



Supplementary Financial Information

For the period ended
April 30, 2012

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<http://www.cibc.com/ca/pdf/investor/q212financials.pdf>

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This supplementary financial information (SFI) is unaudited and should be read in conjunction with our quarterly report to shareholders and news release for Q2/12, the audited annual consolidated financial statements and accompanying management's discussion and analysis for the year ended October 31, 2011. Additional financial information is also available through our quarterly investor presentations as well as the quarterly conference call webcast. All amounts are in millions of Canadian dollars, unless otherwise stated.

External Reporting Changes

Transition to IFRS

CIBC adopted IFRS commencing November 1, 2011 as a replacement of prior Canadian generally accepted accounting principles (GAAP). IFRS 1 requires that comparative financial information for fiscal 2011 be provided in accordance with IFRS. Accordingly, all relevant information in this document commencing November 1, 2010 is prepared under IFRS, unless otherwise stated. Capital measures provided on pages 31 to 49 for fiscal year 2011 are under Canadian GAAP and have not been restated for IFRS.

Information prior to November 1, 2011 prepared under Canadian GAAP is contained in our Q4/11 SFI which can be located at: <http://www.cibc.com/ca/pdf/investor/q411financials.pdf>

Non-GAAP measures

We use a number of financial measures to assess the performance of our business lines as described below. 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 financial measures useful in analyzing financial performance.

Net interest income, taxable equivalent basis

We evaluate net interest income on an equivalent pre-tax basis. In order to arrive at the taxable equivalent basis (TEB) amount, we gross up tax-exempt income on certain securities to the equivalent level that would have incurred tax at the statutory rate. Meanwhile the corresponding entry is made in income tax expense. This measure enables comparability of net interest income arising from both taxable and tax-exempt sources. Net interest income (TEB) is used to calculate the adjusted efficiency ratio and trading income (TEB). We believe that these measures permit uniform measurement, which may enable users of our financial information to make comparisons more readily.

Adjusted measures

Management assesses results on a reported basis and on an adjusted basis and considers both to be useful in the assessment of underlying performance. Adjusted results remove items of note from reported results. We believe that the inclusion of adjusted results provide the reader with a better understanding of how management assesses performance. We also believe that these measures provide greater consistency and comparability between our results and those of some of our Canadian peer banks who make similar adjustments in their public disclosure.

Adjusted diluted EPS

We adjust our reported diluted EPS to remove the impact of items of note, net of taxes, and any other item specified in the table on the following page.

Adjusted efficiency ratio

We adjust our reported revenue and non-interest expenses to remove the impact of items of note. We also adjust net interest income to be on an equivalent TEB basis (see above for further details).

Adjusted dividend payout ratio

We adjust our reported net income attributable to common shareholders to remove the impact of items of note, net of taxes, to calculate adjusted dividend payout ratio.

Economic capital

Economic capital provides the financial framework to evaluate the returns of each strategic business unit (SBU), commensurate with the risk taken.

Economic capital is an estimate of the amount of equity capital required by the businesses to absorb losses consistent with our targeted risk rating over a one-year horizon. Economic capital comprises a number of key risk types including credit, strategic, operational, investment, and market. The economic capital methodologies that we employ quantify the level of inherent risk within our products, clients, and business lines, as required. The difference between our total equity capital and economic capital is held in Corporate and Other.

There is no comparable GAAP measure for economic capital.

Economic profit

Net income attributable to equity shareholders, adjusted for a charge on economic capital, determines economic profit. This measures the return generated by each SBU in excess of our cost of capital, thus enabling users of our financial information to identify relative contributions to shareholder value.

Reconciliation of net income attributable to equity shareholders to economic profit is provided with segmented information on pages 6 to 8.

Segmented return on equity

We use return on equity (ROE) on a segmented basis as one of the measures for performance evaluation and resource allocation decisions. While ROE for total CIBC provides a measure of return on common equity, ROE on a segmented basis provides a similar metric relating to the economic capital allocated to the segments. As a result, segmented ROE is a non-GAAP measure.

Tangible common equity

Tangible common equity (TCE) comprises the sum of common share capital excluding short trading positions in our own shares, retained earnings, contributed surplus, non-controlling interests, and accumulated other comprehensive income (AOCI), less goodwill and intangible assets other than software. The TCE ratio is calculated by dividing TCE by risk-weighted assets (RWAs).

Reconciliation of non-GAAP to GAAP measures

The following table on page ii provides a reconciliation of non-GAAP to GAAP measures related to CIBC on a consolidated basis, other than those related to trading revenue which are provided on page 10. The reconciliations of the non-GAAP measures of our SBUs are provided in their respective sections.

NOTES TO USERS

| RECONCILIATION OF NON-GAAP TO GAAP MEASURES | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M | |
|---|-------|---------|---------|---------|----------|----------|------------|------------|-------------|---------|
| (\$ millions) | | | | | | | | | | |
| Reported and adjusted diluted EPS | | | | | | | | | | |
| Reported net income attributable to diluted common shareholders | A | 766 | 776 | 718 | 546 | 734 | 730 | 1,542 | 1,464 | 2,728 |
| Adjusting items: | | | | | | | | | | |
| After-tax impact of items of note | | 41 | 16 | (6) | 233 | 4 | 85 | 57 | 89 | 316 |
| Dividends on convertible preferred shares ¹ | | - | - | (2) | (12) | (12) | (12) | - | (24) | (38) |
| Adjusted net income attributable to diluted common shareholders ² | B | 807 | 792 | 710 | 767 | 726 | 803 | 1,599 | 1,529 | 3,006 |
| Reported diluted weighted-average common shares outstanding (thousands) | C | 403,587 | 401,613 | 401,972 | 410,185 | 407,957 | 406,446 | 402,590 | 407,137 | 406,696 |
| Removal of impact of convertible preferred shares (thousands) ¹ | | - | - | (2,235) | (12,145) | (11,591) | (12,258) | - | (11,902) | (9,609) |
| Adjusted diluted weighted-average common shares outstanding (thousands) ² | D | 403,587 | 401,613 | 399,737 | 398,040 | 396,366 | 394,188 | 402,590 | 395,235 | 397,087 |
| Reported diluted EPS (\$) | A / C | 1.90 | 1.93 | 1.79 | 1.33 | 1.80 | 1.80 | 3.83 | 3.60 | 6.71 |
| Adjusted diluted EPS (\$) ² | B / D | 2.00 | 1.97 | 1.78 | 1.93 | 1.83 | 2.04 | 3.97 | 3.87 | 7.57 |
| Reported and adjusted efficiency ratio | | | | | | | | | | |
| Reported total revenue | E | 3,084 | 3,157 | 3,195 | 3,131 | 3,015 | 3,094 | 6,241 | 6,109 | 12,435 |
| Adjusting items: | | | | | | | | | | |
| Pre-tax impact of items of note | | 29 | (10) | (105) | (3) | 26 | 103 | 19 | 129 | 21 |
| TEB | | 61 | 57 | 56 | 49 | 45 | 39 | 118 | 84 | 189 |
| Adjusted total revenue ² | F | 3,174 | 3,204 | 3,146 | 3,177 | 3,086 | 3,236 | 6,378 | 6,322 | 12,645 |
| Reported non-interest expenses | | | | | | | | | | |
| Adjusting items: | | | | | | | | | | |
| Pre-tax impact of items of note | | (16) | (17) | (72) | (228) | (29) | (29) | (33) | (58) | (358) |
| Adjusted non-interest expenses ² | H | 1,748 | 1,774 | 1,848 | 1,777 | 1,727 | 1,776 | 3,522 | 3,503 | 7,128 |
| Reported efficiency ratio (%) | G / E | 57.2% | 56.7% | 60.1% | 64.0% | 58.2% | 58.3% | 57.0% | 58.3% | 60.2% |
| Adjusted efficiency ratio (%) ² | H / F | 55.1% | 55.3% | 58.7% | 55.9% | 56.0% | 54.9% | 55.2% | 55.4% | 56.4% |
| Reported and adjusted dividend payout ratio | | | | | | | | | | |
| Reported net income attributable to common shareholders | I | 766 | 776 | 716 | 534 | 722 | 718 | 1,542 | 1,440 | 2,690 |
| Adjusting items: | | | | | | | | | | |
| After-tax impact of items of note | | 41 | 16 | (6) | 233 | 4 | 85 | 57 | 89 | 316 |
| Adjusted net income attributable to common shareholders ² | J | 807 | 792 | 710 | 767 | 726 | 803 | 1,599 | 1,529 | 3,006 |
| Dividends paid to common shares | K | 364 | 360 | 359 | 346 | 344 | 342 | 724 | 686 | 1,391 |
| Reported dividend payout ratio | K/I | 47.4% | 46.5% | 50.1% | 64.6% | 47.7% | 47.7% | 46.9% | 47.7% | 51.7% |
| Adjusted dividend payout ratio ² | K/J | 45.0% | 45.5% | 50.6% | 45.0% | 47.4% | 42.6% | 45.3% | 44.9% | 46.3% |
| ITEMS OF NOTE | | | | | | | | | | |
| (\$ millions) | | | | | | | | | | |
| Gains relating to an equity-accounted investment in our Wealth Management strategic business unit | | - | (37) | - | - | - | - | (37) | - | - |
| Gain on sale of a merchant banking investment, net of associated expenses | | - | - | (90) | - | - | - | - | - | (90) |
| Gain on the sale of CMT issuer service business | | - | - | - | - | - | (37) | - | (37) | (37) |
| Loss from the structured credit run-off business | | 10 | 35 | 48 | 14 | 46 | 70 | 45 | 116 | 178 |
| Amortization of intangible assets | | 7 | 9 | 9 | 8 | 9 | 9 | 16 | 18 | 35 |
| Hedge accounting loss on leveraged leases | | 28 | - | - | - | - | - | 28 | - | - |
| CIBC FirstCaribbean goodwill impairment | | - | - | - | 203 | - | - | - | - | 203 |
| Loss from MTM volatility prior to the establishment of accounting hedges on securitized mortgages and funding liabilities | | - | - | - | - | - | 90 | - | 90 | 90 |
| Reduction in the collective allowance recognized in Corporate and Other | | - | - | (26) | - | (50) | - | - | (50) | (76) |
| Loan loss in our exited European leveraged finance business | | - | - | 25 | - | - | - | - | - | 25 |
| Premium paid on preferred share redemptions | | 12 | 18 | - | 12 | - | - | 30 | - | 12 |
| Items of note, before tax | | 57 | 25 | (34) | 237 | 5 | 132 | 82 | 137 | 340 |
| Income taxes | | 16 | 9 | (28) | 4 | 1 | 47 | 25 | 48 | 24 |
| Items of note, net of tax | | 41 | 16 | (6) | 233 | 4 | 85 | 57 | 89 | 316 |

