



Report to Shareholders for the **First Quarter, 2017**

www.cibc.com February 23, 2017

Report of the President and Chief Executive Officer

Overview of results

CIBC today announced its financial results for the first quarter ended January 31, 2017.

First quarter highlights

- **Reported net income was \$1,407 million, compared with \$982 million for the first quarter a year ago, and \$931 million for the prior quarter.**
- **Adjusted net income⁽¹⁾ was \$1,166 million, compared with \$1,029 million for the first quarter a year ago, and \$1,041 million for the prior quarter.**
- **Reported diluted earnings per share (EPS) was \$3.50, compared with \$2.43 for the first quarter a year ago, and \$2.32 for the prior quarter.**
- **Adjusted diluted EPS⁽¹⁾ was \$2.89, compared with \$2.55 for the first quarter a year ago, and \$2.60 for the prior quarter.**
- **Reported return on common shareholders' equity (ROE) was 24.4% and adjusted ROE⁽¹⁾ was 20.1%.**

Results for the first quarter of 2017 were affected by the following items of note aggregating to a positive impact of \$0.61 per share:

- \$299 million (\$245 million after-tax) gain on the sale and lease back of certain retail properties (reported in the Other business line within Retail and Business Banking); and
- \$6 million (\$4 million after-tax) amortization of intangible assets.

At January 31, 2017, CIBC's Basel III Common Equity Tier 1, Tier 1 and Total capital ratios were 11.9%, 13.2% and 15.2%, respectively, on an all-in basis compared with 11.3%, 12.8% and 14.8%, respectively, at the end of the prior quarter. CIBC's Basel III leverage ratio at January 31, 2017 was 4.0% on an all-in basis.

CIBC today announced a quarterly dividend increase of 3 cents per common share to \$1.27 per share. In addition, we announced our intention to seek Toronto Stock Exchange approval for a normal course issuer bid that would permit us to purchase for cancellation up to a maximum of 8 million, or approximately 2% of our outstanding common shares, over the next 12 months.

In the first quarter, CIBC delivered strong performance across Retail and Business Banking, Wealth Management and Capital Markets. We are executing well on our strategy to build a strong, innovative, relationship-oriented bank to deliver growth and reach our goal of being #1 in client experience.

Core business performance

Retail and Business Banking reported net income of \$953 million for the first quarter, up \$269 million or 39% from the first quarter a year ago. Excluding items of note, adjusted net income⁽¹⁾ was \$709 million, up \$23 million or 3% from the first quarter a year ago. Solid volume growth and higher fees were partially offset by narrow spreads, a higher provision for credit losses due to increased write-offs in the card and personal lending portfolios, and higher spending on strategic initiatives.

Retail and Business Banking continued to make progress against our objectives of leadership in profitable revenue growth and client experience. During the first quarter of 2017:

- We launched Digital Cart, allowing clients to apply for multiple banking products entirely through their mobile devices or online - a first in the mobile space in Canada;
- For the third year in a row, we earned the highest score for online banking functionality among the five largest retail banks in Canada in Forrester Research Inc.'s 2016 Canadian Online Banking Functionality Benchmark report; and
- We transformed eight of our banking centres to deliver a more modern banking experience and meet the changing banking preferences of our clients.

Wealth Management reported net income of \$133 million for the first quarter, up \$14 million or 12% from the first quarter a year ago. Excluding items of note, adjusted net income⁽¹⁾ was \$135 million, up \$13 million or 11% from the first quarter a year ago, driven by higher revenue, partially offset by higher expenses. The higher revenue was driven by growth in average assets under management and higher transactional activity, including debt and equity issuance, partially offset by the impact of the sale of American Century Investments.

During the first quarter of 2017, *Wealth Management* continued its progress in support of our strategic focus to enhance client experience, drive asset growth, and simplify our business platform:

- We launched multi-currency registered brokerage accounts, enabling clients to hold U.S. dollars and six other major currencies in their registered accounts; and
- We began co-locating Private Banking teams with CIBC Wood Gundy teams in select locations across the country, to deliver a more integrated offer for high net worth clients and drive growth in this market.

Capital Markets reported net income of \$371 million for the first quarter, up \$127 million or 52% from the first quarter a year ago. Excluding items of note, adjusted net income⁽¹⁾ was \$371 million, up \$123 million or 50%, primarily due to higher revenue and lower loan losses, partially offset by higher expenses. Revenue growth was driven by strong equity derivatives, interest rate and commodities trading, higher equity and debt issuance activity, and higher corporate banking revenue, partially offset by lower advisory revenue.

As a leading capital markets franchise in Canada serving clients around the world, *Capital Markets* acted during the first quarter of 2017 as:

- Financial advisor to Shell Canada on the sale of oil and gas assets to Tourmaline Oil Corp for \$1.4 billion;
- Joint bookrunner on a \$1 billion notes offering for PSP Capital Inc.;
- Co-underwriter on \$150 million in credit facilities in support of Acasta Enterprises Inc.'s qualifying acquisition of Apollo Health & Beauty Care Partnership and Apollo Laboratories Inc., and JemPak Corporation; and
- Lead manager and joint bookrunner on a \$125 million Initial Public Offering for Freshii Inc.

In addition, we announced a partnership with China UnionPay International, expanding CIBC Global Money Transfer™ services to China.

Making a difference in our Communities

CIBC is committed to investing in the social and economic development of communities across Canada. During the quarter we:

- Raised close to \$23 million from CIBC Miracle Day, United Way and Movember for community organizations across Canada, U.S., U.K. and Hong Kong, through the generosity of CIBC employees;
- Committed to hiring 500 individuals with disabilities in 2017 through a partnership with Magnet; and
- Installed the world's first ski-thru ATM at the top of Whistler Mountain as part of a new partnership with Whistler-Blackcomb Ski Resort.

During the quarter, CIBC was:

- Ranked second in The Globe and Mail Report on Business 2016 Board Games;
- Named Financial Institution Innovator of the Year at the Canadian FinTech Awards;
- Included in the 2017 Bloomberg Financial Services Gender-Equality Index;
- Named one of Canada's 10 Most Admired Corporate Cultures by Waterstone; and
- Recognized as one of Canada's Top Employers for Young People by Mediacorp.

In addition, Sandy Sharman, EVP and Chief Human Resources Officer, was named among WXN's Top 100 Most Powerful Women in Canada.

Victor G. Dodig
President and Chief Executive Officer

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

Enhanced Disclosure Task Force

The Enhanced Disclosure Task Force (EDTF), established by the Financial Stability Board, released its report “Enhancing the Risk Disclosures of Banks” in 2012, which included thirty-two disclosure recommendations. The index below provides the listing of these disclosures, along with their locations. EDTF disclosures are located in our 2016 Annual Report, quarterly Report to Shareholders, and supplementary packages, which may be found on our website (www.cibc.com). No information on CIBC’s website, including the supplementary packages, should be considered incorporated herein by reference.

Topics	Recommendations	Disclosures	First quarter, 2017			2016 Annual Report
			Management’s discussion and analysis	Consolidated financial statements	Supplementary regulatory capital disclosure	
			Page references			
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(1) A detailed glossary of our risk and capital terminology is included on page 174 of our 2016 Annual Report.

(2) Included in supplementary financial information package.

Management's discussion and analysis

Management's discussion and analysis (MD&A) is provided to enable readers to assess CIBC's financial condition and results of operations as at and for the quarter ended January 31, 2017 compared with corresponding periods. The MD&A should be read in conjunction with our 2016 Annual Report and the unaudited interim consolidated financial statements included in this report. Unless otherwise indicated, all financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (IFRS or GAAP) and all amounts are expressed in Canadian dollars. Certain disclosures in the MD&A have been shaded as they form an integral part of the interim consolidated financial statements. The MD&A is current as of February 22, 2017. Additional information relating to CIBC is available on SEDAR at www.sedar.com and on the U.S. Securities and Exchange Commission's (SEC) website at www.sec.gov. No information on CIBC's website (www.cibc.com) should be considered incorporated herein by reference. A glossary of terms used throughout this quarterly report can be found on pages 172 to 177 of our 2016 Annual Report.

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A NOTE ABOUT FORWARD-LOOKING STATEMENTS: From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including in this report, in other filings with Canadian securities regulators or the SEC and in other communications. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements made in the "Overview – Financial results", "Overview – Significant events", "Overview – Outlook for calendar year 2017", "Financial condition – Capital resources", "Management of risk – Risk overview", "Management of risk – Credit risk", "Management of risk – Market risk", "Management of risk – Liquidity risk", "Accounting and control matters – Critical accounting policies and estimates", and "Accounting and control matters – Regulatory developments" sections of this report and other statements about our operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies, the regulatory environment in which we operate and outlook for calendar year 2017 and subsequent periods. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "target", "objective" and other similar expressions or future or conditional verbs such as "will", "should", "would" and "could". By their nature, these statements require us to make assumptions, including the economic assumptions set out in the "Overview – Outlook for calendar year 2017" section of this report, and are subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond our control, affect our operations, performance and results, and could cause actual results to differ materially from the expectations expressed in any of our forward-looking statements. These factors include: credit, market, liquidity, strategic, insurance, operational, reputation and legal, regulatory and environmental risk; the effectiveness and adequacy of our risk management and valuation models and processes; legislative or regulatory developments in the jurisdictions where we operate, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations issued and to be issued thereunder, the Organisation for Economic Co-operation and Development Common Reporting Standard, and regulatory reforms in the United Kingdom and Europe, the Basel Committee on Banking Supervision's global standards for capital and liquidity reform, and those relating to the payments system in Canada; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions, and interest rate and liquidity regulatory guidance; the resolution of legal and regulatory proceedings and related matters; the effect of changes to accounting standards, rules and interpretations; changes in our estimates of reserves and allowances; changes in tax laws; changes to our credit ratings; political conditions and developments, including changes relating to economic or trade matters; the possible effect on our business of international conflicts and the war on terror; natural disasters, public health emergencies, disruptions to public infrastructure and other catastrophic events; reliance on third parties to provide components of our business infrastructure; potential disruptions to our information technology systems and services; increasing cyber security risks which may include theft of assets, unauthorized access to sensitive information, or operational disruption; social media risk; losses incurred as a result of internal or external fraud; anti-money laundering; the accuracy and completeness of information provided to us concerning clients and counterparties; the failure of third parties to comply with their obligations to us and our affiliates or associates; intensifying competition from established competitors and new entrants in the financial services industry including through internet and mobile banking; technological change; global capital market activity; changes in monetary and economic policy; currency value and interest rate fluctuations, including as a result of market and oil price volatility; general business and economic conditions worldwide, as well as in Canada, the U.S. and other countries where we have operations, including increasing Canadian household debt levels and global credit risks; our success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels; changes in client spending and saving habits; our ability to attract and retain key employees and executives; our ability to successfully execute our strategies and complete and integrate acquisitions and joint ventures; the risk that expected synergies and benefits of the acquisition of PrivateBancorp, Inc. will not be realized within the expected time frame or at all or the possibility that the acquisition does not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all; and our ability to anticipate and manage the risks associated with these factors. This list is not exhaustive of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements. Any forward-looking statements contained in this report represent the views of management only as of the date hereof and are presented for the purpose of assisting our shareholders and financial analysts in understanding our financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statement that is contained in this report or in other communications except as required by law.

First quarter financial highlights

Unaudited, as at or for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Financial results (\$ millions)			
Net interest income	\$ 2,142	\$ 2,110	\$ 2,106
Non-interest income	2,067	1,571	1,481
Total revenue	4,209	3,681	3,587
Provision for credit losses	212	222	262
Non-interest expenses	2,274	2,347	2,164
Income before income taxes	1,723	1,112	1,161
Income taxes	316	181	179
Net income	\$ 1,407	\$ 931	\$ 982
Net income attributable to non-controlling interests	\$ 5	\$ 4	\$ 5
Preferred shareholders	9	10	9
Common shareholders	1,393	917	968
Net income attributable to equity shareholders	\$ 1,402	\$ 927	\$ 977
Financial measures			
Reported efficiency ratio	54.0 %	63.8 %	60.3 %
Adjusted efficiency ratio ⁽¹⁾	56.3 %	58.2 %	58.1 %
Loan loss ratio ⁽²⁾	0.26 %	0.27 %	0.26 %
Reported return on common shareholders' equity	24.4 %	16.8 %	18.1 %
Adjusted return on common shareholders' equity ⁽¹⁾	20.1 %	18.8 %	19.0 %
Net interest margin	1.61 %	1.59 %	1.69 %
Net interest margin on average interest-earning assets	1.80 %	1.81 %	1.94 %
Return on average assets	1.06 %	0.70 %	0.79 %
Return on average interest-earning assets	1.18 %	0.80 %	0.91 %
Total shareholder return	11.49 %	2.54 %	(8.13)%
Reported effective tax rate	18.4 %	16.2 %	15.4 %
Adjusted effective tax rate ⁽¹⁾	18.5 %	17.5 %	17.3 %
Common share information			
Per share (\$)			
– basic earnings	\$ 3.50	\$ 2.32	\$ 2.44
– reported diluted earnings	3.50	2.32	2.43
– adjusted diluted earnings ⁽¹⁾	2.89	2.60	2.55
– dividends	1.24	1.21	1.15
– book value	58.90	56.59	52.56
Share price (\$)			
– high	113.16	104.46	101.22
– low	97.76	97.51	83.42
– closing	110.81	100.50	91.24
Shares outstanding (thousands)			
– weighted-average basic	397,647	395,181	396,927
– weighted-average diluted	398,311	395,750	397,428
– end of period	399,559	397,070	395,179
Market capitalization (\$ millions)	\$ 44,275	\$ 39,906	\$ 36,056
Value measures			
Dividend yield (based on closing share price)	4.4 %	4.8 %	5.0 %
Reported dividend payout ratio	35.4 %	52.2 %	47.3 %
Adjusted dividend payout ratio ⁽¹⁾	42.8 %	46.6 %	45.1 %
Market value to book value ratio	1.88	1.78	1.74
On- and off-balance sheet information (\$ millions)			
Cash, deposits with banks and securities	\$ 104,913	\$ 101,588	\$ 91,132
Loans and acceptances, net of allowance	322,094	319,781	301,301
Total assets	513,294	501,357	479,032
Deposits	409,753	395,647	377,234
Common shareholders' equity	23,532	22,472	20,770
Average assets	528,852	527,702	494,379
Average interest-earning assets	470,943	462,970	431,380
Average common shareholders' equity	22,674	21,763	21,233
Assets under administration (AUA) ⁽³⁾⁽⁴⁾	2,036,008	2,041,887	1,833,071
Assets under management (AUM) ⁽⁴⁾	186,547	183,715	169,389
Balance sheet quality (All-in basis) and liquidity measures			
Risk-weighted assets (RWA) (\$ millions)			
Common Equity Tier 1 (CET1) capital RWA	\$ 169,350	\$ 168,996	\$ 162,583
Tier 1 capital RWA	169,575	169,322	162,899
Total capital RWA	169,755	169,601	163,169
Capital ratios			
CET1 ratio	11.9 %	11.3 %	10.6 %
Tier 1 capital ratio	13.2 %	12.8 %	12.1 %
Total capital ratio	15.2 %	14.8 %	14.2 %
Basel III leverage ratio			
Leverage ratio exposure (\$ millions)	\$ 555,830	\$ 545,480	\$ 516,037
Leverage ratio	4.0 %	4.0 %	3.8 %
Liquidity coverage ratio	119 %	124 %	121 %
Other information			
Full-time equivalent employees	43,016	43,213	43,609

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

(2) The ratio is calculated as the provision for credit losses on impaired loans to average loans and acceptances, net of allowance for credit losses.

(3) Includes the full contract amount of AUA or custody under a 50/50 joint venture between CIBC and The Bank of New York Mellon of \$1,630.8 billion (October 31, 2016: \$1,640.2 billion; January 31, 2016: \$1,454.6 billion).

(4) AUM amounts are included in the amounts reported under AUA.

Overview

Financial results

Reported net income for the quarter was \$1,407 million, compared with \$982 million for the same quarter last year, and \$931 million for the prior quarter.

Adjusted net income⁽¹⁾ for the quarter was \$1,166 million, compared with \$1,029 million for the same quarter last year, and \$1,041 million for the prior quarter.

Reported diluted earnings per share (EPS) for the quarter was \$3.50, compared with \$2.43 for the same quarter last year, and \$2.32 for the prior quarter.

Adjusted diluted EPS⁽¹⁾ for the quarter was \$2.89, compared with \$2.55 for the same quarter last year, and \$2.60 for the prior quarter.

Net income for the current quarter was affected by the following items of note:

- \$299 million (\$245 million after-tax) gain on the sale and lease back of certain retail properties (Retail and Business Banking); and
- \$6 million (\$4 million after-tax) amortization of intangible assets (\$1 million after-tax in Retail and Business Banking, \$2 million after-tax in Wealth Management, and \$1 million after-tax in Corporate and Other).

The above items of note increased revenue by \$299 million, non-interest expenses by \$6 million, and income taxes by \$52 million. In aggregate, these items of note increased net income by \$241 million.

Net interest income⁽²⁾

Net interest income was up \$36 million or 2% from the same quarter last year, primarily due to volume growth across retail products, partially offset by narrower retail spreads and lower treasury revenue.

Net interest income was up \$32 million or 2% from the prior quarter, primarily due to volume growth across retail products, higher income in Capital Markets, and higher treasury revenue, partially offset by narrower retail spreads.

Non-interest income⁽²⁾

Non-interest income was up \$586 million or 40% from the same quarter last year, primarily due to a gain on the sale and lease back of certain retail properties, shown as an item of note. The current quarter also included higher trading income, underwriting and advisory fees, investment management and custodial fees, and credit fees.

Non-interest income was up \$496 million or 32% from the prior quarter, primarily due to the gain noted above, as well as higher trading income, and higher available-for-sale (AFS) securities gains.

Provision for credit losses

Provision for credit losses was down \$50 million or 19% from the same quarter last year. In Retail and Business Banking, the provision was up primarily due to higher write-offs in the card and the personal lending portfolios. In Capital Markets, the provision was down primarily due to lower losses in the oil and gas sector. In Corporate and Other, the provision was down as the same quarter last year included an increase in the collective allowance, shown as an item of note, primarily relating to deterioration in the commodities sector and economic conditions.

Provision for credit losses was down \$10 million or 5% from the prior quarter. In Retail and Business Banking and Capital Markets, the provision was comparable with the prior quarter. In Corporate and Other, the provision was down due to a reduction in the collective allowance versus an increase in the prior quarter.

Non-interest expenses

Non-interest expenses were up \$110 million or 5% from the same quarter last year, primarily due to higher performance-based compensation, and higher spending on strategic initiatives.

Non-interest expenses were down \$73 million or 3% from the prior quarter, as the prior quarter included restructuring charges primarily relating to employee severance, shown as an item of note. The current quarter included lower expenses primarily due to the timing of spending on strategic initiatives, partially offset by higher performance-based compensation.

Income taxes

Income tax expense was up \$137 million or 77% from the same quarter last year primarily due to higher income. The same quarter last year included an income tax recovery arising from a change in our expected utilization of certain tax loss carryforwards, primarily due to the sale of our minority investment in American Century Investments (ACI), shown as an item of note.

Income tax expense was up \$135 million or 75% from the prior quarter, primarily due to higher income.

In prior years, the Canada Revenue Agency issued reassessments disallowing the deduction of approximately \$3 billion of the 2005 Enron settlement payments and related legal expenses. The matter is currently in litigation. The Tax Court of Canada trial on the deductibility of the Enron payments is expected to commence in 2018.

Should we successfully defend our tax filing position in its entirety, we would recognize an additional accounting tax benefit of \$231 million and taxable refund interest of approximately \$192 million. Should we fail to defend our position in its entirety, we would incur an additional tax expense of approximately \$820 million and non-deductible interest of approximately \$157 million.

The 2015 Canadian federal budget, released on April 21, 2015, contained new rules for "synthetic equity arrangements" which would eliminate the tax deductibility of Canadian inter-corporate dividends for Canadian corporations in certain circumstances. A revised draft of the rules was released on July 31, 2015. The rules became law effective as of November 1, 2015, with a set of transition rules that apply between November 1, 2015 and April 30, 2017.

In June 2016, the Canada Revenue Agency reassessed CIBC approximately \$118 million of additional income tax by denying the tax deductibility of certain 2011 Canadian corporate dividends on the basis that they were part of a "dividend rental arrangement". The circumstances of the dividends subject to the reassessment are similar to those prospectively addressed by the rules in the 2015 Canadian federal budget. It is possible that subsequent years may be reassessed for similar activities. CIBC is confident that its tax filing positions were appropriate and intends to defend itself vigorously. Accordingly, no amounts have been accrued in the interim consolidated financial statements.

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

(2) Trading activities and related risk management strategies can periodically shift trading income between net interest income and non-interest income. Therefore, we view total trading income as the most appropriate measure of trading performance.

Foreign exchange

The estimated impact of U.S. dollar translation on key lines of our interim consolidated statement of income, as a result of changes in average exchange rates, is as follows:

	Jan. 31, 2017 vs. Jan. 31, 2016	Jan. 31, 2017 vs. Oct. 31, 2016
\$ millions, except per share amounts, for the three months ended		
Estimated increase (decrease) in:		
Total revenue	\$ (19)	\$ 3
Provision for credit losses	(1)	–
Non-interest expenses	(10)	2
Income taxes	–	–
Net income	(8)	1
Impact on EPS:		
Basic	\$ (0.02)	\$ –
Diluted	(0.02)	–
Average USD appreciation (depreciation) relative to CAD	(3.2) %	0.6 %

Impact of items of note in prior periods

Net income for the prior quarters was affected by the following items of note:

Q4, 2016

- \$134 million (\$98 million after-tax) in restructuring charges primarily relating to employee severance (Corporate and Other);
- \$9 million (\$7 million after-tax) loss from the structured credit run-off business (Capital Markets); and
- \$7 million (\$5 million after-tax) amortization of intangible assets (\$1 million after-tax in Retail and Business Banking, \$1 million after-tax in Wealth Management, and \$3 million after-tax in Corporate and Other).

The above items of note decreased revenue by \$3 million, increased non-interest expenses by \$147 million, and decreased income taxes by \$40 million. In aggregate, these items of note decreased net income by \$110 million.

Q1, 2016

- \$69 million (\$51 million after-tax) increase in the portion of the collective allowance recognized in Corporate and Other⁽¹⁾;
- \$15 million income tax recovery arising from a change in our expected utilization of certain tax loss carryforwards, primarily due to the sale of our minority investment in ACI (Corporate and Other);
- \$9 million (\$7 million after-tax) amortization of intangible assets (\$2 million after-tax in Retail and Business Banking, \$3 million after-tax in Wealth Management, and \$2 million after-tax in Corporate and Other); and
- \$5 million (\$4 million after-tax) loss from the structured credit run-off business (Capital Markets).

The above items of note decreased revenue by \$4 million, increased provision for credit losses by \$69 million and non-interest expenses by \$10 million, and decreased income taxes by \$36 million. In aggregate, these items of note decreased net income by \$47 million.

(1) Relates to collective allowance, except for: (i) residential mortgages greater than 90 days delinquent; (ii) personal loans and scored small business loans greater than 30 days delinquent, and (iii) net write-offs for the card portfolio, which are all reported in the respective strategic business units (SBUs).

Significant events

Sale and lease back of certain retail properties

During the quarter, we sold and leased back 89 retail properties located mainly in Ontario and British Columbia, and recognized a gain of \$299 million (\$245 million after-tax) in our Retail and Business Banking SBU.

Acquisition of PrivateBancorp, Inc.

On June 29, 2016, we announced that we had entered into a definitive agreement to acquire PrivateBancorp, Inc. (PrivateBancorp) and its subsidiary, The PrivateBank and Trust Company (PrivateBank). PrivateBank is a Chicago-based middle-market commercial bank with private banking and wealth management capabilities.

Under the terms of the agreement, CIBC will pay US\$18.80 in cash and 0.3657 of a CIBC common share for each share of PrivateBancorp common stock. Based on the June 28, 2016 closing price of CIBC's common shares on the New York Stock Exchange (US\$77.11), the total transaction value is approximately US\$3.8 billion (C\$4.9 billion) or US\$47.00 of value per share of PrivateBancorp common stock at announcement. The transaction is subject to customary closing conditions, including regulatory approvals and the approval of PrivateBancorp's common stockholders. The special meeting of PrivateBancorp's common stockholders originally scheduled for December 8, 2016 was postponed by the PrivateBancorp Board of Directors on December 7, 2016 and has not yet been rescheduled. Both parties continue to work to secure all required regulatory approvals as well as to continue development of detailed integration plans.

Review of quarterly financial information

\$ millions, except per share amounts,
for the three months ended

	2017				2016			
	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30
Revenue								
Retail and Business Banking	\$ 2,596	\$ 2,290	\$ 2,225	\$ 2,150	\$ 2,190	\$ 2,176	\$ 2,118	\$ 2,029
Wealth Management	653	620	1,035	583	601	607	628	614
Capital Markets ⁽¹⁾	877	673	809	750	683	571	691	657
Corporate and Other ⁽¹⁾	83	98	67	148	113	129	83	94
Total revenue	\$ 4,209	\$ 3,681	\$ 4,136	\$ 3,631	\$ 3,587	\$ 3,483	\$ 3,520	\$ 3,394
Net interest income	\$ 2,142	\$ 2,110	\$ 2,113	\$ 2,037	\$ 2,106	\$ 2,043	\$ 2,021	\$ 1,895
Non-interest income	2,067	1,571	2,023	1,594	1,481	1,440	1,499	1,499
Total revenue	4,209	3,681	4,136	3,631	3,587	3,483	3,520	3,394
Provision for credit losses	212	222	243	324	262	198	189	197
Non-interest expenses	2,274	2,347	2,218	2,242	2,164	2,383	2,179	2,104
Income before income taxes	1,723	1,112	1,675	1,065	1,161	902	1,152	1,093
Income taxes	316	181	234	124	179	124	174	182
Net income	\$ 1,407	\$ 931	\$ 1,441	\$ 941	\$ 982	\$ 778	\$ 978	\$ 911
Net income attributable to:								
Non-controlling interests	\$ 5	\$ 4	\$ 6	\$ 5	\$ 5	\$ 2	\$ 5	\$ 4
Equity shareholders	1,402	927	1,435	936	977	776	973	907
EPS – basic	\$ 3.50	\$ 2.32	\$ 3.61	\$ 2.35	\$ 2.44	\$ 1.93	\$ 2.42	\$ 2.25
– diluted	3.50	2.32	3.61	2.35	2.43	1.93	2.42	2.25

(1) Capital Markets revenue and income taxes are reported on a taxable equivalent basis (TEB) with an equivalent offset in the revenue and income taxes of Corporate and Other.

Our quarterly results are modestly affected by seasonal factors. The second quarter has fewer days as compared with the other quarters, generally leading to lower earnings. The summer months (July – third quarter and August – fourth quarter) typically experience lower levels of market activity, which affects our brokerage, investment management, and Capital Markets activities.

Revenue

Retail and Business Banking revenue has benefited from volume growth, partially offset by the continued low interest rate environment, and attrition in our exited FirstLine mortgage broker business. The first quarter of 2017 included a gain on the sale and lease back of certain retail properties.

In Wealth Management, we recognized a gain, net of related transaction costs, on the sale of our minority investment in ACI in the third quarter of 2016. We ceased recognition of income from equity-accounted associates relating to ACI following the announcement of the sale in the first quarter of 2016.

Capital Markets revenue is influenced, to a large extent, by market conditions and activity in the equity derivatives business, which includes tax-exempt income. The third quarter of 2016 included a gain from the structured credit run-off business.

Corporate and Other includes the offset related to the TEB component of tax-exempt income reported in Capital Markets revenue. The second quarter of 2016 included a gain on sale of a processing centre.

Provision for credit losses

Provision for credit losses is dependent upon the credit cycle in general and on the credit performance of the loan portfolios. In Retail and Business Banking, losses in the card and personal lending portfolios trended higher after the first quarter of 2016. In Capital Markets, losses in the oil and gas sector were elevated in the fourth quarter of 2015 and the first half of 2016. The third quarter of 2016 had higher losses in our exited European leveraged finance portfolio. In Corporate and Other, the first two quarters of 2016 included increases in the collective allowance, primarily relating to deterioration in the commodities sector and economic conditions.

