	**32,977**	32,475
	$ 37,974	$ 36,996

(1) Certain comparative figures have been restated to conform with the presentation used in 2000.
(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.

CIBC is subject to recourse for potential losses in connection with asset securitizations. As at October 31, 2000, the recourse against CIBC under securitization transactions totaled $308 million (1999: $288 million; 1998: $320 million) and is deducted from regulatory capital.

Various actions and legal proceedings arising in the normal course of business are pending against CIBC and its subsidiaries. Management considers the aggregate exposure, if any, of these actions and proceedings to be insignificant.

Oppenheimer obligations

In connection with the acquisition of CIBC World Markets Holdings Inc. (formerly Oppenheimer Holdings Inc.) in 1998, CIBC deposited US$175 million into a Compensation Trust Fund which was intended to compensate selected Oppenheimer personnel as the business was integrated into CIBC World Markets Corp. (formerly CIBC Oppenheimer Corp.). Of this amount, $154 million (US$100 million), plus interest, was paid on November 3, 1998, and $114 million (US$75 million), plus interest, was paid in November 2000. An original condition for the retention bonus was that eligible personnel remain in the employment of CIBC for three years, to October 31, 2000. However, certain employees otherwise eligible were terminated prior to October 31, 2000, as part of the restructuring plan announced in 1999. It was determined that these employees would be paid their full retention bonus as part of their termination package. In 2000, $20 million (US$13 million) was expensed (1999: $54 million (US$37 million); 1998: $184 million (US$125 million)).

24. Reconciliation of Canadian and United States generally accepted accounting principles

The consolidated financial statements of CIBC are prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP), including the accounting requirements of OSFI. These principles conform, in all material respects, with generally accepted accounting principles in the United States (U.S. GAAP), except as described below.

Reconciliation of consolidated net income

The application of U.S. GAAP would have the following effects on consolidated net income and earnings per share (EPS) as reported:

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

$ millions, except per share data, for the years ended October 31	**2000**	1999	1998
Net income as reported	**$ 2,060**	$ 1,029	$ 1,056
Non-interest income			
- trading activities	**35**	23	-
Non-interest expenses			
- employee compensation and benefits	**(67)**	(72)	(90)
- restructuring charge	**(216)**	216	-
- stock-based compensation	**(28)**	-	-
- lease termination costs	**50**	-	-
Net change in income taxes due to the above items	**97**	(72)	39
	(129)	95	(51)
Net income based on U.S. GAAP	**1,931**	1,124	1,005
Less: Preferred dividends	**(128)**	(112)	(116)
Net income available to common shareholders based on U.S. GAAP	**$ 1,803**	$ 1,012	$ 889
Weighted-average basic shares outstanding (in thousands)	**388,951**	409,789	415,030
Add: Options (1)	**1,279**	779	3,114
Weighted-average diluted shares outstanding	**390,230**	410,568	418,144
Basic EPS	**$ 4.64**	$ 2.47	$ 2.14
Diluted EPS	**$ 4.62**	$ 2.46	$ 2.13

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

Non-interest income

Trading activities

For Canadian reporting, CIBC records certain valuation adjustments to trading securities to reflect resale restrictions that expire within one year or adjustments for liquidity. Under U.S. GAAP, Statement of Financial Accounting Standards (SFAS) 115, "Accounting for Certain Investments in Debt and Equity Securities", these valuation adjustments are not permitted.

CIBC's U.S. GAAP net income was increased by $35 million (1999: $23 million; 1998: nil) pre-tax as a result of this difference.

Non-interest expenses

Employee compensation and benefits

SFAS 87, "Employers' Accounting for Pensions", requires that the projected pension benefit obligation be calculated using a current market discount rate. As at October 31, 2000, the rate was 6.75% (1999: 7.0%; 1998: 6.25%). Under Canadian GAAP, a rate of 7.5% (1999: 7.5%; 1998: 7.5%), based on long-term best estimate actuarial assumptions, was used to calculate the obligation.

SFAS 106, "Employers' Accounting for Post-Retirement Benefits Other Than Pensions", requires that the expected costs of employees' post-retirement benefits be expensed during the years that the employees render services, whereas, under Canadian GAAP, these costs are expensed as paid, as described in Note 13.

CIBC's U.S. GAAP net income was decreased by $67 million pre-tax (1999: $72 million; 1998: $90 million) as a result of this difference.

Restructuring charge

Under Canadian GAAP, a liability for termination benefits pursuant to a restructuring is recognized in the period management approves the plan of termination if all of the following conditions exist:

- prior to the financial statement date, management, having the authority level, commits the entity to the staff reduction plan;
- the plan specifically identifies all significant actions to be taken to complete the plan and the expected date of completion; and
- the period of time to complete the termination plans indicates that significant changes are not likely.

CIBC met these conditions in 1999 for the $426 million restructuring charge.

In addition to these conditions, FASB EITF Issue 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)", requires that prior to the date of the financial statements, the termination benefit arrangement must be communicated to employees. This U.S. GAAP condition was not met for $216 million of CIBC's 1999 restructuring charge until 2000.

CIBC's U.S. GAAP net income in 2000 was decreased by $216 million pre-tax (1999: $216 million increase; 1998: nil) as a result of this difference in the timing of the recognition of the restructuring charge under Canadian and U.S. GAAP.

Stock-based compensation

As explained in Note 12, certain vested employee stock options can be exercised as Stock Appreciation Rights (SARs). For Canadian reporting, CIBC charges the cash payment to retained earnings when the SAR is exercised. Under U.S. GAAP, Accounting Principles Board Opinion (APB) No. 25, "Accounting for Stock Issued to Employees", requires that the estimated cost of future cash payments be accrued over the vesting period of the options. The estimated cost is determined as the excess of the stocks' quoted market price over the option strike price. FASB Interpretation

No. 28, "Accounting for Stock Appreciation Rights and other Variable Stock Option or Award Plans", permits the accrual to be based on an estimate of the proportion of stock options expected to be exercised for cash based on past experience.

CIBC's U.S. GAAP net income was reduced by $28 million pre-tax (1999: nil; 1998: nil) and retained earnings was increased by $8 million (1999: nil; 1998: nil) as a result of this difference.

Lease Termination Costs

Prior to October 31, 2000, CIBC made the decision to consolidate its leased premises in New York and move out of existing premises within three years. Under Canadian GAAP, all future net costs related to pre-existing leases are recognized as an expense in the period when the decision is made to stop using the pre-existing leased property. Under FASB EITF Issue 88-10, "Costs Associated with Lease Modification or Termination", and FASB EITF Issue 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)", future net costs related to pre-existing leased property that will no longer be used cannot be recognized as an expense until a confirming event occurs, in this case, the signing of a sub-lease.

CIBC's U.S. GAAP net income was increased by $50 million pre-tax as a result of this difference.

Earnings per share

Under Canadian GAAP, fully diluted EPS is calculated by adjusting net income available to common shareholders for imputed earnings on funds which would have been received on the exercise of options. SFAS 128, "Earnings per Share", requires the use of the treasury stock method, whereby diluted earnings per share are calculated as if options were exercised at the beginning of the year and funds received were used to purchase the corporation's own stock. Under U.S. GAAP, 1,279 thousand (1999: 779 thousand; 1998: 3,114 thousand) shares were added to the weighted-average basic shares outstanding to calculate fully diluted earnings per share.

Pro-forma disclosures

CIBC applied the intrinsic-value based method of accounting for stock-based compensation in determining U.S. GAAP net income. SFAS 123, "Stock-Based Compensation", requires pro-forma disclosure of net income and earnings per share as if the fair-value based method had been applied. The weighted-average grant-date fair value of options granted in 2000 has been estimated at $12.29 (1999: $13.19; 1998: $13.90), using the Black-Scholes model for pricing options.

The pricing model assumes weighted-average risk-free interest rates of 7% (1999: 6%; 1998: 5%), weighted-average expected dividend yields of 3.19% annually (1999: 3.10%; 1998: 2.95%), weighted-average expected common stock price volatility of 25% (1999: 28%; 1998: 30%) and a weighted-average expected life of ten years.

The fair-value based method requires that the compensation cost related to SARs be measured as the intrinsic value of the SARs at the exercise date. Consequently, under the fair-value based method, compensation cost on SARs is measured on a straight-line basis over the vesting period based on the excess of quoted market price over strike price, assuming that all options eligible for SARs are exercised as SARs.

Had the fair-value based method been used for awards granted subsequent to 1995, U.S. GAAP net income in 2000 would have been reduced by $52 million (1999: $13 million; 1998: $14 million), and basic and fully diluted earnings per share reduced by $0.13 (1999: $0.03; 1998: $0.03).

Comprehensive income

SFAS 130, "Reporting Comprehensive Income", requires that a statement of comprehensive income be displayed with the same prominence as other financial statements. Comprehensive income, which incorporates net income, includes all changes in equity during a period except those resulting from investments by, and distributions to, owners. This consists primarily of the net change in unrealized gains and losses in investment securities, net of tax. There is no requirement to disclose comprehensive income under Canadian GAAP.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

$ millions, for the years ended October 31	**2000**	1999	1998
Net income based on U.S. GAAP	**$ 1,931**	$ 1,124	$ 1,005
Other comprehensive income, net of tax			
Change in foreign currency translation adjustments (1)	**8**	(4)	1
Change in net unrealized (losses)/gains on securities available for sale (2)(3)	**(637)**	1,152	813
Change in net unrealized gains on hedges of securities available for sale (4)	**51**	-	-
Total other comprehensive income	**(578)**	1,148	814
Comprehensive income	**$ 1,353**	$ 2,272	$ 1,819

(1) Net of income tax benefit/(expense) of $179 million (1999: $(146) million; 1998: $238 million).
(2) Net of income tax benefit/(expense) of $414 million (1999: $(458) million; 1998: $(619) million).
(3) Net of reclassification adjustments for realized gains included in net income of $1,063 million (1999: $232 million; 1998: $88 million).
(4) Net of income tax (expense)/benefit of $(38) million (1999: nil; 1998: nil).

ACCUMULATED OTHER COMPREHENSIVE INCOME

$ millions, as at or for the years ended October 31	**2000**	1999	1998
Balance at beginning of year	**$ 2,271**	$ 1,123	$ 309
Changes during the year:			
Foreign currency translation adjustments	**8**	(4)	1
Net unrealized (losses)/gains on securities available for sale	**(637)**	1,152	813
Net unrealized gains on hedges of securities available for sale	**51**	-	-
Balance at end of year	**$ 1,693**	$ 2,271	$ 1,123

Consolidated balance sheets

The application of U.S. GAAP would have a significant effect on the following consolidated balance sheet items as reported:

CONSOLIDATED BALANCE SHEETS

$ millions, as at October 31	**2000**	1999
Securities		
Canadian GAAP	**$ 69,242**	$ 59,492
Adjustments in respect of:		
Securities held for trading	**58**	23
Securities held for investment	**(15,864)**	(13,277)
Securities held to maturity	**4,709**	4,748
Securities available for sale	**13,695**	12,120
U.S. GAAP	**$ 71,840**	$ 63,106
Prepaid pension costs		
Canadian GAAP	**$ 252**	$ 267
Adjustment for application of current market discount rate	**(127)**	(100)
U.S. GAAP	**$ 125**	$ 167
Other assets		
Canadian GAAP	**$ 7,686**	$ 6,004
Adjustment in respect of hedge of securities available for sale	**89**	-
U.S. GAAP	**$ 7,775**	$ 6,004
Post-retirement benefit liability		
Canadian GAAP	**$ -**	$ -
Adjustment in respect of post-retirement benefit plans other than pensions	**170**	130
U.S. GAAP	**$ 170**	$ 130
Other liabilities		
Canadian GAAP	**$ 72,283**	$ 74,688
Adjustments in respect of:		
Restructuring	**-**	(216)
Lease termination costs	**(50)**	-
Stock-based compensation	**20**	-
Net change in income taxes due to U.S. GAAP adjustments	**847**	1,320
U.S. GAAP	**$ 73,100**	$ 75,792
Retained earnings		
Canadian GAAP	**$ 6,625**	$ 6,090
Current year adjustments to consolidated net income	**(129)**	95
Cumulative effect of prior year adjustments to consolidated net income	**9**	(90)
Foreign currency translation adjustments	**(8)**	4
Stock-based compensation	**8**	-
U.S. GAAP	**$ 6,505**	$ 6,099

Securities

As explained on page 88, CIBC records certain valuation adjustments to the value of trading securities for Canadian reporting purposes, which are not permitted under U.S. GAAP.

CIBC's securities held for trading were increased by $58 million (1999: $23 million) on the U.S. GAAP consolidated balance sheets as a result of this difference.