¹ We have irrevocably renounced by way of a deed poll, our rights to convert series 26, 27, and 29 non-cumulative Class A Preferred Shares (the Convertible Preferred Shares) into CIBC common shares, except in circumstances that would be a "Trigger Event" as described in the August 2011 non viable contingent capital Advisory issued by OSFI. By renouncing our conversion rights, the Convertible Preferred Shares are no longer dilutive subsequent to August 16, 2011, the date the conversion rights were renounced by CIBC. The impact of the dilution prior to August 17, 2011 has been removed for the purposes of calculation of the adjusted diluted EPS.

² Non-GAAP measure.

FINANCIAL HIGHLIGHTS

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|---|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|-------------|
| Common share information | | | | | | | | | |
| Per share (\$) | | | | | | | | | |
| Basic EPS | 1.90 | 1.94 | 1.80 | 1.35 | 1.83 | 1.82 | 3.84 | 3.65 | 6.79 |
| Reported diluted EPS | 1.90 | 1.93 | 1.79 | 1.33 | 1.80 | 1.80 | 3.83 | 3.60 | 6.71 |
| Adjusted diluted EPS ¹ | 2.00 | 1.97 | 1.78 | 1.93 | 1.83 | 2.04 | 3.97 | 3.87 | 7.57 |
| Dividends | 0.90 | 0.90 | 0.90 | 0.87 | 0.87 | 0.87 | 1.80 | 1.74 | 3.51 |
| Book value | 35.22 | 34.31 | 32.88 | 31.83 | 30.70 | 29.94 | 35.22 | 30.70 | 32.88 |
| Share price (\$) | | | | | | | | | |
| High | 78.00 | 78.00 | 76.50 | 84.45 | 85.49 | 81.05 | 78.00 | 85.49 | 85.49 |
| Low | 73.27 | 68.43 | 67.84 | 72.75 | 76.75 | 75.12 | 68.43 | 75.12 | 67.84 |
| Closing | 74.53 | 76.25 | 75.10 | 72.98 | 81.91 | 76.27 | 74.53 | 81.91 | 75.10 |
| Shares outstanding (thousands) | | | | | | | | | |
| Weighted-average basic | 403,058 | 401,099 | 399,105 | 397,232 | 395,373 | 393,193 | 402,068 | 394,265 | 396,233 |
| Weighted-average diluted | 403,587 | 401,613 | 401,972 | 410,185 | 407,957 | 406,446 | 402,590 | 407,137 | 406,696 |
| End of period | 404,945 | 402,728 | 400,534 | 398,856 | 396,978 | 394,848 | 404,945 | 396,978 | 400,534 |
| Market capitalization (\$ millions) | 30,181 | 30,708 | 30,080 | 29,109 | 32,516 | 30,115 | 30,181 | 32,516 | 30,080 |
| Value measures | | | | | | | | | |
| Dividend yield (based on closing share price) | 4.9% | 4.7% | 4.8% | 4.7% | 4.4% | 4.5% | 4.9% | 4.3% | 4.7% |
| Reported dividend payout ratio | 47.4% | 46.5% | 50.1% | 64.6% | 47.7% | 47.7% | 46.9% | 47.7% | 51.7% |
| Adjusted dividend payout ratio ¹ | 45.0% | 45.5% | 50.6% | 45.0% | 47.4% | 42.6% | 45.3% | 44.9% | 46.3% |
| Market value to book value ratio | 2.12 | 2.22 | 2.28 | 2.29 | 2.67 | 2.55 | 2.12 | 2.67 | 2.28 |
| Financial results (\$ millions) | | | | | | | | | |
| Total revenue | 3,084 | 3,157 | 3,195 | 3,131 | 3,015 | 3,094 | 6,241 | 6,109 | 12,435 |
| Provision for credit losses | 308 | 338 | 306 | 310 | 245 | 283 | 646 | 528 | 1,144 |
| Non-interest expenses | 1,764 | 1,791 | 1,920 | 2,005 | 1,756 | 1,805 | 3,555 | 3,561 | 7,486 |
| Net income | 811 | 835 | 757 | 591 | 767 | 763 | 1,646 | 1,530 | 2,878 |
| Net income attributable to equity shareholders | 810 | 832 | 754 | 589 | 764 | 760 | 1,642 | 1,524 | 2,867 |
| Financial measures | | | | | | | | | |
| Reported efficiency ratio | 57.2% | 56.7% | 60.1% | 64.0% | 58.2% | 58.3% | 57.0% | 58.3% | 60.2% |
| Adjusted efficiency ratio ¹ | 55.1% | 55.3% | 58.7% | 55.9% | 56.0% | 54.9% | 55.2% | 55.4% | 56.4% |
| Loan loss ratio ² | 0.53% | 0.54% | 0.52% | 0.53% | 0.51% | 0.49% | 0.53% | 0.50% | 0.51% |
| Return on common shareholders' equity | 22.1% | 22.4% | 22.6% | 17.1% | 24.9% | 24.4% | 22.2% | 24.7% | 22.2% |
| Net interest margin | 1.82% | 1.85% | 1.77% | 1.76% | 1.79% | 1.84% | 1.84% | 1.81% | 1.79% |
| Net interest margin on average interest-earning assets ³ | 2.11% | 2.16% | 2.05% | 1.98% | 2.00% | 2.09% | 2.13% | 2.05% | 2.03% |
| Return on average assets ⁴ | 0.84% | 0.84% | 0.75% | 0.58% | 0.79% | 0.79% | 0.84% | 0.79% | 0.73% |
| Return on average interest-earning assets ^{3,4} | 0.98% | 0.98% | 0.87% | 0.66% | 0.89% | 0.90% | 0.98% | 0.89% | 0.83% |
| Total shareholder return | (1.12)% | 2.78% | 4.19% | (9.89)% | 8.52% | (1.40)% | 1.63% | 6.96% | 0.43% |
| On- and off-balance sheet information (\$ millions) | | | | | | | | | |
| Cash, deposits with banks and securities | 68,695 | 71,065 | 65,437 | 75,467 | 99,474 | 79,135 | 68,695 | 99,474 | 65,437 |
| Loans and acceptances, net of allowance | 251,487 | 250,719 | 248,409 | 244,822 | 240,316 | 238,372 | 251,487 | 240,316 | 248,409 |
| Total assets | 387,458 | 391,449 | 383,758 | 392,646 | 413,282 | 391,451 | 387,458 | 413,282 | 383,758 |
| Deposits | 244,207 | 243,169 | 237,912 | 246,422 | 264,890 | 245,665 | 244,207 | 264,890 | 237,912 |
| Secured borrowings | 52,904 | 52,968 | 51,308 | 49,330 | 46,562 | 46,244 | 52,904 | 46,562 | 51,308 |
| Common shareholders' equity | 14,260 | 13,817 | 13,171 | 12,697 | 12,186 | 11,823 | 14,260 | 12,186 | 13,171 |
| Average assets | 391,646 | 396,122 | 398,386 | 401,315 | 396,575 | 381,897 | 393,909 | 389,114 | 394,527 |
| Average interest-earning assets ³ | 337,852 | 339,567 | 343,076 | 357,473 | 354,148 | 336,053 | 338,718 | 344,951 | 347,634 |
| Average common shareholders' equity | 14,095 | 13,826 | 12,599 | 12,428 | 11,876 | 11,667 | 13,959 | 11,769 | 12,145 |
| Assets under administration ⁵ | 1,397,624 | 1,364,509 | 1,317,799 | 1,327,207 | 1,294,029 | 1,289,598 | 1,397,624 | 1,294,029 | 1,317,799 |
| Balance sheet quality measures ⁶ | | | | | | | | | |
| Risk-weighted assets (\$ billions) ⁷ | 113.3 | 111.5 | 110.0 | 109.0 | 106.3 | 107.0 | 113.3 | 106.3 | 110.0 |
| Tangible common equity ratio ^{1,7} | 11.0% | 10.8% | 11.4% | 11.0% | 10.6% | 10.2% | 11.0% | 10.6% | 11.4% |
| Tier 1 capital ratio ⁷ | 14.1% | 14.3% | 14.7% | 14.6% | 14.7% | 14.3% | 14.1% | 14.7% | 14.7% |
| Total capital ratio ⁷ | 17.7% | 18.1% | 18.4% | 18.7% | 18.9% | 18.4% | 17.7% | 18.9% | 18.4% |
| Other information | | | | | | | | | |
| Retail/wholesale ratio ^{1,8} | 76%/24% | 78%/22% | 77%/23% | 77%/23% | 76%/24% | 75%/25% | 76%/24% | 76%/24% | 77%/23% |
| Full-time equivalent employees ⁹ | 42,267 | 42,181 | 42,239 | 42,425 | 41,928 | 42,078 | 42,267 | 41,928 | 42,239 |

¹ See Notes to users: Non-GAAP measures.