Non-interest expenses

Non-interest expenses have fluctuated over the period largely due to changes in employee-related compensation and benefits, higher spending on strategic initiatives, and movement in foreign exchange rates. The fourth quarters of 2016 and 2015 included restructuring charges primarily relating to employee severance. The second quarter of 2016 included legal provisions in Corporate and Other.

Income taxes

Income taxes vary with changes in income subject to tax, and the jurisdictions in which the income is earned. Taxes can also be affected by the impact of significant items and the level of tax-exempt income. The second quarter of 2016 included an income tax recovery due to the settlement of transfer pricing-related matters. The first quarter of 2016 included an income tax recovery arising from a change in our expected utilization of certain tax loss carryforwards, primarily due to the sale of our minority investment in ACI.

Outlook for calendar year 2017

Global growth in gross domestic product in 2017 is expected to be marginally better than the moderate pace seen in 2016. Emerging markets should see some support from earlier interest rate cuts. The U.S. should improve to a growth rate slightly above 2%, driven by consumer spending and housing, while Europe should be steady with growth in the 1.5% range, as diminished fiscal tightening should help offset the impact of political uncertainties. The U.S. Federal Reserve could raise rates over the course of the year, but the federal funds rate will remain very low by historical standards. Canada's economic growth rate should accelerate from 2016 while remaining below 2%. A diminished drag from declines in energy capital spending and additions to government infrastructure spending should counter a reduced growth contribution from housing. Canada's 2017 growth could be impacted if the U.S. pursues a protectionist policy that extends to Canadian exports. Canadian interest rates should remain stable while the Canadian dollar sheds some of the gains seen during the prior year.

In Retail and Business Banking, we could see a more moderate expansion of consumer credit due to steps taken by the government to slow price appreciation in the housing market. Business credit demand should remain healthy, given very low interest rates and somewhat faster economic growth.

An improving environment for corporate profits and low interest rates should support equity-related business in Capital Markets and Wealth Management, and Capital Markets should see continued strength in the issuance of government debt tied to accelerating infrastructure spending.

Credit quality should remain healthy overall, with somewhat firmer oil prices diminishing risks in the energy sector.

Non-GAAP measures

We use a number of financial measures to assess the performance of our business lines. Some measures are calculated in accordance with GAAP (IFRS), while other measures do not have a standardized meaning under GAAP, and accordingly, these measures may not be comparable to similar measures used by other companies. Investors may find these non-GAAP measures useful in analyzing financial performance. For a more detailed discussion on our non-GAAP measures, see page 13 of the 2016 Annual Report. The following table provides a reconciliation of non-GAAP to GAAP measures related to CIBC on a consolidated basis.

\$ millions, as at or for the three months ended		2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Reported and adjusted diluted EPS				
Reported net income attributable to common shareholders	A	\$ 1,393	\$ 917	\$ 968
After-tax impact of items of note ⁽¹⁾		(241)	110	47
Adjusted net income attributable to common shareholders ⁽²⁾	B	\$ 1,152	\$ 1,027	\$ 1,015
Diluted weighted-average common shares outstanding (thousands)	C	398,311	395,750	397,428
Reported diluted EPS (\$)	A/C	\$ 3.50	\$ 2.32	\$ 2.43
Adjusted diluted EPS (\$) ⁽²⁾	B/C	2.89	2.60	2.55
Reported and adjusted efficiency ratio				
Reported total revenue	D	\$ 4,209	\$ 3,681	\$ 3,587
Pre-tax impact of items of note ⁽¹⁾		(299)	3	4
TEB		118	97	115
Adjusted total revenue ⁽²⁾	E	\$ 4,028	\$ 3,781	\$ 3,706
Reported non-interest expenses	F	\$ 2,274	\$ 2,347	\$ 2,164
Pre-tax impact of items of note ⁽¹⁾		(6)	(147)	(10)
Adjusted non-interest expenses ⁽²⁾	G	\$ 2,268	\$ 2,200	\$ 2,154
Reported efficiency ratio	F/D	54.0 %	63.8 %	60.3 %
Adjusted efficiency ratio ⁽²⁾	G/E	56.3 %	58.2 %	58.1 %
Reported and adjusted dividend payout ratio				
Dividends paid to common shareholders	H	\$ 493	\$ 478	\$ 457
Reported dividend payout ratio	H/A	35.4 %	52.2 %	47.3 %
Adjusted dividend payout ratio ⁽²⁾	H/B	42.8 %	46.6 %	45.1 %
Reported and adjusted return on common shareholders' equity				
Average common shareholders' equity	I	\$ 22,674	\$ 21,763	\$ 21,233
Reported return on common shareholders' equity	A/I ⁽³⁾	24.4 %	16.8 %	18.1 %
Adjusted return on common shareholders' equity ⁽²⁾	B/I ⁽³⁾	20.1 %	18.8 %	19.0 %
Reported and adjusted effective tax rate				
Reported income before income taxes	J	\$ 1,723	\$ 1,112	\$ 1,161
Pre-tax impact of items of note ⁽¹⁾		(293)	150	83
Adjusted income before income taxes ⁽²⁾	K	\$ 1,430	\$ 1,262	\$ 1,244
Reported income taxes	L	\$ 316	\$ 181	\$ 179
Tax impact of items of note ⁽¹⁾		(52)	40	36
Adjusted income taxes ⁽²⁾	M	\$ 264	\$ 221	\$ 215
Reported effective tax rate	L/J	18.4 %	16.2 %	15.4 %
Adjusted effective tax rate ⁽²⁾	M/K	18.5 %	17.5 %	17.3 %

\$ millions, for the three months ended		Retail and Business Banking	Wealth Management	Capital Markets	Corporate and Other	CIBC Total
2017 Jan. 31	Reported net income (loss)	\$ 953	\$ 133	\$ 371	\$ (50)	\$ 1,407
	After-tax impact of items of note ⁽¹⁾	(244)	2	–	1	(241)
	Adjusted net income (loss) ⁽²⁾	\$ 709	\$ 135	\$ 371	\$ (49)	\$ 1,166
2016 Oct. 31	Reported net income (loss)	\$ 687	\$ 126	\$ 276	\$ (158)	\$ 931
	After-tax impact of items of note ⁽¹⁾	1	1	7	101	110
	Adjusted net income (loss) ⁽²⁾	\$ 688	\$ 127	\$ 283	\$ (57)	\$ 1,041
2016 Jan. 31	Reported net income (loss)	\$ 684	\$ 119	\$ 244	\$ (65)	\$ 982
	After-tax impact of items of note ⁽¹⁾	2	3	4	38	47
	Adjusted net income (loss) ⁽²⁾	\$ 686	\$ 122	\$ 248	\$ (27)	\$ 1,029

(1) Reflects impact of items of note under "Financial results" section.

(2) Non-GAAP measure.

(3) Annualized.

Strategic business units overview

CIBC has three SBUs – Retail and Business Banking, Wealth Management, and Capital Markets. These SBUs are supported by the following functional groups – Technology and Operations, Finance (including Treasury), Administration, Risk Management, and Internal Audit, as well as other support groups, which all form part of Corporate and Other. The expenses of these functional and support groups are generally allocated to the business lines within the SBUs. Corporate and Other also includes our international banking operations comprising mainly FirstCaribbean International Bank Limited (CIBC FirstCaribbean), strategic investments in the CIBC Mellon joint ventures, and other income statement and balance sheet items not directly attributable to the business lines. The key methodologies and assumptions used in reporting financial results of our SBUs are provided on page 16 of the 2016 Annual Report.

Retail and Business Banking

Retail and Business Banking provides personal and business clients across Canada with financial advice, products and services through a strong team of advisors and relationship managers, in our banking centres or through remote channels such as mobile advisors, telephone, online or mobile banking.

Results⁽¹⁾

\$ millions, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Revenue			
Personal banking	\$ 1,836	\$ 1,825	\$ 1,749
Business banking	453	443	425
Other	307	22	16
Total revenue	2,596	2,290	2,190
Provision for credit losses	205	206	163
Non-interest expenses	1,129	1,149	1,097
Income before income taxes	1,262	935	930
Income taxes	309	248	246
Net income	\$ 953	\$ 687	\$ 684
Net income attributable to:			
Equity shareholders (a)	\$ 953	\$ 687	\$ 684
Efficiency ratio	43.5 %	50.1 %	50.1 %
Return on equity ⁽²⁾	67.0 %	49.6 %	52.7 %
Charge for economic capital ⁽²⁾ (b)	\$ (138)	\$ (135)	\$ (127)
Economic profit ⁽²⁾ (a+b)	\$ 815	\$ 552	\$ 557
Full-time equivalent employees	20,494	20,280	21,160

(1) For additional segmented information, see the notes to the interim consolidated financial statements.

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

Financial overview

Net income for the quarter was \$953 million, up \$269 million from the same quarter last year, primarily due to higher revenue, which included a gain on the sale and lease back of certain retail properties, shown as an item of note, partially offset by a higher provision for credit losses and higher non-interest expenses.

Net income was up \$266 million from the prior quarter, primarily due to higher revenue, which included the gain noted above, and lower non-interest expenses.

Revenue

Revenue was up \$406 million or 19% from the same quarter last year.

Personal banking revenue was up \$87 million, primarily due to volume growth and higher fees, partially offset by narrower spreads.

Business banking revenue was up \$28 million, primarily due to volume growth and higher fees, partially offset by narrower spreads.

Other revenue was up \$291 million, mainly due to the gain noted above, partially offset by lower revenue from our exited FirstLine mortgage broker business.

Revenue was up \$306 million or 13% from the prior quarter.

Personal banking revenue was up \$11 million, primarily due to volume growth and higher fees, partially offset by narrower spreads.

Business banking revenue was up \$10 million, primarily due to volume growth and higher fees, partially offset by narrower spreads.

Other revenue was up \$285 million, primarily due to the gain noted above.

Provision for credit losses

Provision for credit losses was up \$42 million from the same quarter last year, primarily due to higher write-offs in the card and personal lending portfolios.

Provision for credit losses was comparable with the prior quarter.

Non-interest expenses

Non-interest expenses were up \$32 million or 3% from the same quarter last year, primarily due to higher spending on strategic initiatives, including innovation to further our retail transformation.

Non-interest expenses were down \$20 million or 2% from the prior quarter, primarily due to the timing of spending on strategic initiatives.

Income taxes

Income taxes were up \$63 million from the same quarter last year and up \$61 million from the prior quarter, primarily due to higher income, partially offset by the impact of a lower effective tax rate on the gain noted above.

Wealth Management

Wealth Management provides integrated advice and investment solutions to meet the needs of institutional, retail, and high net worth clients. Our asset management, retail brokerage and private wealth management businesses combine to create an integrated offer, delivered through approximately 1,600 advisors across Canada and the U.S. The results of ACI are included in the Other business line.

Results⁽¹⁾

\$ millions, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Revenue			
Retail brokerage	\$ 352	\$ 332	\$ 308
Asset management	194	190	181
Private wealth management	107	98	98
Other	–	–	14
Total revenue	653	620	601
Non-interest expenses	469	444	439
Income before income taxes	184	176	162
Income taxes	51	50	43
Net income	\$ 133	\$ 126	\$ 119
Net income attributable to:			
Equity shareholders (a)	\$ 133	\$ 126	\$ 119
Efficiency ratio	71.7 %	71.5 %	73.0 %
Return on equity ⁽²⁾	35.1 %	32.4 %	19.3 %
Charge for economic capital ⁽²⁾ (b)	\$ (36)	\$ (38)	\$ (60)
Economic profit ⁽²⁾ (a+b)	\$ 97	\$ 88	\$ 59
Full-time equivalent employees	4,270	4,295	4,388

(1) For additional segmented information, see the notes to the interim consolidated financial statements.

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

Financial overview

Net income for the quarter was \$133 million, up \$14 million from the same quarter last year, and up \$7 million from the prior quarter, primarily due to higher revenue, partially offset by higher non-interest expenses.

Revenue

Revenue was up \$52 million or 9% from the same quarter last year.

Retail brokerage revenue was up \$44 million, primarily due to higher investment management and custodial fees, driven by higher average AUM and AUA, and higher commission revenue as a result of higher debt and equity issuance activity.

Asset management revenue was up \$13 million, primarily due to higher average AUM, driven by market appreciation and net sales of long-term mutual funds.

Private wealth management revenue was up \$9 million, primarily due to higher annual performance fees earned by Atlantic Trust Private Wealth Management (Atlantic Trust).

Other revenue was down \$14 million, as we ceased recognition of income from equity-accounted associates following the announcement of the sale of ACI in December 2015.

Revenue was up \$33 million or 5% from the prior quarter.

Retail brokerage revenue was up \$20 million, primarily due to higher commission revenue as a result of higher debt and equity issuance activity and an increase in transaction volume, and higher investment management and custodial fees, driven by higher average AUM and AUA.

Asset management revenue was up \$4 million, primarily due to higher average AUM, driven by net sales of long-term mutual funds and market appreciation.

Private wealth management revenue was up \$9 million, primarily due to annual performance fees earned by Atlantic Trust.

Non-interest expenses

Non-interest expenses were up \$30 million or 7% from the same quarter last year, and up \$25 million or 6% from the prior quarter, primarily due to higher performance-based compensation.

Income taxes

Income taxes were up \$8 million from the same quarter last year, primarily due to higher income.

Income taxes were comparable with the prior quarter.

Capital Markets

Capital Markets provides integrated global markets products and services, investment banking advisory and execution, corporate banking and top-ranked research to corporate, government and institutional clients around the world.

Results⁽¹⁾

\$ millions, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Revenue			
Global markets	\$ 531	\$ 365	\$ 391
Corporate and investment banking	335	313	286
Other	11	(5)	6
Total revenue ⁽²⁾	877	673	683
Provision for credit losses	2	–	25
Non-interest expenses	382	333	344
Income before income taxes	493	340	314
Income taxes ⁽²⁾	122	64	70
Net income	\$ 371	\$ 276	\$ 244
Net income attributable to:			
Equity shareholders (a)	\$ 371	\$ 276	\$ 244
Efficiency ratio ⁽²⁾	43.6 %	49.4 %	50.3 %
Return on equity ⁽³⁾	41.9 %	31.1 %	30.2 %
Charge for economic capital ⁽³⁾ (b)	\$ (86)	\$ (86)	\$ (78)
Economic profit ⁽³⁾ (a+b)	\$ 285	\$ 190	\$ 166
Full-time equivalent employees	1,301	1,324	1,341

(1) For additional segmented information, see the notes to the interim consolidated financial statements.

(2) Revenue and income taxes are reported on a TEB basis. Accordingly, revenue and income taxes include a TEB adjustment of \$118 million for the quarter ended January 31, 2017 (October 31, 2016: \$97 million; January 31, 2016: \$115 million). The equivalent amounts are offset in the revenue and income taxes of Corporate and Other.

(3) For additional information, see the "Non-GAAP measures" section.

Financial overview

Net income for the quarter was \$371 million, up \$127 million from the same quarter last year, primarily due to higher revenue and a lower provision for credit losses, partially offset by higher non-interest expenses.

Net income was up \$95 million from the prior quarter, primarily due to higher revenue, partially offset by higher non-interest expenses and a higher effective tax rate.

Revenue

Revenue was up \$194 million or 28% from the same quarter last year.

Global markets revenue was up \$140 million, primarily due to higher revenue from equity derivatives, interest rate, and commodities trading.

Corporate and investment banking revenue was up \$49 million, primarily due to higher equity and debt issuance activity and higher corporate banking revenue, partially offset by lower advisory revenue.

Other revenue was up \$5 million, primarily due to higher gains in our run-off businesses.

Revenue was up \$204 million or 30% from the prior quarter.

Global markets revenue was up \$166 million, primarily due to higher equity derivatives, interest rate, and foreign exchange trading.

Corporate and investment banking revenue was up \$22 million, primarily due to higher debt and equity issuance activity and higher corporate banking revenue.

Other revenue was up \$16 million, primarily due to gains in our run-off businesses compared with losses in the prior quarter.

Provision for credit losses

Provision for credit losses was down \$23 million from the same quarter last year, primarily due to lower losses in the oil and gas sector.

Provision for credit losses was comparable with the prior quarter.

Non-interest expenses

Non-interest expenses were up \$38 million or 11% from the same quarter last year, and up \$49 million or 15% from the prior quarter, primarily due to higher performance-based compensation.

Income taxes

Income taxes were up \$52 million from the same quarter last year and up \$58 million from the prior quarter, primarily due to higher income and the proportion of income earned in jurisdictions with higher statutory tax rates.

Corporate and Other

Corporate and Other includes the following functional groups – Technology and Operations, Finance (including Treasury), Administration, Risk Management, and Internal Audit, as well as other support groups. The expenses of these functional and support groups are generally allocated to the business lines within the SBUs. Corporate and Other also includes our international banking operations comprising mainly CIBC FirstCaribbean, strategic investments in the CIBC Mellon joint ventures, and other income statement and balance sheet items not directly attributable to the business lines.

Results⁽¹⁾

\$ millions, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Revenue			
International banking	\$ 179	\$ 176	\$ 195
Other	(96)	(78)	(82)
Total revenue ⁽²⁾	83	98	113
Provision for credit losses	5	16	74
Non-interest expenses	294	421	284
Loss before income taxes	(216)	(339)	(245)
Income taxes ⁽²⁾	(166)	(181)	(180)
Net loss	\$ (50)	\$ (158)	\$ (65)
Net income (loss) attributable to:			
Non-controlling interests	\$ 5	\$ 4	\$ 5
Equity shareholders	(55)	(162)	(70)
Full-time equivalent employees	16,951	17,314	16,720

(1) For additional segmented information, see the notes to the interim consolidated financial statements.

(2) TEB adjusted. See footnote 2 in the "Capital Markets" section for additional details.

Financial overview

Net loss for the quarter was \$50 million, compared with a net loss of \$65 million in the same quarter last year, primarily due to a lower provision for credit losses, partially offset by lower revenue and higher non-interest expenses.

Net loss was down \$108 million from the prior quarter, primarily due to lower non-interest expenses and a lower provision for credit losses, partially offset by lower revenue.

Revenue

Revenue was down \$30 million or 27% from the same quarter last year.

International banking revenue was down \$16 million, primarily due to the unfavourable impact of foreign exchange rates.

Other revenue was down \$14 million, primarily due to lower treasury revenue.

Revenue was down \$15 million or 15% from the prior quarter.

International banking revenue was up \$3 million, primarily due to the favourable impact of foreign exchange rates.

Other revenue was down \$18 million, primarily due to a higher TEB adjustment.

Provision for credit losses

Provision for credit losses was down \$69 million, as the same quarter last year included an increase in the collective allowance, shown as an item of note, primarily relating to deterioration in the commodities sector and economic conditions.

Provision for credit losses was down \$11 million from the prior quarter, primarily due to a reduction in the collective allowance versus an increase in the prior quarter.

Non-interest expenses

Non-interest expenses were up \$10 million or 4% from the same quarter last year, primarily due to higher spending on strategic initiatives.

Non-interest expenses were down \$127 million or 30% from the prior quarter, as the prior quarter included restructuring charges primarily relating to employee severance, shown as an item of note.

Income taxes

Income tax benefit was down \$14 million from the same quarter last year, as the prior year quarter included an income tax recovery arising from a change in our expected utilization of certain tax loss carryforwards, shown as an item of note.

Income tax benefit was down \$15 million from the prior quarter primarily due to lower losses.

Financial condition

Review of condensed consolidated balance sheet

\$ millions, as at	2017 Jan. 31	2016 Oct. 31
Assets		
Cash and deposits with banks	\$ 15,389	\$ 14,165
Securities	89,524	87,423
Securities borrowed or purchased under resale agreements	44,556	33,810
Loans and acceptances, net of allowance	322,094	319,781
Derivative instruments	23,897	27,762
Other assets	17,834	18,416
	\$ 513,294	\$ 501,357
Liabilities and equity		
Deposits	\$ 409,753	\$ 395,647
Obligations related to securities lent or sold short or under repurchase agreements	28,995	24,550
Derivative instruments	25,923	28,807
Other liabilities	20,595	25,314
Subordinated indebtedness	3,302	3,366
Equity	24,726	23,673
	\$ 513,294	\$ 501,357

Assets

As at January 31, 2017, total assets were up \$11.9 billion or 2% from October 31, 2016, net of a decrease of approximately \$3 billion due to the depreciation of the U.S. dollar.

Cash and deposits with banks increased by \$1.2 billion or 9%, mainly due to higher short-term placements in Treasury.

Securities increased by \$2.1 billion or 2%, primarily due to higher trading securities in Capital Markets, partially offset by a decrease in AFS securities, mainly in Canadian government debt securities.

Securities borrowed or purchased under resale agreements increased by \$10.7 billion or 32%, due to increased funding in Treasury and normal business activity.

Net loans and acceptances increased by \$2.3 billion or 1% due to an increase in residential mortgages, partially offset by a decrease in foreign business and government loans and acceptances.

Derivative instruments decreased by \$3.9 billion or 14%, largely driven by decreases in foreign exchange and interest rate derivatives valuation, partially offset by an increase in equity derivative valuation.

Other assets decreased by \$582 million or 3%, due to decreases in collateral pledged for derivatives and gold and silver certificates.

Liabilities

As at January 31, 2017, total liabilities were up \$10.9 billion or 2% from October 31, 2016, net of a decrease of approximately \$3 billion due to the depreciation of the U.S. dollar.

Deposits increased by \$14.1 billion or 4%, primarily due to increased funding in Treasury and domestic retail volume growth. Further details on the composition of deposits are provided in Note 7 to the interim consolidated financial statements.

Obligations related to securities lent or sold short or under repurchase agreements increased by \$4.4 billion or 18%, primarily due to client-driven activities.

Derivative instruments decreased by \$2.9 billion or 10%, largely driven by decreases in interest rate and foreign exchange derivatives valuation.

Other liabilities decreased by \$4.7 billion or 19%, mainly due to a decrease in acceptances.

Equity

As at January 31, 2017, equity increased \$1.1 billion or 4% from October 31, 2016, primarily due to a net increase in retained earnings.

Capital resources

We actively manage our capital to maintain a strong and efficient capital base, to maximize risk-adjusted returns to shareholders, and to meet regulatory requirements. For additional details on capital resources, see pages 29 to 38 of the 2016 Annual Report.

Regulatory capital requirements under Basel III

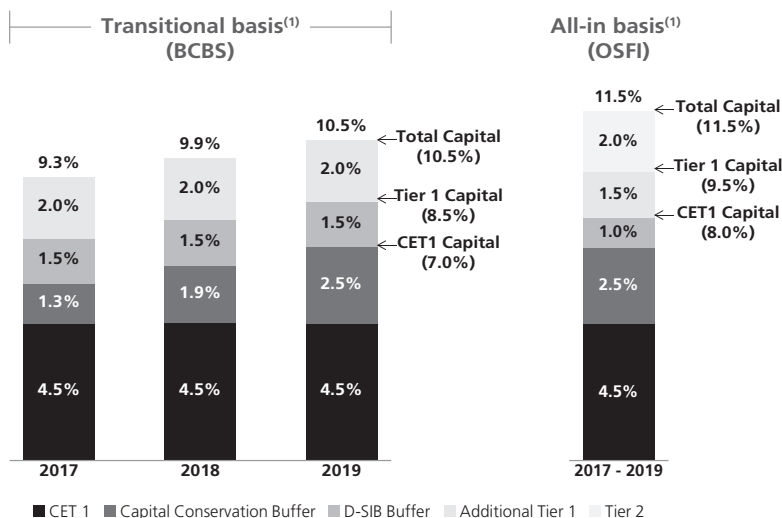
Our regulatory capital requirements are determined in accordance with guidelines issued by the Office of the Superintendent of Financial Institutions (OSFI), which are based upon the risk-based capital standards developed by the Basel Committee on Banking Supervision (BCBS).

Regulatory capital consists of CET1, Tier 1 and Tier 2 capital. OSFI requires all institutions to achieve target capital ratios that meet or exceed the 2019 all-in minimum ratios plus a conservation buffer. "All-in" is defined by OSFI as capital calculated to include all of the regulatory adjustments that will be required by 2019, but retaining the phase-out rules for non-qualifying capital instruments. Certain deductions from CET1 capital are phased in at 20% per year from 2014 for the determination of capital under the transitional rules. Amounts not yet deducted from capital under OSFI's transitional rules are risk weighted, creating a difference between RWAs on a transitional and all-in basis.

CIBC, along with the Bank of Montreal, the Bank of Nova Scotia, the National Bank of Canada, the Royal Bank of Canada, and the Toronto-Dominion Bank, have been designated by OSFI as domestic systemically important banks (D-SIBs) in Canada, and they are subject to a 1% CET1 surcharge, which commenced January 1, 2016. This results in current minimum targets for CET1, Tier 1 and Total capital ratios of 8.0%, 9.5%, and 11.5%, respectively. These targets may be higher for certain institutions at OSFI's discretion. Additionally, starting in the first quarter of 2017, banks will need to hold an incremental countercyclical capital buffer equal to the weighted average of buffers deployed in Canada and across certain other jurisdictions, where private sector credit exposures exist.

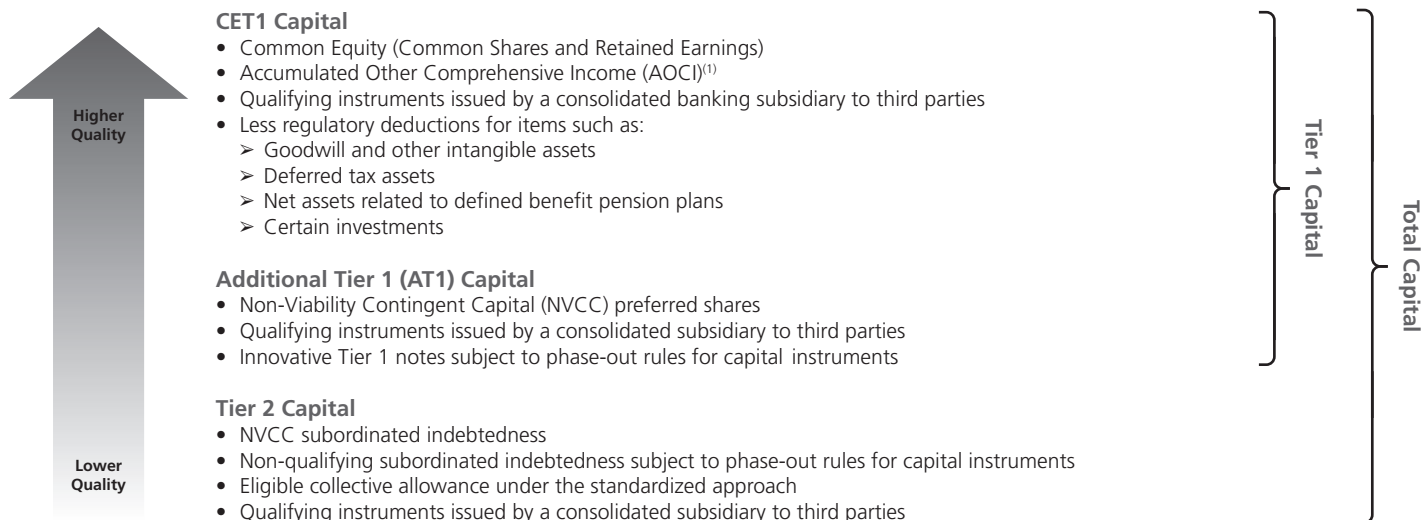
Capital adequacy requirements are applied on a consolidated basis, which is consistent with the consolidation basis in our financial statements as described in Note 1 to the 2016 annual consolidated financial statements, except for our insurance subsidiaries (CIBC Reinsurance Company Limited and CIBC Life Insurance Company Limited), which are excluded from the regulatory scope of consolidation. CIBC Life Insurance Company Limited is subject to OSFI's Minimum Continuing Capital Surplus Requirements for life insurance companies.