Under Canadian GAAP, securities classified as held for investment are carried at either cost or amortized cost. Under SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities", these securities are 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 securities held for investment, while securities available for sale are reported at estimated fair value with unrealized gains and losses excluded from earnings and reported as a separate component of shareholders' equity.

SFAS 115 also requires the additional disclosures outlined below:

SECURITIES AVAILABLE FOR SALE

$ millions, for the years ended October 31	**2000**	1999	1998
Proceeds from sales	**$ 6,216**	$ 6,273	$ 12,951
Gross realized gains	**$ 1,137**	$ 818	$ 160
Gross realized losses	**$ 26**	$ 3	$ 25

Prepaid pension costs

As explained on page 88, SFAS 87 requires that the projected pension benefit obligation be calculated using a current market discount rate, whereas for Canadian reporting, CIBC used a rate based on long-term best estimated actuarial assumptions.

CIBC's prepaid pension costs were reduced by $127 million (1999: $100 million) on the U.S. GAAP consolidated balance sheets as a result of this difference.

Other assets

Under SFAS 115, derivatives used to hedge securities available for sale receive consistent treatment with the underlying securities.

As a result, CIBC's other assets increased $89 million (1999: nil) on the U.S. GAAP consolidated balance sheets and other comprehensive income (OCI) increased $51 million (1999: nil; 1998: nil).

Post-retirement benefit liabilities

As explained on page 88, SFAS 106 requires that the expected costs of post-retirement benefits other than pensions be expensed during the years that employees render services, whereas under Canadian GAAP, these costs are expensed as incurred.

CIBC's post-retirement benefit liability was increased $170 million (1999: $130 million) on the U.S. GAAP consolidated balance sheets as a result of this difference.

Other liabilities

The U.S. GAAP consolidated balance sheets adjustments in respect of restructuring, lease termination costs and stock-based compensation are explained beginning on page 88.

The adjustment in respect of the change in income taxes results primarily from tax effecting the adjustments to CIBC's U.S. GAAP net income, including those adjustments in other comprehensive income.

Post-retirement benefits – additional disclosure

SFAS 132, "Employers' Disclosure about Pensions and Other Post-Retirement Benefits – an amendment of SFAS No. 87, 88 and 106", requires disclosure of additional information on changes in the projected benefit obligations and fair value of plan assets. There is no change to the measurement or recognition of these plans.

This additional information follows:

$ millions, as at or for the years ended October 31	Pension benefit plans 2000	Pension benefit plans 1999	Other benefit plans 2000	Other benefit plans 1999
Accrued benefit obligation				
Balance at beginning of year	**$ 2,014**	$ 2,182	**$ 317**	$ 325
Current service cost	**62**	71	**13**	12
Employees' contributions	**12**	11	**-**	-
Interest cost	**145**	136	**23**	19
Benefits paid	**(114)**	(126)	**(11)**	(10)
Actuarial gains/(loss)	**108**	(269)	**(4)**	(66)
Plan amendments	**9**	9	**-**	37
Divestitures	**(5)**	-	**-**	-
Corporate restructuring giving rise to:				
Curtailments	**7**	-	**-**	-
Balance at end of year	**$ 2,238**	$ 2,014	**$ 338**	$ 317
Plan assets				
Fair value at beginning of year	**$ 2,362**	$ 2,155	**$ -**	$ -
Actual return on plan assets	**281**	308	**-**	-
Employer contributions	**10**	14	**-**	-
Employees' contributions	**12**	11	**-**	-
Divestitures	**(6)**	-	**-**	-
Benefits paid	**(114)**	(126)	**-**	-
Fair value at end of year	**$ 2,545**	$ 2,362	**$ -**	$ -
Funded status - plan surplus/(deficit)	**$ 307**	$ 348	**$ (338)**	$ (317)
Unamortized net actuarial gain	**(229)**	(231)	**(31)**	(27)
Unamortized past service costs	**43**	44	**34**	37
Unamortized transitional obligation	**4**	6	**165**	177
Accrued benefit asset/(liability)	**$ 125**	$ 167	**$ (170)**	$ (130)

Included in the accrued benefit obligation and fair value of the plan assets at year end are the following amounts in respect of plans that are not fully funded:

$ millions, as at October 31	Pension benefit plans 2000	Pension benefit plans 1999	Other benefit plans 2000	Other benefit plans 1999
Accrued benefit obligation	**$ 112**	$ 99	**$ 338**	$ 317
Fair value of plan assets	**-**	-	**-**	-
Funded status - plan deficit	**$ (112)**	$ (99)	**$ (338)**	$ (317)

Plan assets include common shares of CIBC having a fair value of $9 million at October 31, 2000 (1999: $15 million; 1998: $13 million). The significant actuarial assumptions adopted in measuring CIBC's accrued benefit obligations are as follows:

For the years ended October 31	Pension benefit plans 2000	Pension 1999	Pension 1998	Other benefit plans 2000	Other 1999	Other 1998
Discount rate	**6.75%**	7.0%	6.25%	**7.0%**	7.25%	6.5%
Expected long-term rate of return on plan assets	**7.5%**	7.5%	7.5%	**n/a**	n/a	n/a
Rate of compensation increase	**4.5%**	4.5%	4.5%	**4.5%**	4.5%	4.5%

A 6.5% annual rate of increase in the per capita cost of covered health care benefits was assumed to 2001. The rate was assumed to decrease gradually to 4.5% for 2006 and remain at that level thereafter. The effect of a 1% increase each year in the assumed health care cost trend rate would be to increase the post-retirement benefit expense by $7 million (1999: $5 million; 1998: $7 million) and the accumulated post-retirement benefit obligation by $46 million (1999: $41 million; 1998: $61 million).

CIBC's net benefit plan expense is as follows:

$ millions, for the years ended October 31	Pension benefit plans 2000	Pension 1999	Pension 1998	Other benefit plans 2000	Other 1999	Other 1998
Current service cost	**$ 61**	$ 71	$ 73	**$ 13**	$ 12	$ 11
Interest cost	**145**	136	132	**23**	19	20
Expected return on plan assets	**(167)**	(158)	(154)	**-**	-	-
Amortization of past service costs	**7**	7	6	**3**	-	-
Amortization of net actuarial loss	**3**	4	5	**-**	-	-
Amortization of transitional obligation	**2**	2	(8)	**12**	12	12
Curtailment gains (losses)	**6**	-	3	**-**	-	-
Net benefit plan expense	**$ 57**	$ 62	$ 57	**$ 51**	$ 43	$ 43

Recently issued U.S. accounting standards not yet implemented

SFAS 133, "Accounting for Derivative Instruments and Hedging Activities", as amended (SFAS 133), is effective for fiscal 2001 for CIBC. Under SFAS 133, every derivative instrument, including derivative instruments embedded in financial instruments that are not clearly and closely related to the economic characteristics of the underlying host financial instruments, must be recognized at fair value on CIBC's consolidated balance sheet as either an asset or liability.

Changes in the derivative instrument's fair value must be recognized in current earnings unless specific criteria for hedge accounting are met. If a derivative instrument is designated as a hedge and meets the criteria for hedge effectiveness, earnings offset is available to the extent that the hedge is effective. The ineffective portion of the change in fair value of all derivative hedges is recognized in current earnings.

The primary impact of SFAS 133 relates to derivatives held for asset liability management purposes, as CIBC already recognizes derivatives used in trading activities on its consolidated balance sheets at fair value, with changes in fair value included in current earnings.

CIBC adopted SFAS 133 on November 1, 2000. In accordance with the transition provisions of the standard, a net after-tax cumulative-effect-type gain of $96 million ($183 million pre-tax) in earnings and a net after-tax cumulative-effect-type-reduction of $17 million in OCI ($45 million pre-tax) were recorded. In addition, the carrying values of assets and liabilities were increased by $267 million and $188 million respectively.

Upon adoption of SFAS 133, CIBC reclassified $4,709 million of securities held to maturity as securities available for sale so that those securities will be eligible for hedge accounting treatment in the future. This reclassification resulted in a pre-tax gain of $53 million ($30 million after-tax) in OCI.

Over the next 12 months, CIBC expects to reclassify insignificant amounts from the transition adjustment recorded in accumulated OCI, to earnings.

25. Sale of subsidiaries

In August 2000, CIBC sold its property and casualty insurance companies, The Personal Insurance Company of Canada and CIBC General Insurance Company Limited, for a pre-tax and after-tax gain of $97 million which is included in other non-interest income in the consolidated statement of income.

In September 2000, CIBC sold CIBC Suisse S.A., a global private banking and trust subsidiary providing portfolio management, credit and financial consultancy to private clients, for an after-tax gain of $20 million. The pre-tax gain of $28 million is included in other non-interest income in the consolidated statement of income.

26. Future Canadian accounting policy changes

CIBC will be required to adopt the following recently issued accounting standard for Canadian reporting purposes in future years.

CICA Handbook section 3461, "Employee Future Benefits", will be effective for fiscal 2001. Adoption of this standard will substantially harmonize Canadian and U.S. GAAP in the area of employee future benefits.

Under section 3461, employee future benefits are defined as: pension and other benefits provided after retirement; post-employment benefits provided to former inactive employees; compensated absences such as parental leave and sabbaticals; and termination benefits. The cost of these employee future benefits will be recognized as a liability and expensed over the periods that the employees earn the benefits. At present, certain of these benefits are accounted for on a cash basis.

CIBC expects to implement CICA 3461 retroactively in 2001. Adoption is expected to result in a $140 million after-tax charge to retained earnings and a $237 million pre-tax increase in the accrued benefit obligation, offset by a reduction in future income taxes of $97 million. As well, non-interest expenses are expected to increase by $31 million ($18 million after-tax) in 2001.

Principal subsidiaries

As at October 31, 2000 Subsidiary name (1)	Address of head or principal office	Book value (2) of shares owned by CIBC and other subsidiaries of CIBC
		($ millions)
CIBC Mortgage Corporation	Toronto, Canada	493
CIBC Mortgages Inc.	Toronto, Canada	130
CIBC Trust Corporation	Toronto, Canada	46
The Dominion Realty Company Limited	Toronto, Canada	13
CIBC Finance Inc.	Toronto, Canada	8
INTRIA Corporation	Toronto, Canada	107
INTRIA Items Inc. (90%)		
INTRIA-HP Corporation (90%)		
CIBC World Markets Inc.	Toronto, Canada	308
Services Hypothecaires CIBC Inc.	Longueuil, Canada	130
CIBC Securities Inc.	Toronto, Canada	(3)
CIBC Investor Services Inc.	Toronto, Canada	25
CIBC Life Insurance Company Limited	Toronto, Canada	20
CIBC Investments Limited	Toronto, Canada	50
CIBC BA Limited	Toronto, Canada	(3)
EDULINX Canada Corporation (90%)	Toronto, Canada	27
CIBC Delaware Holdings Inc.	New York, U.S.A.	1,671
CIBC World Markets Corp.		
Canadian Imperial Holdings Inc.		
CIBC INC. (95%)		
CIBC National Bank	Maitland, U.S.A.	
Amicus Corp.	New York, U.S.A.	
CIBC Australia Holdings Limited	Sydney, Australia	57
CIBC Asia Ltd.	Singapore	161
CIBC Holdings (Cayman) Limited	Grand Cayman, Cayman Islands	1,650
CIBC Bank and Trust Company (Cayman) Limited (88%)	Grand Cayman, Cayman Islands	
CIBC Trust Company (Bahamas) Limited	Nassau, Bahamas	
CIBC Bank and Trust Company (Channel Islands) Limited	St. Peter Port, Guernsey	
CIBC Offshore Services Inc.	Bridgetown, Barbados	
CIBC Reinsurance Company Limited		
CIBC West Indies Holdings Limited (77%)	Bridgetown, Barbados	
CIBC Bahamas Limited (70%)	Nassau, Bahamas	
CIBC Jamaica Limited (63%)	Kingston, Jamaica	
CIBC Caribbean Limited (77%)	Bridgetown, Barbados	
CIBC Offshore Banking Services Corporation	Bridgetown, Barbados	250
CIBC World Markets (International) Arbitrage Corp.	Bridgetown, Barbados	457
CIBC World Markets plc	London, England	1,515
CIBC Offshore Finance (Ireland) Limited	Dublin, Ireland	18
CIBC World Markets Ireland Limited		

(1) CIBC and other subsidiaries of CIBC own 100% of the voting shares of each subsidiary, except as otherwise noted.
(2) Book value of shares of subsidiaries are shown at cost.
(3) The book value of shares owned by CIBC is less than one million dollars.