² Commencing in the second quarter of 2012, the ratio is calculated as the provision for credit losses on impaired loans to average loans and acceptances, net of allowance for credit losses. The provision for credit losses on impaired loans includes provision for: individual allowance; collective allowance on personal, scored small business and mortgage loans that are greater than 90 days delinquent; and net credit card write-offs. Prior period information has been restated accordingly.

³ Average interest-earning assets include interest-bearing deposits with banks, securities, cash collateral on securities borrowed, securities purchased under resale agreements, and loans net of allowances.

⁴ Net income expressed as a percentage of average assets or average interest-earning assets.

⁵ Includes the full contract amount of assets under administration or custody of CIBC Mellon Global Securities Services Company, which is a 50/50 joint venture between CIBC and The Bank of New York Mellon.

⁶ Debt ratings - S & P - Senior Long Term: A+; Moody's - Senior Long Term: Aa2.

⁷ Capital measures for fiscal year 2011 are under Canadian GAAP and have not been restated for IFRS.

⁸ For the purposes of calculating this ratio, Retail includes Retail and Business Banking, Wealth Management, and International Banking operations (reported as part of Corporate and Other). The ratio represents the amount of economic capital attributed to these businesses as at the end of the period.

⁹ Full-time equivalent employees is a measure that normalizes the number of full-time and part-time employees, base plus commissioned employees, and 100% commissioned employees into equivalent full time units based on actual hours of paid work during a given period.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

| (\$ millions) | | | | | | | 2012 | 2011 | 2011 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 6M | 6M | 12M |
| Net interest income | 1,753 | 1,842 | 1,776 | 1,785 | 1,731 | 1,770 | 3,595 | 3,501 | 7,062 |
| Non-interest income | 1,331 | 1,315 | 1,419 | 1,346 | 1,284 | 1,324 | 2,646 | 2,608 | 5,373 |
| Total revenue | 3,084 | 3,157 | 3,195 | 3,131 | 3,015 | 3,094 | 6,241 | 6,109 | 12,435 |
| Provision for credit losses | 308 | 338 | 306 | 310 | 245 | 283 | 646 | 528 | 1,144 |
| Non-interest expenses | 1,764 | 1,791 | 1,920 | 2,005 | 1,756 | 1,805 | 3,555 | 3,561 | 7,486 |
| Income before income taxes | 1,012 | 1,028 | 969 | 816 | 1,014 | 1,006 | 2,040 | 2,020 | 3,805 |
| Income taxes | 201 | 193 | 212 | 225 | 247 | 243 | 394 | 490 | 927 |
| Net income | 811 | 835 | 757 | 591 | 767 | 763 | 1,646 | 1,530 | 2,878 |
| Net income attributable to non-controlling interests | 1 | 3 | 3 | 2 | 3 | 3 | 4 | 6 | 11 |
| Preferred shareholders | 44 | 56 | 38 | 55 | 42 | 42 | 100 | 84 | 177 |
| Common shareholders | 766 | 776 | 716 | 534 | 722 | 718 | 1,542 | 1,440 | 2,690 |
| Net income attributable to equity shareholders | 810 | 832 | 754 | 589 | 764 | 760 | 1,642 | 1,524 | 2,867 |

NET INTEREST INCOME

| (\$ millions) | | | | | | | 2012 | 2011 | 2011 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 6M | 6M | 12M |
| Interest income | | | | | | | | | |
| Loans | 2,454 | 2,540 | 2,536 | 2,563 | 2,499 | 2,586 | 4,994 | 5,085 | 10,184 |
| Securities | 363 | 388 | 350 | 368 | 355 | 348 | 751 | 703 | 1,421 |
| Securities borrowed or purchased under resale agreements | 77 | 76 | 82 | 100 | 87 | 96 | 153 | 183 | 365 |
| Deposits with banks | 9 | 11 | 15 | 16 | 14 | 18 | 20 | 32 | 63 |
| | 2,903 | 3,015 | 2,983 | 3,047 | 2,955 | 3,048 | 5,918 | 6,003 | 12,033 |
| Interest expense | | | | | | | | | |
| Deposits | 620 | 622 | 625 | 638 | 634 | 673 | 1,242 | 1,307 | 2,570 |
| Secured borrowings | 290 | 293 | 335 | 321 | 308 | 309 | 583 | 617 | 1,273 |
| Securities sold short | 77 | 87 | 89 | 105 | 101 | 93 | 164 | 194 | 388 |
| Securities lent or sold under repurchase agreements | 41 | 52 | 47 | 63 | 72 | 82 | 93 | 154 | 264 |
| Subordinated indebtedness | 52 | 52 | 52 | 53 | 55 | 55 | 104 | 110 | 215 |
| Capital Trust securities | 36 | 36 | 36 | 37 | 35 | 34 | 72 | 69 | 142 |
| Other | 34 | 31 | 23 | 45 | 19 | 32 | 65 | 51 | 119 |
| | 1,150 | 1,173 | 1,207 | 1,262 | 1,224 | 1,278 | 2,323 | 2,502 | 4,971 |
| Net interest income | 1,753 | 1,842 | 1,776 | 1,785 | 1,731 | 1,770 | 3,595 | 3,501 | 7,062 |

NON-INTEREST INCOME

| (\$ millions) | | | | | | | 2012 | 2011 | 2011 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 6M | 6M | 12M |
| Underwriting and advisory fees | 114 | 107 | 94 | 130 | 128 | 162 | 221 | 290 | 514 |
| Deposit and payment fees | 188 | 190 | 192 | 195 | 183 | 186 | 378 | 369 | 756 |
| Credit fees | 98 | 97 | 97 | 98 | 92 | 92 | 195 | 184 | 379 |
| Card fees | 149 | 164 | 152 | 156 | 145 | 156 | 313 | 301 | 609 |
| Investment management and custodial fees | 105 | 102 | 104 | 104 | 103 | 100 | 207 | 203 | 411 |
| Mutual fund fees | 219 | 212 | 210 | 218 | 214 | 207 | 431 | 421 | 849 |
| Insurance fees, net of claims | 80 | 82 | 86 | 82 | 73 | 79 | 162 | 152 | 320 |
| Commissions on securities transactions | 107 | 101 | 109 | 110 | 138 | 139 | 208 | 277 | 496 |
| Trading income (loss) | 60 | 61 | (77) | (88) | 62 | 71 | 121 | 133 | (32) |
| Available-for-sale (AFS) securities gains, net | 81 | 52 | 236 | 65 | 35 | 61 | 133 | 96 | 397 |
| FVO gains (losses), net ¹ | (30) | (24) | 52 | 120 | (41) | (62) | (54) | (103) | 69 |
| Foreign exchange other than trading ² | 35 | 30 | 48 | 41 | 43 | 72 | 65 | 115 | 204 |
| Income from equity-accounted associates and joint ventures | 24 | 62 | 9 | 27 | 15 | 60 | 86 | 75 | 111 |
| Other | 101 | 79 | 107 | 88 | 94 | 1 | 180 | 95 | 290 |
| Total non-interest income | 1,331 | 1,315 | 1,419 | 1,346 | 1,284 | 1,324 | 2,646 | 2,608 | 5,373 |

¹ Represents income (loss) from financial instruments designated at fair value (FVO) and related hedges.

² Includes foreign exchange revenue arising from translation of foreign currency denominated positions, foreign exchange earned on transactions, foreign currency related economic hedging activities and the ineffective portion of foreign currency related accounting hedges. Where applicable it also includes accumulated foreign exchange gains and losses within AOCI that are reclassified to the consolidated statement of income as a result of a disposal of net investment in a foreign operation. A disposal occurs when we have lost control, significant influence or joint control of a foreign operation. A partial disposal occurs when there has been any reduction in our ownership interest of a foreign operation that does not result in a loss of control, significant influence or joint control. On partial disposal of a foreign operation, the proportionate share of the accumulated exchange gains and losses and any applicable taxes previously recognized in AOCI are reclassified into the consolidated statement of income.