A comparison of the BCBS transitional capital ratio requirements and the OSFI all-in target capital ratio requirements is as follows:



(1) A countercyclical capital buffer is also applicable, but is insignificant for CIBC as at January 31, 2017.

The tiers of regulatory capital indicate increasing quality/permanence and the ability to absorb losses. The major components of our regulatory capital are summarized as follows:



(1) Excluding AOCI relating to cash flow hedges and changes to FVO liabilities attributable to changes in own credit risk.

Regulatory capital

\$ millions, as at	2017 Jan. 31	2016 Oct. 31
Transitional basis		
CET1 capital	\$ 20,877	\$ 20,751
Tier 1 capital	22,809	22,596
Total capital	26,125	25,949
RWA	171,157	173,902
CET1 ratio	12.2 %	11.9 %
Tier 1 capital ratio	13.3 %	13.0 %
Total capital ratio	15.3 %	14.9 %
All-in basis		
CET1 capital	\$ 20,093	\$ 19,148
Tier 1 capital	22,360	21,666
Total capital	25,710	25,083
CET1 capital RWA	169,350	168,996
Tier 1 capital RWA	169,575	169,322
Total capital RWA	169,755	169,601
CET1 ratio	11.9 %	11.3 %
Tier 1 capital ratio	13.2 %	12.8 %
Total capital ratio	15.2 %	14.8 %

CET1 ratio (All-in basis)

The CET1 ratio at January 31, 2017 increased 0.6% from October 31, 2016. The impact of the increase in CET1 capital was partially offset by the impact of an increase in RWAs. The increase in CET1 capital was the result of internal capital generation (net income less dividends) and share issuance arising from our shareholder and employee plans. CET1 capital RWAs increased \$0.4 billion from October 31, 2016 to January 31, 2017, primarily due to increased exposures and capital methodology updates, partially offset by the impact of net foreign exchange movement and portfolio upgrades.

Continuous enhancement to risk-based capital requirements

The BCBS has published a number of proposals for changes to the existing risk-based capital requirements (see page 34 of the 2016 Annual Report), which continue to evolve.

In December 2016, OSFI issued a final Capital Adequacy Requirements Guideline, effective for the first quarter of 2017, following the draft issued for public consultation in September 2016.

CIBC will continue to monitor and prepare for developments impacting risk-based capital requirements.

Basel III leverage ratio

The Basel III capital reforms included a non-risk-based capital metric, the leverage ratio, to supplement risk-based capital requirements.

The leverage ratio is defined as Tier 1 capital divided by the leverage ratio exposure. The leverage ratio exposure is defined under the rules as the sum of:

- (i) On-balance sheet assets less Tier 1 capital regulatory adjustments;
- (ii) Derivative exposures;
- (iii) Securities financing transaction exposures; and
- (iv) Off-balance sheet exposures (such as commitments, direct credit substitutes, letters of credit, and securitization exposures).

OSFI expects federally regulated deposit-taking institutions to have leverage ratios that meet or exceed 3%. This minimum may be higher for certain institutions at OSFI's discretion.

\$ millions, as at		2017 Jan. 31	2016 Oct. 31
Transitional basis			
Tier 1 capital	A	\$ 22,809	\$ 22,596
Leverage ratio exposure	B	556,186	546,136
Leverage ratio	A/B	4.1 %	4.1 %
All-in basis			
Tier 1 capital	C	\$ 22,360	\$ 21,666
Leverage ratio exposure	D	555,830	545,480
Leverage ratio	C/D	4.0 %	4.0 %

Leverage ratio (All-in basis)

The leverage ratio at January 31, 2017 remained unchanged from October 31, 2016 at 4.0%, as the impact of an increase in Tier 1 capital was offset by the impact of an increase in leverage ratio exposure. The increase in Tier 1 capital was driven by the increase in the CET1 capital noted above, partially offset by an increase in the phase-out of Innovative Tier 1 notes from Additional Tier 1 capital. The increase in leverage ratio exposure was primarily driven by an increase in on-balance sheet and securities financing transaction exposures.

Proposed revisions to leverage ratio framework

Revisions proposed by the BCBS are discussed on page 35 of the 2016 Annual Report and are expected to be finalized for implementation on January 1, 2018.

Revised Pillar 3 disclosure requirements

In January 2015, the BCBS issued "Revised Pillar 3 disclosure requirements", which set out the first phase of a two-phase project by the BCBS to replace existing Pillar 3 disclosure requirements for credit (including counterparty credit), market, operational, interest rate and securitization risks. Pillar 3 aims to

promote market discipline through regulatory disclosure requirements, in order to improve comparability and consistency of disclosures and increase transparency and confidence about a bank's exposure to risk and the overall adequacy of its regulatory capital.

In January 2016, OSFI issued a draft guideline confirming its expectations for domestic implementation of the BCBS Pillar 3 first phase requirements. In August 2016, OSFI confirmed that implementation is required beginning in the fourth quarter of 2018.

In March 2016, the BCBS released "Pillar 3 disclosure requirements – consolidated and enhanced framework", a consultative document establishing the second phase of the project. The proposals in this document include enhancements to the January 2015 requirements, the introduction of several new disclosure requirements, and the incorporation into Pillar 3 of other proposed disclosure requirements arising from ongoing reforms to the regulatory framework.

CIBC will continue to monitor and prepare for developments in this area.

Taxpayer Protection and Bank Recapitalization Regime

The Canadian Government has passed legislation to enable a Taxpayer Protection and Bank Recapitalization (bail-in) regime. The overarching policy objective is to preserve financial stability while protecting taxpayers in the event of a large bank (D-SIB) failure, and is consistent with the objectives of the Financial Stability Board's rules for Total Loss-Absorbing Capacity applicable to G-SIBs. The bail-in regime is designed to enable the expedient conversion, in whole or in part, of certain bank liabilities (bail-in debt) into common equity, thus ensuring that the D-SIB emerges from conversion as adequately capitalized. Specified eligible shares and liabilities of D-SIBs may be converted into common shares, and the CDIC will set the terms and conditions of conversion, including timing. The rules would not be applied retroactively to liabilities outstanding as of the implementation date. In addition, OSFI will establish loss absorbency requirements for D-SIBs, which will consist of regulatory capital and debt subject to conversion under this framework.

Additional details on implementation, scope, and timing are expected to follow through regulations and guidelines.

Significant capital management activity

Normal course issuer bid

We intend to seek Toronto Stock Exchange approval for a new normal course issuer bid that would permit us to purchase for cancellation up to a maximum of 8 million, or approximately 2% of our outstanding common shares, over a 12 month period.

Shareholder Investment Plan (the plan)

Effective with the October 28, 2016 dividend, CIBC has elected to issue shares from Treasury to fulfill the requirements of the plan. Pursuant to the plan, we issued 1,554,414 common shares for consideration of \$171 million for the quarter ended January 31, 2017.

Dividends

On February 22, 2017, the Board of Directors (the Board) approved an increase in our quarterly common share dividend from \$1.24 per share to \$1.27 per share for the quarter ending April 30, 2017.

Convertible instruments

The table below provides a summary of our NVCC capital instruments outstanding:

	Shares outstanding		Minimum conversion price per common share	Maximum number of common shares issuable on conversion
	Number of shares	Par value		
\$ millions, except number of shares and per share amounts, as at January 31, 2017				
Preferred shares ⁽¹⁾⁽²⁾				
Series 39 (NVCC)	16,000,000	\$ 400	\$ 5.00	80,000,000
Series 41 (NVCC)	12,000,000	300	5.00	60,000,000
Series 43 (NVCC)	12,000,000	300	5.00	60,000,000
Subordinated indebtedness ⁽²⁾⁽³⁾				
3.00% Debentures due October 28, 2024 (NVCC)	n/a	1,000	5.00	300,000,000
3.42% Debentures due January 26, 2026 (NVCC)	n/a	1,000	5.00	300,000,000
Total		\$ 3,000		800,000,000

(1) Upon the occurrence of a Trigger Event, each share is convertible into a number of common shares, determined by dividing the par value of \$25.00 plus declared and unpaid dividends by the average common share price (as defined in the relevant prospectus supplement) subject to a minimum price per share (subject to adjustment in certain events as defined in the relevant prospectus supplement). Preferred shareholders do not have the right to convert their shares into common shares.

(2) The maximum number of common shares issuable on conversion excludes the impact of declared but unpaid dividends and accrued interest.

(3) Upon the occurrence of a Trigger Event, the Debentures are convertible into a number of common shares, determined by dividing 150% of the par value plus accrued and unpaid interest by the average common share price (as defined in the relevant prospectus supplement) subject to a minimum price per common share (subject to adjustment in certain events as defined in the relevant prospectus supplement).

n/a Not applicable.

The occurrence of a "Trigger Event" would result in conversion of all of the outstanding NVCC instruments described above, which would represent a dilution impact of 67% based on the number of CIBC common shares outstanding as at January 31, 2017. As described in the Capital Adequacy Guidelines, a Trigger Event occurs when OSFI determines the bank is or is about to become non-viable and, if after conversion of all contingent instruments and consideration of any other relevant factors or circumstances, it is reasonably likely that its viability will be restored or maintained; or if the bank has accepted or agreed to accept a capital injection or equivalent support from a federal or provincial government, without which OSFI would have determined the bank to be non-viable.

Global systemically important banks – public disclosure requirements

The BCBS paper “Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement” dated July 3, 2013 describes the annual assessment methodology and the 12 indicators used to identify global systemically important banks (G-SIBs). The document also provides annual public disclosure requirements applicable to large globally active banks.

In March 2014, OSFI published an Advisory on the implementation of the G-SIB public disclosure requirements in Canada. Federally regulated banks which have not been identified as G-SIBs, and have Basel III leverage ratio exposure measures greater than the equivalent of €200 billion at year-end, are required to publicly disclose at a minimum the 12 indicators (in Canadian equivalent values) annually. The indicators are calculated based on specific instructions issued by the BCBS. As a result, values may not be directly comparable against other measures disclosed in this report. The following table provides the 12 indicators used in the BCBS’s assessment methodology to identify G-SIBs:

\$ thousands, as at October 31		2016	2015
Section	Indicators		
A. Cross-jurisdictional activity	1. Cross-jurisdictional claims	\$ 118,009,555	\$ 113,195,592
	2. Cross-jurisdictional liabilities	110,662,084	99,397,426
B. Size	3. Total exposures as defined for use in the Basel III leverage ratio ⁽¹⁾	\$ 548,812,522	\$ 506,096,189
C. Interconnectedness	4. Intra-financial system assets	\$ 35,112,018	\$ 31,775,516
	5. Intra-financial system liabilities	31,278,281	23,079,177
	6. Securities outstanding	143,379,151	136,382,189
D. Substitutability/financial institution infrastructure	7. Payments activity	\$ 18,519,554,329	\$ 15,513,748,714 ⁽²⁾
	8. Assets under custody	1,648,810,000	1,475,958,000
	9. Underwritten transactions in debt and equity market	37,881,683	35,466,538
E. Complexity	10. Notional amount of over-the-counter (OTC) derivatives	\$ 2,659,315,086	\$ 2,022,190,779
	11. Trading and AFS securities	41,928,646	37,930,540
	12. Level 3 assets	3,121,941	2,954,353

(1) The calculation of this measure as defined by Basel for the purposes of the G-SIB indicator disclosures excludes regulatory adjustments.

(2) Restated.

Changes in G-SIB measures

Changes in measures compared with 2015 primarily reflect movement in foreign exchange rates, as well as normal changes in business activity.

A. Cross-jurisdictional activity

The objective of this section is to measure a bank’s global footprint – i.e., the importance of a bank’s activities outside its home jurisdiction. The concept underlying this section is that the international impact of a bank’s distress or failure would vary in line with its share of cross-jurisdictional assets and liabilities.

B. Size

Size is a key measure of a bank’s systemic importance as a bank’s distress or failure is more likely to damage the global economy or financial markets if its activities comprise a large share of global activity.

C. Interconnectedness

Financial distress at one institution can materially increase the likelihood of distress at other institutions given the network of contractual obligations in which these firms operate. A bank’s systemic impact is likely to be positively related to its interconnectedness vis-à-vis other financial institutions.

D. Substitutability/financial institution infrastructure

The objective of this section is to measure the extent to which a bank provides financial institution infrastructure. The concept underlying this section is that the greater a bank’s role in a particular business line, or as a service provider in underlying market infrastructure (e.g., payment systems), the larger the disruption will likely be in the event of its failure, in terms of both service gaps (including the cost to a failed bank’s clients of having to seek the same service from another bank) and reduced flow of market and infrastructure liquidity.

E. Complexity

The systemic impact of a bank’s distress or failure is expected to be positively related to its overall complexity – i.e., its business, structural and operational complexity. The more complex a bank is, the greater are the costs and time needed to resolve the bank.

Off-balance sheet arrangements

We enter into off-balance sheet arrangements in the normal course of our business. These arrangements typically involve the use of structured entities (SEs), which are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. CIBC is involved with various types of SEs for which the business activities include securitization of financial assets, asset-backed financings, and asset management.

We consolidate all of our sponsored trusts that securitize our own assets with the exception of a commercial mortgage securitization trust. Details of our other off-balance sheet arrangements are provided on pages 38 and 39 of the 2016 Annual Report and also in Note 6 to the consolidated financial statements in the 2016 Annual Report.

We manage and administer a single-seller conduit and several CIBC-sponsored multi-seller conduits in Canada. As at January 31, 2017, there were \$6.0 billion (October 31, 2016: \$6.0 billion) of total assets in our non-consolidated single-seller conduit and multi-seller conduits.

We earn fees for providing services related to the non-consolidated single-seller and multi-seller conduits, such as backstop liquidity facilities, distribution, transaction structuring, and conduit administration. These fees totalled \$11 million in the first quarter of 2017 (\$10 million for the prior quarter and \$10 million for the same quarter last year). All fees earned in respect of activities with the conduits are on a market basis.

As at January 31, 2017, the amount funded for the various asset types in our multi-seller conduits amounted to \$5.4 billion (October 31, 2016: \$5.4 billion). The estimated weighted-average life of these assets was 1.5 years (October 31, 2016: 1.5 years). Our holdings of commercial paper issued by our non-consolidated sponsored multi-seller conduits that offer commercial paper to external investors were \$4 million (October 31, 2016: \$10 million). Our committed backstop liquidity facilities to these conduits were \$7.2 billion (October 31, 2016: \$7.2 billion). We also provided credit facilities of \$40 million (October 31, 2016: \$40 million) to these conduits.

We participate in a syndicated facility for a three-year commitment of \$700 million to the single-seller conduit that provides funding to franchisees of a major Canadian retailer. Our portion of the commitment is \$130 million (October 31, 2016: \$130 million). As at January 31, 2017, we funded \$102 million (October 31, 2016: \$103 million) through the issuance of bankers' acceptances and prime loans.

Our on-balance sheet amounts and maximum exposure to loss related to our off-balance sheet arrangements with SEs that are not consolidated are set out in the table below. The maximum exposure comprises the carrying value of unhedged investments, the notional amounts for liquidity and credit facilities, and the notional amounts less accumulated fair value losses for unhedged written credit derivatives on SE reference assets. The impact of credit valuation adjustment (CVA) is not considered in the table below.

\$ millions, as at January 31, 2017	Single-seller and multi-seller conduits	Third-party structured vehicles – continuing	Structured vehicles run-off ⁽¹⁾	Other ⁽²⁾
On-balance sheet assets at carrying value ⁽³⁾				
Trading securities	\$ 4	\$ 213	\$ 6	\$ 396
AFS securities	–	2,339	–	–
FVO securities	–	–	91	–
Loans	102	1,335	212	–
Investments in equity-accounted associates and joint ventures	–	–	–	3
Derivatives ⁽⁴⁾	–	–	–	32
	\$ 106	\$ 3,887	\$ 309	\$ 431
October 31, 2016	\$ 113	\$ 4,647	\$ 910	\$ 448
On-balance sheet liabilities at carrying value ⁽³⁾				
Deposits	\$ –	\$ –	\$ –	\$ 1,650
Derivatives ⁽⁴⁾	–	–	159	–
	\$ –	\$ –	\$ 159	\$ 1,650
October 31, 2016	\$ –	\$ –	\$ 174	\$ 1,664
Maximum exposure to loss, net of hedges				
Investments and loans	\$ 106	\$ 3,887	\$ 309	\$ 399
Notional of written derivatives, less fair value losses	–	–	61	–
Liquidity, credit facilities and commitments	5,460 ⁽⁵⁾	1,473	27	75
Less: hedges of investments, loans and written derivatives exposure	–	–	(250)	(388)
	\$ 5,566	\$ 5,360	\$ 147	\$ 86
October 31, 2016	\$ 5,613	\$ 6,045	\$ 409	\$ 121

(1) Includes CIBC structured collateralized debt obligation (CDO) vehicles and third-party structured vehicles.

(2) Includes pass-through investment structures, a commercial mortgage securitization trust, CIBC Capital Trust, and CIBC-managed investment funds.

(3) Excludes SEs established by Canada Mortgage and Housing Corporation (CMHC), Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Bank, and Student Loan Marketing Association.

(4) Comprises written credit default swaps and total return swaps under which we assume exposures. Excludes foreign exchange derivatives, interest rate derivatives and other derivatives provided as part of normal course client facilitation.

(5) Excludes an additional \$1.8 billion (October 31, 2016: \$1.8 billion) relating to our backstop liquidity facilities provided to the multi-seller conduits as part of their commitment to fund purchases of additional assets and \$4 million (October 31, 2016: \$10 million) relating to our direct investments in the multi-seller conduits which we consider investment exposure.

Additional details of our SEs are provided in Note 6 to the interim consolidated financial statements.

Management of risk

Our approach to management of risk has not changed significantly from that described on pages 40 to 75 of the 2016 Annual Report.

Risk overview

CIBC faces a wide variety of risks across all of its areas of business. Identifying and understanding risks and their impacts allows CIBC to frame its risk appetite and risk management practices. Defining acceptable levels of risk, and establishing sound principles, policies and practices for managing risks, is fundamental to achieving consistent and sustainable long-term performance, while remaining within our risk appetite.

Our risk appetite defines tolerance levels for various risks. This is the foundation for our risk management culture and our risk management framework.

Our risk management framework includes:

- CIBC and SBU-level risk appetite statements;
- Risk frameworks, policies, procedures and limits to align activities with our risk appetite;
- Regular risk reports to identify and communicate risk levels;
- An independent control framework to identify and test compliance with key controls;
- Stress testing to consider potential impacts of changes in the business environment on capital, liquidity and earnings;
- Proactive consideration of risk mitigation options in order to optimize results; and
- Oversight through our risk-focused committees and governance structure.

Managing risk is a shared responsibility at CIBC. Business units and risk management professionals work in collaboration to ensure that business strategies and activities are consistent with our risk appetite. CIBC's approach to enterprise-wide risk management aligns with the three lines of defence model:

- (i) CIBC's lines of business and functional and support groups are responsible for all risks associated with their activities – this is the first line of defence;
- (ii) As the second line of defence, CIBC's Risk Management, including Compliance, and other oversight functions are responsible for independent oversight of the enterprise-wide risks inherent in CIBC's business activities; and
- (iii) As the third line of defence, CIBC's internal audit function provides an independent assessment of the design and operating effectiveness of risk management controls, processes and systems.

We continuously monitor our risk profile against our defined risk appetite and related limits, taking actions as needed to maintain an appropriate balance of risk and return. Monitoring our risk profile includes forward-looking analysis of sensitivity to local and global market factors, economic conditions, and political and regulatory environments that influence our overall risk profile.

Regular and transparent risk reporting and discussion at senior management committees facilitate communication of risks and discussion of risk management strategies across the organization.

Top and emerging risks

We monitor and review top and emerging risks that may affect our future results, and take action to mitigate potential risks if required. We perform in-depth analyses, which can include stress testing our exposures relative to the risks, and provide updates and related developments to the Board on a regular basis. This section describes the top and emerging risks that we consider to have potential negative implications, as well as regulatory and accounting developments that are material for CIBC.

Technology, information and cyber security risk

Financial institutions like CIBC are evolving their business processes to leverage innovative technologies and the internet to improve client experience and streamline operations. At the same time, cyber threats and the associated financial, reputation and business interruption risks have also increased. CIBC has cyber insurance coverage to help mitigate loss associated with cyber incidents.

These risks continue to be actively managed by us through strategic risk reviews, enterprise-wide technology and information security programs, with the goal of maintaining overall cyber resilience that prevents, detects and responds to threats such as data breaches, malware, unauthorized access and denial-of-service attacks.

Given the importance of electronic financial systems, including secure online and mobile banking provided by CIBC to its clients, CIBC continues to develop controls and processes to protect our systems and client information from damage and unauthorized disclosure. CIBC monitors the changing environment globally, including cyber threats, evolving regulatory requirements, and mitigation strategies. In addition, we benchmark against best practices and provide regular updates to the Board.

Despite our commitment to information and cyber security, CIBC and its related third parties may not be able to fully mitigate all risks associated with the increased complexity and high rate of change in the threat landscape. However, CIBC continuously monitors its risk posture for changes and continues to refine security protection approaches to minimize the impact of any incidents that may occur.

Disintermediation risk

Canadian banking clients are increasingly shifting their service transactions from branches to digital platforms. As such, competitive pressure from digital disruptors, both global technology leaders and smaller financial technology entrants, is increasing and the risk of disintermediation is growing due to the level of sophistication of these non-traditional competitors.

CIBC manages disintermediation risk through strategic risk reviews as well as investment in emerging channels, in data and analytics capabilities, and in technology and innovation in general, to meet our clients' changing expectations, while working to reduce our cost structure and simplify operations.

Geo-political risk

The level of geo-political risk escalates at certain points in time. While the specific impact on the global economy and on global credit and capital markets would depend on the nature of the event, in general, any major event could result in instability and volatility, leading to widening spreads, declining equity valuations, flight to safe-haven currencies and increased purchases of gold. In the short run, market shocks could hurt the net income of our trading and non-trading market risk positions. Although Canada is unlikely to be directly subject to geo-political risk, the indirect impact of reduced economic growth, as well as potential impacts on commodity prices, could have serious negative implications for general economic and banking activities.

The change in leadership in the White House poses new economic policy uncertainties that could either add or subtract to Canadian economic activity.

The downside risks would be associated with an increase in protectionism that does not exempt Canadian goods and services, as well as heightened competition for business investment as the U.S. eases up on corporate taxes and regulations. There could also be positive implications for Canada if U.S. growth accelerates due to fiscal stimulus. We will monitor these policy developments as details emerge.

While the negative economic effects of Brexit are likely to be concentrated in the U.K., they will have ramifications for the rest of Europe, adding to existing economic challenges in the region. Our direct exposure to the region is limited. However, we continue to actively monitor and assess the global business and geo-political environment for adverse developments.

While it is impossible to predict where new geo-political disruption will occur, we do pay particular attention to markets and regions with existing or recent historical instability to assess the impact of these environments on the markets and businesses in which we operate.

Canadian consumer debt and the housing market

As a consequence of historically low interest rates, Canadians have increased debt levels at a pace that has exceeded growth in their income. Most of the increase in household debt levels has been driven by higher levels of mortgage debt, which is tied to the Canadian housing market. While interest rates are expected to remain relatively low in the foreseeable future, concerns remain that an external shock, such as higher unemployment rates, could affect the ability of Canadians to repay their loans, potentially triggering a correction in the housing market, which in turn could result in credit losses to banks. In an attempt to mitigate the risks associated with the housing market, the Canadian government has introduced regulatory changes, and announced a public consultation on other measures. See the "Real estate secured personal lending" section for additional details.

Currently, we qualify all variable rate mortgage borrowers using the Bank of Canada 5-year fixed benchmark rate, which is typically higher than the variable rate by approximately two percentage points. If there were an interest rate increase, our variable rate borrowers should be able to withstand some increase in the interest rate. We believe the risk of a severe housing crash that generates significant losses for mortgage portfolios is unlikely, but the risk associated with high levels of consumer debt would be a concern should the economy falter and unemployment rates increase.

Commodity prices

Commodity prices have recovered and stabilized at somewhat higher levels, suggesting that they may have passed their cyclical trough. Oil has rallied following the recent OPEC agreement, while prices of several base metals have been buoyed by a tightening supply in global markets. The upside in prices may be limited, however, as global growth remains lacklustre.

So far, our overall commodity exposure continues to perform within our risk appetite, with losses in our oil and gas portfolio down significantly. Clients in our oil and gas portfolio are currently being assessed on the basis of our enhanced risk metrics, and our portfolio is being monitored in a prudent manner. We have run our enterprise statistical stress tests at lower oil prices to determine potential direct losses, and have also conducted stress tests to assess the secondary impacts of lower oil prices on our retail portfolio for the affected regions, where we could see higher losses if unemployment continues to trend negatively.

China economic policy risk

While meeting the government-set quarterly targets, China's economy continues to be on a slower growth trajectory as, in addition to cyclical factors, the country tries to rebalance growth from an export-oriented and investment-driven performance to a more sustainable service-oriented and consumption-driven economy. The People's Bank of China deployed a series of new capital controls at the end of 2016 designed to slow capital outflows. In addition to restrictions on outbound corporate acquisitions and investments, the rules limit individual purchases of foreign currencies, which could have implications for Canadian cities such as Vancouver and Toronto, where foreign purchasers have contributed to the sharp rise in house prices.

We continue to monitor economic policy both within the country and the region for signs of stress or directional change, and have taken a prudent stance in addressing our tolerance for exposure to the country. We currently have little direct exposure to China, but any negative impact from the Chinese economic slowdown could affect clients that export to China or sell into a market where prices have been pushed down by weakness in Chinese demand, and could raise the credit risk associated with our exposure to trading counterparties.

Acquisition risk

CIBC seeks out acquisition opportunities which align with its financial goals and strategies. The ability to successfully execute these strategies to integrate acquisitions, and the ability to anticipate and manage risks associated with them, are subject to certain factors. These include receiving regulatory and shareholder approval on a timely basis and on favourable terms, changes in general business and economic conditions, and the ability to control integration and acquisition costs, among others.

Although many of the factors are beyond CIBC's control, their impact is mitigated by conducting thorough due diligence before completing the transaction, developing and executing appropriate action plans to ensure successful integration, and monitoring performance following the acquisition.

Anti-money laundering

Recognizing the threat of money laundering, terrorist financing activities and other related crimes to the stability and integrity of a country's financial sector and its broader economy, the international community has made the fight against these illegal activities a priority. Several laws and regulations have been enacted by governments and regulatory bodies globally. As a potential conduit for illegal operations, financial institutions bear a significant responsibility in mitigating the risks associated with these activities.

CIBC is committed to adhering to all regulatory requirements pertaining to Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) and implementing best practices to minimize the impact of such activities. As such, CIBC has implemented procedures to ensure that relevant regulatory obligations with respect to the reporting of large cash transactions, electronic funds transfers, and cross-border movements of cash and monetary instruments, are met in each jurisdiction. In addition, all employees are required to complete CIBC's AML/ATF training annually.

Environmental risks and pandemic outbreaks

A number of environmental events have occurred over the past several years, including hurricanes, tsunamis, earthquakes, wildfires, droughts and floods, oil spills, and industrial accidents. There is also concern that the outbreak of certain illnesses could have the potential to reach pandemic levels. In addition to the humanitarian impact, these phenomena, along with the potential impact of climate change, introduce uncertainty and pose risks to the global economy, as well as our clients and our operations.

CIBC monitors these events and has measures in place including disaster recovery, insurance and business continuity programs, to ensure client needs continue to be met.

Regulatory developments

See the "Capital resources", "Liquidity risk" and "Accounting and control matters" sections for additional information on regulatory developments.

Accounting developments

See the "Accounting and control matters" section and Note 1 to the interim consolidated financial statements for additional information on accounting developments.