Supplementary annual financial information

Average balance sheet, net interest income and margin

$ millions (TEB), as at or for the years ended October 31		Average balance 2000	1999	1998	Interest 2000	1999	1998	Average rate 2000	1999	1998
Domestic assets (1)										
Cash resources		$ 1,354	$ 1,802	$ 1,725	$ 16	$ 64	$ 45	1.18%	3.55%	2.61%
Securities	Held for investment	8,311	5,141	5,822	710	432	352	8.54	8.40	6.05
	Held for trading	23,796	23,377	21,446	1,240	1,148	1,051	5.21	4.91	4.90
Loans	Residential mortgages	48,086	43,986	40,684	3,140	2,877	2,738	6.53	6.54	6.73
	Personal and credit card loans	22,990	20,883	22,721	2,110	1,728	1,984	9.18	8.27	8.73
	Business and government loans	23,170	23,074	20,980	2,079	1,976	1,631	8.97	8.56	7.77
	Securities borrowed or purchased under resale agreements	7,604	10,559	15,529	518	687	1,097	6.81	6.51	7.06
Total loans		101,850	98,502	99,914	7,847	7,268	7,450	7.70	7.38	7.46
Other interest-bearing assets		450	471	587	32	31	16	7.11	6.58	2.73
Other non-interest-bearing assets		19,548	26,284	20,586						
Total domestic assets		155,309	155,577	150,080	9,845	8,943	8,914	6.34	5.75	5.94
Foreign assets (1)										
Cash resources		11,115	9,582	11,011	547	433	579	4.92	4.52	5.26
Securities	Held for investment	7,517	6,948	8,204	479	357	450	6.37	5.14	5.49
	Held for trading	24,665	26,655	20,785	999	884	893	4.05	3.32	4.30
Loans	Residential mortgages	606	538	461	60	54	47	9.90	10.04	10.20
	Personal and credit card loans	3,102	2,957	1,895	361	318	187	11.64	10.75	9.87
	Business and government loans	23,551	24,462	27,621	1,776	1,682	1,950	7.54	6.88	7.06
	Securities borrowed or purchased under resale agreements	15,464	23,516	32,069	1,332	1,848	2,073	8.61	7.86	6.46
Total loans		42,723	51,473	62,046	3,529	3,902	4,257	8.26	7.58	6.86
Other interest-bearing assets		645	1,041	573	59	15	8	9.15	1.44	1.40
Other non-interest-bearing assets		21,145	20,568	26,124						
Total foreign assets		107,810	116,267	128,743	5,613	5,591	6,187	5.21	4.81	4.81
Total assets		$ 263,119	$ 271,844	$ 278,823	$ 15,458	$ 14,534	$ 15,101	5.87%	5.35%	5.42%
Domestic liabilities (1)										
Deposits	Individuals	$ 56,278	$ 54,777	$ 53,949	$ 2,024	$ 1,835	$ 1,753	3.60%	3.35%	3.25%
	Businesses and governments	45,999	39,718	32,029	2,158	1,481	1,177	4.69	3.73	3.67
	Banks	355	313	623	18	13	26	5.07	4.15	4.17
Total deposits		102,632	94,808	86,601	4,200	3,329	2,956	4.09	3.51	3.41
Derivative instruments market valuation		6,507	6,583	3,835						
Acceptances		9,513	10,064	10,462						
Obligations related to securities sold short		8,507	9,228	7,892	349	424	315	4.10	4.59	3.99
Obligations related to securities lent or sold under repurchase agreements		5,219	8,264	10,221	473	665	806	9.06	8.05	7.89
Other liabilities		6,385	8,460	6,730	78	20	5	1.22	0.24	0.07
Subordinated indebtedness		2,946	2,789	3,054	230	221	254	7.81	7.92	8.32
Total domestic liabilities		141,709	140,196	128,795	5,330	4,659	4,336	3.76	3.32	3.37
Foreign liabilities (1)										
Deposits	Individuals	5,295	5,121	5,241	240	229	262	4.53	4.47	5.00
	Businesses and governments	50,314	43,863	40,739	3,040	2,448	2,437	6.04	5.58	5.98
	Banks	14,204	18,689	27,737	726	802	1,153	5.11	4.29	4.16
Total deposits		69,813	67,673	73,717	4,006	3,479	3,852	5.74	5.14	5.23
Derivative instruments market valuation		17,689	23,085	23,559						
Acceptances		179	107	113						
Obligations related to securities sold short		8,763	8,006	9,162	623	187	209	7.11	2.34	2.28
Obligations related to securities lent or sold under repurchase agreements		9,870	18,232	28,625	914	1,571	2,126	9.26	8.62	7.43
Other liabilities		2,005	1,544	1,555	85	16	2	4.24	1.04	0.13
Subordinated indebtedness		1,497	1,706	2,193	87	85	138	5.81	4.98	6.29
Total foreign liabilities		109,816	120,353	138,924	5,715	5,338	6,327	5.20	4.44	4.55
Total liabilities		251,525	260,549	267,719	11,045	9,997	10,663	4.39	3.84	3.98
Shareholders' equity		11,594	11,295	11,104						
Liabilities and shareholders' equity		$ 263,119	$ 271,844	$ 278,823	$ 11,045	$ 9,997	$ 10,663	4.20%	3.68%	3.82%
Net interest income and margin					$ 4,413	$ 4,537	$ 4,438	1.68%	1.67%	1.59%
Additional disclosures:										
Non-interest-bearing demand deposits										
	Domestic	$ 6,167	$ 5,855	$ 5,317						
	Foreign	$ 1,000	$ 1,056	$ 885						

(1) Classification as domestic or foreign is based on domicile of debtor or customer.

Volume/rate analysis of changes in net interest income

$ millions (TEB)		2000/1999 Increase (decrease) due to change in: Average balance	Average rate	Total	1999/1998 Increase (decrease) due to change in: Average balance	Average rate	Total
Domestic assets (1)							
Cash resources		**$ (16)**	**$ (32)**	**$ (48)**	$ 2	$ 17	$ 19
Securities	Held for investment	**266**	**12**	**278**	(41)	121	80
	Held for trading	**21**	**71**	**92**	95	2	97
Loans	Residential mortgages	**268**	**(5)**	**263**	222	(83)	139
	Personal and credit card loans	**174**	**208**	**382**	(160)	(96)	(256)
	Business and government loans	**8**	**95**	**103**	163	182	345
	Securities borrowed or purchased under resale agreements	**(192)**	**23**	**(169)**	(351)	(59)	(410)
Total loans		**258**	**321**	**579**	(126)	(56)	(182)
Other interest-bearing assets		**(1)**	**2**	**1**	(3)	18	15
Change in domestic interest income		**528**	**374**	**902**	(73)	102	29
Foreign assets (1)							
Cash resources		**69**	**45**	**114**	(75)	(71)	(146)
Securities	Held for investment	**29**	**93**	**122**	(69)	(24)	(93)
	Held for trading	**(66)**	**181**	**115**	252	(261)	(9)
Loans	Residential mortgages	**7**	**(1)**	**6**	8	(1)	7
	Personal and credit card loans	**16**	**27**	**43**	105	26	131
	Business and government loans	**(63)**	**157**	**94**	(223)	(45)	(268)
	Securities borrowed or purchased under resale agreements	**(633)**	**117**	**(516)**	(553)	328	(225)
Total loans		**(673)**	**300**	**(373)**	(663)	308	(355)
Other interest-bearing assets		**(6)**	**50**	**44**	7	-	7
Change in foreign interest income		**(647)**	**669**	**22**	(548)	(48)	(596)
Total change in interest income		**$ (119)**	**$ 1,043**	**$ 924**	$ (621)	$ 54	$ (567)
Domestic liabilities (1)							
Deposits	Individuals	**$ 50**	**$ 139**	**$ 189**	$ 27	$ 55	$ 82
	Businesses and governments	**234**	**443**	**677**	283	21	304
	Banks	**2**	**3**	**5**	(13)	-	(13)
Total deposits		**286**	**585**	**871**	297	76	373
Obligations related to securities sold short		**(33)**	**(42)**	**(75)**	53	56	109
Obligations related to securities lent or sold under repurchase agreements		**(245)**	**53**	**(192)**	(154)	13	(141)
Other liabilities		**(5)**	**63**	**58**	1	14	15
Subordinated indebtedness		**12**	**(3)**	**9**	(22)	(11)	(33)
Change in domestic interest expense		**15**	**656**	**671**	175	148	323
Foreign liabilities (1)							
Deposits	Individuals	**8**	**3**	**11**	(6)	(27)	(33)
	Businesses and governments	**360**	**232**	**592**	187	(176)	11
	Banks	**(192)**	**116**	**(76)**	(376)	25	(351)
Total deposits		**176**	**351**	**527**	(195)	(178)	(373)
Obligations related to securities sold short		**18**	**418**	**436**	(26)	4	(22)
Obligations related to securities lent or sold under repurchase agreements		**(721)**	**64**	**(657)**	(772)	217	(555)
Other liabilities		**5**	**64**	**69**	-	14	14
Subordinated indebtedness		**(10)**	**12**	**2**	(31)	(22)	(53)
Change in foreign interest expense		**(532)**	**909**	**377**	(1,024)	35	(989)
Total change in interest expense		**$ (517)**	**$ 1,565**	**$ 1,048**	$ (849)	$ 183	$ (666)
Change in total net interest income		**$ 398**	**$ (522)**	**$ (124)**	$ 228	$ (129)	$ 99

(1) Classification as domestic or foreign is based on domicile of debtor or customer.

Analysis of net loans and acceptances

	Canada[1]					U.S.[1]				
$ millions, as at October 31	**2000**	1999	1998	1997	1996	**2000**	1999	1998	1997	1996
Residential mortgages	**$ 51,203**	$ 46,043	$ 42,646	$ 39,573	$ 36,506	**$ 79**	$ 46	$ 49	$ 44	$ 46
Student loans	**4,263**	4,380	3,991	3,818	3,298	**-**	-	-	-	-
Personal loans	**14,569**	13,462	14,657	13,000	11,620	**2,409**	1,762	1,907	6	6
Credit card loans	**5,564**	4,158	3,043	4,766	4,660	**-**	-	-	-	-
Total consumer loans	**75,599**	68,043	64,337	61,157	56,084	**2,488**	1,808	1,956	50	52
Non-residential mortgages	**2,270**	1,775	2,370	2,508	2,722	**-**	-	-	-	-
Financial institutions	**2,175**	2,100	2,904	2,155	2,269	**2,481**	2,898	2,655	1,533	1,482
Trades and services	**8,994**	8,640	8,266	7,461	7,857	**1,948**	2,166	2,471	2,187	2,115
Manufacturing	**5,307**	5,793	6,379	6,259	6,220	**2,833**	2,692	2,393	3,770	3,609
Real estate	**2,300**	2,639	2,571	2,929	3,241	**1,487**	1,598	1,608	1,125	1,475
Agriculture	**3,237**	2,919	2,564	2,229	1,934	**6**	28	32	165	184
Natural resources	**3,396**	3,350	4,589	3,831	2,940	**563**	439	488	1,191	632
Transportation and communications	**2,848**	2,646	2,568	2,788	2,734	**2,736**	2,431	2,433	4,630	5,015
Other	**2,245**	2,216	2,294	2,194	1,941	**1,412**	1,643	1,091	770	547
Total business and government loans including acceptances	**32,772**	32,078	34,505	32,354	31,858	**13,466**	13,895	13,171	15,371	15,059
Securities borrowed or purchased under resale agreements	**9,153**	6,776	12,464	12,250	10,250	**10,420**	10,862	21,225	22,350	20,511
General allowance for credit losses										
Total net loans and acceptances	**$ 117,524**	$ 106,897	$ 111,306	$ 105,761	$ 98,192	**$ 26,374**	$ 26,565	$ 36,352	$ 37,771	$ 35,622

(1) Classification by country is based on domicile of debtor or customer.

Summary of allowance for credit losses

$ millions, as at or for the years ended October 31	**2000**	1999	1998	1997	1996
Balance at beginning of year	**$ 1,752**	$ 1,626	$ 1,595	$ 1,441	$ 1,538
Adjustment for accounting change[1]	**-**	-	-	-	165
Write-offs					
Domestic					
Residential mortgages	**6**	11	14	24	24
Student loans	**129**	102	75	31	4
Personal and credit card loans	**283**	224	249	324	367
Real estate	**11**	29	50	53	143
Other business and government loans	**203**	244	82	115	163
Foreign					
Residential mortgages	**-**	-	-	-	-
Personal and credit card loans	**16**	9	4	2	1
Real estate	**3**	7	3	36	54
Other business and government loans	**198**	128	115	36	100
Total write-offs	**849**	754	592	621	856
Recoveries					
Domestic					
Personal and credit card loans	**41**	40	49	58	54
Student loans	**35**	35	30	16	8
Real estate	**3**	27	17	6	4
Other business and government loans	**13**	12	11	10	14
Foreign					
Personal and credit card loans	**1**	-	-	-	-
Real estate	**18**	27	14	57	21
Other business and government loans	**10**	3	11	10	12
Total recoveries	**121**	144	132	157	113
Net write-offs	**728**	610	460	464	743
Provision for credit losses	**1,220**	750	480	610	480
Foreign exchange adjustments	**(6)**	(14)	11	8	1
Balance at end of year[2]	**$ 2,238**	$ 1,752	$ 1,626	$ 1,595	$ 1,441
Ratio of net write-offs during year to average loans outstanding during year	**0.50%**	0.41%	0.28%	0.32%	0.62%

(1) Represents the effect of implementing CICA Handbook section 3025, "Impaired loans", which introduced the requirement to discount expected cash flows on impaired loans when determining the allowance for credit losses.
(2) Includes allowances in respect of letters of credit.