NON-INTEREST EXPENSES

| (\$ millions) | | | | | | | 2012 | 2011 | 2011 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 6M | 6M | 12M |
| Employee compensation and benefits | | | | | | | | | |
| Salaries | 557 | 559 | 578 | 562 | 554 | 551 | 1,116 | 1,105 | 2,245 |
| Performance-based compensation | 303 | 318 | 324 | 321 | 266 | 350 | 621 | 616 | 1,261 |
| Benefits | 134 | 136 | 152 | 139 | 128 | 127 | 270 | 255 | 546 |
| | 994 | 1,013 | 1,054 | 1,022 | 948 | 1,028 | 2,007 | 1,976 | 4,052 |
| Occupancy costs | | | | | | | | | |
| Rent and maintenance | 145 | 145 | 150 | 137 | 141 | 137 | 290 | 278 | 565 |
| Depreciation | 27 | 28 | 27 | 25 | 25 | 25 | 55 | 50 | 102 |
| | 172 | 173 | 177 | 162 | 166 | 162 | 345 | 328 | 667 |
| Computer, software and office equipment | | | | | | | | | |
| Rent and maintenance and amortization of software costs ¹ | 226 | 212 | 225 | 220 | 217 | 216 | 438 | 433 | 878 |
| Depreciation | 30 | 29 | 29 | 27 | 28 | 27 | 59 | 55 | 111 |
| | 256 | 241 | 254 | 247 | 245 | 243 | 497 | 488 | 989 |
| Communications | | | | | | | | | |
| Telecommunications | 29 | 31 | 31 | 28 | 28 | 28 | 60 | 56 | 115 |
| Postage and courier | 32 | 33 | 29 | 28 | 33 | 31 | 65 | 64 | 121 |
| Stationery | 15 | 15 | 16 | 14 | 15 | 15 | 30 | 30 | 60 |
| | 76 | 79 | 76 | 70 | 76 | 74 | 155 | 150 | 296 |
| Advertising and business development | 52 | 49 | 61 | 55 | 51 | 46 | 101 | 97 | 213 |
| Professional fees | 43 | 39 | 58 | 43 | 41 | 36 | 82 | 77 | 178 |
| Business and capital taxes | 10 | 13 | 5 | 11 | 10 | 12 | 23 | 22 | 38 |
| Other ² | 161 | 184 | 235 | 395 | 219 | 204 | 345 | 423 | 1,053 |
| Non-interest expenses | 1,764 | 1,791 | 1,920 | 2,005 | 1,756 | 1,805 | 3,555 | 3,561 | 7,486 |
| Non-interest expenses to revenue ratio | 57.2% | 56.7% | 60.1% | 64.0% | 58.2% | 58.3% | 57.0% | 58.3% | 60.2% |

¹ Includes amortization of software costs (Q2/12: \$27 million; Q1/12: \$26 million).

² Includes amortization of other intangible assets (Q2/12: \$7 million; Q1/12: \$9 million). In addition, Q3/11 includes \$203 million of impairment loss relating to CIBC FirstCaribbean goodwill.

SEGMENTED INFORMATION

CIBC has three SBUs:

- ▶ **Retail and Business Banking** provides clients across Canada with financial advice, products and services through a strong team of advisors and nearly 1,100 branches, as well as our ABMs, mobile sales force, telephone banking, online and mobile banking.
 - ▶ **Wealth Management** comprises asset management, retail brokerage and private wealth management businesses. Combined, these businesses offer an extensive suite of leading investment and relationship-based advisory services to meet the needs of institutional, retail, and high net worth clients.
 - ▶ **Wholesale Banking** provides a wide range of credit, capital markets, investment banking, merchant banking and research products and services to government, institutional, corporate and retail clients in Canada and in key markets around the world.
- Corporate and Other** includes the six functional groups – Technology and Operations; Corporate Development; Finance; Treasury; Administration; and Risk Management – that support CIBC's SBUs. The revenue, expenses and balance sheet resources of these functional 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 The Bank of N.T. Butterfield & Son Limited; and other income statement and balance sheet items not directly attributable to the business lines.

(\$ millions)

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|-----------------------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| Financial results | | | | | | | | | |
| Retail and Business Banking | 556 | 567 | 597 | 551 | 496 | 540 | 1,123 | 1,036 | 2,184 |
| Wealth Management | 79 | 100 | 70 | 70 | 73 | 66 | 179 | 139 | 279 |
| Wholesale Banking | 131 | 133 | 122 | 141 | 140 | 140 | 264 | 280 | 543 |
| Corporate and Other | 45 | 35 | (32) | (171) | 58 | 17 | 80 | 75 | (128) |
| Net income | 811 | 835 | 757 | 591 | 767 | 763 | 1,646 | 1,530 | 2,878 |
| Net income attributable to: | | | | | | | | | |
| Non-controlling interests | 1 | 3 | 3 | 2 | 3 | 3 | 4 | 6 | 11 |
| Equity shareholders | 810 | 832 | 754 | 589 | 764 | 760 | 1,642 | 1,524 | 2,867 |

SEGMENTED INFORMATION - RETAIL AND BUSINESS BANKING

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|---|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| Financial results | | | | | | | | | |
| Personal banking | 1,590 | 1,606 | 1,613 | 1,636 | 1,594 | 1,657 | 3,196 | 3,251 | 6,500 |
| Business banking | 368 | 373 | 358 | 360 | 342 | 351 | 741 | 693 | 1,411 |
| Other | 46 | 50 | 105 | 39 | (4) | (6) | 96 | (10) | 134 |
| Total revenue | 2,004 | 2,029 | 2,076 | 2,035 | 1,932 | 2,002 | 4,033 | 3,934 | 8,045 |
| Provision for credit losses | 271 | 281 | 266 | 291 | 267 | 272 | 552 | 539 | 1,096 |
| | 1,733 | 1,748 | 1,810 | 1,744 | 1,665 | 1,730 | 3,481 | 3,395 | 6,949 |
| Non-interest expenses | 998 | 996 | 1,023 | 1,013 | 995 | 1,003 | 1,994 | 1,998 | 4,034 |
| Income before taxes | 735 | 752 | 787 | 731 | 670 | 727 | 1,487 | 1,397 | 2,915 |
| Income taxes | 179 | 185 | 190 | 180 | 174 | 187 | 364 | 361 | 731 |
| Net income | 556 | 567 | 597 | 551 | 496 | 540 | 1,123 | 1,036 | 2,184 |
| Net income attributable to equity shareholders | 556 | 567 | 597 | 551 | 496 | 540 | 1,123 | 1,036 | 2,184 |
| Total revenue | | | | | | | | | |
| Net interest income ¹ | 1,415 | 1,445 | 1,429 | 1,438 | 1,377 | 1,381 | 2,860 | 2,758 | 5,625 |
| Non-interest income ¹ | 515 | 513 | 577 | 525 | 483 | 552 | 1,028 | 1,035 | 2,137 |
| Intersegment revenue | 74 | 71 | 70 | 72 | 72 | 69 | 145 | 141 | 283 |
| | 2,004 | 2,029 | 2,076 | 2,035 | 1,932 | 2,002 | 4,033 | 3,934 | 8,045 |
| Average balances ² | | | | | | | | | |
| Residential mortgages ³ | 145,693 | 145,554 | 144,844 | 142,901 | 140,191 | 138,685 | 145,623 | 139,426 | 141,668 |
| Personal loans | 32,295 | 32,130 | 31,963 | 31,608 | 31,432 | 31,396 | 32,212 | 31,414 | 31,601 |
| Credit card | 15,095 | 15,534 | 15,495 | 15,619 | 15,395 | 15,889 | 15,317 | 15,646 | 15,601 |
| Business lending ^{3,4} | 34,161 | 33,393 | 32,662 | 31,835 | 31,269 | 30,072 | 33,773 | 30,661 | 31,461 |
| Interest-earning assets ⁵ | 218,463 | 218,050 | 216,474 | 213,826 | 210,410 | 208,366 | 218,255 | 209,371 | 212,284 |
| Deposits | 150,702 | 151,503 | 150,979 | 150,154 | 147,532 | 147,545 | 151,107 | 147,539 | 149,065 |
| Common equity ⁶ | 3,824 | 3,772 | 3,581 | 3,317 | 3,246 | 3,169 | 3,798 | 3,207 | 3,328 |
| Financial measures | | | | | | | | | |
| Net interest margin ² | 2.56% | 2.52% | 2.53% | 2.61% | 2.69% | 2.73% | 2.54% | 2.71% | 2.64% |
| Efficiency ratio | 49.8% | 49.1% | 49.3% | 49.8% | 51.5% | 50.1% | 49.4% | 50.8% | 50.1% |
| Return on equity ⁶ | 57.9% | 58.2% | 64.9% | 64.2% | 61.3% | 66.1% | 58.0% | 63.7% | 64.2% |
| Net income attributable to equity shareholders | 556 | 567 | 597 | 551 | 496 | 540 | 1,123 | 1,036 | 2,184 |
| Charge for economic capital ⁶ | (125) | (130) | (122) | (118) | (111) | (113) | (255) | (224) | (464) |
| Economic profit ⁶ | 431 | 437 | 475 | 433 | 385 | 427 | 868 | 812 | 1,720 |
| Other information | | | | | | | | | |
| Number of branches - Canada | 1,091 | 1,091 | 1,089 | 1,084 | 1,080 | 1,077 | 1,091 | 1,080 | 1,089 |
| Number of pavilions (President's Choice Financial) | 244 | 244 | 244 | 242 | 241 | 241 | 244 | 241 | 244 |
| Number of ABMs - Canada | 3,842 | 3,825 | 3,830 | 3,811 | 3,806 | 3,783 | 3,842 | 3,806 | 3,830 |
| Full-time equivalent employees | 21,733 | 21,706 | 21,658 | 21,553 | 21,581 | 21,716 | 21,733 | 21,581 | 21,658 |

¹ IFRS adjustments relating to the allocation of net interest and non-interest income between treasury in Corporate and Other, and the Retail and Business Banking and Wholesale Banking SBUs, have been restated in the 2011 comparative year with no impact to revenue.