Risks arising from business activities

The chart below shows our business activities and related risk measures based upon regulatory RWAs and economic capital as at January 31, 2017:

	CIBC			
	Retail and Business Banking	Wealth Management	Capital Markets	Corporate and Other
SBU				
Business activities	<ul style="list-style-type: none"> • Deposits • Residential mortgages • Personal loans • Credit cards • Business lending • Insurance 	<ul style="list-style-type: none"> • Retail brokerage • Asset management • Private wealth management 	<ul style="list-style-type: none"> • Credit products • Global markets • Investment banking • Investment portfolios 	<ul style="list-style-type: none"> • International banking • Investment portfolios • Joint ventures • Functional and support groups (see page 11)
Balance sheet	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)
	Average assets 283,403	Average assets 3,878	Average assets 173,032	Average assets 68,539
	Average deposits 198,081	Average deposits 10,947	Average deposits 26,967	Average deposits 176,474
CET1 RWA (All-in basis)	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)
	Credit risk 81,524	Credit risk 451	Credit risk ⁽¹⁾ 43,588	Credit risk ⁽²⁾ 16,155
	Market risk –	Market risk –	Market risk 5,131	Market risk 420
	Operational risk 9,412	Operational risk 2,363	Operational risk 9,207	Operational risk 1,099
Economic capital ⁽³⁾	(%)	(%)	(%)	(%)
	Proportion of total CIBC 40	Proportion of total CIBC 10	Proportion of total CIBC 25	Proportion of total CIBC 25
	Comprising:	Comprising:	Comprising:	Comprising:
	Credit risk ⁽⁴⁾ 71	Credit risk ⁽⁴⁾ 3	Credit risk ⁽⁴⁾ 71	Credit risk ⁽⁴⁾ 24
	Market risk 20	Market risk 5	Market risk 9	Market risk 10
	Operational/Strategic risks 9	Operational/Strategic risks 92	Operational/Strategic risks 20	Operational/Strategic risks 66
Risk profile	We are exposed to credit, market, liquidity, operational, and other risks, which primarily include strategic, insurance, technology, information and cyber security, reputation and legal, regulatory compliance, and environmental risks.			

(1) Includes counterparty credit risk of \$8,534 million, which comprises derivatives and repo-style transactions.

(2) Includes counterparty credit risk of \$540 million, which comprises derivatives and repo-style transactions.

(3) For additional information, see the "Non-GAAP measures" section.

(4) Includes investment risk.

Credit risk

Credit risk is the risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with contractual terms.

Credit risk arises mainly from our Retail and Business Banking and our Capital Markets lending businesses. Other sources of credit risk include our trading activities, including our OTC derivatives, debt securities, and our repo-style transaction activity. In addition to losses on the default of a borrower or counterparty, unrealized gains or losses may occur due to changes in the credit spread of the counterparty, which could impact the carrying or fair value of our assets.

Exposure to credit risk

\$ millions, as at	2017 Jan. 31	2016 Oct. 31
Business and government portfolios – advanced internal ratings-based (AIRB) approach		
Drawn	\$ 123,937	\$ 127,577
Undrawn commitments	43,478	42,526
Repo-style transactions	99,773	86,384
Other off-balance sheet	77,863	81,210
OTC derivatives	17,249	18,587
Gross exposure at default (EAD) on business and government portfolios	362,300	356,284
Less: Repo-style transaction collateral	88,596	76,263
Net EAD on business and government portfolios	273,704	280,021
Retail portfolios – AIRB approach		
Drawn	238,006	232,848
Undrawn commitments	68,230	67,541
Other off-balance sheet	294	351
Gross EAD on retail portfolios	306,530	300,740
Standardized portfolios	13,575	14,122
Securitization exposures	13,001	18,863
Gross EAD	\$ 695,406	\$ 690,009
Net EAD	\$ 606,810	\$ 613,746

Oil and gas exposure

The following table provides a breakdown of our exposure to the oil and gas industry under the AIRB approach. Of these exposures, 69% are investment grade based on our internal risk rating, which incorporates security pledged (equivalent to S&P/Moody's rating of BBB-/Baa3 and higher).

\$ millions, as at January 31, 2017	Drawn	Undrawn commitments	Other off- balance sheet	OTC derivatives	Total
Exploration and production	\$ 3,316	\$ 3,664	\$ 313	\$ 949	\$ 8,242
Midstream	1,309	2,035	36	223	3,603
Downstream	258	325	65	10	658
Integrated	226	1,148	389	891	2,654
Oil and gas services	348	220	48	15	631
Petroleum distribution	628	281	56	9	974
	\$ 6,085	\$ 7,673	\$ 907	\$ 2,097	\$ 16,762
October 31, 2016	\$ 6,873	\$ 7,825	\$ 963	\$ 1,994	\$ 17,655

Forbearance policy

We employ forbearance techniques to manage client relationships and to minimize credit losses due to default, foreclosure or repossession. In certain circumstances, it may be necessary to modify a loan for economic or legal reasons related to a borrower's financial difficulties, and we may grant a concession in the form of below-market rates or terms that would not otherwise be considered, for the purpose of maximizing recovery of our exposure to the loan. In circumstances where the concession is considered below market, the modification is reported as a troubled debt restructuring (TDR). TDRs are subject to our normal quarterly impairment review which considers, amongst other factors, covenants and/or payment delinquencies. An appropriate level of loan loss provision by portfolio segment is then established.

In retail lending, forbearance techniques include interest capitalization, amortization amendments and debt consolidations. We have a set of eligibility criteria which allow our Client Account Management team to determine suitable remediation strategies and propose products based on each borrower's situation. While these solutions often provide more favourable conditions than those originally provided and are intended to increase the ability of borrowers to service their obligation to CIBC overall, we consider these solutions to be at market and comparable to terms and conditions we would have offered to new clients with comparable credit ratings.

The solutions available to corporate and commercial clients vary based on the individual nature of the client's situation and are undertaken selectively where it has been determined that the client has or is likely to have repayment difficulties servicing its obligations. Covenants often reveal changes in the client's financial situation before there is a change in payment behaviour and typically allow for a right to reprice or accelerate payments. Solutions may be temporary in nature or may involve other special management options.

During the current quarter, \$33 million (\$58 million for the quarter ended January 31, 2016) of loans have undergone TDR.

Real estate secured personal lending

Real estate secured personal lending comprises residential mortgages and personal loans and lines secured by residential property (HELOC). This portfolio is low risk, as we have a first charge on the majority of the properties and a second lien on only a small portion of the portfolio. We use the same lending criteria in the adjudication of both first lien and second lien loans.

The following table provides details on our residential mortgage and HELOC portfolios:

\$ billions, as at January 31, 2017	Residential mortgages				HELOC ⁽¹⁾				Total	
	Insured		Uninsured		Uninsured		Insured		Uninsured	
Ontario	\$ 44.4	49 %	\$ 46.6	51 %	\$ 10.3	100 %	\$ 44.4	44 %	\$ 56.9	56 %
British Columbia and territories	16.0	40	24.3	60	4.2	100	16.0	36	28.5	64
Alberta	16.2	64	9.2	36	2.7	100	16.2	58	11.9	42
Quebec	7.4	56	5.9	44	1.5	100	7.4	50	7.4	50
Central prairie provinces	4.9	65	2.6	35	0.9	100	4.9	59	3.5	41
Atlantic provinces	5.5	65	2.9	35	0.8	100	5.5	59	3.7	41
Canadian portfolio ⁽²⁾⁽³⁾	94.4	51	91.5	49	20.4	100	94.4	46	111.9	54
International portfolio ⁽²⁾	–	–	2.4	100	–	–	–	–	2.4	100
Total portfolio	\$ 94.4	50 %	\$ 93.9	50 %	\$ 20.4	100 %	\$ 94.4	45 %	\$ 114.3	55 %
October 31, 2016	\$ 97.4	53 %	\$ 85.9	47 %	\$ 20.3	100 %	\$ 97.4	48 %	\$ 106.2	52 %

(1) We did not have any insured HELOCs as at January 31, 2017 and October 31, 2016.

(2) Geographical location is based on the address of the property managed.

(3) 77% (October 31, 2016: 77%) of insurance on Canadian residential mortgages is provided by CMHC and the remaining by two private Canadian insurers, both rated at least AA (low) by DBRS Limited (DBRS).

The average loan-to-value (LTV) ratios⁽¹⁾ for our uninsured Canadian residential mortgages and HELOCs originated during the quarter are provided in the following table. We did not acquire uninsured residential mortgages or HELOCs from a third party for the periods presented in the table below.

For the three months ended	2017 Jan. 31		2016 Oct. 31		2016 Jan. 31	
	Residential mortgages	HELOC	Residential mortgages	HELOC	Residential mortgages	HELOC
Ontario	64 %	68 %	64 %	68 %	64 %	69 %
British Columbia and territories	59	63	59	63	60	64
Alberta	68	73	68	73	68	72
Quebec	68	72	68	72	67	72
Central prairie provinces	69	74	69	73	69	74
Atlantic provinces	72	74	72	73	72	74
Canadian portfolio ⁽²⁾	64 %	67 %	64 %	67 %	64 %	68 %
International portfolio	72 %	n/m	74 %	n/m	71 %	n/m

(1) LTV ratios for newly originated residential mortgages and HELOCs are calculated based on weighted average.

(2) Geographical location is based on the address of the property managed.

n/m Not meaningful.

The following table provides the average LTV ratios on our total Canadian residential mortgage portfolio:

	Insured	Uninsured
January 31, 2017 ⁽¹⁾	57 %	56 %
October 31, 2016 ⁽¹⁾	57 %	56 %

(1) LTV ratios for residential mortgages are calculated based on weighted average. The house price estimates for January 31, 2017 and October 31, 2016 are based on the Forward Sortation Area (FSA) level indices from the Teranet – National Bank National Composite House Price Index (Teranet) as of December 31, 2016 and September 30, 2016, respectively. Teranet is an independent estimate of the rate of change in Canadian home prices.

The tables below summarize the remaining amortization profile of our total Canadian and international residential mortgages. The first table provides the remaining amortization periods based on the minimum contractual payment amounts. The second table provides the remaining amortization periods based upon current customer payment amounts, which incorporate payments larger than the minimum contractual amount and/or higher frequency of payments.

Contractual payment basis

	Less than 5 years	5–10 years	10–15 years	15–20 years	20–25 years	25–30 years	30–35 years	35 years and above
Canadian portfolio								
January 31, 2017	– %	– %	3 %	5 %	31 %	58 %	3 %	– %
October 31, 2016	– %	– %	3 %	6 %	30 %	58 %	3 %	– %
International portfolio								
January 31, 2017	8 %	16 %	27 %	24 %	16 %	8 %	1 %	– %
October 31, 2016	8 %	16 %	27 %	24 %	16 %	8 %	1 %	– %

Current customer payment basis

	Less than 5 years	5–10 years	10–15 years	15–20 years	20–25 years	25–30 years	30–35 years	35 years and above
Canadian portfolio								
January 31, 2017	2 %	5 %	8 %	12 %	34 %	38 %	1 %	– %
October 31, 2016	2 %	5 %	8 %	12 %	34 %	37 %	2 %	– %
International portfolio								
January 31, 2017	8 %	15 %	26 %	24 %	16 %	8 %	2 %	1 %
October 31, 2016	8 %	16 %	26 %	23 %	16 %	8 %	2 %	1 %

In July 2016, as a follow-up to its B-20 guidelines, OSFI released a letter to all federally regulated financial institutions reinforcing its expectation that these institutions engage in prudent underwriting of residential mortgage loans.

In October 2016, the Minister of Finance announced changes to strengthen the housing market that will impose the use of the government-posted mortgage qualifying rates on a wider range of insured mortgages, and close loopholes related to the principal residence exemption for capital gains taxes. There will also be a consultation with market participants on an approach to implement risk sharing for insured mortgages (i.e., sharing losses between banks and insurers).

Reflective of the regulatory changes relating to mortgage insurance introduced over the past few years, including the most recent changes noted above, and a change in consumer behaviour in response to the series of government tightening measures on high ratio mortgages, we expect our insured mortgage mix as a proportion of total mortgages to decrease at an accelerated rate.

We have two types of condominium exposures in Canada: mortgages and developer loans. Both are primarily concentrated in the Toronto and Vancouver areas. As at January 31, 2017, our Canadian condominium mortgages were \$21.4 billion (October 31, 2016: \$20.6 billion) of which 51% (October 31, 2016: 54%) were insured. Our drawn developer loans were \$0.6 billion (October 31, 2016: \$0.7 billion) or 0.8% (October 31, 2016: 0.8%) of our business and government portfolio, and our related undrawn exposure was \$2.7 billion (October 31, 2016: \$2.2 billion). The condominium developer exposure is diversified across 91 projects.

We stress test our mortgage and HELOC portfolio to determine the potential impact of different economic events. Our stress tests can use variables such as unemployment rates, debt service ratios and housing price changes, to model potential outcomes for a given set of circumstances. The stress testing involves variables that could behave differently in certain situations. Our main tests use economic variables in a similar range to historical events when Canada experienced economic downturns. Our results show that in an economic downturn, our strong capital position should be sufficient to absorb mortgage and HELOC losses.

Trading credit exposures

We have trading credit exposure (also called counterparty credit exposure) that arises from our interest rate, foreign exchange, equity, commodity, and credit derivatives trading, hedging, and portfolio management activities, as described in Note 12 to the 2016 annual consolidated financial statements.

The following table shows the rating profile of OTC derivative mark-to-market (MTM) receivables:

\$ billions, as at	2017		2016	
	Jan. 31		Oct. 31	
	Exposure ⁽¹⁾			
Investment grade	\$ 5.70	79.5 %	\$ 7.36	82.8 %
Non-investment grade	1.35	18.8	1.43	16.1
Watch list	0.05	0.7	0.03	0.3
Default	0.05	0.7	0.05	0.6
Unrated	0.02	0.3	0.02	0.2
	\$ 7.17	100.0 %	\$ 8.89	100.0 %

(1) MTM of the OTC derivative contracts is after the impact of master netting agreements, but before any collateral.

The following table provides details of our impaired loans and allowances for credit losses:

\$ millions, as at or for the three months ended	2017			2016			2016		
	Jan. 31			Oct. 31			Jan. 31		
	Business and government loans	Consumer loans	Total	Business and government loans	Consumer loans	Total	Business and government loans	Consumer loans	Total
Gross impaired loans									
Balance at beginning of period	\$ 951	\$ 707	\$ 1,658	\$ 1,035	\$ 703	\$ 1,738	\$ 659	\$ 760	\$ 1,419
Classified as impaired during the period	85	314	399	68	326	394	58	271	329
Transferred to not impaired during the period	(19)	(40)	(59)	—	(28)	(28)	(4)	(22)	(26)
Net repayments	(87)	(24)	(111)	(44)	(70)	(114)	(46)	(52)	(98)
Amounts written off	(46)	(234)	(280)	(124)	(233)	(357)	(12)	(197)	(209)
Recoveries of loans and advances previously written off	—	—	—	—	—	—	—	—	—
Disposals of loans	(165)	—	(165)	—	—	—	—	—	—
Foreign exchange and other	(15)	(9)	(24)	16	9	25	33	29	62
Balance at end of period	\$ 704	\$ 714	\$ 1,418	\$ 951	\$ 707	\$ 1,658	\$ 688	\$ 789	\$ 1,477
Allowance for impairment⁽¹⁾									
Balance at beginning of period	\$ 259	\$ 313	\$ 572	\$ 349	\$ 320	\$ 669	\$ 313	\$ 333	\$ 646
Amounts written off	(46)	(234)	(280)	(124)	(233)	(357)	(12)	(197)	(209)
Recoveries of amounts written off in previous periods	4	43	47	2	42	44	7	43	50
Charge to income statement	13	198	211	29	184	213	28	163	191
Interest accrued on impaired loans	(6)	(2)	(8)	(7)	(2)	(9)	(4)	(2)	(6)
Disposals of loans	—	—	—	—	—	—	—	—	—
Foreign exchange and other	(11)	(8)	(19)	10	2	12	17	9	26
Balance at end of period	\$ 213	\$ 310	\$ 523	\$ 259	\$ 313	\$ 572	\$ 349	\$ 349	\$ 698
Net impaired loans									
Balance at beginning of period	\$ 692	\$ 394	\$ 1,086	\$ 686	\$ 383	\$ 1,069	\$ 346	\$ 427	\$ 773
Net change in gross impaired	(247)	7	(240)	(84)	4	(80)	29	29	58
Net change in allowance	46	3	49	90	7	97	(36)	(16)	(52)
Balance at end of period	\$ 491	\$ 404	\$ 895	\$ 692	\$ 394	\$ 1,086	\$ 339	\$ 440	\$ 779
Net impaired loans as a percentage of net loans and acceptances	0.28 %			0.34 %			0.26 %		

(1) Includes collective allowance relating to personal, scored small business and mortgage impaired loans that are greater than 90 days delinquent, and individual allowance.

Gross impaired loans

As at January 31, 2017, gross impaired loans were \$1,418 million, down \$59 million from the same quarter last year. The decrease was primarily due to the impact of U.S. dollar depreciation on our existing portfolio. A decrease in CIBC FirstCaribbean, driven by higher write-offs, was partially offset by an increase in the U.S. oil and gas sector and an increase in the Canadian residential mortgage portfolio.

Gross impaired loans were down \$240 million from the prior quarter, primarily due to a reduction in our exited European leveraged finance portfolio and the impact of U.S. dollar depreciation on our existing portfolio.

Approximately 40% of gross impaired loans related to Canada, of which the residential mortgages, personal lending, and oil and gas sectors accounted for the majority.

Approximately 37% of gross impaired loans related to CIBC FirstCaribbean, of which the residential mortgages and real estate and construction sectors accounted for the majority.

Approximately 23% of gross impaired loans related to the U.S., of which the oil and gas sector accounted for the majority.

Allowance for impairment

Allowance for impairment was \$523 million, down \$175 million from the same quarter last year. The decrease was primarily due to higher write-offs in CIBC FirstCaribbean and the Canadian oil and gas sector, and the impact of U.S. dollar depreciation on our existing portfolio.

Allowance for impairment was down \$49 million from the prior quarter, mainly due to the reduction in our exited European leveraged finance portfolio noted above.

Exposure to certain countries and regions

Over the past several years, a number of countries in Europe experienced credit concerns. The following tables provide our exposure to European countries, both within and outside the Eurozone.

Our direct exposures presented in the tables below comprise (A) funded – on-balance sheet loans (stated at amortized cost net of individual allowances, if any), deposits with banks (stated at amortized cost net of individual allowances, if any) and securities (stated at fair value); (B) unfunded – unutilized credit commitments, letters of credit, and guarantees (stated at notional amount net of individual allowances, if any) and sold credit default swap (CDS) contracts where we do not benefit from subordination (stated at notional amount less fair value); and (C) derivative MTM receivables (stated at fair value) and repo-style transactions (stated at fair value).

Of our total direct exposures to Europe, approximately 34% (October 31, 2016: 34%) is to entities in countries with Aaa/AAA ratings from at least one of Moody's or S&P.

The following tables provide a summary of our positions in this business:

\$ millions, as at January 31, 2017	Direct exposures							
	Funded				Unfunded			
	Corporate	Sovereign	Bank	Total funded (A)	Corporate	Bank	Total unfunded (B)	
Austria	\$ –	\$ 258	\$ –	\$ 258	\$ –	\$ 2	\$ 2	
Belgium	–	–	9	9	–	–	–	
Finland	22	1	–	23	62	–	62	
France	49	–	580	629	70	7	77	
Germany	77	506	377	960	3	24	27	
Ireland	2	–	–	2	–	13	13	
Italy	–	–	–	–	–	–	–	
Luxembourg	2	–	–	2	5	37	42	
Netherlands	311	17	141	469	182	53	235	
Spain	–	–	2	2	–	–	–	
Total Eurozone	\$ 463	\$ 782	\$ 1,109	\$ 2,354	\$ 322	\$ 136	\$ 458	
Czech Republic	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	
Denmark	–	–	7	7	–	6	6	
Norway	–	–	3	3	310	–	310	
Poland	–	–	1	1	–	–	–	
Sweden	121	300	3	424	82	–	82	
Switzerland	233	–	54	287	72	10	82	
Turkey	–	–	80	80	–	16	16	
United Kingdom	711	397	538	1,646	2,579	258	2,837	
Total non-Eurozone	\$ 1,065	\$ 697	\$ 686	\$ 2,448	\$ 3,043	\$ 290	\$ 3,333	
Total Europe⁽¹⁾	\$ 1,528	\$ 1,479	\$ 1,795	\$ 4,802	\$ 3,365	\$ 426	\$ 3,791	
October 31, 2016	\$ 1,684	\$ 1,401	\$ 1,488	\$ 4,573	\$ 3,347	\$ 296	\$ 3,643	

(1) Includes nil (October 31, 2016: \$162 million) of loans, net of allowance, related to the discontinued European leveraged finance business.

Direct exposures (continued)

Derivative MTM receivables and repo-style transactions

\$ millions, as at January 31, 2017	Corporate	Sovereign	Bank	Gross exposure ⁽¹⁾	Collateral held ⁽²⁾	Net exposure (C)	Total direct exposure (A)+(B)+(C)
Austria	\$ –	\$ –	\$ 35	\$ 35	\$ 35	\$ –	\$ 260
Belgium	–	–	17	17	15	2	11
Finland	4	–	36	40	26	14	99
France	29	–	1,913	1,942	1,908	34	740
Germany	4	–	1,042	1,046	1,006	40	1,027
Ireland	–	–	1,057	1,057	1,021	36	51
Italy	–	–	5	5	–	5	5
Luxembourg	13	–	49	62	–	62	106
Netherlands	103	–	53	156	53	103	807
Spain	–	–	14	14	14	–	2
Total Eurozone	\$ 153	\$ –	\$ 4,221	\$ 4,374	\$ 4,078	\$ 296	\$ 3,108
Czech Republic	\$ –	\$ 710	\$ –	\$ 710	\$ 674	\$ 36	\$ 36
Denmark	–	–	–	–	–	–	13
Norway	–	–	–	–	–	–	313
Poland	–	–	–	–	–	–	1
Sweden	9	–	66	75	65	10	516
Switzerland	–	–	2,995	2,995	2,857	138	507
Turkey	–	–	–	–	–	–	96
United Kingdom	606	31	4,698	5,335	4,680	655	5,138
Total non-Eurozone	\$ 615	\$ 741	\$ 7,759	\$ 9,115	\$ 8,276	\$ 839	\$ 6,620
Total Europe	\$ 768	\$ 741	\$ 11,980	\$ 13,489	\$ 12,354	\$ 1,135	\$ 9,728
October 31, 2016	\$ 746	\$ 1,056	\$ 10,109	\$ 11,911	\$ 10,805	\$ 1,106	\$ 9,322

(1) The amounts are shown net of CVA.

(2) Collateral on derivative MTM receivables was \$1.0 billion (October 31, 2016: \$1.2 billion), collateral on repo-style transactions was \$11.3 billion (October 31, 2016: \$9.6 billion), and both are comprised of cash and investment grade debt securities.

In addition to the European exposure identified above, we have \$78 million (October 31, 2016: \$132 million) of indirect exposure, which comprises securities (primarily collateralized loan obligations (CLOs) classified as loans on our interim consolidated balance sheet). Our gross exposure before subordination is stated at carrying value.

We also have \$241 million (October 31, 2016: \$399 million) of indirect exposure to European entities, as we hold debt or equity securities issued by European entities as collateral for our securities lending and borrowing activity, from counterparties that are not in Europe.

Selected exposures in certain activities

In response to the recommendations of the Financial Stability Board, this section provides information on our other selected activities within our continuing and exited businesses that may be of particular interest to investors based on their risk characteristics and the current market environment. For additional information on these selected exposures, refer to page 60 of the 2016 Annual Report.

Structured credit run-off business

In 2008, management made a decision to wind down our exposure in the structured credit business. The following table provides a summary of our exposures:

US\$ millions, as at January 31, 2017	Investment and loans ⁽¹⁾				Written credit derivatives, liquidity and credit facilities		Purchased credit protection			
							Financial guarantors		Other counterparties	
	Notional	Fair value trading, AFS and FVO securities	Fair value of securities classified as loans	Carrying value of securities classified as loans	Notional	Fair value	Notional	Fair value net of CVA	Notional	Fair value net of CVA
	\$ 331	\$ 70	\$ 163	\$ 163	\$ 174	\$ 107	\$ 160	\$ 1	\$ 135	\$ 107
October 31, 2016	\$ 611	\$ 252	\$ 236	\$ 236	\$ 3,695	\$ 120	\$ 282	\$ 2	\$ 3,821	\$ 103

(1) Excluded from the table above is an equity AFS security that we obtained in consideration for commutation of our U.S. residential mortgage market (USRMM) contracts with financial guarantors with a carrying value of US\$7 million (October 31, 2016: US\$5 million).

As at January 31, 2017, our significant positions in investments and loans include:

- US\$170 million notional value of CLO positions classified at amortized cost, consisting of first priority tranches of CLOs, backed by diversified pools of primarily U.S. and European-based senior secured leveraged loans. As at January 31, 2017, 100% of the total notional amount of the CLO tranches were rated Aaa by Moody's Investors Service, Inc. (Moody's). The CLO positions have a carrying value of US\$151 million and a weighted-average life of 1.3 years.
- Notes that were originally received in exchange for our non-bank sponsored asset-backed commercial paper (ABCP) in January 2009, upon the ratification of the Montreal Accord restructuring, which include loans classified at amortized cost with a notional value of US\$49 million and fair value and carrying value of nil; and
- US\$88 million notional value of CDOs consisting of trust preferred securities (TruPs) collateral, which are Tier I Innovative Capital Instruments issued by U.S. regional banks and insurers. These securities are classified as FVO securities and had a fair value of US\$70 million.

As at January 31, 2017, our significant positions in written and purchased credit derivatives include:

- USRMM CDO positions consisting of a written and purchased credit derivative with the same notional value of US\$135 million.
- US\$160 million notional value of credit protection purchased from financial guarantors that are hedging the CLO positions.

During the quarter, our exposure significantly decreased due to maturities and unwinds, including the maturity of a corporate debt exposure, where CIBC had purchased and sold credit protection with a notional value of US\$3.3 billion. Net income after tax for the quarter was \$10 million, compared with net losses of \$4 million and \$7 million for the same quarter last year and the prior quarter, respectively.

U.S. real estate finance

The following table provides a summary of our positions in this business:

\$ millions, as at January 31, 2017	Drawn	Undrawn
Construction program	\$ 78	\$ 381
Interim program	8,262	487
Permanent program	67	–
Exposure, net of allowance	\$ 8,407	\$ 868
Of the above:		
Net impaired	\$ 40	\$ –
On credit watch list	130	9
Exposure, net of allowance, as at October 31, 2016	\$ 8,827	\$ 947

As at January 31, 2017, the allowance for credit losses for this portfolio was \$25 million (October 31, 2016: \$24 million). During the quarter ended January 31, 2017, the provision for credit losses was \$2 million (\$1 million for the quarter ended January 31, 2016).

Market risk

Market risk is the risk of economic financial loss in our trading and non-trading portfolios from adverse changes in underlying market factors, including interest rates, foreign exchange rates, equity market prices, commodity prices, credit spreads, and customer behaviour for retail products. Market risk arises in CIBC's trading and treasury activities, and encompasses all market related positioning and market making activity.

The trading book consists of positions in financial instruments and commodities held to meet the near-term needs of our clients.

The non-trading book consists of positions in various currencies that are related to asset/liability management (ALM) and investment activities.