Analysis of net loans and acceptances (Continued)

$ millions, as at October 31	Other[1] 2000	1999	1998	1997	1996	Total 2000	1999	1998	1997	1996
Residential mortgages	**$ 616**	$ 524	$ 477	$ 392	$ 337	**$ 51,898**	$ 46,613	$ 43,172	$ 40,009	$ 36,889
Student loans	**-**	-	-	-	-	**4,263**	4,380	3,991	3,818	3,298
Personal loans	**589**	713	733	493	378	**17,567**	15,937	17,297	13,499	12,004
Credit card loans	**58**	57	51	35	18	**5,622**	4,215	3,094	4,801	4,678
Total consumer loans	**1,263**	1,294	1,261	920	733	**79,350**	71,145	67,554	62,127	56,869
Non-residential mortgages	**174**	140	138	78	61	**2,444**	1,915	2,508	2,586	2,783
Financial institutions	**3,017**	3,853	4,052	3,323	2,073	**7,673**	8,851	9,611	7,011	5,824
Trades and services	**1,717**	1,348	3,010	988	616	**12,659**	12,154	13,747	10,636	10,588
Manufacturing	**1,021**	1,023	1,516	1,295	1,359	**9,161**	9,508	10,288	11,324	11,188
Real estate	**307**	505	584	573	439	**4,094**	4,742	4,763	4,627	5,155
Agriculture	**26**	31	14	15	15	**3,269**	2,978	2,610	2,409	2,133
Natural resources	**633**	876	554	548	592	**4,592**	4,665	5,631	5,570	4,164
Transportation and communications	**2,906**	2,185	2,050	1,762	1,163	**8,490**	7,262	7,051	9,180	8,912
Other	**140**	409	661	451	313	**3,797**	4,268	4,046	3,415	2,801
Total business and government loans including acceptances	**9,941**	10,370	12,579	9,033	6,631	**56,179**	56,343	60,255	56,758	53,548
Securities borrowed or purchased under resale agreements	**888**	1,520	2,604	3,029	1,773	**20,461**	19,158	36,293	37,629	32,534
General allowance for credit losses						**(1,250)**	(1,000)	(850)	(650)	(400)
Total net loans and acceptances	**$ 12,092**	$ 13,184	$ 16,444	$ 12,982	$ 9,137	**$ 154,740**	$ 145,646	$ 163,252	$ 155,864	$ 142,551

(1) Classification by country is based on domicile of debtor or customer.

Allowance for credit losses as a percentage of each loan category[1]

$ millions, as at October 31	Allowance for credit losses 2000	1999	1998	1997	1996	Allowance as a % of each loan category 2000	1999	1998	1997	1996
Domestic										
Residential mortgages	**$ 23**	$ 24	$ 27	$ 30	$ 43	**0.04%**	0.05%	0.06%	0.08%	0.12%
Student loans	**363**	93	55	46	15	**7.85**	2.08	1.36	1.19	0.45
Personal and credit card loans	**115**	115	118	136	133	**0.57**	0.65	0.66	0.76	0.81
Real estate	**71**	102	163	291	332	**3.69**	4.77	7.17	10.96	11.52
Other business and government loans	**269**	289	234	256	295	**1.22**	1.36	1.06	1.28	1.41
Total domestic	**841**	623	597	759	818	**0.84**	0.68	0.67	0.90	1.02
Foreign										
Residential mortgages	**-**	-	-	-	-	**-**	-	-	-	-
Personal and credit card loans	**9**	11	8	5	4	**0.29**	0.43	0.30	0.93	0.99
Real estate	**22**	29	22	27	85	**1.21**	1.36	0.99	1.57	4.25
Other business and government loans	**114**	85	132	150	115	**0.52**	0.38	0.57	0.66	0.58
Total foreign	**145**	125	162	182	204	**0.53**	0.46	0.56	0.72	0.90
General allowance for credit losses	**1,250**	1,000	850	650	400	**-**	-	-	-	-
Total allowance	**$ 2,236**	$ 1,748	$ 1,609	$ 1,591	$ 1,422	**1.75%**	1.47%	1.37%	1.45%	1.38%

(1) Percentage is calculated on loan portfolio excluding acceptances and securities borrowed or purchased under resale agreements.

Impaired loans before general allowances

	Canada[1]					U.S.[1]				
$ millions, as at October 31	**2000**	1999	1998	1997	1996	**2000**	1999	1998	1997	1996
Gross impaired loans										
Residential mortgages	**$ 148**	$ 138	$ 135	$ 134	$ 207	**$ -**	$ -	$ -	$ -	$ -
Student loans	**167**	136	113	78	65	**-**	-	-	-	-
Personal loans	**99**	143	158	188	159	**1**	2	2	1	2
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total gross impaired consumer loans	**414**	417	406	400	431	**1**	2	2	1	2
Non-residential mortgages	**40**	43	64	78	121	**-**	-	-	-	-
Financial institutions	**11**	16	5	8	11	**105**	-	-	-	-
Trades and services	**164**	173	136	161	205	**102**	27	58	89	-
Manufacturing	**121**	234	78	95	101	**57**	41	5	39	6
Real estate	**110**	140	258	426	526	**-**	-	40	71	419
Agriculture	**24**	17	22	20	16	**-**	-	-	-	-
Natural resources	**23**	36	10	9	7	**1**	1	2	1	3
Transportation and communications	**247**	87	105	28	29	**46**	11	30	4	1
Other	**9**	9	20	17	15	**10**	-	-	-	2
Total gross impaired business and government loans	**749**	755	698	842	1,031	**321**	80	135	204	431
Total gross impaired loans	**1,163**	1,172	1,104	1,242	1,462	**322**	82	137	205	433
Other past due loans[2]	**58**	44	26	38	25	**1**	6	23	-	-
Total gross impaired and other past due loans	**$ 1,221**	$ 1,216	$ 1,130	$ 1,280	$ 1,487	**$ 323**	$ 88	$ 160	$ 205	$ 433
Allowance for credit losses										
Residential mortgages	**$ 23**	$ 24	$ 27	$ 30	$ 43	**$ -**	$ -	$ -	$ -	$ -
Student loans	**363**	93	55	46	15	**-**	-	-	-	-
Personal loans	**115**	115	118	136	133	**-**	-	-	-	-
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total allowance – consumer loans[3]	**501**	232	200	212	191	**-**	-	-	-	-
Non-residential mortgages	**23**	25	41	57	80	**-**	-	-	-	-
Financial institutions	**11**	9	4	6	8	**25**	-	-	-	-
Trades and services	**71**	83	74	89	102	**17**	7	16	57	-
Manufacturing	**62**	109	45	62	66	**11**	2	-	9	4
Real estate	**71**	102	163	291	332	**-**	-	9	15	60
Agriculture	**5**	4	5	5	4	**-**	-	-	-	-
Natural resources	**14**	11	8	7	6	**-**	-	-	-	-
Transportation and communications	**78**	44	44	19	18	**2**	-	2	1	-
Other	**5**	4	13	11	11	**1**	-	-	-	2
Total allowance – business and government loans	**340**	391	397	547	627	**56**	9	27	82	66
Total allowance	**$ 841**	$ 623	$ 597	$ 759	$ 818	**$ 56**	$ 9	$ 27	$ 82	$ 66
Net impaired loans										
Residential mortgages	**$ 125**	$ 114	$ 108	$ 104	$ 164	**$ -**	$ -	$ -	$ -	$ -
Student loans	**(196)**	43	58	32	50	**-**	-	-	-	-
Personal loans	**(16)**	28	40	52	26	**1**	2	2	1	2
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total net impaired consumer loans[3]	**(87)**	185	206	188	240	**1**	2	2	1	2
Non-residential mortgages	**17**	18	23	21	41	**-**	-	-	-	-
Financial institutions	**-**	7	1	2	3	**80**	-	-	-	-
Trades and services	**93**	90	62	72	103	**85**	20	42	32	-
Manufacturing	**59**	125	33	33	35	**46**	39	5	30	2
Real estate	**39**	38	95	135	194	**-**	-	31	56	359
Agriculture	**19**	13	17	15	12	**-**	-	-	-	-
Natural resources	**9**	25	2	2	1	**1**	1	2	1	3
Transportation and communications	**169**	43	61	9	11	**44**	11	28	3	1
Other	**4**	5	7	6	4	**9**	-	-	-	-
Total net impaired business and government loans	**409**	364	301	295	404	**265**	71	108	122	365
Total net impaired loans	**$ 322**	$ 549	$ 507	$ 483	$ 644	**$ 266**	$ 73	$ 110	$ 123	$ 367

(1) Classification by country is based on domicile of debtor or customer.
(2) Other past due loans, which have not been classified as impaired, are described in Note 4 to the consolidated financial statements.
(3) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or interest is contractually 90 days in arrears.

Impaired loans before general allowances (Continued)

	Other[1]					Total				
$ millions, as at October 31	**2000**	1999	1998	1997	1996	**2000**	1999	1998	1997	1996
Gross impaired loans										
Residential mortgages	**$ -**	$ -	$ -	$ -	$ -	**$ 148**	$ 138	$ 135	$ 134	$ 207
Student loans	**-**	-	-	-	-	**167**	136	113	78	65
Personal loans	**42**	44	28	15	13	**142**	189	188	204	174
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total gross impaired consumer loans	**42**	44	28	15	13	**457**	463	436	416	446
Non-residential mortgages	**-**	-	-	-	-	**40**	43	64	78	121
Financial institutions	**23**	49	9	12	13	**139**	65	14	20	24
Trades and services	**15**	21	22	25	31	**281**	221	216	275	236
Manufacturing	**10**	5	22	5	19	**188**	280	105	139	126
Real estate	**31**	41	29	17	32	**141**	181	327	514	977
Agriculture	**5**	6	5	-	-	**29**	23	27	20	16
Natural resources	**-**	-	1	-	-	**24**	37	13	10	10
Transportation and communications	**48**	61	128	96	96	**341**	159	263	128	126
Other	**2**	1	1	2	15	**21**	10	21	19	32
Total gross impaired business and government loans	**134**	184	217	157	206	**1,204**	1,019	1,050	1,203	1,668
Total gross impaired loans	**176**	228	245	172	219	**1,661**	1,482	1,486	1,619	2,114
Other past due loans[2]	**2**	18	28	24	21	**61**	68	77	62	46
Total gross impaired and other past due loans	**$ 178**	$ 246	$ 273	$ 196	$ 240	**$ 1,722**	$ 1,550	$ 1,563	$ 1,681	$ 2,160
Allowance for credit losses										
Residential mortgages	**$ -**	$ -	$ -	$ -	$ -	**$ 23**	$ 24	$ 27	$ 30	$ 43
Student loans	**-**	-	-	-	-	**363**	93	55	46	15
Personal loans	**9**	11	8	5	4	**124**	126	126	141	137
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total allowance – consumer loans[3]	**9**	11	8	5	4	**510**	243	208	217	195
Non-residential mortgages	**-**	-	-	-	-	**23**	25	41	57	80
Financial institutions	**13**	27	6	10	10	**49**	36	10	16	18
Trades and services	**3**	9	10	10	12	**91**	99	100	156	114
Manufacturing	**4**	2	16	2	14	**77**	113	61	73	84
Real estate	**22**	29	13	12	25	**93**	131	185	318	417
Agriculture	**4**	4	3	-	-	**9**	8	8	5	4
Natural resources	**-**	-	-	-	-	**14**	11	8	7	6
Transportation and communications	**33**	33	79	60	64	**113**	77	125	80	82
Other	**1**	1	-	1	9	**7**	5	13	12	22
Total allowance – business and government loans	**80**	105	127	95	134	**476**	505	551	724	827
Total allowance	**$ 89**	$ 116	$ 135	$ 100	$ 138	**$ 986**	$ 748	$ 759	$ 941	$ 1,022
Net impaired loans										
Residential mortgages	**$ -**	$ -	$ -	$ -	$ -	**$ 125**	$ 114	$ 108	$ 104	$ 164
Student loans	**-**	-	-	-	-	**(196)**	43	58	32	50
Personal loans	**33**	33	20	10	9	**18**	63	62	63	37
Credit card loans	**-**	-	-	-	-	**-**	-	-	-	-
Total net impaired consumer loans[3]	**33**	33	20	10	9	**(53)**	220	228	199	251
Non-residential mortgages	**-**	-	-	-	-	**17**	18	23	21	41
Financial institutions	**10**	22	3	2	3	**90**	29	4	4	6
Trades and services	**12**	12	12	15	19	**190**	122	116	119	122
Manufacturing	**6**	3	6	3	5	**111**	167	44	66	42
Real estate	**9**	12	16	5	7	**48**	50	142	196	560
Agriculture	**1**	2	2	-	-	**20**	15	19	15	12
Natural resources	**-**	-	1	-	-	**10**	26	5	3	4
Transportation and communications	**15**	28	49	36	32	**228**	82	138	48	44
Other	**1**	-	1	1	6	**14**	5	8	7	10
Total net impaired business and government loans	**54**	79	90	62	72	**728**	514	499	479	841
Total net impaired loans	**$ 87**	$ 112	$ 110	$ 72	$ 81	**$ 675**	$ 734	$ 727	$ 678	$ 1,092

(1) Classification by country is based on domicile of debtor or customer.
(2) Other past due loans, which have not been classified as impaired, are described in Note 4 to the consolidated financial statements.
(3) Specific allowances for large numbers of homogeneous balances of relatively small amounts are established by reference to historical ratios of write-offs to balances outstanding. This may result in negative net impaired loans as individual loans are generally classified as impaired when repayment of principal or interest is contractually 90 days in arrears.