² Amounts exclude treasury allocations and loan amounts are stated before any related allowances. Prior period information for deposits has been restated to exclude treasury allocations.

³ Multi-family dwelling mortgages are included in business lending.

⁴ Comprises loans and acceptances and notional amount of letters of credit.

⁵ Average interest-earning assets include interest-bearing deposits with banks, securities, and loans net of allowances.

⁶ See Notes to users: Non-GAAP measures.

SEGMENTED INFORMATION - WEALTH MANAGEMENT

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|---|-----------|------------|-----------|-----------|-----------|-----------|------------|------------|-------------|
| Financial results | | | | | | | | | |
| Retail brokerage | 263 | 249 | 256 | 263 | 282 | 281 | 512 | 563 | 1,082 |
| Asset management | 130 | 162 | 115 | 116 | 114 | 111 | 292 | 225 | 456 |
| Private wealth management | 25 | 24 | 25 | 25 | 24 | 24 | 49 | 48 | 98 |
| Total revenue | 418 | 435 | 396 | 404 | 420 | 416 | 853 | 836 | 1,636 |
| Provision for credit losses | - | - | - | 1 | 3 | - | - | 3 | 4 |
| | 418 | 435 | 396 | 403 | 417 | 416 | 853 | 833 | 1,632 |
| Non-interest expenses | 313 | 312 | 299 | 304 | 314 | 324 | 625 | 638 | 1,241 |
| Income before taxes | 105 | 123 | 97 | 99 | 103 | 92 | 228 | 195 | 391 |
| Income taxes | 26 | 23 | 27 | 29 | 30 | 26 | 49 | 56 | 112 |
| Net income | 79 | 100 | 70 | 70 | 73 | 66 | 179 | 139 | 279 |
| Net income attributable to equity shareholders | 79 | 100 | 70 | 70 | 73 | 66 | 179 | 139 | 279 |
| Total revenue | | | | | | | | | |
| Net interest income | 46 | 48 | 45 | 45 | 43 | 46 | 94 | 89 | 179 |
| Non-interest income | 446 | 458 | 421 | 431 | 449 | 439 | 904 | 888 | 1,740 |
| Intersegment revenue | (74) | (71) | (70) | (72) | (72) | (69) | (145) | (141) | (283) |
| | 418 | 435 | 396 | 404 | 420 | 416 | 853 | 836 | 1,636 |
| Average balances | | | | | | | | | |
| Common equity ¹ | 1,606 | 1,526 | 902 | 820 | 817 | 823 | 1,565 | 820 | 841 |
| Financial measures | | | | | | | | | |
| Efficiency ratio | 74.8% | 71.7% | 75.4% | 75.4% | 74.8% | 77.9% | 73.3% | 76.3% | 75.9% |
| Return on equity ¹ | 18.8% | 24.5% | 29.9% | 32.2% | 34.9% | 29.9% | 21.6% | 32.4% | 31.7% |
| Net income attributable to equity shareholders | 79 | 100 | 70 | 70 | 73 | 66 | 179 | 139 | 279 |
| Charge for economic capital ¹ | (52) | (52) | (31) | (28) | (28) | (29) | (104) | (57) | (116) |
| Economic profit ¹ | 27 | 48 | 39 | 42 | 45 | 37 | 75 | 82 | 163 |
| Other information | | | | | | | | | |
| Assets under administration ² | | | | | | | | | |
| Individuals | 139,209 | 137,821 | 134,956 | 139,093 | 143,226 | 139,955 | 139,209 | 143,226 | 134,956 |
| Institutions | 16,718 | 17,842 | 16,606 | 16,534 | 16,150 | 16,051 | 16,718 | 16,150 | 16,606 |
| Retail mutual funds | 55,080 | 53,542 | 51,405 | 52,132 | 52,672 | 50,778 | 55,080 | 52,672 | 51,405 |
| | 211,007 | 209,205 | 202,967 | 207,759 | 212,048 | 206,784 | 211,007 | 212,048 | 202,967 |
| Assets under management ² | | | | | | | | | |
| Individuals | 12,342 | 12,385 | 12,128 | 12,583 | 12,685 | 12,605 | 12,342 | 12,685 | 12,128 |
| Institutions | 16,718 | 17,842 | 16,606 | 16,534 | 16,150 | 16,051 | 16,718 | 16,150 | 16,606 |
| Retail mutual funds | 55,080 | 53,542 | 51,405 | 52,132 | 52,672 | 50,778 | 55,080 | 52,672 | 51,405 |
| | 84,140 | 83,769 | 80,139 | 81,249 | 81,507 | 79,434 | 84,140 | 81,507 | 80,139 |
| Full-time equivalent employees | 3,756 | 3,721 | 3,731 | 3,675 | 3,614 | 3,557 | 3,756 | 3,614 | 3,731 |

¹ See Notes to users: Non-GAAP measures.

² Assets under management are included in assets under administration.

SEGMENTED INFORMATION - WHOLESALE BANKING

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|--|--------|--------|--------|--------|--------|--------|------------|------------|-------------|
| Financial results | | | | | | | | | |
| Capital markets | 285 | 307 | 242 | 247 | 293 | 317 | 592 | 610 | 1,099 |
| Corporate and investment banking | 175 | 197 | 328 | 232 | 164 | 224 | 372 | 388 | 948 |
| Other | 3 | (9) | (9) | 24 | 20 | (24) | (6) | (4) | 11 |
| Total revenue (TEB) ¹ | 463 | 495 | 561 | 503 | 477 | 517 | 958 | 994 | 2,058 |
| TEB adjustment | 61 | 57 | 56 | 49 | 45 | 39 | 118 | 84 | 189 |
| Total revenue | 402 | 438 | 505 | 454 | 432 | 478 | 840 | 910 | 1,869 |
| Provision for credit losses | 16 | 26 | 32 | 9 | 4 | 2 | 42 | 6 | 47 |
| | 386 | 412 | 473 | 445 | 428 | 476 | 798 | 904 | 1,822 |
| Non-interest expenses | 279 | 289 | 347 | 297 | 271 | 303 | 568 | 574 | 1,218 |
| Income before taxes | 107 | 123 | 126 | 148 | 157 | 173 | 230 | 330 | 604 |
| Income taxes | (24) | (10) | 4 | 7 | 17 | 33 | (34) | 50 | 61 |
| Net income | 131 | 133 | 122 | 141 | 140 | 140 | 264 | 280 | 543 |
| Net income attributable to: | | | | | | | | | |
| Non-controlling interests | - | - | - | - | - | 1 | - | 1 | 1 |
| Equity shareholders | 131 | 133 | 122 | 141 | 140 | 139 | 264 | 279 | 542 |
| Total revenue | | | | | | | | | |
| Net interest income ² | 180 | 205 | 188 | 169 | 180 | 172 | 385 | 352 | 709 |
| Non-interest income ² | 222 | 233 | 317 | 285 | 252 | 306 | 455 | 558 | 1,160 |
| | 402 | 438 | 505 | 454 | 432 | 478 | 840 | 910 | 1,869 |
| Average balances | | | | | | | | | |
| Loans and acceptances, net of allowance ³ | 17,480 | 16,876 | 16,117 | 14,698 | 14,621 | 15,866 | 17,175 | 15,254 | 15,331 |
| Trading securities ³ | 35,872 | 33,733 | 30,886 | 33,724 | 31,422 | 25,414 | 34,791 | 28,368 | 30,353 |
| Deposits ³ | 5,863 | 6,341 | 6,108 | 6,478 | 6,596 | 5,181 | 6,105 | 5,876 | 6,086 |
| Common equity ¹ | 2,022 | 1,884 | 1,777 | 1,625 | 1,670 | 1,734 | 1,952 | 1,703 | 1,702 |
| Financial measures | | | | | | | | | |
| Efficiency ratio | 69.6% | 66.0% | 68.8% | 65.3% | 62.7% | 63.4% | 67.7% | 63.1% | 65.2% |
| Return on equity ¹ | 25.0% | 26.5% | 25.9% | 32.9% | 32.9% | 30.3% | 25.7% | 31.5% | 30.4% |
| Net income attributable to equity shareholders | 131 | 133 | 122 | 141 | 140 | 139 | 264 | 279 | 542 |
| Charge for economic capital ¹ | (66) | (65) | (61) | (57) | (57) | (62) | (131) | (119) | (237) |
| Economic profit ¹ | 65 | 68 | 61 | 84 | 83 | 77 | 133 | 160 | 305 |
| Other information | | | | | | | | | |
| Full-time equivalent employees | 1,222 | 1,214 | 1,206 | 1,214 | 1,144 | 1,149 | 1,222 | 1,144 | 1,206 |

¹ See Notes to users: Non-GAAP measures.