Risk measurement

The following table provides balances on the interim consolidated balance sheet which are subject to market risk. Certain differences between accounting and risk classifications are detailed in the footnotes below:

\$ millions, as at	2017				2016				
	Jan. 31				Oct. 31				
	Subject to market risk				Subject to market risk				
	Consolidated balance sheet	Trading	Non-trading	Not subject to market risk	Consolidated balance sheet	Trading	Non-trading	Not subject to market risk	Non-traded risk primary risk sensitivity
Cash and non-interest-bearing deposits with banks	\$ 3,185	\$ –	\$ 1,637	\$ 1,548	\$ 3,500	\$ –	\$ 1,645	\$ 1,855	Foreign exchange
Interest-bearing deposits with banks	12,204	380	11,824	–	10,665	347	10,318	–	Interest rate
Securities	89,524	54,417 ⁽¹⁾	35,107	–	87,423	48,066 ⁽¹⁾	39,357	–	Equity, interest rate
Cash collateral on securities borrowed	5,567	–	5,567	–	5,433	–	5,433	–	Interest rate
Securities purchased under resale agreements	38,989	–	38,989	–	28,377	–	28,377	–	Interest rate
Loans									
Residential mortgages	191,888	–	191,888	–	187,298	–	187,298	–	Interest rate
Personal	38,221	–	38,221	–	38,041	–	38,041	–	Interest rate
Credit card	12,180	–	12,180	–	12,332	–	12,332	–	Interest rate
Business and government	73,274	10,911 ⁽²⁾	62,363	–	71,437	6,536 ⁽²⁾	64,901	–	Interest rate
Allowance for credit losses	(1,640)	–	(1,640)	–	(1,691)	–	(1,691)	–	Interest rate
Derivative instruments	23,897	21,335 ⁽³⁾	2,562	–	27,762	24,130 ⁽³⁾	3,632	–	Interest rate, foreign exchange
Customers' liability under acceptances	8,171	–	8,171	–	12,364	–	12,364	–	Interest rate
Other assets	17,834	1,164	9,186	7,484	18,416	1,466	9,190	7,760	Interest rate, equity, foreign exchange
	\$ 513,294	\$ 88,207	\$ 416,055	\$ 9,032	\$ 501,357	\$ 80,545	\$ 411,197	\$ 9,615	
Deposits	\$ 409,753	\$ 361 ⁽⁴⁾	\$ 365,409	\$ 43,983	\$ 395,647	\$ 331 ⁽⁴⁾	\$ 352,522	\$ 42,794	Interest rate
Obligations related to securities sold short	11,772	11,746	26	–	10,338	10,256	82	–	Interest rate
Cash collateral on securities lent	2,177	–	2,177	–	2,518	–	2,518	–	Interest rate
Obligations related to securities sold under repurchase agreements	15,046	–	15,046	–	11,694	–	11,694	–	Interest rate
Derivative instruments	25,923	21,517 ⁽³⁾	4,406	–	28,807	24,433 ⁽³⁾	4,374	–	Interest rate, foreign exchange
Acceptances	8,173	–	8,173	–	12,395	–	12,395	–	Interest rate
Other liabilities	12,422	1,293	4,972	6,157	12,919	927	5,445	6,547	Interest rate
Subordinated indebtedness	3,302	–	3,302	–	3,366	–	3,366	–	Interest rate
	\$ 488,568	\$ 34,917	\$ 403,511	\$ 50,140	\$ 477,684	\$ 35,947	\$ 392,396	\$ 49,341	

(1) Excludes securities in the structured credit run-off business of \$6 million (October 31, 2016: \$496 million), and certain other securities that are considered non-trading for market risk purposes.

(2) Excludes \$65 million (October 31, 2016: \$103 million) of loans that are warehoused for future securitization purposes. These are considered non-trading for market risk purposes.

(3) Excludes derivatives relating to the structured credit and other run-off businesses which are considered non-trading for market risk purposes.

(4) Comprises FVO deposits which are considered trading for market risk purposes.

Trading activities

We hold positions in traded financial contracts to meet client investment and risk management needs. Trading revenue (net interest income or non-interest income) is generated from these transactions. Trading instruments are recorded at fair value and include debt and equity securities, as well as interest rate, foreign exchange, equity, commodity, and credit derivative products.

Value-at-risk

Our value-at-risk (VaR) methodology is a statistical technique that measures the potential overnight loss at a 99% confidence level. We use a full revaluation historical simulation methodology to compute VaR, stressed VaR and other risk measures.

The following three tables show VaR, stressed VaR and incremental risk charge (IRC) for our trading activities based on risk type under an internal models approach.

Average total VaR for the three months ended January 31, 2017 was up \$0.9 million from the prior quarter, primarily due to an increase in foreign exchange, interest rate, commodity, debt specific, credit spread and equity risks.

Average stressed total VaR for the three months ended January 31, 2017 was up \$4.7 million from the prior quarter. During the current stressed VaR period from September 15, 2008 to September 11, 2009, the market exhibited not only increased volatility in interest rates but also increased volatility in equity prices, combined with a reduction in the level of interest rates, and an increase in credit spreads.

Average IRC for the three months ended January 31, 2017 was up \$89.4 million from the prior quarter, mainly due to an increase in investment grade trading inventory.

VaR by risk type – trading portfolio

\$ millions, as at or for the three months ended	2017				2016		2016	
	High	Low	As at	Average	As at	Average	As at	Average
Interest rate risk	\$ 4.1	\$ 1.8	\$ 3.1	\$ 3.0	\$ 2.1	\$ 2.5	\$ 1.8	\$ 1.7
Credit spread risk	3.8	2.0	3.6	2.9	2.5	2.8	5.0	2.3
Equity risk	7.2	1.8	3.4	3.4	4.2	3.3	2.4	2.0
Foreign exchange risk	6.3	0.9	1.8	2.8	1.8	2.2	2.0	1.3
Commodity risk	5.1	1.4	4.9	2.9	2.9	2.6	1.4	1.6
Debt specific risk	1.7	0.9	1.6	1.3	1.1	1.1	1.5	1.6
Diversification effect ⁽¹⁾	n/m	n/m	(12.0)	(10.2)	(9.0)	(9.3)	(6.2)	(6.4)
Total VaR (one-day measure)	\$ 8.5	\$ 3.9	\$ 6.4	\$ 6.1	\$ 5.6	\$ 5.2	\$ 7.9	\$ 4.1

(1) Total VaR is less than the sum of the VaR of the different market risk types due to risk offsets resulting from a portfolio diversification effect.

n/m Not meaningful. It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

Stressed VaR by risk type – trading portfolio

\$ millions, as at or for the three months ended	2017				2016		2016	
	High	Low	As at	Average	As at	Average	As at	Average
Interest rate risk	\$ 15.3	\$ 6.4	\$ 9.1	\$ 11.2	\$ 11.7	\$ 10.0	\$ 8.9	\$ 8.1
Credit spread risk	13.8	8.0	11.9	10.8	11.4	11.8	12.1	10.9
Equity risk	6.0	1.1	1.6	2.5	2.7	1.8	3.1	2.2
Foreign exchange risk	8.6	0.6	3.1	2.6	1.1	1.7	3.4	5.6
Commodity risk	7.0	2.0	5.6	3.8	3.1	3.6	3.5	2.9
Debt specific risk	3.9	2.5	3.1	3.1	2.6	2.8	2.6	2.4
Diversification effect ⁽¹⁾	n/m	n/m	(22.7)	(21.5)	(25.8)	(23.9)	(21.6)	(22.4)
Stressed total VaR (one-day measure)	\$ 19.0	\$ 8.2	\$ 11.7	\$ 12.5	\$ 6.8	\$ 7.8	\$ 12.0	\$ 9.7

(1) Stressed total VaR is less than the sum of the VaR of the different market risk types due to risk offsets resulting from a portfolio diversification effect.

n/m Not meaningful. It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

IRC – trading portfolio

\$ millions, as at or for the three months ended	2017				2016		2016	
	High	Low	As at	Average	As at	Average	As at	Average
Default risk	\$ 329.1	\$ 75.8	\$ 106.9	\$ 133.0	\$ 72.0	\$ 57.7	\$ 58.4	\$ 70.1
Migration risk	83.3	27.3	48.5	54.5	57.9	40.4	30.8	34.0
IRC (one-year measure)	\$ 387.8	\$ 130.9	\$ 155.4	\$ 187.5	\$ 129.9	\$ 98.1	\$ 89.2	\$ 104.1

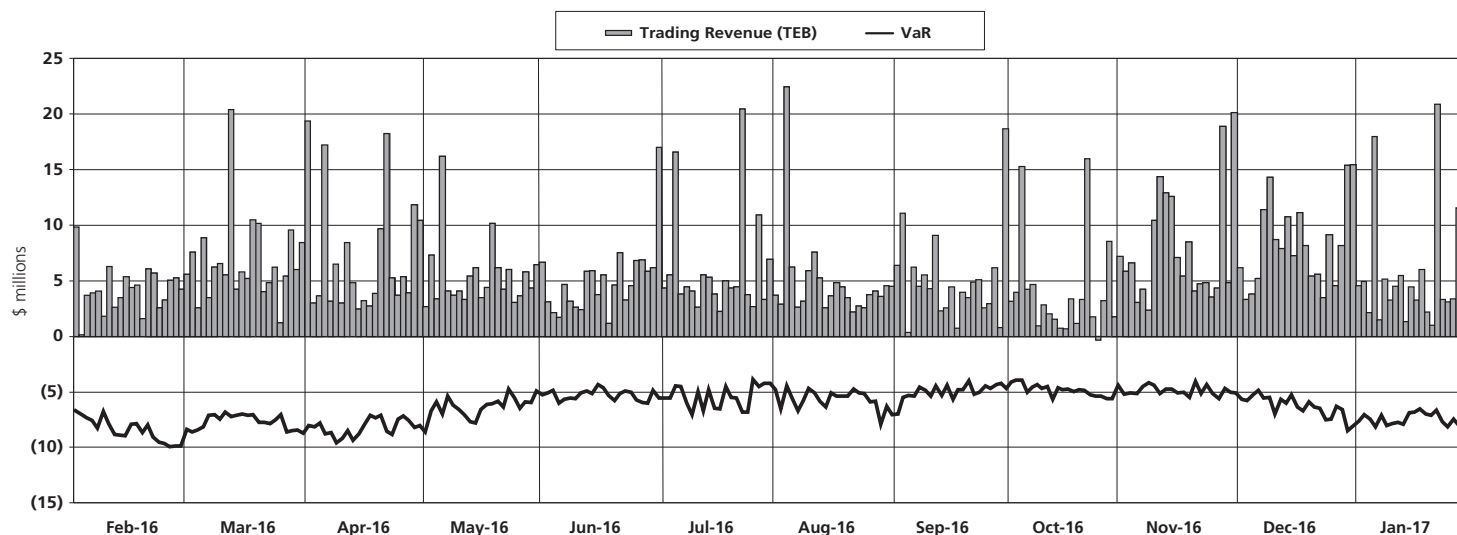
Trading revenue

Trading revenue (TEB) comprises both trading net interest income and non-interest income and excludes underwriting fees and commissions. Trading revenue (TEB) in the chart below excludes certain exited portfolios.

The trading revenue (TEB) versus VaR graph below shows the current quarter and the three previous quarters' daily trading revenue (TEB) against the close of business day VaR measures. Trading revenue distribution on which VaR is calculated is not on a TEB basis.

During the quarter, trading revenue (TEB) was positive for 100% of the days. The largest gain of \$20.8 million occurred on January 24, 2017. It was attributable to the normal course of business within our global markets line of business, notably in equity derivatives. Average daily trading revenue (TEB) was \$7.5 million during the quarter, and the average daily TEB was \$1.9 million.

Trading revenue (TEB) versus VaR



Non-trading activities

Interest rate risk

Non-trading interest rate risk, which includes structural interest rate risk, consists primarily of risk inherent in ALM activities and the activities of domestic and foreign subsidiaries. Interest rate risk results from differences in the maturities or repricing dates of assets and liabilities, both on- and off-balance sheet, as well as from embedded optionality in retail products. This optionality arises predominantly from the prepayment exposures of mortgage products, mortgage commitments and some guaranteed investment certificates products with early redemption features. A variety of cash instruments and derivatives, primarily interest rate swaps, futures and options, are used to manage these risks.

The following table shows the potential impact over the next 12 months, adjusted for structural assumptions (excluding shareholders' equity in the calculation of the present value of shareholders' equity), estimated prepayments and early withdrawals, of an immediate and sustained 100 and 200 basis point increase or decrease in all interest rates.

Interest rate sensitivity – non-trading (after-tax)

\$ millions, as at	2017			2016			2016		
	CAD	USD	Other	CAD	USD	Other	CAD	USD	Other
100 basis point increase in interest rates									
Increase (decrease) in net income attributable to equity shareholders	\$ 79	\$ 10	\$ 11	\$ 88	\$ 11	\$ 10	\$ 67	\$ (5)	\$ –
Increase (decrease) in present value of shareholders' equity	(344)	(34)	(7)	(176)	(79)	(6)	(100)	(126)	(32)
100 basis point decrease in interest rates									
Increase (decrease) in net income attributable to equity shareholders	(133)	(6)	(11)	(153)	(14)	(12)	(133)	(3)	1
Increase (decrease) in present value of shareholders' equity	255	23	7	75	69	3	(45)	107	30
200 basis point increase in interest rates									
Increase (decrease) in net income attributable to equity shareholders	\$ 118	\$ 28	\$ 23	\$ 145	\$ 25	\$ 24	\$ 116	\$ (10)	\$ –
Increase (decrease) in present value of shareholders' equity	(733)	(42)	(13)	(392)	(137)	(6)	(233)	(253)	(65)
200 basis point decrease in interest rates									
Increase (decrease) in net income attributable to equity shareholders	(339)	11	(21)	(327)	(8)	(22)	(227)	(6)	–
Increase (decrease) in present value of shareholders' equity	48	42	12	(78)	90	8	(264)	117	54

Liquidity risk

Liquidity risk is the risk of having insufficient cash or its equivalent in a timely and cost-effective manner to meet financial obligations as they come due. Common sources of liquidity risk inherent in banking services include unanticipated withdrawals of deposits, the inability to replace maturing debt, credit and liquidity commitments, and additional pledging or other collateral requirements.

CIBC possesses a comprehensive liquidity management framework that supports our business strategy, aligns with our risk appetite and limits established within the liquidity risk management policy, and adheres to regulatory expectations. The liquidity risk management policy requires we maintain sufficient liquid assets and diversified funding sources to consistently fund our balance sheet, commitments and contingent obligations, in order to maintain the strength of our enterprise under both normal and stressed conditions.

Our management strategies, objectives and practices are regularly reviewed to align with changes to the liquidity environment, including regulatory, business and/or market developments. Liquidity risk remains within CIBC's risk appetite.

Governance and management

We manage liquidity risk in a manner that enables us to withstand a liquidity stress event without an adverse impact on the viability of our operations. Actual and anticipated cash flows generated from on- and off-balance sheet exposures are routinely measured and monitored to ensure compliance with established limits. CIBC incorporates stress testing into its management and measurement of liquidity risk. Stress test results assist with the development of our liquidity assumptions, identification of potential constraints to funding planning, and contribute to the design of CIBC's contingency funding plan (CFP).

The Global Asset Liability Committee (GALCO) governs CIBC's liquidity risk management, ensuring the liquidity risk management methodologies, assumptions, and key metrics such as the Liquidity Horizon, are regularly reviewed and aligned with our operating regulatory requirements. The Liquidity Risk Management Committee is responsible for supporting GALCO to ensure that CIBC's liquidity risk profile is comprehensively measured and managed in alignment with CIBC's strategic direction, risk appetite and regulatory requirements.

The Risk Management Committee (RMC) approves CIBC's liquidity risk management policy, CFP, and recommends liquidity risk tolerance to the Board through the risk appetite statement.

Liquid and encumbered assets

Available liquid assets include cash, high quality marketable securities and other assets that can be used to access funding in a timely fashion. Encumbered assets, composed of assets pledged as collateral and those assets that are deemed restricted due to legal, operational, or other purposes, are not considered as sources of available liquidity when measuring liquidity risk.

Unencumbered assets from on- and off-balance sheet sources are summarized as follows:

\$ millions, as at	Gross liquid assets		Encumbered liquid assets ⁽¹⁾		Unencumbered liquid assets	
	CIBC owned assets	Third-party assets	CIBC owned assets	Third-party assets		
Cash and due from banks	\$ 15,389 ⁽²⁾	\$ –	\$ 517	\$ –	\$ 14,872	\$ 13,665
Securities	89,068 ⁽³⁾	93,268 ⁽⁴⁾	26,818	51,621	103,897	91,378
National Housing Act mortgage-backed securities	51,512 ⁽⁵⁾	–	20,583	–	30,929	26,223
Mortgages	13,658 ⁽⁶⁾	–	13,658	–	–	–
Credit cards	2,356 ⁽⁷⁾	–	2,356	–	–	–
Other assets	6,049 ⁽⁸⁾	–	5,684	–	365	586
	\$ 178,032	\$ 93,268	\$ 69,616	\$ 51,621	\$ 150,063	\$ 131,852

(1) Excludes intraday pledges to the Bank of Canada related to the Large Value Transfer System as these are normally released at the end of the settlement cycle each day.

(2) Includes cash, non-interest-bearing deposits and interest-bearing deposits with contractual maturities of less than 30 days.

(3) Includes trading, AFS and FVO securities. Excludes securities in our structured credit run-off business, private debt and private equity securities of \$456 million (October 31, 2016: \$944 million).

(4) Includes \$5,567 million (October 31, 2016: \$5,433 million) of cash collateral received on securities borrowed, \$38,989 million (October 31, 2016: \$28,377 million) of securities purchased under resale agreements, \$43,830 million (October 31, 2016: \$38,657 million) of securities borrowed against securities lent, and \$4,882 million (October 31, 2016: \$1,257 million) of securities received for derivative collateral.

(5) Includes securitized and transferred residential mortgages under the Canada Mortgage Bond Programme, and securitized mortgages that were not transferred to external parties. These are reported as Loans on our interim consolidated balance sheet.

(6) Includes mortgages in the Covered Bond Programme.

(7) Includes assets held in consolidated trusts supporting funding liabilities.

(8) Includes \$5,684 million (October 31, 2016: \$6,022 million) of cash pledged as collateral for derivatives and \$365 million (October 31, 2016: \$586 million) of gold and silver certificates.

The following table summarizes unencumbered liquid assets held by CIBC (parent) and significant subsidiaries:

\$ millions, as at	2017	2016
	Jan. 31	Oct. 31
CIBC (parent)	\$ 120,803	\$ 96,027
CIBC World Markets Inc. ⁽¹⁾	13,385	18,387
Other subsidiaries	15,875	17,438
	\$ 150,063	\$ 131,852

(1) Includes CIBC World Markets Inc. and CIBC World Markets Corp.

Asset haircuts and monetization depth assumptions under a liquidity stress scenario are applied to determine asset liquidity value. Haircuts take into consideration those margins applicable at central banks – such as the Bank of Canada and the Federal Reserve Bank – historical observations, and securities characteristics including asset type, issuer, credit ratings, currency and remaining term to maturity, as well as available regulatory guidance.

Our unencumbered liquid assets increased by \$18.2 billion or 14% from October 31, 2016, primarily due to an increase in securities purchased under resale agreements.

Furthermore, CIBC maintains access eligibility to the Bank of Canada's Emergency Lending Assistance (ELA) program and the Federal Reserve Bank's Discount Window.

Asset encumbrance

In the course of CIBC's day-to-day operations, securities and other assets are pledged to secure obligations, participate in clearing and settlement systems and other collateral management purposes. For additional details, see Note 22 to the 2016 annual consolidated financial statements.

The following table provides a summary of our total encumbered and unencumbered assets:

\$ millions, as at		CIBC owned assets	Third-party assets	Total assets	Encumbered		Unencumbered	
					Pledged as collateral	Other	Available as collateral	Other
2017	Cash and deposits with banks	\$ 15,389	\$ –	\$ 15,389	\$ 6	\$ 511	\$ 14,872	\$ –
Jan. 31	Securities	89,524	–	89,524	26,818	–	62,250	456
	Securities borrowed or purchased under resale agreements	–	44,556	44,556	22,545	–	22,011	–
	Loans, net of allowance	313,923	–	313,923	36,597	17	30,929	246,380
	Other							
	Derivative instruments	23,897	–	23,897	–	–	–	23,897
	Customers' liability under acceptances	8,171	–	8,171	–	–	–	8,171
	Land, buildings and equipment	1,752	–	1,752	–	–	–	1,752
	Goodwill	1,523	–	1,523	–	–	–	1,523
	Software and other intangible assets	1,428	–	1,428	–	–	–	1,428
	Investments in equity-accounted associates and joint ventures	710	–	710	–	–	–	710
	Other assets	12,421	–	12,421	5,684	–	365	6,372
		\$ 468,738	\$ 44,556	\$ 513,294	\$ 91,650	\$ 528	\$ 130,427	\$ 290,689
2016	Cash and deposits with banks	\$ 14,165	\$ –	\$ 14,165	\$ 11	\$ 489	\$ 13,665	\$ –
Oct. 31	Securities	87,423	–	87,423	23,690	–	62,789	944
	Securities borrowed or purchased under resale agreements	–	33,810	33,810	22,514	–	11,296	–
	Loans, net of allowance	307,417	–	307,417	39,468	26	26,223	241,700
	Other							
	Derivative instruments	27,762	–	27,762	–	–	–	27,762
	Customers' liability under acceptances	12,364	–	12,364	–	–	–	12,364
	Land, buildings and equipment	1,898	–	1,898	–	–	–	1,898
	Goodwill	1,539	–	1,539	–	–	–	1,539
	Software and other intangible assets	1,410	–	1,410	–	–	–	1,410
	Investments in equity-accounted associates and joint ventures	766	–	766	–	–	–	766
	Other assets	12,803	–	12,803	6,022	–	586	6,195
		\$ 467,547	\$ 33,810	\$ 501,357	\$ 91,705	\$ 515	\$ 114,559	\$ 294,578

Restrictions on the flow of funds

Our subsidiaries are not subject to significant restrictions that would prevent transfers of funds, dividends or capital distributions. However, certain subsidiaries have separate regulatory capital and liquidity requirements, as established by applicable banking and securities regulators.

We monitor and manage our capital and liquidity requirements across these entities to ensure that resources are used efficiently and entities are in compliance with local regulatory and policy requirements.

Liquidity coverage ratio

The objective of the liquidity coverage ratio (LCR) is to promote short-term resilience of a bank's liquidity risk profile, ensuring that it has adequate unencumbered high quality liquid resources to meet its liquidity needs in a 30-day acute stress scenario. Canadian banks are required to achieve a minimum LCR value of 100%. CIBC is in compliance with this requirement.

In accordance with the calibration methodology contained in OSFI's liquidity adequacy requirements (LAR) guidelines, CIBC reports the LCR to OSFI on a monthly basis. The ratio is calculated as follows:

$$\frac{\text{Total High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$$

The LCR's numerator consists of unencumbered HQLA, which follow an OSFI-defined set of eligibility criteria that considers fundamental and market-related characteristics, and relative ability to operationally monetize assets on a timely basis during a period of stress. CIBC's centrally-managed liquid asset portfolio includes those liquid assets reported in the HQLA, such as central government treasury bills and bonds, central bank deposits and high-rated sovereign, agency, provincial, and corporate securities. Asset eligibility limitations inherent in the LCR metric do not necessarily reflect CIBC's internal assessment of its ability to monetize its marketable assets under stress.

The ratio's denominator reflects net cash outflows expected in the LCR's stress scenario over the 30-calendar-day period. Expected cash outflows represent LCR-defined withdrawal or draw-down rates applied against outstanding liabilities and off-balance sheet commitments, respectively. Significant contributors to CIBC's LCR outflows include business and financial institution deposit run-off, draws on undrawn lines of credit and unsecured debt maturities. Cash outflows are partially offset by cash inflows, which are calculated at LCR-prescribed inflow rates, and include performing loan repayments and non-HQLA marketable assets.

The LCR is disclosed using a standard OSFI-prescribed disclosure template. Beginning in the first quarter of 2017, the LCR is calculated based on the average of daily positions. The comparative period LCR is calculated based on a simple average of the three month end positions:

\$ millions, average of the three months ended January 31, 2017		Total unweighted value ⁽¹⁾	Total weighted value ⁽²⁾
HQLA			
1	HQLA	n/a	\$ 104,260
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	\$ 134,399	8,776
3	Stable deposits	66,628	1,999
4	Less stable deposits	67,771	6,777
5	Unsecured wholesale funding, of which:	117,304	66,495
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	35,155	8,667
7	Non-operational deposits (all counterparties)	59,854	35,533
8	Unsecured debt	22,295	22,295
9	Secured wholesale funding	n/a	3,665
10	Additional requirements, of which:	68,146	19,095
11	Outflows related to derivative exposures and other collateral requirements	10,487	6,824
12	Outflows related to loss of funding on debt products	2,683	2,683
13	Credit and liquidity facilities	54,976	9,588
14	Other contractual funding obligations	4,347	4,347
15	Other contingent funding obligations	237,168	4,213
16	Total cash outflows	n/a	106,591
Cash inflows			
17	Secured lending (e.g. reverse repos)	53,919	8,372
18	Inflows from fully performing exposures	13,712	7,760
19	Other cash inflows	2,930	2,930
20	Total cash inflows	\$ 70,561	\$ 19,062
		Total adjusted value	
21	Total HQLA	n/a	\$ 104,260
22	Total net cash outflows	n/a	\$ 87,529
23	LCR	n/a	119 %
\$ millions, average of the three months ended October 31, 2016		Total adjusted value	
21	Total HQLA	n/a	\$ 106,348
22	Total net cash outflows	n/a	\$ 85,805
23	LCR	n/a	124 %

(1) Unweighted inflow and outflow values are calculated as outstanding balances maturing or callable within 30 days of various categories or types of liabilities, off-balance sheet items or contractual receivables.

(2) Weighted values are calculated after the application of haircuts (for HQLA) and inflow and outflow rates prescribed by OSFI.

n/a Not applicable as per the LCR common disclosure template.

Our average LCR as at January 31, 2017 decreased to 119% from 124% in the prior quarter, primarily due to increases in collateral obligations and contractual funding requirements, partially offset by reductions in wholesale funding maturities. Multiple other factors that are part of normal business operations also impact the LCR.

CIBC considers the impact of its business decisions on the LCR and other liquidity risk metrics that it regularly monitors as part of a robust liquidity risk management function. Variables that can impact the ratio month-over-month include, but are not limited to, items such as wholesale funding activities and maturities, strategic balance sheet initiatives, and transactions and environmental considerations affecting collateral. Furthermore, CIBC reports the LCR to OSFI in multiple currencies, and thus measures the extent of potential currency mismatch under the ratio. CIBC predominantly operates in major currencies with deep and fungible foreign exchange markets.

Reporting of the LCR is calibrated centrally by CIBC's Treasury function, in conjunction with CIBC's SBUs and other functional and support groups.

Funding

CIBC funds its operations with client-sourced deposits, supplemented with a wide range of wholesale funding.

CIBC's principal approach aims to fund the balance sheet with deposits primarily raised from Retail and Business Banking channels. Personal deposits accounted for \$150.4 billion as at January 31, 2017 (October 31, 2016: \$148.1 billion). CIBC maintains a foundation of relationship-based core deposits, whose stability is regularly evaluated through internally developed statistical assessments.

We routinely access a range of short-term and long-term secured and unsecured funding sources diversified by geography, depositor type, instrument, currency and maturity. We raise long-term funding from existing programs including covered bonds, asset securitizations and unsecured debt. CIBC continuously evaluates opportunities to diversify into new funding products and investor segments in an effort to maximize funding flexibility and minimize concentration and financing costs. We regularly monitor wholesale funding levels and concentrations to internal limits consistent with our desired liquidity risk profile.

GALCO and RMC review and approve CIBC's funding plan, which incorporates projected asset and liability growth, funding maturities, and output from our liquidity position forecasting.