Deposits

$ millions, as at October 31	Average balance 2000	Average balance 1999	Average balance 1998	Interest 2000	Interest 1999	Interest 1998	Rate 2000	Rate 1999	Rate 1998
Deposits in domestic bank offices									
Payable on demand									
Individuals	**$ 3,249**	$ 2,732	$ 2,637	**$ 116**	$ 85	$ 59	**3.57%**	3.11%	2.22%
Businesses and governments	**11,602**	10,296	9,573	**311**	200	190	**2.68**	1.94	1.99
Banks	**301**	48	412	**6**	1	6	**1.99**	2.08	1.56
Payable after notice									
Individuals	**16,869**	16,267	16,865	**131**	87	109	**0.78**	0.53	0.64
Businesses and governments	**5,539**	5,445	5,131	**241**	207	187	**4.35**	3.80	3.64
Banks	**1**	-	6	**-**	-	-	**-**	-	4.86
Payable on a fixed date									
Individuals	**37,910**	36,399	36,191	**1,857**	1,701	1,669	**4.90**	4.67	4.61
Businesses and governments	**30,276**	27,077	19,393	**1,673**	1,427	915	**5.53**	5.27	4.72
Banks	**920**	268	785	**54**	12	40	**5.87**	4.48	5.10
Total domestic	**106,667**	98,532	90,993	**4,389**	3,720	3,175	**4.11**	3.78	3.49
Deposits in foreign bank offices									
Payable on demand									
Individuals	**770**	769	555	**5**	4	4	**0.65**	0.52	0.72
Businesses and governments	**1,235**	1,188	810	**28**	11	10	**2.27**	0.93	1.21
Banks	**363**	498	132	**8**	11	6	**2.20**	2.21	4.48
Payable after notice									
Individuals	**537**	757	574	**26**	27	30	**4.84**	3.57	5.28
Businesses and governments	**179**	315	151	**3**	11	10	**1.68**	3.49	6.62
Banks	**-**	112	352	**-**	1	13	**-**	0.89	3.69
Payable on a fixed date									
Individuals	**2,238**	2,974	2,368	**129**	153	144	**5.76**	5.14	6.08
Businesses and governments	**47,482**	39,260	37,710	**2,942**	2,080	2,302	**6.20**	5.30	6.10
Banks	**12,974**	18,076	26,673	**676**	790	1,114	**5.21**	4.37	4.18
Total foreign deposits	**65,778**	63,949	69,325	**3,817**	3,088	3,633	**5.80**	4.83	5.24
Total deposits	**$ 172,445**	$ 162,481	$ 160,318	**$ 8,206**	$ 6,808	$ 6,808	**4.76%**	4.19%	4.25%

Short-term borrowings

$ millions, as at or for the years ended October 31	**2000**	1999	1998
Amounts outstanding at end of year			
Obligations related to securities sold short	**$ 13,992**	$ 15,563	$ 16,049
Obligations related to securities lent or sold under repurchase agreements	**14,199**	13,640	32,610
Total short-term borrowings	**$ 28,191**	$ 29,203	$ 48,659
Obligations related to securities sold short			
Average balance	**$ 17,270**	$ 17,234	$ 17,054
Maximum month-end balance	**$ 18,309**	$ 19,423	$ 18,319
Average interest rate	**5.63%**	3.54%	3.07%
Obligations related to securities lent or sold under repurchase agreements			
Average balance	**$ 15,089**	$ 26,496	$ 38,846
Maximum month-end balance	**$ 17,830**	$ 33,006	$ 48,125
Average interest rate	**9.19%**	8.44%	7.55%

Quarterly review

Condensed consolidated statements of income

Unaudited, $ millions, for the quarter	2000 Q4	2000 Q3	2000 Q2	2000 Q1	1999 Q4	1999 Q3	1999 Q2	1999 Q1
Net interest income (TEB)(1)	$ 1,048	$ 1,089	$ 1,110	$ 1,166	$ 1,166	$ 1,171	$ 1,078	$ 1,122
Deduct taxable equivalent adjustment	25	32	31	43	36	32	31	30
Net interest income (consolidated statement of income basis)	1,023	1,057	1,079	1,123	1,130	1,139	1,047	1,092
Non-interest income	1,970	1,965	2,249	1,613	1,270	1,727	1,384	1,347
Total revenue	2,993	3,022	3,328	2,736	2,400	2,866	2,431	2,439
Provision for credit losses	567	218	292	143	210	210	165	165
Non-interest expenses	2,031	1,996	2,096	1,973	2,312	2,076	1,826	1,784
Net income (loss) before taxes	395	808	940	620	(122)	580	440	490
Income taxes	31	198	251	161	(137)	178	132	147
Non-controlling interests in net income of subsidiaries	32	9	13	8	7	8	8	16
Net income	$ 332	$ 601	$ 676	$ 451	$ 8	$ 394	$ 300	$ 327
Dividends on preferred shares	$ 34	$ 33	$ 33	$ 28	$ 28	$ 28	$ 28	$ 28
Net income (loss) applicable to common shareholders	$ 298	$ 568	$ 643	$ 423	$ (20)	$ 366	$ 272	$ 299

Condensed consolidated balance sheets

Unaudited, $ millions, as at quarter end	2000 Q4	2000 Q3	2000 Q2	2000 Q1	1999 Q4	1999 Q3	1999 Q2	1999 Q1
Assets								
Cash resources	$ 10,679	$ 13,743	$ 18,042	$ 11,255	$ 12,527	$ 10,791	$ 9,232	$ 9,329
Securities	69,242	65,197	62,697	60,600	59,492	62,972	64,678	61,789
Loans — Residential mortgages	51,898	50,222	48,382	47,387	46,613	45,668	44,384	43,635
Personal and credit card loans	27,452	26,936	26,509	25,528	24,532	23,972	24,446	23,645
Business and government loans	47,091	47,692	48,775	47,827	47,047	47,898	47,260	49,748
Securities borrowed or purchased under resale agreements	20,461	21,331	22,464	23,356	19,158	29,284	35,646	34,905
General allowance for credit losses	(1,250)	(1,150)	(1,150)	(1,000)	(1,000)	(1,000)	(962)	(925)
Derivative instruments market valuation	23,847	24,040	23,427	23,341	24,449	24,951	27,842	33,139
Customers' liability under acceptances	9,088	9,069	9,704	9,102	9,296	9,137	9,316	10,218
Other assets	9,194	8,700	8,585	9,664	8,217	8,111	7,780	8,986
	$ 267,702	$ 265,780	$ 267,435	$ 257,060	$ 250,331	$ 261,784	$ 269,622	$ 274,469
Liabilities and shareholders' equity								
Deposits — Individuals	$ 63,109	$ 62,211	$ 62,883	$ 61,380	$ 60,878	$ 60,431	$ 60,229	$ 60,943
Businesses and governments	103,141	103,142	99,561	89,685	85,940	82,595	79,018	79,092
Banks	13,382	11,441	14,522	16,369	13,223	17,289	20,834	22,049
Derivative instruments market valuation	24,374	23,802	24,842	24,616	25,097	24,368	28,771	32,961
Acceptances	9,088	9,069	9,704	9,102	9,296	9,137	9,316	10,222
Obligations related to securities lent or sold short or under repurchase agreements	28,191	29,807	30,509	30,130	29,203	41,527	46,247	44,024
Other liabilities	10,630	9,906	9,433	9,919	11,092	10,645	9,503	9,480
Subordinated indebtedness	4,418	4,433	4,427	4,392	4,544	4,407	4,474	4,541
Shareholders' equity	11,369	11,969	11,554	11,467	11,058	11,385	11,230	11,157
	$ 267,702	$ 265,780	$ 267,435	$ 257,060	$ 250,331	$ 261,784	$ 269,622	$ 274,469

Select financial measures

Unaudited, as at or for the quarter	2000 Q4	2000 Q3	2000 Q2	2000 Q1	1999 Q4	1999 Q3	1999 Q2	1999 Q1
Return on common equity(2)	12.1%	23.8%	28.5%	18.2%	(0.8)%	15.4%	12.1%	12.8%
Return on average assets	0.49%	0.90%	1.05%	0.70%	0.01%	0.58%	0.46%	0.45%
Average common shareholders' equity ($ millions)	$ 9,764	$ 9,500	$ 9,160	$ 9,251	$ 9,405	$ 9,433	$ 9,229	$ 9,220
Average assets ($ millions)	$ 267,439	$ 265,373	$ 261,668	$ 257,996	$ 261,010	$ 270,755	$ 269,566	$ 286,045
Average assets to average common equity	27.4	27.9	28.6	27.9	27.8	28.7	29.2	31.0
Tier 1 capital ratio	8.7%	8.9%	8.5%	8.6%	8.3%	8.4%	8.3%	8.0%
Total capital ratio	12.1%	12.0%	11.6%	11.7%	11.5%	11.5%	11.5%	11.2%
Net interest margin (TEB)	1.56%	1.63%	1.73%	1.80%	1.77%	1.72%	1.64%	1.56%
Efficiency ratio(3)	67.3%	65.4%	62.4%	71.0%	94.9%	71.6%	74.2%	72.3%

Common share information

Unaudited, as at or for the quarter		2000 Q4	2000 Q3	2000 Q2	2000 Q1	1999 Q4	1999 Q3	1999 Q2	1999 Q1
Average shares outstanding (thousands)		380,864	384,534	389,405	401,012	402,811	410,247	411,264	414,882
$ per share	basic earnings	$ 0.80	$ 1.47	$ 1.64	$ 1.06	$ (0.04)	$ 0.89	$ 0.66	$ 0.72
	fully diluted earnings	$ 0.78	$ 1.43	$ 1.60	$ 1.03	$ (0.04)(7)	$ 0.88	$ 0.65	$ 0.71
	dividends	$ 0.33	$ 0.33	$ 0.33	$ 0.30	$ 0.30	$ 0.30	$ 0.30	$ 0.30
	book value(4)	$ 25.17	$ 25.21	$ 24.11	$ 23.24	$ 22.68	$ 23.19	$ 22.66	$ 22.34
Share price(5)	high	$ 50.50	$ 44.15	$ 44.00	$ 38.75	$ 35.20	$ 37.90	$ 42.60	$ 41.50
	low	$ 42.35	$ 37.00	$ 35.00	$ 30.50	$ 28.00	$ 34.00	$ 34.65	$ 29.70
	close	$ 48.40	$ 42.40	$ 38.80	$ 37.80	$ 31.70	$ 35.65	$ 37.50	$ 38.50
Price to earnings multiple(6) (12 months trailing)		9.7	10.2	10.9	14.7	14.2	15.6	19.6	17.3
Dividend payout ratio		42.3%	22.4%	19.9%	28.4%	>100%	33.7%	45.3%	41.7%

(1) Taxable equivalent basis (TEB). Net interest income includes tax-exempt income on certain securities. Since this income is not taxable to CIBC, the rate of interest or dividend received by CIBC is significantly lower than would apply to a loan of the same amount. As the impact of tax-exempt income varies from year to year, such income has been adjusted to a taxable equivalent basis to permit uniform measurement and comparison of net interest income. An equal and offsetting adjustment is made to increase the provision for income taxes.
(2) Net income applicable to common shares divided by average common shareholders' equity for the period, annualized.
(3) Efficiency ratio may also be referred to as non-interest expenses to revenue ratio. Calculated as non-interest expenses divided by the sum of net interest income (taxable equivalent basis) and non-interest income.
(4) Common shareholders' equity (including adjustment for taxes) divided by the number of common shares issued and outstanding at end of quarter.
(5) The high and low price during the period, and closing price on the last trading day of the period, on The Toronto Stock Exchange.
(6) Closing common share price expressed as a multiple of net income per common share (12 month trailing).
(7) Potential stock option conversions were not dilutive in the fourth quarter of 1999. As a result, fully diluted earnings per share for the year does not equal the sum of the quarters.