² IFRS adjustments relating to the allocation of net interest and non-interest income between treasury in Corporate and Other, and the Retail and Business Banking and Wholesale Banking SBUs, have been restated in the 2011 comparative year with no impact to total revenue.

³ Excludes treasury allocations. Prior period balances have been restated accordingly.

SEGMENTED INFORMATION - CORPORATE AND OTHER

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|---|-----------|-----------|-------------|--------------|-----------|-----------|------------|------------|--------------|
| Financial results | | | | | | | | | |
| International banking | 139 | 148 | 139 | 140 | 142 | 145 | 287 | 287 | 566 |
| Other | 121 | 107 | 79 | 98 | 89 | 53 | 228 | 142 | 319 |
| Total revenue | 260 | 255 | 218 | 238 | 231 | 198 | 515 | 429 | 885 |
| Provision for (reversal of) credit losses | 21 | 31 | 8 | 9 | (29) | 9 | 52 | (20) | (3) |
| | 239 | 224 | 210 | 229 | 260 | 189 | 463 | 449 | 888 |
| Non-interest expenses | 174 | 194 | 251 | 391 | 176 | 175 | 368 | 351 | 993 |
| Income before taxes | 65 | 30 | (41) | (162) | 84 | 14 | 95 | 98 | (105) |
| Income taxes | 20 | (5) | (9) | 9 | 26 | (3) | 15 | 23 | 23 |
| Net income (loss) | 45 | 35 | (32) | (171) | 58 | 17 | 80 | 75 | (128) |
| Net income (loss) attributable to: | | | | | | | | | |
| Non-controlling interests | 1 | 3 | 3 | 2 | 3 | 2 | 4 | 5 | 10 |
| Equity shareholders | 44 | 32 | (35) | (173) | 55 | 15 | 76 | 70 | (138) |
| Total revenue | | | | | | | | | |
| Net interest income ¹ | 112 | 144 | 114 | 133 | 131 | 171 | 256 | 302 | 549 |
| Non-interest income ¹ | 148 | 111 | 104 | 105 | 100 | 27 | 259 | 127 | 336 |
| | 260 | 255 | 218 | 238 | 231 | 198 | 515 | 429 | 885 |
| Other information | | | | | | | | | |
| Assets under administration ² | | | | | | | | | |
| Individuals | 13,253 | 13,622 | 14,171 | 14,330 | 14,559 | 14,282 | 13,253 | 14,559 | 14,171 |
| Institutions ³ | 1,141,190 | 1,105,914 | 1,064,081 | 1,074,310 | 1,037,760 | 1,039,500 | 1,141,190 | 1,037,760 | 1,064,081 |
| | 1,154,443 | 1,119,536 | 1,078,252 | 1,088,640 | 1,052,319 | 1,053,782 | 1,154,443 | 1,052,319 | 1,078,252 |
| Assets under management ² | | | | | | | | | |
| Individuals | 120 | 121 | 70 | 69 | 77 | 172 | 120 | 77 | 70 |
| Institutions | 331 | 320 | 312 | 278 | 283 | 286 | 331 | 283 | 312 |
| | 451 | 441 | 382 | 347 | 360 | 458 | 451 | 360 | 382 |
| Full-time equivalent employees | 15,556 | 15,540 | 15,644 | 15,983 | 15,589 | 15,656 | 15,556 | 15,589 | 15,644 |

¹ IFRS adjustments relating to the allocation of net interest and non-interest income between treasury in Corporate and Other, and the Retail and Business Banking and Wholesale Banking SBUs, have been restated in the 2011 comparative year with no impact to total revenue.

² Assets under management are included in assets under administration.

³ Includes the full contract amount noted in the table below relating to assets under administration or custody of CIBC Mellon Global Securities Services Company, which is a 50/50 joint venture of CIBC and The Bank of New York Mellon.

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|--|-----------|-----------|-----------|-----------|---------|---------|------------|------------|-------------|
| | 1,089,543 | 1,056,148 | 1,013,968 | 1,026,111 | 991,860 | 992,965 | 1,089,543 | 991,860 | 1,013,968 |

TRADING ACTIVITIES

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Trading revenue ¹ | | | | | | | | | |
| Net interest income (TEB) ^{2,3} | 172 | 163 | 154 | 133 | 128 | 120 | 335 | 248 | 535 |
| Non-interest income ² | 60 | 61 | (77) | (88) | 62 | 71 | 121 | 133 | (32) |
| Total trading revenue (TEB) ³ | 232 | 224 | 77 | 45 | 190 | 191 | 456 | 381 | 503 |
| TEB adjustment ³ | 60 | 57 | 55 | 49 | 44 | 39 | 117 | 83 | 187 |
| Total trading revenue | 172 | 167 | 22 | (4) | 146 | 152 | 339 | 298 | 316 |
| Trading revenue as a % of total revenue | 5.6 % | 5.3 % | 0.7 % | n/m | 4.8 % | 4.9 % | 5.4 % | 4.9 % | 2.5 % |
| Trading revenue (TEB) as a % of total revenue ³ | 7.5 % | 7.1 % | 2.4 % | 1.4 % | 6.3 % | 6.2 % | 7.3 % | 6.2 % | 4.0 % |
| Trading revenue by product line (TEB) ³ | | | | | | | | | |
| Interest rates | 61 | 69 | 23 | 38 | 68 | 33 | 130 | 101 | 162 |
| Foreign exchange | 70 | 74 | 76 | 64 | 69 | 67 | 144 | 136 | 276 |
| Equities | 50 | 40 | 52 | 49 | 48 | 59 | 90 | 107 | 208 |
| Commodities | 9 | 20 | 11 | 12 | 12 | 8 | 29 | 20 | 43 |
| Structured credit | 33 | 3 | (85) | (117) | (6) | 12 | 36 | 6 | (196) |
| Other | 9 | 18 | - | (1) | (1) | 12 | 27 | 11 | 10 |
| Total trading revenue (TEB) ³ | 232 | 224 | 77 | 45 | 190 | 191 | 456 | 381 | 503 |
| TEB adjustment ³ | 60 | 57 | 55 | 49 | 44 | 39 | 117 | 83 | 187 |
| Total trading revenue | 172 | 167 | 22 | (4) | 146 | 152 | 339 | 298 | 316 |
| Foreign exchange revenue | | | | | | | | | |
| Foreign exchange trading revenue | 70 | 74 | 76 | 64 | 69 | 67 | 144 | 136 | 276 |
| Foreign exchange other than trading ⁴ | 35 | 30 | 48 | 41 | 43 | 72 | 65 | 115 | 204 |
| | 105 | 104 | 124 | 105 | 112 | 139 | 209 | 251 | 480 |

¹ Trading revenue comprises net interest income and non-interest income. Net interest income arises from interest and dividends related to trading assets and liabilities other than derivatives, and is reported net of interest expense and income associated with funding these assets and liabilities. Non-interest income includes unrealized gains and losses on security positions held, and gains and losses that are realized from the purchase and sale of securities. Non-interest income also includes realized and unrealized gains and losses on trading derivatives. Trading revenue excludes underwriting fees and commissions on securities transactions, which are shown separately in the consolidated statement of income.

² Trading activities and related risk management strategies can periodically shift revenue between net interest income and non-interest income. Therefore, we view trading-related net interest income as an integral part of trading revenue.

³ See Notes to users: Non-GAAP measures.

⁴ See footnote 2 on page 3 of non-interest income.