The following table provides the contractual maturities at carrying values of CIBC's wholesale funding sources:

\$ millions, as at January 31, 2017	Less than 1 month	1 – 3 months	3 – 6 months	6 – 12 months	Less than 1 year total	1 – 2 years	Over 2 years	Total
Deposits from banks	\$ 3,694	\$ 297	\$ 145	\$ 34	\$ 4,170	\$ –	\$ –	\$ 4,170
Certificates of deposit and commercial paper	10,015	10,033	13,668	13,712	47,428	1,988	–	49,416
Bearer deposit notes and bankers' acceptances	421	4,042	3,817	218	8,498	–	–	8,498
Asset-backed commercial paper	–	–	–	–	–	–	–	–
Senior unsecured medium-term notes	3,450	2,905	3,760	6,799	16,914	7,953	11,334	36,201
Senior unsecured structured notes	–	–	–	–	–	371	–	371
Covered bonds/asset-backed securities								
Mortgage securitization	–	512	651	1,370	2,533	6,173	11,934	20,640
Covered bonds	–	–	663	818	1,481	3,325	8,852	13,658
Cards securitization	–	–	586	–	586	976	794	2,356
Subordinated liabilities	–	–	–	–	–	38	3,264	3,302
Other	–	–	–	–	–	–	–	–
	\$ 17,580	\$ 17,789	\$ 23,290	\$ 22,951	\$ 81,610	\$ 20,824	\$ 36,178	\$ 138,612
Of which:								
Secured	\$ –	\$ 512	\$ 1,900	\$ 2,188	\$ 4,600	\$ 10,474	\$ 21,580	\$ 36,654
Unsecured	17,580	17,277	21,390	20,763	77,010	10,350	14,598	101,958
	\$ 17,580	\$ 17,789	\$ 23,290	\$ 22,951	\$ 81,610	\$ 20,824	\$ 36,178	\$ 138,612
October 31, 2016	\$ 12,701	\$ 17,980	\$ 26,950	\$ 21,035	\$ 78,666	\$ 17,596	\$ 39,727	\$ 135,989

CIBC's wholesale funding is diversified by currency as demonstrated in the table that follows:

\$ billions, as at	2017 Jan. 31		2016 Oct. 31	
CAD	\$ 59.0	42 %	\$ 60.4	44 %
USD	61.8	45	56.6	42
Other	17.8	13	19.0	14
	\$ 138.6	100 %	\$ 136.0	100 %

Credit ratings

CIBC's access to and cost of wholesale funding are dependent on multiple factors, among them credit ratings provided by rating agencies. Rating agencies' opinions are based upon internal methodologies, and are subject to change based on factors including, but not limited to, financial strength, competitive position and liquidity positioning.

Our credit ratings are summarized in the following table:

As at	Short-term debt		Senior debt		Subordinated indebtedness		Subordinated indebtedness – NVCC ⁽¹⁾		Preferred Shares – NVCC ⁽¹⁾		Outlook
	2017 Jan. 31	2016 Oct. 31	2017 Jan. 31	2016 Oct. 31	2017 Jan. 31	2016 Oct. 31	2017 Jan. 31	2016 Oct. 31	2017 Jan. 31	2016 Oct. 31	
DBRS	R-1(H)	R-1(H)	AA	AA	AA(L)	AA(L)	A(L)	A(L)	Pfd-2	Pfd-2	Negative ⁽²⁾
Fitch Ratings, Inc.	F1+	F1+	AA-	AA-	A+	A+	A+	A+	n/a	n/a	Stable
Moody's	P-1	P-1	Aa3	Aa3	A3	A3	Baa1	Baa1	Baa2	Baa2	Negative ⁽³⁾
S&P	A-1	A-1	A+	A+	BBB+	BBB+	BBB	BBB	P-3(H)	P-3(H)	Stable

(1) Comprises instruments which are treated as NVCC in accordance with OSFI's capital adequacy guidelines.

(2) Negative outlook applies to short-term debt, senior debt, and subordinated indebtedness ratings.

(3) Negative outlook only applies to senior debt rating.

n/a Not available.

Additional collateral requirements for rating downgrades

We are required to deliver collateral to certain derivative counterparties in the event of a downgrade to our current credit risk rating. The collateral requirement is based on MTM exposure, collateral valuations, and collateral arrangement thresholds, as applicable. The following table presents the additional cumulative collateral requirements for rating downgrades:

\$ billions, as at	2017 Jan. 31	2016 Oct. 31
One-notch downgrade	\$ –	\$ –
Two-notch downgrade	0.1	0.2
Three-notch downgrade	0.3	0.4

Other regulatory liquidity standards

In May 2014, OSFI published the final LAR guideline, which was driven by the BCBS' global liquidity requirements, and includes the LCR, net stable funding ratio (NSFR) and other additional liquidity monitoring tools. It is further supplemented by the OSFI-designed supervisory tool known as the net cumulative cash flow (NCCF) metric. OSFI will use the LAR and associated metrics to assess individual banks' liquidity adequacy.

On October 31, 2014, the BCBS published its final NSFR guideline, which will become effective January 1, 2018. In August 2016, OSFI provided its draft NSFR guideline and is expected to engage in public consultations prior to issuance of its final NSFR reporting application and related disclosure requirements.

Consistent with the requirements above, we submit LCR and NCCF reports to OSFI on a monthly basis and the NSFR report on a quarterly basis. We provide the LCR and NSFR reports to the BCBS twice annually.

Contractual obligations

Contractual obligations give rise to commitments of future payments affecting our short- and long-term liquidity and capital resource needs. These obligations include financial liabilities, credit and liquidity commitments, and other contractual obligations.

Assets and liabilities

The following table provides the contractual maturity profile of our on-balance sheet assets, liabilities and equity at their carrying values. Contractual analysis is not representative of CIBC's liquidity risk exposure, however this information serves to inform CIBC's management of liquidity risk, and provide input when modeling a behavioural balance sheet.

\$ millions, as at January 31, 2017	Less than 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	1 – 2 years	2 – 5 years	Over 5 years	No specified maturity	Total
Assets										
Cash and non-interest-bearing deposits with banks	\$ 3,185	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 3,185
Interest-bearing deposits with banks	12,204	–	–	–	–	–	–	–	–	12,204
Securities	2,252	3,041	1,953	2,950	2,203	7,250	17,620	13,888	38,367	89,524
Cash collateral on securities borrowed	5,567	–	–	–	–	–	–	–	–	5,567
Securities purchased under resale agreements	22,437	8,590	2,128	213	2,996	2,625	–	–	–	38,989
Loans										
Residential mortgages	1,325	3,878	8,368	7,854	7,205	42,086	114,183	6,656	333	191,888
Personal	617	636	893	763	908	192	515	2,445	31,252	38,221
Credit card	256	512	767	767	767	3,069	6,042	–	–	12,180
Business and government	8,022	2,451	2,772	2,420	3,010	10,592	22,574	13,354	8,079	73,274
Allowance for credit losses	–	–	–	–	–	–	–	–	(1,640)	(1,640)
Derivative instruments	1,516	1,557	1,231	797	1,463	2,910	5,563	8,860	–	23,897
Customers' liability under acceptances	7,089	998	82	–	2	–	–	–	–	8,171
Other assets	–	–	–	–	–	–	–	–	17,834	17,834
	\$ 64,470	\$ 21,663	\$ 18,194	\$ 15,764	\$ 18,554	\$ 68,724	\$ 166,497	\$ 45,203	\$ 94,225	\$ 513,294
October 31, 2016	\$ 55,954	\$ 21,567	\$ 17,950	\$ 16,783	\$ 16,550	\$ 66,771	\$ 164,778	\$ 48,505	\$ 92,499	\$ 501,357
Liabilities										
Deposits ⁽¹⁾	\$ 33,403	\$ 29,746	\$ 33,488	\$ 25,891	\$ 18,753	\$ 29,675	\$ 37,913	\$ 7,257	\$ 193,627	\$ 409,753
Obligations related to securities sold short	11,772	–	–	–	–	–	–	–	–	11,772
Cash collateral on securities lent	2,177	–	–	–	–	–	–	–	–	2,177
Obligations related to securities sold under repurchase agreements	14,222	824	–	–	–	–	–	–	–	15,046
Derivative instruments	1,923	1,601	1,440	2,234	1,563	3,074	5,675	8,413	–	25,923
Acceptances	7,091	998	82	–	2	–	–	–	–	8,173
Other liabilities	–	–	–	–	–	–	–	–	12,422	12,422
Subordinated indebtedness	–	–	–	–	–	38	–	3,264	–	3,302
Equity	–	–	–	–	–	–	–	–	24,726	24,726
	\$ 70,588	\$ 33,169	\$ 35,010	\$ 28,125	\$ 20,318	\$ 32,787	\$ 43,588	\$ 18,934	\$ 230,775	\$ 513,294
October 31, 2016	\$ 59,908	\$ 33,289	\$ 40,961	\$ 21,100	\$ 23,035	\$ 31,847	\$ 47,923	\$ 21,033	\$ 222,261	\$ 501,357

(1) Comprises \$150.4 billion (October 31, 2016: \$148.1 billion) of personal deposits of which \$145.8 billion (October 31, 2016: \$143.3 billion) are in Canada and \$4.6 billion (October 31, 2016: \$4.8 billion) are in other countries; \$242.3 billion (October 31, 2016: \$229.7 billion) of business and government deposits and secured borrowings of which \$188.0 billion (October 31, 2016: \$171.9 billion) are in Canada and \$54.3 billion (October 31, 2016: \$57.8 billion) are in other countries; and \$17.1 billion (October 31, 2016: \$17.8 billion) of bank deposits of which \$5.2 billion (October 31, 2016: \$6.8 billion) are in Canada and \$11.9 billion (October 31, 2016: \$11.0 billion) are in other countries.

The changes in the contractual maturity profile were primarily due to the natural migration of maturities and also reflect the impact of our regular business activities.

Credit-related commitments

The following table provides the contractual maturity of notional amounts of credit-related commitments. Since a significant portion of commitments are expected to expire without being drawn upon, the total of the contractual amounts is not representative of future liquidity requirements.

\$ millions, as at January 31, 2017	Less than 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	1 – 2 years	2 – 5 years	Over 5 years	No specified maturity ⁽¹⁾	Total
Securities lending ⁽²⁾	\$ 29,688	\$ 4,756	\$ 9,386	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 43,830
Unutilized credit commitments	225	4,954	1,377	1,863	1,684	8,103	34,786	801	135,698	189,491
Backstop liquidity facilities	7,249	608	668	10	14	366	–	–	–	8,928
Standby and performance letters of credit	2,201	1,477	2,223	1,797	2,712	423	1,251	205	–	12,289
Documentary and commercial letters of credit	26	83	19	46	23	1	–	–	–	198
Other	239	–	–	–	–	–	–	–	–	239
	\$ 39,628	\$ 11,878	\$ 13,673	\$ 3,716	\$ 4,433	\$ 8,893	\$ 36,037	\$ 1,019	\$ 135,698	\$ 254,975
October 31, 2016	\$ 28,902	\$ 23,039	\$ 9,515	\$ 4,484	\$ 3,483	\$ 7,049	\$ 35,402	\$ 1,393	\$ 133,514	\$ 246,781

(1) Includes \$107.4 billion (October 31, 2016: \$105.0 billion) of personal, home equity and credit card lines, which are unconditionally cancellable at our discretion.

(2) Excludes securities lending of \$2.2 billion (October 31, 2016: \$2.5 billion) for cash because it is reported on the interim consolidated balance sheet.

Other contractual obligations

The following table provides the contractual maturities of other contractual obligations affecting our funding needs:

\$ millions, as at January 31, 2017	Less than 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	1 – 2 years	2 – 5 years	Over 5 years	Total
Operating leases	\$ 38	\$ 76	\$ 112	\$ 110	\$ 108	\$ 404	\$ 875	\$ 1,063	\$ 2,786
Purchase obligations ⁽¹⁾	75	136	254	258	174	554	755	303	2,509
Pension contributions ⁽²⁾	14	28	43	43	–	–	–	–	128
Underwriting commitments	334	–	–	–	–	–	–	–	334
Investment commitments	–	–	1	–	2	6	9	129	147
	\$ 461	\$ 240	\$ 410	\$ 411	\$ 284	\$ 964	\$ 1,639	\$ 1,495	\$ 5,904
October 31, 2016	\$ 331	\$ 325	\$ 365	\$ 396	\$ 356	\$ 1,080	\$ 1,747	\$ 1,532	\$ 6,132

(1) Obligations that are legally binding agreements whereby we agree to purchase products or services with specific minimum or baseline quantities defined at fixed, minimum or variable prices over a specified period of time are defined as purchase obligations. Purchase obligations are included through to the termination date specified in the respective agreements, even if the contract is renewable. Many of the purchase agreements for goods and services include clauses that would allow us to cancel the agreement prior to expiration of the contract within a specific notice period. However, the amount above includes our obligations without regard to such termination clauses (unless actual notice of our intention to terminate the agreement has been communicated to the counterparty). The table excludes purchases of debt and equity instruments that settle within standard market timeframes.

(2) Includes estimated minimum funding contributions for our funded defined benefit pension plans in Canada, the U.S., the U.K., and the Caribbean. Estimated minimum funding contributions are included only for the next annual period as the minimum contributions are affected by various factors, such as market performance and regulatory requirements, and therefore are subject to significant variability.

Other risks

We also have policies and processes to measure, monitor and control other risks, including strategic, insurance, operational, technology, information and cyber security, reputation and legal, regulatory compliance, and environmental risks. These risks and related policies and processes have not changed significantly from those described on pages 73 to 75 of the 2016 Annual Report.

Accounting and control matters

Critical accounting policies and estimates

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” using IFRS as issued by the International Accounting Standards Board (IASB). A summary of significant accounting policies is presented in Note 1 to the consolidated financial statements of our 2016 Annual Report. The interim consolidated financial statements have been prepared using the same accounting policies as CIBC’s consolidated financial statements as at and for the year ended October 31, 2016.

Certain accounting policies require us to make judgments and estimates, some of which may relate to matters that are uncertain. Changes in the judgments and estimates required in the critical accounting policies discussed on pages 76 to 80 of our 2016 Annual Report could have a material impact on our financial results. No significant changes have occurred with respect to our critical accounting estimates since our 2016 Annual Report.

Accounting developments

Transition to IFRS 9

IFRS 9 “Financial Instruments” (IFRS 9) replaces IAS 39 “Financial Instruments: Recognition and Measurement” and is effective for annual periods beginning on or after January 1, 2018, which for us would have been on November 1, 2018. Early application is permitted if an entity applies all the requirements of the standard. During 2015, OSFI issued a final advisory that requires D-SIBs to adopt IFRS 9 for their annual period beginning on November 1, 2017, one year earlier than required by the IASB. As a D-SIB, we will publish our first interim consolidated financial statements under IFRS 9 for the quarter ended January 31, 2018, except for the “own credit” provisions of IFRS 9, which we voluntarily early adopted as of November 1, 2014. IFRS 9 is required to be applied on a retrospective basis, with certain exceptions. As permitted, we will not restate our prior period comparative consolidated financial statements when we adopt the requirements of the new standard. We will recognize an adjustment to our opening November 1, 2017 retained earnings and AOCI, to reflect the application of the new requirements at the adoption date.

The transition to IFRS 9 represents a significant initiative for CIBC, for which we have established a transition program that is supported by a formal governance structure with an enterprise view and a dedicated project team. The project’s Steering Committee is co-chaired by senior stakeholders from our Risk Management and Finance groups, and comprises individuals from the impacted SBUs as well as functional groups, such as Technology and Operations and Internal Audit. The Steering Committee is responsible for:

- Ensuring the strategic alignment of IFRS 9 with CIBC’s overall strategies;
- Ensuring key milestones are met;
- Providing direction and guidance on a holistic basis; and
- Reviewing and resolving key issues and risks.

To assist the Steering Committee in meeting its responsibilities, our transition program structure has three work streams that correspond to the three sections of the new financial instruments standard: (1) Classification and measurement of financial instruments; (2) Impairment; and (3) Hedge accounting. Each work stream comprises stakeholders from the impacted SBUs and functional groups, who are subject matter experts in the relevant policies, processes or technologies that are expected to be impacted by the transition.

Classification and measurement

The IFRS 9 classification and measurement model requires that all debt instrument financial assets that do not meet a “solely payment of principal and interest” (SPPI) test, including those that contain embedded derivatives, be classified at initial recognition as fair value through profit or loss (FVTPL). The intent of the SPPI test is to ensure that debt instruments that contain non-basic lending features, such as conversion options and equity linked pay-outs, are measured at FVTPL. Subsequent measurement of instruments classified as FVTPL under IFRS 9 operates in a similar manner to trading under IAS 39.

For debt instrument financial assets that meet the SPPI test, classification at initial recognition will be determined based on the business model under which these instruments are managed. Debt instruments that are managed on a “held for trading” or “fair value” basis will be classified as FVTPL. Debt instruments that are managed on a “hold to collect and for sale” basis will be classified as fair value through OCI (FV-OCI) for debt. Debt instruments that are managed on a “hold to collect” basis will be classified as amortized cost. Subsequent measurement of instruments classified at FV-OCI and amortized cost classifications under IFRS 9 operate in a similar manner to AFS for debt securities and loans and receivables, respectively, under existing IAS 39, except for the impairment provisions which are discussed below.

For those debt instrument financial assets that would otherwise be classified as FV-OCI or amortized cost, an irrevocable designation can be made at initial recognition to instead measure the debt instrument at FVTPL under the fair value option (FVO) if doing so eliminates or significantly reduces an accounting mismatch and if certain OSFI requirements are met.

All equity instrument financial assets are required to be classified at initial recognition as FVTPL unless an irrevocable designation is made to classify the instrument as FV-OCI for equities. Unlike AFS for equity securities under IAS 39, the FV-OCI for equities category results in all realized and unrealized gains and losses being recognized in OCI with no recycling to profit and loss. Only dividends continue to be recognized in profit and loss.

The classification and measurement of financial liabilities remain essentially unchanged from the current IAS 39 requirements, except that changes in fair value of FVO liabilities attributable to changes in own credit risk are to be presented in OCI, rather than profit and loss, which we early adopted as of November 1, 2014.

Derivatives will continue to be measured at FVTPL under IFRS 9.

Impairment

The new impairment guidance sets out an expected credit loss (ECL) model applicable to all debt instrument financial assets classified as amortized cost or FV-OCI. In addition, the ECL model applies to loan commitments and financial guarantees that are not measured at FVTPL.

Incurring Loss versus Expected Loss Methodology

The application of ECL will significantly change our credit loss methodology and models. ECL allowances represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. This compares to the present incurred loss model under IAS 39 that incorporates a single best estimate, the time value of money and information about past events and current conditions. The objective of the new impairment standard is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances will be measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which

have experienced a SICR since initial recognition. This compares to the present incurred loss model which recognizes lifetime credit losses when there is objective evidence of impairment. Because of the inclusion of relative credit deterioration criteria and consideration of forward looking information, the ECL model eliminates the threshold or trigger event required under the incurred loss model and lifetime ECL are recognized earlier under IFRS 9.

Stage Migration and Significant Increase in Credit Risk

For non-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a SICR since initial recognition. Entities are required to recognize 12 months of ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced a SICR since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, then entities shall revert to recognizing 12 months of ECL. In contrast to stage 1 and stage 2, inherent within the incurred loss methodology under IAS 39, allowances are provided for non-impaired financial instruments for credit losses that are incurred but not yet identified.

For impaired financial instruments:

- Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the current requirements under IAS 39 for impaired financial instruments.

For our business and government portfolios, the individually assessed allowances for impaired instruments recognized under IAS 39 will generally be replaced by stage 3 allowances under IFRS 9, while the collective allowances for non-impaired financial instruments will generally be replaced by either stage 1 or stage 2 allowances under IFRS 9. For our retail portfolios, the portion of our collective allowances that relate to impaired financial instruments under IAS 39 will generally be replaced by stage 3 allowances, while the non-impaired portion of our collective allowances will generally be replaced by either stage 1 or stage 2 allowances under IFRS 9.

Our definitions of default, our write-off policy and our interest income recognition policy under IAS 39 are not expected to be materially different under the ECL model.

Key Drivers of Expected Credit Loss

We are currently refining and testing the application of the ECL methodology for our impacted portfolios, which includes building the data, processes and systems to incorporate the following concepts which are subject to a high level of judgment. These will have a significant impact on the level of ECL allowances and will be the cause of increased volatility of allowances:

- Determining when a SICR of a financial asset has occurred,
- Measuring both 12-month and lifetime credit losses, and
- Incorporating forward-looking information through the use of multiple probability-weighted scenarios.

For the majority of our retail portfolios, we will determine SICR based on relative changes in the financial instrument's lifetime probability of default (PD) since its initial recognition. For the majority of our business and government portfolios and FV-OCI debt securities, we will determine SICR based on relative changes in internal risk ratings since initial recognition. In respect to the lifetime of a financial instrument, the maximum period to consider when measuring ECL shall be the maximum contractual period over which an entity is exposed to credit risk. For revolving facilities, such as credit cards, an entity shall measure ECL over the period that the entity is exposed to credit risk and the ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

We are currently testing the process to determine the forward-looking macroeconomic factors that will be used in our models. Our process leverages our existing forecasting processes and determines the forward-looking macroeconomic factors for multiple scenarios so that we can appropriately probability weight the expected losses we will recognize on our balance sheet. The process being tested is overseen by a governance committee consisting of key internal stakeholders from Economics, Risk Management, and Finance.

Use of the Regulatory Framework

Our ECL model leverages the data, systems and processes that are used to calculate Basel expected losses regulatory adjustments for the portion of our portfolios under the AIRB approach. Appropriate adjustments will be made to the Basel parameters to meet IFRS 9 requirements, including the conversion of through-the-cycle and downturn parameters used in the Basel regulatory calculations to point-in-time parameters used under IFRS 9 that considers forward-looking information. In addition, credit losses under IFRS 9 are for 12 months for stage 1 financial instruments and lifetime for stage 2 and stage 3 financial instruments, as compared with 12 months for AIRB portfolios under Basel. The main adjustments necessary to Basel risk parameters are explained in the table below:

	Regulatory Capital	IFRS 9
PD	Through-the-cycle PD represents long-run average PD throughout a full economic cycle	Point-in-time 12-month or lifetime PD based on current conditions and relevant forward-looking assumptions
LGD	Downturn loss given default (LGD) based on losses that would be expected in an economic downturn and subject to certain regulatory floors Discounted using the cost of capital	Unbiased probability-weighted LGD based on estimated LGD including impact of relevant forward-looking assumptions such as changes in collateral value Discounted using the original effective interest rate
EAD	Based on the drawn balance plus expected utilization of any undrawn portion prior to default, and cannot be lower than the drawn balance	Amortization and repayment of principal and interest from the balance sheet date to the default is captured
Other		ECL is discounted from the default date to the reporting date

Key Activities

The data, processes and systems that support our ECL allowances will undergo further refinement, validation and testing throughout fiscal 2017. Our refinements will consider and address any feedback received from our validation team and other stakeholders. During the year, we will also ensure that all relevant internal controls and policies are updated and we will continue with education and training of key stakeholders. Our Audit Committee will also continue to receive regular updates.

We also plan to change from our current policy of attributing changes to our collective allowance for non-impaired financial instruments from Corporate and Other to a new IFRS 9 policy to attribute any changes in ECL, including stage 1 and stage 2 ECL changes, to our strategic business units.

We are currently evaluating the potential regulatory capital impact of IFRS 9. The impact from potential changes in our balance sheet allowances under IFRS 9 on CET1 capital could be partially mitigated by changes in negative regulatory capital adjustments related to any shortfall of allowances to regulatory expected losses in the CET1 calculation.

Regulatory Developments

Our implementation of IFRS 9 takes into account all regulatory requirements, including guidance issued by OSFI and the BCBS covering sound credit risk practices associated with the implementation and application of an expected credit loss accounting framework. We also continue to monitor regulatory developments related to the new ECL impairment requirements. In October 2016, the BCBS issued "Discussion Paper, Regulatory treatment of accounting provisions" for comment as it considers policy options for the longer-term regulatory treatment of accounting provisions given the change from an incurred loss to an expected credit loss accounting framework. The BCBS also issued "Consultative Document, Regulatory treatment of accounting provisions – interim approach and transitional arrangements", which proposes to retain, for an interim period, the current regulatory treatment of accounting provisions under both the standardized and IRB approaches for credit risk. The consultative document also issues for commentary three potential approaches for transitional capital relief, if any relief is ultimately to be provided.

Hedge accounting

The IFRS 9 hedge accounting guidance is intended to better align the accounting with risk management activities. However, IFRS 9 allows the existing hedge accounting requirements under IAS 39 to continue in place of the hedge accounting requirements under IFRS 9, pending the completion of the IASB's project on macro hedge accounting. As permitted, we have elected to not adopt the IFRS 9 hedge accounting requirements and instead will retain the IAS 39 hedge accounting requirements. However, we will adopt the new hedge accounting disclosure requirements under amendments to IFRS 7 for our annual period beginning November 1, 2017.

Other accounting policy changes

For details on other future accounting policy changes, refer to Note 32 to the consolidated financial statements included in our 2016 Annual Report.

Regulatory developments

Dodd-Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in the U.S. in July 2010. The Dodd-Frank Act contains many broad reforms impacting the financial services industry. These reforms impact every financial institution in the U.S. and many financial institutions that operate outside the U.S. Most aspects of the Dodd-Frank Act have become effective, while some portions are still subject to final rulemakings by U.S. government agencies, or the expiration of transition periods. CIBC is subject to a number of specific requirements, including, among other things: (i) mandatory clearing, trade reporting and registration of OTC derivative trading activities; (ii) heightened capital, liquidity and prudential standards, such as the enhanced prudential standards and early remediation requirements under Sections 165 and 166 of the Dodd-Frank Act; (iii) mandatory risk retention rules, applicable to sponsors of asset-backed securities and securitizations; and (iv) restrictions on proprietary trading, private equity and hedge fund activities, commonly known as the Volcker Rule.

Although these reforms have increased our cost of regulatory compliance and have restricted our ability to engage in certain activities in the U.S. and elsewhere, we do not expect costs and restrictions associated with the new regulations to have a material impact on our financial results. CIBC continues to devote the resources necessary to ensure that we implement the requirements in compliance with all applicable regulations under the Dodd-Frank Act. We continue to monitor developments in this area, including upcoming changes in laws or regulations that may be enacted by the new U.S. government administration.

Automatic Exchange of Information – Organisation for Economic Co-operation and Development (OECD)

Under the initiative of the OECD, many countries have committed to automatic exchange of information relating to accounts held by tax residents of signatory countries, using a Common Reporting Standard (CRS). CRS was implemented in "early adopter" countries in January 2016, with other countries, including Canada agreeing to implementation in subsequent years. Canada passed CRS implementing legislation on December 15, 2016, to take effect in 2017. CIBC will meet all obligations imposed under the CRS, in accordance with local law, in all applicable jurisdictions in which it operates.

Controls and procedures

Disclosure controls and procedures

CIBC's management, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of CIBC's disclosure controls and procedures as at January 31, 2017 (as defined in the rules of the SEC and the Canadian Securities Administrators). Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that such disclosure controls and procedures were effective.

Changes in internal control over financial reporting

There have been no changes in CIBC's internal control over financial reporting during the quarter ended January 31, 2017, that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Related-party transactions

There have been no significant changes to CIBC's procedures and policies regarding related-party transactions since October 31, 2016. For additional information, refer to pages 82 and 158 of the 2016 Annual Report.

Interim consolidated financial statements (Unaudited)

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Consolidated balance sheet

Unaudited, \$ millions, as at	2017 Jan. 31	2016 Oct. 31
ASSETS		
Cash and non-interest-bearing deposits with banks	\$ 3,185	\$ 3,500
Interest-bearing deposits with banks	12,204	10,665
Securities		
Trading	55,934	49,915
Available-for-sale (AFS) (Note 4)	33,444	37,253
Designated at fair value (FVO)	146	255
	89,524	87,423
Cash collateral on securities borrowed	5,567	5,433
Securities purchased under resale agreements	38,989	28,377
Loans		
Residential mortgages	191,888	187,298
Personal	38,221	38,041
Credit card	12,180	12,332
Business and government	73,274	71,437
Allowance for credit losses (Note 5)	(1,640)	(1,691)
	313,923	307,417
Other		
Derivative instruments	23,897	27,762
Customers' liability under acceptances	8,171	12,364
Land, buildings and equipment	1,752	1,898
Goodwill	1,523	1,539
Software and other intangible assets	1,428	1,410
Investments in equity-accounted associates and joint ventures	710	766
Deferred tax assets	639	771
Other assets	11,782	12,032
	49,902	58,542
	\$ 513,294	\$ 501,357
LIABILITIES AND EQUITY		
Deposits (Note 7)		
Personal	\$ 150,380	\$ 148,081
Business and government	205,602	190,240
Bank	17,117	17,842
Secured borrowings	36,654	39,484
	409,753	395,647
Obligations related to securities sold short	11,772	10,338
Cash collateral on securities lent	2,177	2,518
Obligations related to securities sold under repurchase agreements	15,046	11,694
Other		
Derivative instruments	25,923	28,807
Acceptances	8,173	12,395
Deferred tax liabilities	22	21
Other liabilities	12,400	12,898
	46,518	54,121
Subordinated indebtedness	3,302	3,366
Equity		
Preferred shares	1,000	1,000
Common shares (Note 8)	8,286	8,026
Contributed surplus	65	72
Retained earnings	14,483	13,584
Accumulated other comprehensive income (AOCI)	698	790
Total shareholders' equity	24,532	23,472
Non-controlling interests	194	201
Total equity	24,726	23,673
	\$ 513,294	\$ 501,357

The accompanying notes and shaded sections in "MD&A – Management of risk" are an integral part of these interim consolidated financial statements.