Ten-year statistical review

Condensed consolidated statements of income

$ millions, for the years ended October 31	**2000**	1999	1998	1997	1996	1995	1994	1993	1992	1991
Net interest income (TEB)[1]	**$ 4,413**	$ 4,537	$ 4,438	$ 4,641	$ 4,567	$ 4,169	$ 4,107	$ 3,835	$ 3,612	$ 3,501
Taxable equivalent adjustment	**131**	129	101	124	104	95	105	90	80	73
Net interest income (consolidated statement of income basis)	**4,282**	4,408	4,337	4,517	4,463	4,074	4,002	3,745	3,532	3,428
Non-interest income	**7,797**	5,728	4,804	3,980	2,892	2,258	2,252	1,903	1,769	1,581
Total revenue	**12,079**	10,136	9,141	8,497	7,355	6,332	6,254	5,648	5,301	5,009
Provision for credit losses	**1,220**	750	480	610	480	680	880	920	1,835	613
Non-interest expenses	**8,096**	7,998	7,125	5,372	4,584	3,991	3,907	3,544	3,489	3,073
Net income (loss) before taxes	**2,763**	1,388	1,536	2,515	2,291	1,661	1,467	1,184	(23)	1,323
Income taxes (recovery)	**641**	320	460	937	911	635	550	435	(55)	488
Non-controlling interests in net income of subsidiaries	**62**	39	20	27	14	11	27	19	20	24
Net income	**$ 2,060**	$ 1,029	$ 1,056	$ 1,551	$ 1,366	$ 1,015	$ 890	$ 730	$ 12	$ 811
Dividends on preferred shares	**$ 128**	$ 112	$ 116	$ 98	$ 112	$ 111	$ 141	$ 131	$ 120	$ 101
Net income (loss) applicable to common shareholders	**$ 1,932**	$ 917	$ 940	$ 1,453	$ 1,254	$ 904	$ 749	$ 599	$ (108)	$ 710

(1) Taxable equivalent basis, as described in footnote (1) in Quarterly Review on page 101.

Condensed consolidated balance sheets

$ millions, as at October 31	**2000**	1999	1998	1997	1996	1995	1994	1993	1992	1991
Assets										
Cash resources	**$ 10,679**	$ 12,527	$ 10,795	$ 7,931	$ 8,120	$ 15,419	$ 9,436	$ 7,880	$ 6,245	$ 7,465
Securities	**69,242**	59,492	60,970	45,252	39,817	38,255	28,753	24,167	20,055	14,890
Loans										
Residential mortgages	**51,898**	46,613	43,172	40,009	36,889	34,659	32,225	30,720	28,927	25,616
Personal and credit card loans	**27,452**	24,532	24,382	22,118	19,980	18,537	16,807	14,650	14,318	14,608
Business and government loans	**47,091**	47,047	49,260	46,383	44,815	43,002	44,572	46,937	49,534	46,137
Securities borrowed or purchased under resale agreements[1]	**20,461**	19,158	36,293	37,629	32,534	14,173	6,584	5,124	2,298	-
General allowance for credit losses	**(1,250)**	(1,000)	(850)	(650)	(400)	(250)	(250)	(250)	(150)	-
Customers' liability under acceptances	**9,088**	9,296	10,995	10,375	8,733	8,315	7,259	7,069	6,045	7,706
Derivative instruments market valuation	**23,847**	24,449	37,157	21,977	13,314	9,207	7,100	7,600	n/a	n/a
Land, buildings and equipment	**1,508**	2,213	2,201	2,071	1,983	2,013	1,995	1,951	1,754	1,605
Other assets	**7,686**	6,004	7,055	4,894	4,447	3,178	2,894	2,268	3,186	2,998
	$ 267,702	$ 250,331	$ 281,430	$ 237,989	$ 210,232	$ 186,508	$ 157,375	$ 148,116	$ 132,212	$ 121,025
Liabilities and shareholders' equity										
Deposits										
Individuals	**$ 63,109**	$ 60,878	$ 59,993	$ 59,188	$ 61,484	$ 61,061	$ 59,040	$ 57,265	$ 54,233	$ 50,412
Businesses and governments	**103,141**	85,940	84,862	60,272	43,705	45,738	36,213	34,357	36,873	34,095
Banks	**13,382**	13,223	15,020	19,438	22,232	22,683	20,209	19,283	15,912	10,964
Acceptances	**9,088**	9,296	10,995	10,375	8,733	8,315	7,259	7,069	6,045	7,706
Obligations related to securities lent or sold short or under repurchase agreements[1]	**28,191**	29,203	48,659	43,932	41,907	22,211	10,569	7,523	4,361	-
Derivative instruments market valuation	**24,374**	25,097	36,245	21,376	12,500	8,135	6,373	6,860	n/a	n/a
Other liabilities	**10,630**	11,092	9,806	8,267	7,041	6,015	5,836	4,802	5,302	8,660
Subordinated indebtedness	**4,418**	4,544	4,714	4,894	3,892	3,671	3,441	3,003	2,848	2,485
Shareholders' equity										
Preferred shares	**1,876**	1,933	1,961	1,518	1,068	1,355	1,691	1,878	1,460	1,300
Common shares	**2,868**	3,035	3,128	3,105	3,055	3,202	3,200	3,016	2,433	2,297
Retained earnings	**6,625**	6,090	6,047	5,624	4,615	4,122	3,544	3,060	2,745	3,106
	$ 267,702	$ 250,331	$ 281,430	$ 237,989	$ 210,232	$ 186,508	$ 157,375	$ 148,116	$ 132,212	$ 121,025

(1) Comparative amounts for years prior to 1992 have not been reclassified as information is not readily available.
n/a - Not Available.

Condensed consolidated statements of changes in shareholders' equity

$ millions, as at or for the years ended October 31		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Balance at beginning of year		**$ 11,058**	$ 11,136	$ 10,247	$ 8,738	$ 8,679	$ 8,435	$ 7,954	$ 6,638	$ 6,703	$ 5,869
Adjustment (1)		-	-	-	-	(94)	-	-	-	-	-
Premium on redemption/repurchase of share capital											
	Preferred	**(17)**	-	(10)	-	(34)	-	-	-	-	-
	Common	**(873)**	(397)	-	-	(281)	-	-	-	-	-
Changes in share capital	Preferred	**(80)**	-	391	436	(290)	(336)	(187)	418	160	250
	Common	**(167)**	(93)	23	50	(147)	2	184	583	136	129
Net Income		**2,060**	1,029	1,056	1,551	1,366	1,015	890	730	12	811
Dividends	Preferred	**(128)**	(112)	(116)	(98)	(112)	(111)	(141)	(131)	(120)	(101)
	Common	**(501)**	(492)	(498)	(434)	(352)	(320)	(281)	(263)	(245)	(239)
Other		**17**	(13)	43	4	3	(6)	16	(21)	(8)	(16)
Balance at end of year		**$ 11,369**	$ 11,058	$ 11,136	$ 10,247	$ 8,738	$ 8,679	$ 8,435	$ 7,954	$ 6,638	$ 6,703

(1) Represents the effect of implementing CICA Handbook section 3025, "Impaired loans", which introduced the requirement to discount expected cash flows on impaired loans when determining the allowance for credit losses.

Select financial measures

As at or for the years ended October 31	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Return on common equity (1)	**20.5%**	9.8%	10.3%	17.7%	17.1%	12.9%	11.7%	10.6%	(2.0)%	13.9%
Return on average assets	**0.78%**	0.38%	0.38%	0.66%	0.70%	0.61%	0.57%	0.51%	0.01%	0.68%
Average common shareholders' equity ($ millions)	**$ 9,420**	$ 9,323	$ 9,100	$ 8,195	$ 7,332	$ 7,003	$ 6,393	$ 5,664	$ 5,318	$ 5,094
Average assets ($ millions)	**$ 263,119**	$ 271,844	$ 278,823	$ 236,025	$ 196,063	$ 165,846	$ 155,640	$ 144,041	$ 126,415	$ 118,892
Average assets to average common equity	**27.9**	29.2	30.6	28.8	26.7	23.7	24.3	25.4	23.8	23.3
Tier 1 capital ratio	**8.7%**	8.3%	7.7%	7.0%	6.6%	7.0%	7.1%	6.9%	5.9%	6.0%
Total capital ratio	**12.1%**	11.5%	10.8%	9.8%	9.0%	9.6%	9.9%	9.7%	8.7%	9.0%
Net interest margin (TEB) (2)	**1.68%**	1.67%	1.59%	1.97%	2.33%	2.51%	2.64%	2.66%	2.86%	2.94%
Efficiency ratio (3)	**66.3%**	77.9%	77.1%	62.3%	61.5%	62.1%	61.4%	61.8%	64.8%	60.5%

(1) Net income applicable to common shares divided by average common shareholders' equity for the year.
(2) Taxable equivalent basis, as described in footnote (1) in Quarterly Review on page 101.
(3) Efficiency ratio may also be referred to as non-interest expenses to revenue ratio. Calculated as non-interest expenses divided by the sum of net interest income (taxable equivalent basis) and non-interest income.

Common share information

As at or for the years ended October 31		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Average number outstanding (thousands)		**388,951**	409,789	415,030	413,545	415,028	432,614	425,464	401,366	371,006	361,810
$ per share	- basic earnings	**$ 4.97**	$ 2.23	$ 2.26	$ 3.51	$ 3.02	$ 2.09	$ 1.76	$ 1.50	$ (0.30)	$ 1.97
	- fully diluted earnings	**$ 4.84**	$ 2.22	$ 2.25	$ 3.50	$ 3.02	$ 2.09	$ 1.76	$ 1.50	$ (0.30)	$ 1.97
	- dividends	**$ 1.29**	$ 1.20	$ 1.20	$ 1.05	$ 0.85	$ 0.74	$ 0.66	$ 0.66	$ 0.66	$ 0.66
	- book value (1)	**$ 25.17**	$ 22.68	$ 22.08	$ 21.07	$ 18.62	$ 16.93	$ 15.59	$ 14.45	$ 13.72	$ 14.71
Share price (2)	- high	**$ 50.50**	$ 42.60	$ 59.80	$ 41.75	$ 28.30	$ 18.57	$ 18.13	$ 16.82	$ 18.50	$ 16.50
	- low	**$ 30.50**	$ 28.00	$ 24.40	$ 26.55	$ 18.00	$ 15.57	$ 14.00	$ 11.82	$ 12.57	$ 10.82
	- close	**$ 48.40**	$ 31.70	$ 30.65	$ 41.20	$ 27.85	$ 18.19	$ 16.00	$ 15.82	$ 14.38	$ 15.44
Price to earnings multiple (3) (12 months trailing)		**9.7**	14.2	13.5	11.7	9.2	8.7	9.1	10.6	NM	7.9
Dividend payout ratio (4)		**25.9%**	53.6%	53.0%	29.9%	28.1%	35.4%	37.5%	43.9%	NM	33.6%

(1) Common shareholders' equity (including adjustment for taxes) divided by the number of common shares issued and outstanding at end of year.
(2) The high and low price during the year, and closing price on the last trading day of the year, on The Toronto Stock Exchange.
(3) Closing common share price expressed as a multiple of net income per common share for the year.
(4) Total common share dividends divided by net income applicable to common shares for the year.
NM - Not Meaningful