n/m - not meaningful

CONSOLIDATED BALANCE SHEET

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| ASSETS | | | | | | |
| Cash and non-interest-bearing deposits with banks | 2,200 | 1,515 | 1,481 | 2,005 | 1,891 | 1,440 |
| Interest-bearing deposits with banks | 3,957 | 4,745 | 3,661 | 18,526 | 34,605 | 18,464 |
| Securities | | | | | | |
| Trading | 37,651 | 35,582 | 32,713 | 33,616 | 38,568 | 32,614 |
| Available-for-sale (AFS) | 24,530 | 28,826 | 27,118 | 20,803 | 23,833 | 25,716 |
| Designated at fair value (FVO) | 357 | 397 | 464 | 517 | 577 | 901 |
| Cash collateral on securities borrowed | 3,116 | 1,866 | 1,838 | 3,714 | 3,210 | 1,295 |
| Securities purchased under resale agreements | 23,444 | 22,835 | 25,641 | 31,322 | 35,345 | 39,422 |
| Loans | | | | | | |
| Residential mortgages | 151,103 | 151,458 | 150,509 | 149,348 | 146,473 | 144,308 |
| Personal | 35,114 | 34,866 | 34,842 | 34,594 | 34,270 | 34,223 |
| Credit card | 15,492 | 15,433 | 15,744 | 15,570 | 15,659 | 15,874 |
| Business and government | 42,602 | 41,691 | 39,663 | 38,120 | 37,389 | 37,937 |
| Allowance for credit losses | (1,856) | (1,849) | (1,803) | (1,819) | (1,829) | (1,874) |
| Other | | | | | | |
| Derivative instruments | 25,911 | 30,388 | 28,270 | 24,195 | 21,211 | 19,453 |
| Customers' liability under acceptances | 9,032 | 9,120 | 9,454 | 9,009 | 8,354 | 7,904 |
| Land, buildings and equipment | 1,560 | 1,572 | 1,580 | 1,522 | 1,505 | 1,536 |
| Goodwill | 1,671 | 1,681 | 1,677 | 1,647 | 1,842 | 1,890 |
| Software and other intangible assets | 661 | 638 | 633 | 604 | 583 | 575 |
| Investment in equity-accounted associates and joint ventures | 1,389 | 1,392 | 1,394 | 573 | 544 | 554 |
| Other assets | 9,524 | 9,293 | 8,879 | 8,780 | 9,252 | 9,219 |
| Total assets | 387,458 | 391,449 | 383,758 | 392,646 | 413,282 | 391,451 |
| LIABILITIES AND EQUITY | | | | | | |
| Deposits | | | | | | |
| Personal | | | | | | |
| Demand | 8,250 | 8,241 | 8,109 | 7,951 | 8,150 | 8,033 |
| Notice | 66,744 | 67,267 | 66,149 | 64,332 | 62,894 | 61,569 |
| Fixed | 42,804 | 41,936 | 42,334 | 42,780 | 43,238 | 43,798 |
| Business and government | 117,798 | 117,444 | 116,592 | 115,063 | 114,282 | 113,400 |
| Bank | 121,332 | 120,150 | 117,143 | 124,408 | 139,841 | 124,205 |
| Obligations related to securities sold short | 5,077 | 5,575 | 4,177 | 6,951 | 10,767 | 8,060 |
| Cash collateral on securities lent | 9,891 | 8,359 | 10,316 | 10,805 | 12,669 | 11,450 |
| Cash collateral on securities lent | 3,041 | 2,201 | 2,850 | 5,048 | 4,898 | 3,479 |
| Secured borrowings | 52,904 | 52,968 | 51,308 | 49,330 | 46,562 | 46,244 |
| Capital Trust securities | 1,617 | 1,679 | 1,594 | 1,594 | 1,593 | 1,593 |
| Obligations related to securities sold under repurchase agreements | 7,803 | 10,846 | 8,564 | 14,513 | 20,212 | 22,905 |
| Other | | | | | | |
| Derivative instruments | 26,166 | 30,808 | 28,792 | 23,383 | 21,664 | 19,883 |
| Acceptances | 9,032 | 9,128 | 9,489 | 9,009 | 8,354 | 7,904 |
| Other liabilities | 11,256 | 10,876 | 11,704 | 11,780 | 11,791 | 10,961 |
| Subordinated indebtedness | 5,112 | 5,129 | 5,138 | 5,153 | 5,150 | 6,225 |
| Equity | | | | | | |
| Preferred shares | 2,006 | 2,306 | 2,756 | 2,756 | 3,156 | 3,156 |
| Common shares | 7,697 | 7,537 | 7,376 | 7,254 | 7,116 | 6,951 |
| Contributed surplus | 86 | 87 | 93 | 91 | 90 | 98 |
| Retained earnings | 6,276 | 5,873 | 5,457 | 5,100 | 4,911 | 4,533 |
| Accumulated other comprehensive income (AOCI) | 201 | 320 | 245 | 252 | 69 | 241 |
| Total shareholders' equity | 16,266 | 16,123 | 15,927 | 15,453 | 15,342 | 14,979 |
| Non-controlling interests | 163 | 163 | 164 | 156 | 157 | 163 |
| Total equity | 16,429 | 16,286 | 16,091 | 15,609 | 15,499 | 15,142 |
| Total liabilities and equity | 387,458 | 391,449 | 383,758 | 392,646 | 413,282 | 391,451 |

BALANCE SHEET MEASURES

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|--------|--------|--------|--------|--------|--------|
| Personal deposits to loans ratio | 48.6% | 48.6% | 48.8% | 48.8% | 49.3% | 49.2% |
| Cash and deposits with banks to total assets | 1.6% | 1.6% | 1.3% | 5.2% | 8.8% | 5.1% |
| Securities to total assets | 16.1% | 16.6% | 15.7% | 14.0% | 15.2% | 15.1% |
| Average common shareholders' equity (\$ millions) | 14,095 | 13,826 | 12,599 | 12,428 | 11,876 | 11,667 |

GOODWILL, SOFTWARE AND OTHER INTANGIBLE ASSETS

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Goodwill | | | | | | |
| Opening balance | 1,681 | 1,677 | 1,647 | 1,842 | 1,890 | 1,907 |
| Acquisitions | - | - | - | - | 2 | - |
| Impairment | - | - | - | (203) | - | - |
| Adjustments ¹ | (10) | 4 | 30 | 8 | (50) | (17) |
| Closing balance | 1,671 | 1,681 | 1,677 | 1,647 | 1,842 | 1,890 |
| Software | | | | | | |
| Opening balance | 334 | 322 | 296 | 274 | 254 | 247 |
| Changes, net of amortization ¹ | 32 | 12 | 26 | 22 | 20 | 7 |
| Closing balance | 366 | 334 | 322 | 296 | 274 | 254 |
| Other intangible assets | | | | | | |
| Opening balance | 304 | 311 | 308 | 309 | 321 | 332 |
| Acquisitions | - | 1 | 6 | 6 | 4 | 2 |
| Amortization | (7) | (9) | (9) | (8) | (9) | (9) |
| Adjustments ¹ | (2) | 1 | 6 | 1 | (7) | (4) |
| Closing balance | 295 | 304 | 311 | 308 | 309 | 321 |
| Software and other intangible assets | 661 | 638 | 633 | 604 | 583 | 575 |