Consolidated statement of income

Unaudited, \$ millions, except as noted, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Interest income			
Loans	\$ 2,563	\$ 2,531	\$ 2,426
Securities	485	457	435
Securities borrowed or purchased under resale agreements	107	90	73
Deposits with banks	37	37	33
	3,192	3,115	2,967
Interest expense			
Deposits	896	878	742
Securities sold short	61	45	55
Securities lent or sold under repurchase agreements	47	36	24
Subordinated indebtedness	35	35	28
Other	11	11	12
	1,050	1,005	861
Net interest income	2,142	2,110	2,106
Non-interest income			
Underwriting and advisory fees	109	103	80
Deposit and payment fees	213	207	213
Credit fees	175	166	147
Card fees	128	125	122
Investment management and custodial fees	240	233	212
Mutual fund fees	389	378	366
Insurance fees, net of claims	107	97	100
Commissions on securities transactions	90	83	84
Trading income (loss)	115	(32)	(46)
AFS securities gains, net	33	6	8
FVO gains, net	-	10	5
Foreign exchange other than trading	60	53	57
Income from equity-accounted associates and joint ventures	21	24	29
Other (Note 3)	387	118	104
	2,067	1,571	1,481
Total revenue	4,209	3,681	3,587
Provision for credit losses (Note 5)	212	222	262
Non-interest expenses			
Employee compensation and benefits	1,309	1,292	1,217
Occupancy costs	198	209	200
Computer, software and office equipment	365	393	321
Communications	75	75	81
Advertising and business development	54	77	63
Professional fees	41	61	44
Business and capital taxes	24	18	21
Other	208	222	217
	2,274	2,347	2,164
Income before income taxes	1,723	1,112	1,161
Income taxes	316	181	179
Net income	\$ 1,407	\$ 931	\$ 982
Net income attributable to non-controlling interests	\$ 5	\$ 4	\$ 5
Preferred shareholders	\$ 9	\$ 10	\$ 9
Common shareholders	1,393	917	968
Net income attributable to equity shareholders	\$ 1,402	\$ 927	\$ 977
Earnings per share (in dollars) (Note 11)			
Basic	\$ 3.50	\$ 2.32	\$ 2.44
Diluted	3.50	2.32	2.43
Dividends per common share (in dollars)	1.24	1.21	1.15

The accompanying notes and shaded sections in "MD&A – Management of risk" are an integral part of these interim consolidated financial statements.

Consolidated statement of comprehensive income

Unaudited, \$ millions, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Net income	\$ 1,407	\$ 931	\$ 982
Other comprehensive income (OCI), net of income tax, that is subject to subsequent reclassification to net income			
Net foreign currency translation adjustments			
Net gains (losses) on investments in foreign operations	(684)	606	742
Net gains (losses) on hedges of investments in foreign operations	431	(383)	(340)
	(253)	223	402
Net change in AFS securities			
Net gains (losses) on AFS securities	(47)	14	(16)
Net (gains) losses on AFS securities reclassified to net income	(23)	(5)	(6)
	(70)	9	(22)
Net change in cash flow hedges			
Net gains (losses) on derivatives designated as cash flow hedges	56	8	(40)
Net (gains) losses on derivatives designated as cash flow hedges reclassified to net income	(41)	(11)	33
	15	(3)	(7)
OCI, net of income tax, that is not subject to subsequent reclassification to net income			
Net gains (losses) on post-employment defined benefit plans	219	55	(286)
Net gains (losses) due to fair value change of FVO liabilities attributable to changes in credit risk	(3)	(3)	(1)
Total OCI⁽¹⁾	(92)	281	86
Comprehensive income	\$ 1,315	\$ 1,212	\$ 1,068
Comprehensive income attributable to non-controlling interests	\$ 5	\$ 4	\$ 5
Preferred shareholders	\$ 9	\$ 10	\$ 9
Common shareholders	1,301	1,198	1,054
Comprehensive income attributable to equity shareholders	\$ 1,310	\$ 1,208	\$ 1,063

(1) Includes \$17 million of losses for the quarter ended January 31, 2017 (October 31, 2016: \$2 million of gains; January 31, 2016: \$4 million of losses), relating to our investments in equity-accounted associates and joint ventures.

Unaudited, \$ millions, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Income tax (expense) benefit			
Subject to subsequent reclassification to net income			
Net foreign currency translation adjustments			
Net gains (losses) on investments in foreign operations	\$ 22	\$ (19)	\$ (61)
Net gains (losses) on hedges of investments in foreign operations	(80)	69	85
	(58)	50	24
Net change in AFS securities			
Net gains (losses) on AFS securities	(4)	(6)	8
Net (gains) losses on AFS securities reclassified to net income	10	1	2
	6	(5)	10
Net change in cash flow hedges			
Net gains (losses) on derivatives designated as cash flow hedges	(20)	(3)	14
Net (gains) losses on derivatives designated as cash flow hedges reclassified to net income	15	4	(11)
	(5)	1	3
Not subject to subsequent reclassification to net income			
Net gains (losses) on post-employment defined benefit plans	(80)	(13)	104
Net gains (losses) due to fair value change of FVO liabilities attributable to changes in credit risk	1	–	–
	\$ (136)	\$ 33	\$ 141

The accompanying notes and shaded sections in “MD&A – Management of risk” are an integral part of these interim consolidated financial statements.

Consolidated statement of changes in equity

Unaudited, \$ millions, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Preferred shares			
Balance at beginning of period	\$ 1,000	\$ 1,000	\$ 1,000
Issue of preferred shares	–	–	–
Redemption of preferred shares	–	–	–
Balance at end of period	\$ 1,000	\$ 1,000	\$ 1,000
Common shares (Note 8)			
Balance at beginning of period	\$ 8,026	\$ 7,806	\$ 7,813
Issue of common shares	261	212	20
Purchase of common shares for cancellation	–	–	(46)
Treasury shares	(1)	8	(1)
Balance at end of period	\$ 8,286	\$ 8,026	\$ 7,786
Contributed surplus			
Balance at beginning of period	\$ 72	\$ 73	\$ 76
Stock option expense	–	2	1
Stock options exercised	(7)	(2)	(3)
Other	–	(1)	1
Balance at end of period	\$ 65	\$ 72	\$ 75
Retained earnings			
Balance at beginning of period	\$ 13,584	\$ 13,145	\$ 11,433
Net income attributable to equity shareholders	1,402	927	977
Dividends			
Preferred	(9)	(10)	(9)
Common	(493)	(478)	(457)
Premium on purchase of common shares for cancellation	–	–	(159)
Other	(1)	–	–
Balance at end of period	\$ 14,483	\$ 13,584	\$ 11,785
AOCI, net of income tax			
AOCI, net of income tax, that is subject to subsequent reclassification to net income			
Net foreign currency translation adjustments			
Balance at beginning of period	\$ 1,114	\$ 891	\$ 1,035
Net change in foreign currency translation adjustments	(253)	223	402
Balance at end of period	\$ 861	\$ 1,114	\$ 1,437
Net gains (losses) on AFS securities			
Balance at beginning of period	\$ 161	\$ 152	\$ 94
Net change in AFS securities	(70)	9	(22)
Balance at end of period	\$ 91	\$ 161	\$ 72
Net gains (losses) on cash flow hedges			
Balance at beginning of period	\$ 23	\$ 26	\$ 22
Net change in cash flow hedges	15	(3)	(7)
Balance at end of period	\$ 38	\$ 23	\$ 15
AOCI, net of income tax, that is not subject to subsequent reclassification to net income			
Net gains (losses) on post-employment defined benefit plans			
Balance at beginning of period	\$ (508)	\$ (563)	\$ (118)
Net change in post-employment defined benefit plans	219	55	(286)
Balance at end of period	\$ (289)	\$ (508)	\$ (404)
Net gains (losses) due to fair value change of FVO liabilities attributable to changes in credit risk			
Balance at beginning of period	\$ –	\$ 3	\$ 5
Net change attributable to changes in credit risk	(3)	(3)	(1)
Balance at end of period	\$ (3)	\$ –	\$ 4
Total AOCI, net of income tax	\$ 698	\$ 790	\$ 1,124
Non-controlling interests			
Balance at beginning of period	\$ 201	\$ 188	\$ 193
Net income attributable to non-controlling interests	5	4	5
Dividends	(4)	–	(15)
Other	(8)	9	12
Balance at end of period	\$ 194	\$ 201	\$ 195
Equity at end of period	\$ 24,726	\$ 23,673	\$ 21,965

The accompanying notes and shaded sections in “MD&A – Management of risk” are an integral part of these interim consolidated financial statements.

Consolidated statement of cash flows

Unaudited, \$ millions, for the three months ended	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
Cash flows provided by (used in) operating activities			
Net income	\$ 1,407	\$ 931	\$ 982
Adjustments to reconcile net income to cash flows provided by (used in) operating activities:			
Provision for credit losses	212	222	262
Amortization and impairment ⁽¹⁾	120	129	106
Stock option expense	–	2	1
Deferred income taxes	47	14	(34)
AFS securities losses (gains), net	(33)	(6)	(8)
Net losses (gains) on disposal of land, buildings and equipment	(301)	(11)	–
Other non-cash items, net	21	(93)	(105)
Net changes in operating assets and liabilities			
Interest-bearing deposits with banks	(1,539)	(479)	6,210
Loans, net of repayments	(7,128)	(9,003)	(9,651)
Deposits, net of withdrawals	14,072	6,277	10,421
Obligations related to securities sold short	1,434	905	(216)
Accrued interest receivable	76	(49)	(1)
Accrued interest payable	(109)	194	(342)
Derivative assets	3,851	768	(5,603)
Derivative liabilities	(2,877)	(1,386)	6,643
Trading securities	(6,019)	(746)	2,097
FVO securities	109	7	(15)
Other FVO assets and liabilities	503	15	(10)
Current income taxes	31	(20)	43
Cash collateral on securities lent	(341)	(212)	911
Obligations related to securities sold under repurchase agreements	3,352	1,056	(2,370)
Cash collateral on securities borrowed	(134)	(116)	(737)
Securities purchased under resale agreements	(10,612)	2,766	(740)
Other, net	(307)	1,409	(943)
	(4,165)	2,574	6,901
Cash flows provided by (used in) financing activities			
Issue of subordinated indebtedness	–	–	1,000
Redemption/repurchase/maturity of subordinated indebtedness	–	(14)	(1,500)
Issue of common shares for cash	254	210	17
Purchase of common shares for cancellation	–	–	(205)
Net sale (purchase) of treasury shares	(1)	8	(1)
Dividends paid	(502)	(488)	(466)
	(249)	(284)	(1,155)
Cash flows provided by (used in) investing activities			
Purchase of AFS securities	(4,865)	(6,380)	(10,067)
Proceeds from sale of AFS securities	5,962	1,755	1,986
Proceeds from maturity of AFS securities	2,686	2,925	2,457
Net sale (purchase) of land, buildings and equipment	365	(75)	(50)
	4,148	(1,775)	(5,674)
Effect of exchange rate changes on cash and non-interest-bearing deposits with banks	(49)	43	130
Net increase (decrease) in cash and non-interest-bearing deposits with banks during the period	(315)	558	202
Cash and non-interest-bearing deposits with banks at beginning of period	3,500	2,942	3,053
Cash and non-interest-bearing deposits with banks at end of period ⁽²⁾	\$ 3,185	\$ 3,500	\$ 3,255
Cash interest paid	\$ 1,159	\$ 811	\$ 1,203
Cash interest received	2,996	2,770	2,714
Cash dividends received	272	296	252
Cash income taxes paid	238	187	170

(1) Comprises amortization and impairment of buildings, furniture, equipment, leasehold improvements, and software and other intangible assets.

(2) Includes restricted balance of \$438 million (October 31, 2016: \$422 million; January 31, 2016: \$432 million).

The accompanying notes and shaded sections in “MD&A – Management of risk” are an integral part of these interim consolidated financial statements.

Notes to the interim consolidated financial statements

(Unaudited)

The interim consolidated financial statements of CIBC are prepared in accordance with Section 308(4) of the *Bank Act* (Canada), which states that, except as otherwise specified by the Office of the Superintendent of Financial Institutions (OSFI), the financial statements are to be prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). There are no accounting requirements of OSFI that are exceptions to IFRS.

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and do not include all of the information required for full annual consolidated financial statements. These interim consolidated financial statements follow the same accounting policies and methods of application as CIBC's consolidated financial statements as at and for the year ended October 31, 2016.

All amounts in these interim consolidated financial statements are presented in Canadian dollars, unless otherwise indicated. These interim consolidated financial statements were authorized for issue by the Board of Directors on February 22, 2017.

1. Changes in accounting policies

(a) Changes in accounting standards

There are no new or amended accounting standards that are effective for CIBC this fiscal year.

(b) Future accounting policy changes

IFRS 9 "Financial Instruments" – issued in July 2014, replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 will be effective for us on November 1, 2017. Refer to the "Accounting developments" section of the management's discussion and analysis (MD&A) on pages 36 to 38 for further details with respect to our transition to IFRS 9.

For details on other future accounting policy changes, refer to Note 32 to the consolidated financial statements included in our 2016 Annual Report. We are continuing to evaluate the impact of standards that are effective for us after fiscal 2017.

2. Fair value measurement

The table below presents the level in the fair value hierarchy into which the fair values of financial instruments, that are carried at fair value on the interim consolidated balance sheet, are categorized:

	Level 1		Level 2		Level 3		Total	Total
	Quoted market price		Valuation technique – observable market inputs		Valuation technique – non-observable market inputs			
	2017 Jan. 31	2016 Oct. 31	2017 Jan. 31	2016 Oct. 31	2017 Jan. 31	2016 Oct. 31		
\$ millions, as at								
Financial assets								
Deposits with banks	\$ –	\$ –	\$ 380	\$ 347	\$ –	\$ –	\$ 380	\$ 347
Trading securities								
Government issued or guaranteed	3,194	1,474	11,575	9,307	–	–	14,769	10,781
Corporate equity	37,524	35,023	405	554	41	40	37,970	35,617
Corporate debt	–	–	1,991	1,853	–	–	1,991	1,853
Mortgage- and asset-backed	–	–	1,198	1,168	6	496	1,204	1,664
	40,718	36,497	15,169	12,882	47	536	55,934	49,915
Trading loans								
Business and government	–	–	10,976	6,640	–	–	10,976	6,640
AFS securities								
Government issued or guaranteed	1,891	1,429	19,153	22,445	–	–	21,044	23,874
Corporate equity	59	30	–	–	338	344	397	374
Corporate debt	–	–	5,390	5,838	5	5	5,395	5,843
Mortgage- and asset-backed	–	–	4,961	5,215	1,647	1,947	6,608	7,162
	1,950	1,459	29,504	33,498	1,990	2,296	33,444	37,253
FVO securities								
Government issued or guaranteed	–	–	55	59	–	–	55	59
Corporate debt	–	–	–	102	–	–	–	102
Asset-backed	–	–	–	–	91	94	91	94
	–	–	55	161	91	94	146	255
Derivative instruments								
Interest rate	–	–	10,182	12,409	11	31	10,193	12,440
Foreign exchange	–	–	10,114	12,492	–	–	10,114	12,492
Credit	–	–	–	2	140	140	140	142
Equity	871	742	874	364	12	24	1,757	1,130
Precious metal	–	–	217	70	–	–	217	70
Other commodity	209	161	1,267	1,327	–	–	1,476	1,488
	1,080	903	22,654	26,664	163	195	23,897	27,762
Total financial assets	\$ 43,748	\$ 38,859	\$ 78,738	\$ 80,192	\$ 2,291	\$ 3,121	\$ 124,777	\$ 122,172
Financial liabilities								
Deposits and other liabilities ⁽¹⁾	\$ –	\$ –	\$ (4,168)	\$ (3,124)	\$ (263)	\$ (506)	\$ (4,431)	\$ (3,630)
Obligations related to securities sold short	(7,616)	(4,684)	(4,156)	(5,654)	–	–	(11,772)	(10,338)
	(7,616)	(4,684)	(8,324)	(8,778)	(263)	(506)	(16,203)	(13,968)
Derivative instruments								
Interest rate	–	(2)	(9,607)	(11,926)	(27)	(35)	(9,634)	(11,963)
Foreign exchange	–	–	(12,966)	(13,599)	–	–	(12,966)	(13,599)
Credit	–	–	(20)	(18)	(159)	(197)	(179)	(215)
Equity	(515)	(491)	(1,575)	(1,446)	(42)	(42)	(2,132)	(1,979)
Precious metal	–	–	(89)	(34)	–	–	(89)	(34)
Other commodity	(239)	(216)	(684)	(801)	–	–	(923)	(1,017)
	(754)	(709)	(24,941)	(27,824)	(228)	(274)	(25,923)	(28,807)
Total financial liabilities	\$ (8,370)	\$ (5,393)	\$ (33,265)	\$ (36,602)	\$ (491)	\$ (780)	\$ (42,126)	\$ (42,775)

(1) Comprises FVO deposits of \$3,780 million (October 31, 2016: \$3,281 million), net bifurcated embedded derivative liabilities of \$366 million (October 31, 2016: net bifurcated embedded derivative liabilities of \$203 million), FVO other liabilities of \$14 million (October 31, 2016: \$11 million), and other financial liabilities measured at fair value of \$271 million (October 31, 2016: \$135 million).

Transfers between levels in the fair value hierarchy are deemed to have occurred at the beginning of the quarter in which the transfer occurred. Transfers between levels can occur as a result of additional or new information regarding valuation inputs and changes in their observability. During the quarter ended January 31, 2017, we transferred nil trading securities and \$197 million securities sold short from Level 1 to Level 2 due to reduced observability in the inputs used to value these securities (for the quarter ended October 31, 2016, nil trading securities and \$1,014 million of securities sold short were transferred from Level 1 to Level 2). In addition, insignificant transfers between Level 2 and Level 3 were made during the quarter as there were changes in the extent to which non-observable inputs have a significant impact on the fair value of these instruments or there were changes in the observability of one or more inputs that significantly impact their fair value (for the quarters ended October 31, 2016 and January 31, 2016, transfers between Level 2 and Level 3 were insignificant).

A net loss of \$24 million was recognized in the interim consolidated statement of income for the three months ended January 31, 2017, on the financial instruments for which fair value was estimated using valuation techniques requiring non-observable market parameters (net loss of \$7 million for the three months ended October 31, 2016 and a net gain of \$28 million for the three months ended January 31, 2016).

The following table presents the changes in fair value of financial assets and liabilities in Level 3. These instruments are measured at fair value utilizing non-observable market inputs. We often hedge positions with offsetting positions that may be classified in a different level. As a result, the gains and losses for assets and liabilities in the Level 3 category presented in the table below do not reflect the effect of offsetting gains and losses on the related hedging instruments that are classified in Level 1 and Level 2.

\$ millions, for the three months ended	Opening balance	Net gains (losses) included in income		Net unrealized gains (losses) included in OCI	Transfer in to Level 3	Transfer out of Level 3	Purchases	Issuances	Sales	Settlements	Closing balance
		Realized ⁽¹⁾	Unrealized ⁽¹⁾⁽²⁾								
Jan. 31, 2017											
Trading securities											
Corporate equity	\$ 40	\$ –	\$ 1	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 41
Mortgage- and asset-backed	496	2	–	–	–	–	–	–	–	(492)	6
AFS securities											
Corporate equity	344	14	(2)	(7)	–	–	8	–	(19)	–	338
Corporate debt	5	–	–	–	–	–	–	–	–	–	5
Mortgage- and asset-backed	1,947	2	–	(3)	–	–	34	–	–	(333)	1,647
FVO securities											
Asset-backed	94	1	(1)	–	–	–	–	–	–	(3)	91
Derivative instruments											
Interest rate	31	–	(20)	–	–	–	–	–	–	–	11
Credit	140	–	–	–	–	–	–	–	–	–	140
Equity	24	–	4	–	(17)	–	4	–	–	(3)	12
Total assets	\$ 3,121	\$ 19	\$ (18)	\$ (10)	\$ (17)	\$ –	\$ 46	\$ –	\$ (19)	\$ (831)	\$ 2,291
Deposits and other liabilities ⁽³⁾	\$ (506)	\$ –	\$ (37)	\$ –	\$ (2)	\$ 42	\$ –	\$ (61)	\$ –	\$ 301	\$ (263)
Derivative instruments											
Interest rate	(35)	–	8	–	–	–	–	–	–	–	(27)
Credit	(197)	10	–	–	–	–	–	–	–	28	(159)
Equity	(42)	–	(6)	–	–	9	–	(6)	–	3	(42)
Total liabilities	\$ (780)	\$ 10	\$ (35)	\$ –	\$ (2)	\$ 51	\$ –	\$ (67)	\$ –	\$ 332	\$ (491)
Oct. 31, 2016											
Trading securities											
Corporate equity	\$ 41	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ (1)	\$ 40
Mortgage- and asset-backed	538	1	22	–	–	–	–	–	–	(65)	496
AFS securities											
Corporate equity	358	12	(8)	6	–	–	9	–	(33)	–	344
Corporate debt	5	–	–	–	–	–	–	–	–	–	5
Mortgage- and asset-backed	1,555	1	–	–	–	–	551	–	–	(160)	1,947
FVO securities											
Asset-backed	101	3	2	–	–	–	–	–	–	(12)	94
Derivative instruments											
Interest rate	27	(1)	(1)	–	–	–	6	–	–	–	31
Credit	146	(9)	3	–	–	–	–	–	–	–	140
Equity	17	–	6	–	–	–	1	–	–	–	24
Total assets	\$ 2,788	\$ 7	\$ 24	\$ 6	\$ –	\$ –	\$ 567	\$ –	\$ (33)	\$ (238)	\$ 3,121
Deposits and other liabilities ⁽³⁾	\$ (481)	\$ (4)	\$ (31)	\$ –	\$ –	\$ –	\$ –	\$ (8)	\$ –	\$ 18	\$ (506)
Derivative instruments											
Interest rate	(31)	–	(4)	–	–	–	–	–	–	–	(35)
Credit	(212)	9	(3)	–	–	–	–	–	–	9	(197)
Equity	(33)	–	(5)	–	–	–	–	(4)	–	–	(42)
Total liabilities	\$ (757)	\$ 5	\$ (43)	\$ –	\$ –	\$ –	\$ –	\$ (12)	\$ –	\$ 27	\$ (780)
Jan. 31, 2016											
Trading securities											
Corporate equity	\$ 46	\$ –	\$ 1	\$ –	\$ –	\$ –	\$ 1	\$ –	\$ –	\$ (1)	\$ 47
Mortgage- and asset-backed	565	2	11	–	–	–	–	–	–	(11)	567
AFS securities											
Corporate equity	431	10	(6)	19	–	–	15	–	(31)	–	438
Corporate debt	6	–	–	–	–	–	–	–	–	–	6
Mortgage- and asset-backed	1,604	1	–	(5)	–	–	28	–	–	(185)	1,443
FVO securities											
Asset-backed	111	–	5	–	–	–	–	–	–	(1)	115
Derivative instruments											
Interest rate	26	–	3	–	–	–	–	–	–	–	29
Credit	165	(21)	25	–	–	–	–	–	–	–	169
Equity	1	–	–	–	–	–	–	–	–	–	1
Total assets	\$ 2,955	\$ (8)	\$ 39	\$ 14	\$ –	\$ –	\$ 44	\$ –	\$ (31)	\$ (198)	\$ 2,815
Deposits and other liabilities ⁽³⁾	\$ (474)	\$ (6)	\$ 19	\$ –	\$ –	\$ 3	\$ –	\$ (10)	\$ 1	\$ 19	\$ (448)
Derivative instruments											
Interest rate	(26)	–	(3)	–	–	–	–	–	–	–	(29)
Credit	(244)	19	(24)	–	–	–	–	–	–	2	(247)
Equity	(27)	–	(8)	–	–	–	–	–	–	–	(35)
Total liabilities	\$ (771)	\$ 13	\$ (16)	\$ –	\$ –	\$ 3	\$ –	\$ (10)	\$ 1	\$ 21	\$ (759)

(1) Includes foreign currency gains and losses related to AFS debt securities.

(2) Comprises unrealized gains and losses relating to these assets and liabilities held at the end of the reporting period.

(3) Includes FVO deposits of \$43 million (October 31, 2016: \$318 million; January 31, 2016: \$343 million) and net bifurcated embedded derivative liabilities of \$220 million (October 31, 2016: \$188 million; January 31, 2016: \$105 million).

Quantitative information about significant non-observable inputs and sensitivity of Level 3 financial assets and liabilities

During the quarter, there were no significant changes in the valuation techniques and the range of significant non-observable inputs used in measuring our Level 3 financial assets and liabilities. The impact of adjusting one or more of the non-observable inputs within a reasonably possible range on the fair value of our Level 3 financial assets and liabilities as at January 31, 2017 did not change significantly from the impact disclosed in the 2016 Annual Report.

Fair value option

The fair value of a FVO liability reflects the credit risk relating to that liability. For those FVO liabilities for which we believe changes in our credit risk would impact the fair value from the note holders' perspective, the related fair value changes were recognized in OCI. The pre-tax impact of changes in CIBC's own credit risk on our FVO liabilities were losses of \$4 million for the three months ended January 31, 2017 (losses of \$3 million for the three months ended October 31, 2016).

3. Significant acquisition and disposition

Sale and lease back of certain retail properties

During the quarter, we sold and leased back 89 retail properties located mainly in Ontario and British Columbia, and recognized a gain of \$299 million (\$245 million after-tax) in our Retail and Business Banking strategic business unit (SBU). The gain is included in Other Non-interest income.

Acquisition of PrivateBancorp, Inc.

On June 29, 2016, we announced that we had entered into a definitive agreement to acquire PrivateBancorp, Inc. (PrivateBancorp) and its subsidiary, The PrivateBank and Trust Company (PrivateBank). PrivateBank is a Chicago-based middle-market commercial bank with private banking and wealth management capabilities.

Under the terms of the agreement, CIBC will pay US\$18.80 in cash and 0.3657 of a CIBC common share for each share of PrivateBancorp common stock. Based on the June 28, 2016 closing price of CIBC's common shares on the New York Stock Exchange (US\$77.11), the total transaction value is approximately US\$3.8 billion (C\$4.9 billion) or US\$47.00 of value per share of PrivateBancorp common stock at announcement. Based on the number of PrivateBancorp shares outstanding at the date of announcement, CIBC would be required to issue approximately 29 million CIBC common shares and pay approximately US\$1.5 billion in cash in order to satisfy the consideration payable. The final transaction value is subject to change as it is dependent upon: (i) the closing price of CIBC's common shares on the New York Stock Exchange on the date of close, (ii) the number of PrivateBancorp common shares outstanding on the date of close, and (iii) foreign exchange rates on the date of close as the cash consideration is denominated in US dollars.

The transaction is subject to customary closing conditions, including regulatory approvals and the approval of PrivateBancorp's common stockholders. The special meeting of PrivateBancorp's common stockholders originally scheduled for December 8, 2016 was postponed by the PrivateBancorp Board of Directors on December 7, 2016 and has not yet been rescheduled. Both parties continue to work to secure all required regulatory approvals as well as to continue development of detailed integration plans.