Dividends on preferred shares

For the years ended October 31		2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Class A	Series 3	-	-	-	-	-	-	-	-	$ 2.6530	$ 9.5140
	Series 4	-	-	-	$ 3.4106	$ 4.7360	$ 6.0900	$ 4.5840	$ 4.5840	$ 5.3780	$ 7.7460
	Series 5	-	-	-	$ 0.8240	$ 1.1600	$ 1.4728	$ 1.1057	$ 1.1273	$ 1.3051	$ 1.8992
	Series 6	-	-	-	-	-	-	$ 2.4349	$ 2.2500	$ 2.2500	$ 2.2500
	Series 7	-	-	-	-	-	$ 4,208	$ 3,507	$ 4,034	$ 4,871	$ 7,238
	Series 8	-	-	-	-	-	$ 0.6706	$ 2.2200	$ 2.2200	$ 2.2200	$ 2.2200
	Series 9	-	-	$ 1.1375	$ 2.2750	$ 2.2750	$ 2.2750	$ 2.2750	$ 2.2750	$ 2.2750	$ 0.9988
	Series 10	-	-	-	-	$ 2.8175	$ 2.5555	$ 2.5786	$ 2.4423	$ 2.2510	-
	Series 11	-	-	-	-	$ 2.4060	$ 2.2125	$ 2.2125	$ 2.2125	$ 2.1867	-
	Series 12	**$ 2.4100**	$ 2.4267	$ 2.4097	$ 2.2462	$ 2.2188	$ 2.1856	$ 2.2054	$ 1.4983	-	-
	Series 13	**$ 1.7500**	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.7500	$ 1.2490	-	-
	Series 14	**$ 1.4875**	$ 1.4875	$ 1.4875	$ 1.4870	$ 1.1197	-	-	-	-	-
	Series 15	**$ 1.4125**	$ 1.4125	$ 1.4125	$ 1.4110	-	-	-	-	-	-
	Series 16	**$ 2.0948**	$ 2.1093	$ 2.0946	$ 1.1367	-	-	-	-	-	-
	Series 17	**$ 1.3625**	$ 1.3625	$ 1.3625	$ 0.7880	-	-	-	-	-	-
	Series 18	**$ 1.3750**	$ 1.3750	$ 1.3628	-	-	-	-	-	-	-
	Series 19	**$ 1.2375**	$ 1.2375	$ 0.7404	-	-	-	-	-	-	-
	Series 20	**$ 1.9095**	$ 1.9227	$ 1.1703	-	-	-	-	-	-	-
	Series 21	**$ 1.1372**	-	-	-	-	-	-	-	-	-
	Series 22	**$ 1.7713**	-	-	-	-	-	-	-	-	-

Directors of the bank

DOUGLAS G. BASSETT ('80)
O.C., O.Ont., L.L.D., D. Litt.
Chairman
Windward Investments
(Toronto, Ontario, Canada)

JALYNN H. BENNETT ('94)
C.M.
President
Jalynn H. Bennett and Associates Ltd.
(Toronto, Ontario, Canada)

HON. CONRAD M. BLACK ('77)
P.C., O.C., LL.D., Litt.D., LL.L., M.A.
Chairman and Chief Executive Officer
Argus Corporation Limited
(London, England)

PAT M. DELBRIDGE ('93)
President
PDA Partners Inc.
(Toronto, Ontario, Canada)

WILLIAM L. DUKE ('91)
Farmer
(Redvers, Saskatchewan, Canada)

IVAN E.H. DUVAR ('89)
B.E., DCL, P.Eng.
President and Chief Executive Officer
MIJAC Inc.
(Halifax, Nova Scotia, Canada)

WILLIAM A. ETHERINGTON ('94)
Senior Vice-President and Group Executive Sales and Distribution
IBM Corporation
(New Canaan, Connecticut, U.S.A.)

A.L. FLOOD ('89)
C.M.
Company Director
CIBC
(Toronto, Ontario, Canada)

MARGOT A. FRANSSEN ('92)
President
The Body Shop
(Toronto, Ontario, Canada)

R.D. FULLERTON ('74)
Company Director
(Toronto, Ontario, Canada)

HON. JAMES A. GRANT ('91)
P.C., Q.C.
Partner
Stikeman, Elliot
(Montreal, Quebec, Canada)

ALBERT E.P. HICKMAN ('89)
Chairman and President
Hickman Motors Limited
(St. John's, Newfoundland, Canada)

JOHN S. HUNKIN ('93)
Chairman and Chief Executive Officer
CIBC
(Toronto, Ontario, Canada)

MARIE-JOSÉE KRAVIS ('87)
O.C., M.Sc. (Econ.), LL.D.
Senior Fellow
Hudson Institute Inc.
(New York, New York, U.S.A.)

W. DARCY MCKEOUGH ('78)
O.C., B.A., LL.D.
Chairman
McKeough Supply Inc.
(Chatham, Ontario, Canada)

ARNOLD NAIMARK ('87)
O.C., M.D., LL.D., F.R.C.P.(C), F.R.S. (Can.)
Past President
The University of Manitoba
Director
Centre for the Advancement of Medicine
(Winnipeg, Manitoba, Canada)

MICHAEL E.J. PHELPS ('89)
B.A., LL.B., LL.M., LL.D.
Chairman and Chief Executive Officer
Westcoast Energy Inc.
(Vancouver, British Columbia, Canada)

ALFRED POWIS ('66)
O.C.
Company Director
(Toronto, Ontario, Canada)

BARBARA J. RAE ('92)
C.M., O.B.C., M.B.A., LL.D.
Former Chairman and Chief Executive Officer
ADECCO Canada Ltd.
(Vancouver, British Columbia, Canada)

CHARLES SIROIS ('97)
B. Fin., M. Fin.
Chairman and Chief Executive Officer
Telesystem Ltd.
(Montreal, Quebec, Canada)

STEPHEN G. SNYDER ('00)
B.Sc., M.B.A.
President and Chief Executive Officer
TransAlta Corporation
(Calgary, Alberta, Canada)

JOHN S. WALTON ('86)
Chairman
Endeavour Financial Corporation
(Victoria, British Columbia, Canada)

W. GALEN WESTON ('78)
O.C.
Chairman
George Weston Limited
Loblaw Companies Limited
(Toronto, Ontario, Canada)

PETER N.T. WIDDRINGTON ('86)
M.B.A., LL.D.
Chairman
Laidlaw Inc.
(London, Ontario, Canada)

As at October 31, 2000, the directors and senior officers of CIBC as a group, beneficially owned, directly or indirectly, or exercised control or direction of less than 1% of the outstanding common shares of CIBC. To the knowledge of CIBC, no director or senior officer of CIBC beneficially owned or controlled voting securities of any subsidiaries of CIBC.

Senior officers

EXECUTIVE TEAM

HUNKIN, J.S. (JOHN)
Chairman and Chief Executive Officer

FOX, W.C. (WAYNE)
Vice-Chairman
Treasury and Balance
Sheet Management

KASSIE, D.J. (DAVID)
Vice-Chairman
CIBC
Chief Executive Officer
CIBC World Markets

LALONDE, R.A. (RON)
Senior Executive Vice-President
and Chief Administrative Officer

MARK, R.M. (BOB)
Senior Executive Vice-President
Risk Management

MARSHALL, I.D. (DAVID)
Vice-Chairman
Electronic Commerce,
Technology & Operations

MCCAUGHEY, G.T. (GERRY)
Senior Executive Vice-President
Wealth Management

PEDERSEN, M.B. (MIKE)
Senior Executive Vice-President
Retail and Small Business Banking

VENN, R.E. (RICHARD)
Senior Executive Vice-President
Corporate Development

OFFICERS

ADOLPHE, K.J.E. (KEVIN)
Managing Director and
Chief Administrative Officer
CIBC World Markets

ALLEN, J.R. (JIM)
Executive Vice-President
Customer Marketing

BAXENDALE, S.A. (SONIA)
Executive Vice-President,
Global Private Banking and
Investment Management Services
Wealth Management

CAPATIDES, M.G. (MICHAEL)
Executive Vice-President and
General Counsel
Legal and Compliance

CASSIDY, B.M. (BRIAN)
Chief Executive Officer
Amicus
Senior Executive Vice-President
Electronic Commerce

CROUCHER, C. (CHRISTINE)
Executive Vice-President
Card Products, Collections
and Merchant Card Services

DENHAM, G.H. (JILL)
Executive Vice-President
cibc.com
Electronic Commerce

ELLIOTT, M.A. (MARY ANNE)
Executive Vice-President
Brand Program Management

FERGUSON, D.S. (DAN)
Executive Vice-President
Large Corporate,
Risk Management Division

FISHER, P.T. (PAUL)
Vice-President and
Corporate Secretary

GALLAGHER, T. (THOMAS)
Managing Director
U.S. Equities,
CIBC World Markets

GRAY, C.J. (CAROL)
Executive Vice-President
Small Business Banking,
Retail and Small Business Banking

HORROCKS, M.G. (MICHAEL)
Executive Vice-President and
Treasurer
Treasury and Balance Sheet
Management

HUMBER, K.A. (KATHRYN)
Senior Vice-President
Investor Relations

KILGOUR, P.K.M. (KEN)
Managing Director
CIBC Capital Partners

LALONDE, K.W. (KENN)
Executive Vice-President
Direct to Consumer Banking,
Electronic Commerce

LINDSAY, D.R. (DON)
Managing Director
Global Investment Banking,
CIBC World Markets

MACDONALD, B.E. (BARBARA)
Senior Vice-President
and Chief Accountant

MACLACHLAN, L. (LACHLAN)
Senior Vice-President and
CIBC Ombudsman

MANSOOR, M.K. (MICHAEL)
Senior Vice-President, West Indies and
President and Chief Executive Officer
CIBC West Indies Holdings Limited

MARTIN, J.C. (JANET)
Executive Vice-President
Retail Banking,
Retail and Small Business Banking

MCGIRR, S.R. (STEVE)
Managing Director
Global Debt Capital Markets
and Foreign Exchange,
CIBC World Markets

MCNAIR, S.M. (STEVE)
Executive Vice-President
Imperial Service,
Wealth Management

MCSHERRY, J.R. (JAMES)
Executive Vice-President
and Managing Director
Commercial Banking,
CIBC World Markets

MENDELSOHN, J. (JOSH)
Senior Vice-President
and Chief Economist
Risk Management

O'LEARY, M.J. (MICHAEL)
Executive Vice-President
CIBC World Markets

PHILLIPS, J.M. (JOYCE)
Executive Vice-President
Human Resources

RAMANI, S. (RAM)
Senior Vice-President
and Chief Inspector
Internal Audit and Corporate Security

ROGERS, P.D. (PAUL)
Managing Director
U.S.A. Region,
CIBC World Markets

SHAW, B.G. (BRIAN)
Managing Director
Canadian Equities,
CIBC World Markets

SMITH, C.E. (CATHERINE)
Executive Vice-President
Online Brokerage and
Fixed Term Investments
Wealth Management

WAITE, R.E. (BOB)
Senior Vice-President
Corporate Communications
and Public Affairs

WOELLER, M.D. (MIKE)
Senior Executive Vice-President
and Chief Information Officer

WOODS, T.D. (TOM)
Executive Vice-President
and Chief Financial Officer

Corporate governance

"The Chairman and Chief Executive Officer, John Hunkin, and I have been working closely since my appointment, by the board, as lead director, to ensure the board's independence and effectiveness in order to enhance long-term shareholder value."

BILL ETHERINGTON, Chairman, Corporate Governance Committee
and Lead Director, CIBC Board of Directors

Duties of the Board of Directors

The fundamental statutory duty of the Board of Directors is to supervise the management of the business and affairs of CIBC. The board recognizes the importance of the protection and enhancement of shareholder value and maintains and regularly evaluates a system of corporate governance to achieve this.

At the request of the Chairman and the Board of Directors, in the fall of 1999, Sir Neil Shaw agreed to join the Corporate Governance Committee and lead a review of the board's governance including its practices, composition and structure. Under Sir Neil's leadership, the review was completed and 19 recommendations were made to the board, all of which were approved in February 2000. Most of these recommendations have already been implemented, including:

• Eliminating the board's Executive Committee (with its delegated responsibilities returned to the full board) and the Nominating Committee (with the Corporate Governance Committee assuming this duty);

• Replacing the pension trustees with a corporate trustee (CIBC Mellon Trust Company) and having the Audit Committee assume some pension plan oversight responsibilities;

• Appointing a lead director who would also be the chair of the board's Corporate Governance Committee and an ex-officio member of all other board committees;

• Proposing the size of the board be in the range of 18–21. When this recommendation was made there were 29 directors. Since then, six directors have left the board, one new director joined the board in 2000, and on March 1, 2001, four directors will retire, leaving a complement of 20;

• The Corporate Governance Committee nominates board members for approval by the board and shareholders. Such appointments are made annually and should reflect the committee's evaluation of the individual's role, both to CIBC and in his/her organization. Directors are required to tender their resignations when they change their employment role; the Corporate Governance Committee reviews that director's ability to continue to provide significant contributions to CIBC and makes a recommendation to the board whether or not to accept the resignation;

• The Board of Directors seeks the highest quality of individual as the prime requirement for the board, while considering gender balance, the geographical size of Canada, as well as the increasing importance of CIBC's business interests outside of Canada. The board should move to having a preponderance of active chairpersons or CEOs with retailing, technology, finance and heavy industry experience, with the remainder of the board reflecting outstanding contributions to culture, education, the arts, public organizations or the professions. The Corporate Governance Committee and the full board are using this recommendation as a guide in the director evaluation and nominating process.