4. Securities

Fair value of AFS securities

\$ millions, as at	2017				2016			
	Jan. 31				Oct. 31			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Securities issued or guaranteed by:								
Canadian federal government	\$ 6,382	\$ 16	\$ (5)	\$ 6,393	\$ 7,028	\$ 28	\$ (1)	\$ 7,055
Other Canadian governments	3,246	6	(2)	3,250	5,646	25	(3)	5,668
U.S. Treasury and agencies	7,781	12	(19)	7,774	7,820	9	(2)	7,827
Other foreign governments	3,640	11	(24)	3,627	3,326	15	(17)	3,324
Mortgage-backed securities (MBS)	4,446	5	(8)	4,443	4,626	6	(5)	4,627
Asset-backed securities	2,165	2	(2)	2,165	2,533	3	(1)	2,535
Corporate public debt	5,402	9	(21)	5,390	5,842	12	(16)	5,838
Corporate private debt	5	–	–	5	5	–	–	5
Corporate public equity ⁽¹⁾	21	42	–	63	10	24	–	34
Corporate private equity	209	127	(2)	334	211	132	(3)	340
	\$ 33,297	\$ 230	\$ (83)	\$ 33,444	\$ 37,047	\$ 254	\$ (48)	\$ 37,253

(1) Includes restricted stock.

As at January 31, 2017, the amortized cost of 291 AFS securities that are in a gross unrealized loss position (October 31, 2016: 240 securities) exceeded their fair value by \$83 million (October 31, 2016: \$48 million). The securities that have been in a gross unrealized loss position for more than a year include 92 AFS securities (October 31, 2016: 81 securities) with a gross unrealized loss of \$40 million (October 31, 2016: \$37 million). We have determined that these AFS securities were not impaired.

5. Loans

Allowance for credit losses

\$ millions, as at or for the three months ended	2017			2016	2016
	Individual allowance	Collective allowance	Total allowance	Total allowance	Total allowance
			Jan. 31	Oct. 31	Jan. 31
Balance at beginning of period	\$ 258	\$ 1,555	\$ 1,813	\$ 1,896	\$ 1,762
Provision for credit losses	8	204	212	222	262
Write-offs	(39)	(241)	(280)	(357)	(209)
Recoveries	2	45	47	44	50
Interest income on impaired loans	(6)	(2)	(8)	(9)	(6)
Foreign exchange and other	(11)	(12)	(23)	17	35
Balance at end of period	\$ 212	\$ 1,549	\$ 1,761	\$ 1,813	\$ 1,894
Comprises:					
Loans	\$ 212	\$ 1,428	\$ 1,640	\$ 1,691	\$ 1,790
Undrawn credit facilities ⁽¹⁾	–	121	121	122	104

(1) Included in Other liabilities on the interim consolidated balance sheet.

Impaired loans

\$ millions, as at	Gross impaired	Individual allowance	Collective allowance ⁽¹⁾	2017	2016
				Net impaired	Net impaired
				Jan. 31	Oct. 31
Residential mortgages	\$ 522	\$ 1	\$ 164	\$ 357	\$ 346
Personal	192	7	138	47	48
Business and government	704	204	9	491	692
Total impaired loans ⁽²⁾⁽³⁾	\$ 1,418	\$ 212	\$ 311	\$ 895	\$ 1,086

(1) Includes collective allowance relating to personal, scored small business and mortgage impaired loans that are greater than 90 days delinquent. In addition, we have a collective allowance of \$1,238 million (October 31, 2016: \$1,241 million) on balances and commitments which are not impaired.

(2) Average balance of gross impaired loans for the quarter ended January 31, 2017 totalled \$1,467 million (for the quarter ended October 31, 2016: \$1,709 million).

(3) Foreclosed assets of \$27 million (October 31, 2016: \$18 million) were included in Other assets on the interim consolidated balance sheet.

Contractually past due loans but not impaired

This comprises loans where repayment of principal or payment of interest is contractually in arrears. The following table provides an aging analysis of the contractually past due loans.

\$ millions, as at	2017			2016	
	Less than 31 days	31 to 90 days	Over 90 days	Total	
				Jan. 31	Oct. 31
Residential mortgages	\$ 2,187	\$ 807	\$ 223	\$ 3,217	\$ 3,262
Personal	623	174	30	827	810
Credit card	530	185	110	825	890
Business and government	195	110	29	334	363
	\$ 3,535	\$ 1,276	\$ 392	\$ 5,203	\$ 5,325

6. Structured entities and derecognition of financial assets

Structured entities

Structured entities (SEs) are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. SEs are entities that are created to accomplish a narrow and well-defined objective. CIBC is involved with various types of SEs for which the business activities include securitization of financial assets, asset-backed financings, and asset management.

We consolidate an SE when the substance of the relationship indicates that we control the SE.

Details of our consolidated and non-consolidated SEs are provided on pages 124 to 127 of the 2016 Annual Report.

We have two covered bond programs, structured and legislative. Covered bonds are full recourse on-balance sheet obligations that are also fully collateralized by assets over which bondholders enjoy a priority claim in the event of CIBC's insolvency. Under the structured program, we transfer a pool of insured mortgages to the CIBC Covered Bond Guarantor Limited Partnership that warehouses these mortgages and serves as a guarantor to bondholders for payment of interest and principal. Under the legislative program, we transfer a pool of conventional uninsured mortgages to the CIBC Covered Bond (Legislative) Guarantor Limited Partnership that warehouses these mortgages and serves as a guarantor to bondholders for payment of interest and principal. The CIBC Covered Bond Guarantor Limited Partnership and the CIBC Covered Bond (Legislative) Guarantor Limited Partnership are SEs which are consolidated by CIBC. For both covered bond programs, the assets are owned by the guarantor and not CIBC. As at January 31, 2017, our structured program had outstanding covered bond liabilities of \$0.9 billion with a fair value of \$0.9 billion (October 31, 2016: \$1.0 billion with a fair value of \$1.0 billion) and our legislative program had outstanding covered bond liabilities of \$12.8 billion with a fair value of \$12.9 billion (October 31, 2016: \$13.2 billion with a fair value of \$13.3 billion). The covered bond liabilities are supported by a contractually determined portion of the assets transferred to the guarantor and certain contractual arrangements designed to protect the bondholders from adverse events, including foreign currency fluctuations.

With respect to Cards II Trust, as at January 31, 2017, \$2.4 billion of credit card receivable assets with a fair value of \$2.4 billion (October 31, 2016: \$4.2 billion with a fair value of \$4.2 billion) supported associated funding liabilities of \$2.4 billion with a fair value of \$2.4 billion (October 31, 2016: \$4.2 billion with a fair value of \$4.2 billion).

Refer to the "Off-balance sheet arrangements" section of the MD&A for a discussion of our on-balance sheet amounts and maximum exposure to loss related to SEs that are not consolidated.

Derecognition of financial assets

Details of the financial assets that did not qualify for derecognition are provided on page 127 of the 2016 Annual Report.

The following table provides the carrying amount and fair value of transferred financial assets that did not qualify for derecognition and the associated financial liabilities:

\$ millions, as at	2017		2016	
	Carrying amount	Fair value	Carrying amount	Fair value
Residential mortgages securitizations ⁽¹⁾	\$ 20,041	\$ 20,041	\$ 19,967	\$ 20,021
Securities held by counterparties as collateral under repurchase agreements ⁽²⁾⁽³⁾	1,805	1,805	2,326	2,326
Securities lent for cash collateral ⁽²⁾⁽³⁾	49	49	–	–
Securities lent for securities collateral ⁽²⁾⁽³⁾	23,251	23,251	19,564	19,564
	\$ 45,146	\$ 45,146	\$ 41,857	\$ 41,911
Associated liabilities ⁽⁴⁾	\$ 45,745	\$ 45,947	\$ 42,902	\$ 43,186

(1) Includes \$2.5 billion (October 31, 2016: \$2.4 billion) of mortgages underlying MBS held by Canada Mortgage and Housing Corporation counterparties as collateral under repurchase agreements. Certain cash in transit balances related to the securitization process amounting to \$650 million (October 31, 2016: \$825 million) have been applied to reduce these balances.

(2) Does not include over-collateralization of assets pledged.

(3) Excludes third-party pledged assets.

(4) Includes the obligation to return off-balance sheet securities collateral on securities lent.

Additionally, we securitized \$31.0 billion of mortgages that were not transferred to external parties with a fair value of \$31.0 billion (October 31, 2016: \$26.3 billion with a fair value of \$26.4 billion).

7. Deposits⁽¹⁾⁽²⁾

\$ millions, as at	2017			2016	
	Payable on demand ⁽³⁾	Payable after notice ⁽⁴⁾	Payable on a fixed date ⁽⁵⁾	Total	Total
Personal	\$ 11,651	\$ 97,798	\$ 40,931	\$ 150,380	\$ 148,081
Business and government ⁽⁶⁾	46,901	32,827	125,874	205,602	190,240
Bank	4,177	273	12,667	17,117	17,842
Secured borrowings ⁽⁷⁾	–	–	36,654	36,654	39,484
	\$ 62,729	\$ 130,898	\$ 216,126	\$ 409,753	\$ 395,647
Comprised of:					
Held at amortized cost				\$ 405,973	\$ 392,366
Designated at fair value				3,780	3,281
				\$ 409,753	\$ 395,647
Total deposits include:					
Non-interest-bearing deposits					
In domestic offices				\$ 47,386	\$ 45,709
In foreign offices				4,206	4,005
Interest-bearing deposits					
In domestic offices				291,600	276,330
In foreign offices				66,041	69,603
U.S. federal funds purchased				520	–
				\$ 409,753	\$ 395,647

(1) Includes deposits of \$114.5 billion (October 31, 2016: \$103.5 billion) denominated in U.S. dollars and deposits of \$21.9 billion (October 31, 2016: \$22.8 billion) denominated in other foreign currencies.

(2) Net of purchased notes of \$3,632 million (October 31, 2016: \$2,406 million).

(3) Includes all deposits for which we do not have the right to require notice of withdrawal. These deposits are generally chequing accounts.

(4) Includes all deposits for which we can legally require notice of withdrawal. These deposits are generally savings accounts.

(5) Includes all deposits that mature on a specified date. These deposits are generally term deposits, guaranteed investment certificates, and similar instruments.

(6) Includes \$1,650 million (October 31, 2016: \$1,664 million) of Notes issued to CIBC Capital Trust.

(7) Comprises liabilities issued by, or as a result of, activities associated with the securitization of residential mortgages, Covered Bond Programme, and consolidated securitization vehicles.

8. Share capital

Common shares

\$ millions, except number of shares, for the three months ended	2017		2016		2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Balance at beginning of period	397,070,280	\$ 8,026	394,838,251	\$ 7,806	397,291,068	\$ 7,813
Issuance pursuant to:						
Stock option plans	707,637	65	196,812	19	240,332	20
Shareholder investment plan ⁽¹⁾	1,554,414	171	1,662,972	164	–	–
Employee share purchase plan (ESPP) ⁽²⁾	238,620	25	287,134	29	–	–
	399,570,951	\$ 8,287	396,985,169	\$ 8,018	397,531,400	\$ 7,833
Purchase of common shares for cancellation	–	–	–	–	(2,343,500)	(46)
Treasury shares	(11,734)	(1)	85,111	8	(9,079)	(1)
Balance at end of period	399,559,217	\$ 8,286	397,070,280	\$ 8,026	395,178,821	\$ 7,786

(1) Commencing with the dividends paid on October 28, 2016, the participants in the Dividend Reinvestment Option and Stock Dividend Option of the Shareholder Investment Plan received a 2% discount from average market price on dividends reinvested in additional common shares issued from Treasury. Commencing November 1, 2016, the participants in the Share Purchase Option of the Plan will receive shares issued from Treasury with no discount. Previously, shares distributed under the Plan were acquired in the open market.

(2) Commencing June 29, 2016, employee contributions to our Canadian ESPP have been used to purchase common shares from Treasury. Previously, these shares were acquired in the open market.

10. Income taxes

Enron

In prior years, the Canada Revenue Agency issued reassessments disallowing the deduction of approximately \$3 billion of the 2005 Enron settlement payments and related legal expenses. The matter is currently in litigation. The Tax Court of Canada trial on the deductibility of the Enron payments is expected to commence in 2018.

Should we successfully defend our tax filing position in its entirety, we would recognize an additional accounting tax benefit of \$231 million and taxable refund interest of approximately \$192 million. Should we fail to defend our position in its entirety, we would incur an additional tax expense of approximately \$820 million and non-deductible interest of approximately \$157 million.

Dividend Received Deduction

In June 2016, the Canada Revenue Agency reassessed CIBC approximately \$118 million of additional income tax by denying the tax deductibility of certain 2011 Canadian corporate dividends on the basis that they were part of a "dividend rental arrangement". The circumstances of the dividends subject to the reassessment are similar to those prospectively addressed by the rules in the 2015 Canadian federal budget. It is possible that subsequent years may be reassessed for similar activities. CIBC is confident that its tax filing positions were appropriate and intends to defend itself vigorously. Accordingly, no amounts have been accrued in the consolidated financial statements.

11. Earnings per share

	2017 Jan. 31	2016 Oct. 31	2016 Jan. 31
\$ millions, except number of shares and per share amounts, for the three months ended			
Basic earnings per share			
Net income attributable to equity shareholders	\$ 1,402	\$ 927	\$ 977
Less: Preferred share dividends and premiums	9	10	9
Net income attributable to common shareholders	\$ 1,393	\$ 917	\$ 968
Weighted-average common shares outstanding (thousands)	397,647	395,181	396,927
Basic earnings per share	\$ 3.50	\$ 2.32	\$ 2.44
Diluted earnings per share			
Net income attributable to common shareholders	\$ 1,393	\$ 917	\$ 968
Weighted-average common shares outstanding (thousands)	397,647	395,181	396,927
Add: Stock options potentially exercisable ⁽¹⁾ (thousands)	664	569	501
Weighted-average diluted common shares outstanding (thousands)	398,311	395,750	397,428
Diluted earnings per share	\$ 3.50	\$ 2.32	\$ 2.43

(1) Excludes average options outstanding of 537,029 (October 31, 2016: 572,449; January 31, 2016: 1,363,352) with a weighted-average exercise price of \$111.69 (October 31, 2016: \$102.33; January 31, 2016: \$99.38) for the quarter ended January 31, 2017, as the options' exercise prices were greater than the average market price of CIBC's common shares.

12. Contingent liabilities and provision

Legal proceedings and other contingencies

In the ordinary course of its business, CIBC is a party to a number of legal proceedings, including regulatory investigations, in which claims for substantial monetary damages are asserted against CIBC and its subsidiaries. Legal provisions are established if, in the opinion of management, it is both probable that an outflow of economic benefits will be required to resolve the matter, and a reliable estimate can be made of the amount of the obligation. If the reliable estimate of probable loss involves a range of potential outcomes within which a specific amount within the range appears to be a better estimate, that amount is accrued. If no specific amount within the range of potential outcomes appears to be a better estimate than any other amount, the mid-point in the range is accrued. In some instances, however, it is not possible either to determine whether an obligation is probable or to reliably estimate the amount of loss, in which case no accrual can be made.

While there is inherent difficulty in predicting the outcome of legal proceedings, based on current knowledge and in consultation with legal counsel, we do not expect the outcome of these matters, individually or in aggregate, to have a material adverse effect on our consolidated financial statements. However, the outcome of these matters, individually or in aggregate, may be material to our operating results for a particular reporting period. We regularly assess the adequacy of CIBC's litigation accruals and make the necessary adjustments to incorporate new information as it becomes available.

The provisions disclosed in Note 23 to the 2016 annual consolidated financial statements included all of CIBC's accruals for legal matters as at that date, including amounts related to the significant legal proceedings described in that note and to other legal matters.

CIBC considers losses to be reasonably possible when they are neither probable nor remote. It is reasonably possible that CIBC may incur losses in addition to the amounts recorded when the loss accrued is the mid-point of a range of reasonably possible losses, or the potential loss pertains to a matter in which an unfavourable outcome is reasonably possible but not probable.

CIBC believes the estimate of the aggregate range of reasonably possible losses, in excess of the amounts accrued, for its significant legal proceedings, where it is possible to make such an estimate, is from nil to approximately \$1.3 billion as at January 31, 2017. This estimated aggregate range of reasonably possible losses is based upon currently available information for those significant proceedings in which CIBC is involved, taking into account CIBC's best estimate of such losses for those cases for which an estimate can be made. CIBC's estimate involves significant judgment, given the varying stages of the proceedings and the existence of multiple defendants in many of such proceedings whose share of the liability has yet to be determined. The range does not include potential punitive damages and interest. The matters underlying the estimated range as at January 31, 2017, consist of the significant legal matters disclosed in Note 23 to the 2016 annual consolidated financial statements as updated below. The matters underlying the estimated range will change from time to time, and actual losses may vary significantly from the current estimate. For certain matters, CIBC does not believe that an estimate can currently be made as many of them are in preliminary stages and certain matters have no specific amount claimed. Consequently, these matters are not included in the range.

The following developments related to our significant legal proceedings occurred since the issuance of our 2016 annual consolidated financial statements:

- *Credit card class actions - Quebec Consumer Protection Act: The Lamoureux, St. Pierre and Corriveau actions* were settled in 2016 subject to court approval. Pursuant to the proposed settlement CIBC will pay \$4.25 million to settle these three actions. The court approval hearing was held in December 2016. In January 2017, the court did not approve CIBC's proposed settlement as it found the fees for plaintiffs' counsel were excessive and the end date for one of the actions was later than required. The plaintiffs are appealing the decision.
- *Cerberus Capital Management L.P. v. CIBC*: The hearing of the summary judgment motion is tentatively set for March 2017.
- *Fresco v. Canadian Imperial Bank of Commerce*: The plaintiffs have filed a motion for summary judgment which is set for August 2017.

Other than the items described above, there are no significant developments in the matters identified in Note 23 to our 2016 annual consolidated financial statements, and no new significant legal proceedings have arisen since the issuance of our 2016 annual consolidated financial statements.

Restructuring

In previous years we recorded cumulative restructuring charges of \$430 million. As at January 31, 2017, the remaining provision relating to restructuring charges recognized in previous years was \$224 million (October 31, 2016: \$256 million). The reduction in the provision during the three months ended January 31, 2017 primarily relates to payments made to settle a portion of the obligation. While this amount represents our best estimate as at January 31, 2017 of the amount required to settle the obligation, uncertainty exists with respect to when the obligation will be settled and the amounts that will ultimately be paid, as this will largely depend upon individual facts and circumstances.

13. Segmented information

CIBC has three SBUs: Retail and Business Banking, Wealth Management, and Capital Markets. These SBUs are supported by Corporate and Other.

Retail and Business Banking provides personal and business clients across Canada with financial advice, products and services through a strong team of advisors and relationship managers, in our banking centres or through remote channels such as mobile advisors, telephone, online or mobile banking.

Wealth Management provides integrated advice and investment solutions to meet the needs of institutional, retail, and high net worth clients. Our asset management, retail brokerage and private wealth management businesses combine to create an integrated offer, delivered through approximately 1,600 advisors across Canada and the U.S. The results of American Century Investments are included in the Other business line.

Capital Markets provides integrated global markets products and services, investment banking advisory and execution, corporate banking and top-ranked research to corporate, government and institutional clients around the world.

Corporate and Other includes the following functional groups – Technology and Operations, Finance (including Treasury), Administration, Risk Management, and Internal Audit, as well as other support groups. The expenses of these functional and support groups are generally allocated to the business lines within the SBUs. Corporate and Other also includes our international banking operations comprising mainly FirstCaribbean International Bank Limited, strategic investments in the CIBC Mellon joint ventures, and other income statement and balance sheet items not directly attributable to the business lines.

\$ millions, for the three months ended		Retail and Business Banking	Wealth Management	Capital Markets	Corporate and Other	CIBC Total
2017	Net interest income ⁽¹⁾	\$ 1,602	\$ 54	\$ 546	\$ (60)	\$ 2,142
Jan. 31	Non-interest income	872	724	328	143	2,067
	Intersegment revenue ⁽²⁾	122	(125)	3	–	–
	Total revenue ⁽¹⁾	2,596	653	877	83	4,209
	Provision for credit losses	205	–	2	5	212
	Amortization and impairment ⁽³⁾	22	6	1	91	120
	Other non-interest expenses	1,107	463	381	203	2,154
	Income (loss) before income taxes	1,262	184	493	(216)	1,723
	Income taxes ⁽¹⁾	309	51	122	(166)	316
	Net income (loss)	\$ 953	\$ 133	\$ 371	\$ (50)	\$ 1,407
	Net income (loss) attributable to:					
	Non-controlling interests	\$ –	\$ –	\$ –	\$ 5	\$ 5
	Equity shareholders	953	133	371	(55)	1,402
	Average assets ⁽⁴⁾	\$ 283,403	\$ 3,878	\$ 173,032	\$ 68,539	\$ 528,852
2016	Net interest income ⁽¹⁾	\$ 1,599	\$ 51	\$ 506	\$ (46)	\$ 2,110
Oct. 31	Non-interest income	570	693	164	144	1,571
	Intersegment revenue ⁽²⁾	121	(124)	3	–	–
	Total revenue ⁽¹⁾	2,290	620	673	98	3,681
	Provision for credit losses	206	–	–	16	222
	Amortization and impairment ⁽³⁾	23	7	1	98	129
	Other non-interest expenses	1,126	437	332	323	2,218
	Income (loss) before income taxes	935	176	340	(339)	1,112
	Income taxes ⁽¹⁾	248	50	64	(181)	181
	Net income (loss)	\$ 687	\$ 126	\$ 276	\$ (158)	\$ 931
	Net income (loss) attributable to:					
	Non-controlling interests	\$ –	\$ –	\$ –	\$ 4	\$ 4
	Equity shareholders	687	126	276	(162)	927
	Average assets ⁽⁴⁾	\$ 276,304	\$ 4,086	\$ 168,096	\$ 79,216	\$ 527,702
2016	Net interest income ⁽¹⁾	\$ 1,534	\$ 52	\$ 537	\$ (17)	\$ 2,106
Jan. 31	Non-interest income	542	666	143	130	1,481
	Intersegment revenue ⁽²⁾	114	(117)	3	–	–
	Total revenue ⁽¹⁾	2,190	601	683	113	3,587
	Provision for credit losses	163	–	25	74	262
	Amortization and impairment ⁽³⁾	24	6	1	75	106
	Other non-interest expenses	1,073	433	343	209	2,058
	Income (loss) before income taxes	930	162	314	(245)	1,161
	Income taxes ⁽¹⁾	246	43	70	(180)	179
	Net income (loss)	\$ 684	\$ 119	\$ 244	\$ (65)	\$ 982
	Net income (loss) attributable to:					
	Non-controlling interests	\$ –	\$ –	\$ –	\$ 5	\$ 5
	Equity shareholders	684	119	244	(70)	977
	Average assets ⁽⁴⁾	\$ 257,152	\$ 4,995	\$ 157,537	\$ 74,695	\$ 494,379

(1) Capital Markets net interest income and income tax expense includes a taxable equivalent basis (TEB) adjustment of \$118 million for the three months ended January 31, 2017 (\$97 million and \$115 million for the three months ended October 31, 2016 and January 31, 2016, respectively) with an equivalent offset in Corporate and Other.

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

(3) Comprises amortization and impairment of buildings, furniture, equipment, leasehold improvements, and software and other intangible assets.

(4) Assets are disclosed on an average basis as this measure is most relevant to a financial institution and is the measure reviewed by management.

14. Financial instruments – disclosures

We have provided quantitative disclosures related to credit risk consistent with Basel guidelines in the “Credit risk” section of the MD&A in our 2016 Annual Report and interim report to shareholders, which require entities to disclose their exposures based on how they manage their business and risks. The table below sets out the categories of the on-balance sheet exposure to credit risk under different Basel approaches, displayed in both accounting categories and Basel portfolios.

\$ millions, as at	Accounting categories		Basel portfolios								
			Advanced internal ratings-based and standardized approaches								
	Corporate	Sovereign	Bank	Real estate secured personal lending	Qualifying revolving retail	Other retail	Asset securitization	Total subject to credit risk	Not subject to credit risk	Total consolidated balance sheet	
2017	Cash and deposits with banks	\$ 246	\$ 10,464	\$ 2,907	\$ –	\$ –	\$ –	\$ 13,617	\$ 1,772	\$ 15,389	
Jan. 31	Securities	1,395	27,518	3,191	–	–	2,372	34,476	55,048	89,524	
	Cash collateral on securities borrowed	2,547	8	3,012	–	–	–	5,567	–	5,567	
	Securities purchased under resale agreements	22,020	10,505	6,464	–	–	–	38,989	–	38,989	
	Loans	67,137	4,319	596	209,147	21,474	10,545	1,636	314,854	709	
	Allowance for credit losses	–	–	–	–	–	–	–	(1,640)	(1,640)	
	Derivative instruments	5,397	5,500	13,000	–	–	–	23,897	–	23,897	
	Customers' liability under acceptances	6,140	2,031	–	–	–	–	8,171	–	8,171	
	Other assets	263	2,237	5,145	149	30	14	7,842	9,992	17,834	
	Total credit exposure	\$ 105,145	\$ 62,582	\$ 34,315	\$ 209,296	\$ 21,504	\$ 10,559	\$ 4,012	\$ 447,413	\$ 65,881	\$ 513,294
2016											
Oct. 31	Total credit exposure	\$ 96,352	\$ 64,554	\$ 38,326	\$ 204,225	\$ 21,597	\$ 10,465	\$ 5,435	\$ 440,954	\$ 60,403	\$ 501,357

TO REACH US:

Corporate Secretary: Shareholders may call 416-980-3096, or e-mail: corporate.secretary@cibc.com

Investor Relations: Financial analysts, portfolio managers and other investors requiring financial information may call 416-861-5743, or e-mail: investorrelations@cibc.com

Communications and Public Affairs: Financial, business and trade media may call 416-861-5482, or e-mail: corpcommmailbox@cibc.com

CIBC Telephone Banking: As part of our commitment to our clients, information about CIBC products and services is available by calling 1-800-465-2422 toll-free across Canada.

Online Investor Presentations: Supplementary financial information, Supplementary regulatory capital disclosure and a presentation to investors and analysts are available at www.cibc.com; About CIBC.

Earnings Conference Call: CIBC's first quarter conference call with analysts and investors will take place on Thursday, February 23, 2017 at 8:00 a.m. (ET). The call will be available in English (416-340-2217, or toll-free 1-866-696-5910, passcode 7253671#) and French (514-861-2255, or toll-free 1-877-405-9213, passcode 8742908#). A telephone replay of the conference call will be available in English and French until 11:59 p.m. (ET) March 2, 2017. To access the replay in English, call 905-694-9451 or 1-800-408-3053, passcode 9856140#. To access the replay in French, call 514-861-2272 or 1-800-408-3053, passcode 7466572#.

Audio Webcast: A live audio webcast of CIBC's first quarter results conference call will take place on Thursday, February 23, 2017 at 8:00 a.m. (ET) in English and French. To access the audio webcast, go to www.cibc.com; About CIBC. An archived version of the audio webcast will also be available in English and French following the call on www.cibc.com; About CIBC.

Annual Meeting: CIBC's next Annual Meeting of Shareholders will be held on April 6, 2017 in Ottawa, Ontario.

Regulatory Capital: Information on CIBC's regulatory capital instruments and regulatory capital position may be found at www.cibc.com; About CIBC; Investor Relations; Regulatory Capital Instruments.

Nothing in CIBC's website www.cibc.com should be considered incorporated herein by reference.

DIRECT DIVIDEND DEPOSIT SERVICE

Canadian-resident holders of common shares may have their dividends deposited directly into their account at any financial institution which is a member of the Canadian Payments Association. To arrange, please write to CST Trust Company, P.O. Box 700 Postal Station B, Montreal, QC H3B 3K3 or e-mail: inquiries@canstockta.com

SHAREHOLDER INVESTMENT PLAN

Registered holders of CIBC common shares wishing to acquire additional common shares may participate in the Shareholder Investment Plan and pay no brokerage commissions or service charges.

For a copy of the offering circular, contact CST Trust Company at 416-682-3860, toll-free at 1-800-387-0825, or by email at inquiries@canstockta.com.

PURCHASE PRICE OF COMMON SHARES UNDER THE SHAREHOLDER INVESTMENT PLAN

Date	Share purchase option	Dividend reinvestment & stock dividend options
Nov. 1/16	\$100.79	
Dec. 1/16	\$105.72	
Jan. 3/17	\$110.60	
Jan. 27/17		\$109.77



Canadian Imperial Bank of Commerce
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