• The Corporate Governance Committee has taken an additional responsibility to establish board meeting dates and agendas. The committee establishes the key monthly financial metrics and information to be consistently provided to the board by senior management. These new reporting and monitoring procedures have been implemented by the board for fiscal 2001.

• The Corporate Governance Committee makes recommendations to the board concerning any proposed changes in the objectives or responsibilities of the board and all of its committees. The board has approved new terms of reference for all committees and for the lead director.

• All committees review the information required to perform committee work efficiently and effectively. In certain cases, this will include the retention of independent consultants and advisers.

In summary, the board and its committees underwent a thorough review during 2000 of their composition and governance practices, through the special review led by Sir Neil Shaw and the subsequent work of the Corporate Governance Committee led by Bill Etherington. This process of review and continuous improvement will continue.

"A strong and independent Board of Directors, representing shareholders, with clear accountability to supervise management, produces the creative tension which results in superior corporate governance at CIBC."

JOHN HUNKIN, Chairman and Chief Executive Officer

Compliance with good corporate governance rules and guidelines

CIBC's Board of Directors has reviewed CIBC's governance practices and the guidelines for corporate governance established by The Toronto Stock Exchange (TSE) and the Montreal Exchange, and has concluded that there is no material difference between them.

The TSE and Montreal Exchange guidelines recommend that a corporation have a majority of "unrelated directors". As a Canadian chartered bank, CIBC is subject to the Bank Act and its regulations and the Bank Act sets out rules as to when a director will be an "affiliated director". The board has reviewed these Bank Act rules and has determined that the test of what constitutes an affiliated director is an appropriate test for the TSE concept of a "related director". On this basis the board has concluded that as at October 31, 2000 there are three directors of the 24-member CIBC Board of Directors who are "related" to CIBC.

• As CEO of CIBC, John Hunkin is a "related director"

• As at October 31, 2000 two directors are "related" by virtue of corporate relationships with the bank.

Board committees

The Corporate Governance Committee reviews corporate governance matters pertaining to the shareholders and the Board of Directors. The committee:

• Reviews the performance of the Chief Executive Officer (CEO) and succession planning for the CEO

• Reviews the role and composition of the board and its committees and the methods and processes by which the board fulfills its duties

• Reviews the performance of the board, its committees and the directors

• Reviews and, where appropriate, refers matters that should be brought to the attention of the board or its committees

• Considers board and committee agendas and the quality of material being presented

• Assumed responsibilities previously carried out by the Nominating Committee including setting criteria for election and re-election as a director

Members: J.H. Bennett, I.E.H. Duvar, W.A. Etherington (Chair), J.A. Grant, M.E.J. Phelps, A. Powis

The Management Resources and Compensation Committee provides, on behalf of the board, detailed review oversight and approval of CIBC's policies, practices and procedures relating to human resources to ensure ongoing, long-term development and deployment of high-calibre senior management resources. The committee:

• Reviews compensation to ensure the relationship between senior management performance and compensation is appropriate and set with reference to competitive benchmarks

• Reviews human resource matters with emphasis on overall strategy and programs relating to the recruitment, development and retention of personnel

• Reviews overall compensation programs

• Monitors succession planning for senior management other than the CEO

Members: M.A. Franssen, M.J. Kravis, A. Naimark, M.E.J. Phelps (Chair), A. Powis, B.J. Rae, C. Sirois, S.G. Snyder

The Audit Committee oversees CIBC's financial reporting procedures to ensure there are adequate internal controls over accounting and financial reporting systems. The committee:

• Reviews the annual statements prior to approval by the board and other published or regulatory financial statements

• Reviews and monitors CIBC's compliance with the standards for capital management and internal control established by the Canada Deposit Insurance Corporation

• Examines the mandate, nature and scope of CIBC's internal and external audit work, including ensuring the independence of the external auditors

• Monitors procedures established by the board to provide disclosure of information to customers

• Reviews and monitors legislative amendments impacting the financial services sector

• Meets annually, together with the Risk Management and Conduct Review Committee, with the Superintendent of Financial Institutions Canada and regularly with CIBC's executive vice-president, legal and compliance, chief accountant, chief inspector and the shareholders' auditors

• Assumed responsibilities previously carried out by the pension trustees to approve investment policies and oversee the administration of the pension plan to ensure fiduciary obligations are met in accordance with established rules, policies and guidelines.

Members: P.M. Delbridge, W.L. Duke, I.E.H. Duvar (Chair), R.D. Fullerton, B.J. Rae, J.S. Walton

The Risk Management and Conduct Review Committee ensures policy guidelines and systems exist and are being followed to maintain operational, market, credit, liquidity, legal/compliance and technology risks at an acceptable level. The committee:

• Reviews and approves delegated authorities for credit, market and operational risks

• Reviews and monitors CIBC's compliance with Canada Deposit Insurance Corporation standards for liquidity management, interest rate risk, credit risk management, foreign exchange risk management, securities portfolio management and real estate appraisals

• Reviews and approves credits above certain threshold amounts and reviews impaired loans and anticipated loan losses regularly

• Monitors procedures established by the Board of Directors to identify and resolve conflicts of interest and for restricting the use of confidential information as required by the Bank Act

• Reviews procedures and practices with respect to self-dealing and establishes criteria to measure materiality of such transactions

• Reviews and recommends to the Board of Directors investment and lending policies, standards and procedures

Members: D.G. Bassett, J.H. Bennett, A.L. Flood, J.A. Grant (Chair), A.E.P. Hickman, W.D. McKeough, P.N.T. Widdrington

Information on the number of board and committee meetings held and director attendance is included in the Management Proxy Circular.

All committees are composed entirely of outside directors.

W.A. Etherington, Lead Director, is an ex-officio member of the Management Resources and Compensation Committee, the Audit Committee and the Risk Management and Conduct Review Committee.

Investor information

Dividends

COMMON SHARES

Ex-dividend date	Record date	Payment date	Dividend per share	Number of Common Shares on record date
Sep. 26/00	Sep. 28/00	Oct. 27/00	$ 0.33	380,116,840
Jun. 26/00	Jun. 28/00	Jul. 28/00	$ 0.33	384,666,165
Mar. 24/00	Mar. 28/00	Apr. 28/00	$ 0.33	388,288,734
Dec. 23/99	Dec. 29/99	Jan. 28/00	$ 0.30	401,335,304

PREFERRED SHARES

Ex-dividend date	Record date	Payment date	Series 12	Series 13	Series 14	Series 15	Series 16	Series 17	Series 18	Series 19	Series 20	Series 21	Series 22
Sep. 26/00	Sep. 28/00	Oct. 27/00	US$0.40625	$0.4375	$0.371875	$0.353125	US$0.353125	$0.340625	$0.343750	$0.309375	US$0.321875	$ 0.375	US$0.390625
Jun. 26/00	Jun. 28/00	Jul. 28/00	US$0.40625	$0.4375	$0.371875	$0.353125	US$0.353125	$0.340625	$0.343750	$0.309375	US$0.321875	$ 0.375	US$0.390625
Mar. 24/00	Mar. 28/00	Apr. 28/00	US$0.40625	$0.4375	$0.371875	$0.353125	US$0.353125	$0.340625	$0.343750	$0.309375	US$0.321875	$0.387228	US$0.403363
Dec. 23/99	Dec. 29/99	Jan. 28/00	US$0.40625	$0.4375	$0.371875	$0.353125	US$0.353125	$0.340625	$0.343750	$0.309375	US$0.321875		

Normal course issuer bid

CIBC's normal course issuer bid began December 15, 1999 and ended December 14, 2000. At October 31, 2000, CIBC repurchased for cancellation 26.5 million common shares through The Toronto Stock Exchange, for an aggregate consideration of $1.073 billion. The bid was part of CIBC's overall program to maintain an efficient capital structure and enhance long-term value for common shareholders.

Exchange listings

COMMON SHARES	Stock Symbol	Stock Exchange
	CM	Toronto
	CM	London, England
	BCM	New York
PREFERRED SHARES		
Series 14	CM.PR.L	Toronto
Series 15	CM.PR.M	Toronto
Series 16	CM.PR.X	Toronto
Series 17	CM.PR.N	Toronto
Series 18	CM.PR.P	Toronto
Series 19	CM.PR.R	Toronto
Series 20	CM.PR.Y	Toronto
Series 21	CM.PR.T	Toronto
Series 22	CM.PR.U	Toronto

Credit Ratings

	Senior debt	Preferred shares
DBRS	AA (low)	Pfd-1 (low)
FITCHIBCA	AA-	
Moody's	Aa3	
S&P	AA-	

Shareholder investment plan

Registered holders of CIBC common shares may participate in one or more of the following options, and pay no brokerage commissions or service charges:

Dividend Reinvestment Option: Common share 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 the Corporate Secretary.

PRICE OF COMMON SHARES PURCHASED UNDER THE SHAREHOLDER INVESTMENT PLAN

Date purchased	Dividend reinvestment & stock dividend options	Share purchase option
Oct. 27/00	$ 46.59	
Oct. 2/00		$ 49.90
Sep. 1/00		$ 45.35
Aug. 1/00		$ 42.30
Jul. 28/00	$ 43.22	
Jul. 4/00		$ 41.15
Jun. 1/00		$ 41.91
May 1/00		$ 38.00
Apr. 28/00	$ 39.40	
Apr. 3/00		$ 42.00
Mar. 1/00		$ 36.05
Feb. 1/00		$ 37.30
Jan. 28/00	$ 37.62	
Jan. 4/00		$ 33.30
Dec. 1/99		$ 32.85
Nov. 1/99		$ 31.55

Direct dividend deposit service

Canadian-resident holders of common shares may have their dividends deposited by electronic transfer directly into their account at any financial institution which is a member of the Canadian Payments Association. To arrange, please write to CIBC Mellon Trust Company (see Transfer Agent and Registrar).

Transfer agent and registrar

CIBC Mellon Trust Company
320 Bay Street, 6th Floor
Toronto, Ontario M5H 4A6
(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

For information relating to shareholdings, dividends, dividend reinvestment accounts, lost certificates or to eliminate duplicate mailings of shareholder material, please contact CIBC Mellon Trust Company.

Common and preferred shares are transferable in Canada at the offices of our agent, CIBC Mellon Trust Company, in Toronto, Montreal, Halifax, Winnipeg, Regina, Calgary and Vancouver.

In the United States, common shares are transferable at:
ChaseMellon Shareholder Services, L.L.C.
44 Wall Street, 6th Floor
New York, New York 10005

Outside of North America, common shares are transferable at:
CIBC Mellon Trust Company
Balfour House, 390 High Road
Ilford, Essex, England 1G1 1NQ

Corporate information

CIBC head office

Commerce Court	Telephone number: (416) 980-2211
Toronto, Ontario	Telex number: 065 24116
Canada	Cable address: Canbank, Toronto
M5L 1A2	Web site: http://www.cibc.com

Incorporation

Canadian Imperial Bank of Commerce (CIBC) is a diversified financial institution governed by the Bank Act (Canada). 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 charter was amended to change the name 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. CIBC's charter has been amended from time to time to change its authorized capital.

Annual meeting

Shareholders are invited to attend the CIBC annual meeting on Thursday, March 1st, 2001 at 10:00 a.m. at the Royal York Hotel, 100 Front Street West, Toronto, Ontario.

CIBC annual report

Additional copies of the annual report may be obtained by calling (416) 980-4523. The annual report is also available online at www.cibc.com/discover/annual report.

La version française : Sur simple demande, nous nous ferons un plaisir de vous faire parvenir la version française du présent rapport. Veuillez composer le (416) 980-4523.

Further information

Corporate secretary: For further shareholder information, call (416) 980-3096 or fax (416) 980-7012.

Investor relations: Financial analysts, portfolio managers and other investors requiring financial information may call (416) 980-8691 or fax (416) 980-5028.

Corporate communications: For information on corporate activity and media inquiries, please call (416) 980-4523 or fax (416) 363-5347.

CIBC telephone banking: As part of our commitment to our customers, information, products and services are available by calling toll-free across Canada at 1-800-465-2422.

Office of the CIBC ombudsman: CIBC Ombudsman Lachlan MacLachlan can be reached by telephone at 1-800-308-6859 (Toronto (416) 861-3313), or by fax 1-800-308-6861 (Toronto (416) 980-3754).

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Canadian Imperial Bank of Commerce

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