¹ Includes foreign currency translation adjustments.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Preferred shares | | | | | | | | | |
| Balance at beginning of period | 2,306 | 2,756 | 2,756 | 3,156 | 3,156 | 3,156 | 2,756 | 3,156 | 3,156 |
| Redemption of preferred shares | (300) | (450) | - | (400) | - | - | (750) | - | (400) |
| Balance at end of period | 2,006 | 2,306 | 2,756 | 2,756 | 3,156 | 3,156 | 2,006 | 3,156 | 2,756 |
| Common shares | | | | | | | | | |
| Balance at beginning of period | 7,537 | 7,376 | 7,254 | 7,116 | 6,951 | 6,804 | 7,376 | 6,804 | 6,804 |
| Issue of common shares | 156 | 161 | 126 | 137 | 165 | 147 | 317 | 312 | 575 |
| Treasury shares | 4 | - | (4) | 1 | - | - | 4 | - | (3) |
| Balance at end of period | 7,697 | 7,537 | 7,376 | 7,254 | 7,116 | 6,951 | 7,697 | 7,116 | 7,376 |
| Contributed surplus | | | | | | | | | |
| Balance at beginning of period | 87 | 93 | 91 | 90 | 98 | 98 | 93 | 98 | 98 |
| Stock option expense | 1 | 3 | 3 | 1 | 1 | 1 | 4 | 2 | 6 |
| Stock options exercised | (2) | (9) | (2) | (1) | (7) | (2) | (11) | (9) | (12) |
| Other | - | - | 1 | 1 | (2) | 1 | - | (1) | 1 |
| Balance at end of period | 86 | 87 | 93 | 91 | 90 | 98 | 86 | 90 | 93 |
| Retained earnings | | | | | | | | | |
| Balance at beginning of period | 5,873 | 5,457 | 5,100 | 4,911 | 4,533 | 4,157 | 5,457 | 4,157 | 4,157 |
| Net income attributable to equity shareholders | 810 | 832 | 754 | 589 | 764 | 760 | 1,642 | 1,524 | 2,867 |
| Dividends | | | | | | | | | |
| Preferred | (32) | (38) | (38) | (43) | (42) | (42) | (70) | (84) | (165) |
| Common | (364) | (360) | (359) | (346) | (344) | (342) | (724) | (686) | (1,391) |
| Premium on redemption of preferred shares | (12) | (18) | - | (12) | - | - | (30) | - | (12) |
| Other | 1 | - | - | 1 | - | - | 1 | - | 1 |
| Balance at end of period | 6,276 | 5,873 | 5,457 | 5,100 | 4,911 | 4,533 | 6,276 | 4,911 | 5,457 |
| AOCI, net of tax | | | | | | | | | |
| Net foreign currency translation adjustments | | | | | | | | | |
| Balance at beginning of period | (66) | (88) | (220) | (252) | (64) | - | (88) | - | - |
| Net change in foreign currency translation adjustments | (56) | 22 | 132 | 32 | (188) | (64) | (34) | (252) | (88) |
| Balance at end of period | (122) | (66) | (88) | (220) | (252) | (64) | (122) | (252) | (88) |
| Net gains (losses) on AFS securities | | | | | | | | | |
| Balance at beginning of period | 383 | 338 | 484 | 318 | 300 | 397 | 338 | 397 | 397 |
| Net change in AFS securities | (59) | 45 | (146) | 166 | 18 | (97) | (14) | (79) | (59) |
| Balance at end of period | 324 | 383 | 338 | 484 | 318 | 300 | 324 | 318 | 338 |
| Net gains (losses) on cash flow hedges | | | | | | | | | |
| Balance at beginning of period | 3 | (5) | (12) | 3 | 5 | 19 | (5) | 19 | 19 |
| Net change in cash flow hedges | (4) | 8 | 7 | (15) | (2) | (14) | 4 | (16) | (24) |
| Balance at end of period | (1) | 3 | (5) | (12) | 3 | 5 | (1) | 3 | (5) |
| Total AOCI, net of tax | 201 | 320 | 245 | 252 | 69 | 241 | 201 | 69 | 245 |
| Non-controlling interests | | | | | | | | | |
| Balance at beginning of period | 163 | 164 | 156 | 157 | 163 | 168 | 164 | 168 | 168 |
| Net income attributable to non-controlling interests | 1 | 3 | 3 | 2 | 3 | 3 | 4 | 6 | 11 |
| Dividends | - | (2) | - | (4) | - | (4) | (2) | (4) | (8) |
| Other | (1) | (2) | 5 | 1 | (9) | (4) | (3) | (13) | (7) |
| Balance at end of period | 163 | 163 | 164 | 156 | 157 | 163 | 163 | 157 | 164 |
| Equity at end of period | 16,429 | 16,286 | 16,091 | 15,609 | 15,499 | 15,142 | 16,429 | 15,499 | 16,091 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|--|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|
| Net income | 811 | 835 | 757 | 591 | 767 | 763 | 1,646 | 1,530 | 2,878 |
| Other comprehensive income (OCI), net of tax | | | | | | | | | |
| Net foreign currency translation adjustments | | | | | | | | | |
| Net gains (losses) on investments in foreign operations | (95) | 41 | 224 | 40 | (272) | (93) | (54) | (365) | (101) |
| Net (gains) losses on investments in foreign operations reclassified to net income | - | 1 | - | - | - | - | 1 | - | - |
| Net gains (losses) on hedges of investments in foreign operations | 39 | (19) | (92) | (8) | 84 | 29 | 20 | 113 | 13 |
| Net (gains) losses on hedges of investments in foreign operations reclassified to net income | - | (1) | - | - | - | - | (1) | - | - |
| | (56) | 22 | 132 | 32 | (188) | (64) | (34) | (252) | (88) |
| Net change in AFS securities | | | | | | | | | |
| Net gains (losses) on AFS securities | (2) | 85 | (1) | 199 | 26 | (42) | 83 | (16) | 182 |
| Net (gains) losses on AFS securities reclassified to net income | (57) | (40) | (145) | (33) | (8) | (55) | (97) | (63) | (241) |
| | (59) | 45 | (146) | 166 | 18 | (97) | (14) | (79) | (59) |
| Net change in cash flow hedges | | | | | | | | | |
| Net gains (losses) on derivatives designated as cash flow hedges | (3) | 3 | 15 | (28) | (9) | (18) | - | (27) | (40) |
| Net (gains) losses on derivatives designated as cash flow hedges reclassified to net income | (1) | 5 | (8) | 13 | 7 | 4 | 4 | 11 | 16 |
| | (4) | 8 | 7 | (15) | (2) | (14) | 4 | (16) | (24) |
| Total OCI ¹ | (119) | 75 | (7) | 183 | (172) | (175) | (44) | (347) | (171) |
| Comprehensive income | 692 | 910 | 750 | 774 | 595 | 588 | 1,602 | 1,183 | 2,707 |
| Comprehensive income attributable to non-controlling interests | 1 | 3 | 3 | 2 | 3 | 3 | 4 | 6 | 11 |
| Preferred shareholders | 44 | 56 | 38 | 55 | 42 | 42 | 100 | 84 | 177 |
| Common shareholders | 647 | 851 | 709 | 717 | 550 | 543 | 1,498 | 1,093 | 2,519 |
| Comprehensive income attributable to equity shareholders | 691 | 907 | 747 | 772 | 592 | 585 | 1,598 | 1,177 | 2,696 |

INCOME TAX ALLOCATED TO EACH COMPONENT OF OCI

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|---|-------|-------|-------|-------|-------|-------|------------|------------|-------------|
| Income tax (expense) benefit | | | | | | | | | |
| Net foreign currency translation adjustments | | | | | | | | | |
| Net gains (losses) on investments in foreign operations | 3 | (1) | (4) | 2 | 1 | - | 2 | 1 | (1) |
| Net gains (losses) on hedges of investments in foreign operations | (9) | 5 | 22 | 1 | (18) | (7) | (4) | (25) | (2) |
| | (6) | 4 | 18 | 3 | (17) | (7) | (2) | (24) | (3) |
| Net change in AFS securities | | | | | | | | | |
| Net gains (losses) on AFS securities | 12 | (34) | (10) | (77) | (3) | 8 | (22) | 5 | (82) |
| Net (gains) losses on AFS securities reclassified to net income | 25 | 15 | 66 | 6 | 6 | 34 | 40 | 40 | 112 |
| | 37 | (19) | 56 | (71) | 3 | 42 | 18 | 45 | 30 |
| Net change in cash flow hedges | | | | | | | | | |
| Net gains (losses) on derivatives designated as cash flow hedges | 3 | (2) | (6) | 11 | 1 | 8 | 1 | 9 | 14 |
| Net (gains) losses on derivatives designated as cash flow hedges reclassified to net income | (1) | (1) | 3 | (4) | - | (3) | (2) | (3) | (4) |
| | 2 | (3) | (3) | 7 | 1 | 5 | (1) | 6 | 10 |
| | 33 | (18) | 71 | (61) | (13) | 40 | 15 | 27 | 37 |

¹ Includes \$4 million of gains (Q1/12: \$3 million of gains) relating to our investments in equity-accounted associates and joint ventures.

CONSOLIDATED STATEMENT OF CASH FLOWS

(\$ millions)

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Cash flows provided by (used in) operating activities | | | | | | | | | |
| Net income | 811 | 835 | 757 | 591 | 767 | 763 | 1,646 | 1,530 | 2,878 |
| Adjustments to reconcile net income to cash flows provided by (used in) operating activities: | | | | | | | | | |
| Provision for credit losses | 308 | 338 | 306 | 310 | 245 | 283 | 646 | 528 | 1,144 |
| Amortization ¹ | 92 | 91 | 90 | 288 | 89 | 89 | 183 | 178 | 556 |
| Stock option expense | 1 | 3 | 3 | 1 | 1 | 1 | 4 | 2 | 6 |
| Deferred income taxes | (51) | 15 | 34 | 106 | 160 | 218 | (36) | 378 | 518 |
| AFS securities gains, net | (81) | (52) | (236) | (65) | (35) | (61) | (133) | (96) | (397) |
| Net gains on disposal of land, buildings and equipment | - | - | - | (1) | (1) | (3) | - | (4) | (5) |
| Other non-cash items, net | (20) | 131 | 212 | 283 | 3 | (117) | 111 | (114) | 381 |
| Net changes in operating assets and liabilities | | | | | | | | | |
| Interest-bearing deposits with banks | 788 | (1,084) | 14,865 | 16,079 | (16,141) | (9,459) | (296) | (25,600) | 5,344 |
| Loans, net of repayments | (1,669) | (2,951) | (3,132) | (3,823) | (1,817) | (1,507) | (4,620) | (3,324) | (10,279) |
| Deposits, net of withdrawals | 1,536 | 4,580 | (7,423) | (18,963) | 19,613 | 11,317 | 6,116 | 30,930 | 4,544 |
| Obligations related to securities sold short | 1,532 | (1,957) | (489) | (1,864) | 1,219 | 1,777 | (425) | 2,996 | 643 |
| Accrued interest receivable | (42) | 5 | (41) | 60 | (51) | 147 | (37) | 96 | 115 |
| Accrued interest payable | 206 | (368) | 224 | (238) | 199 | (352) | (162) | (153) | (167) |
| Derivative assets | 4,439 | (3,095) | (3,622) | (2,685) | (1,878) | 5,138 | 1,344 | 3,260 | (3,047) |
| Derivative liabilities | (4,639) | 3,616 | 4,757 | 1,303 | 1,820 | (5,264) | (1,023) | (3,444) | 2,616 |
| Trading securities | (2,069) | (2,869) | 903 | 4,952 | (5,954) | (3,540) | (4,938) | (9,494) | (3,639) |
| FVO securities | 40 | 67 | 53 | 60 | 324 | (26) | 107 | 298 | 411 |
| Other FVO assets and liabilities | (200) | 125 | (1,083) | 392 | (239) | (234) | (75) | (473) | (1,164) |
| Current income taxes | 53 | (555) | 117 | 141 | 39 | (106) | (502) | (67) | 191 |
| Cash collateral on securities lent | 840 | (649) | (2,198) | 150 | 1,419 | (827) | 191 | 592 | (1,456) |
| Obligations related to securities sold under repurchase agreements | (3,043) | 2,282 | (5,949) | (5,699) | (2,693) | 2,254 | (761) | (439) | (12,087) |
| Secured borrowings | 203 | 1,456 | 1,636 | 2,349 | 299 | 2,816 | 1,659 | 3,115 | 7,100 |
| Cash collateral on securities borrowed | (1,250) | (28) | 1,876 | (504) | (1,915) | 1,106 | (1,278) | (809) | 563 |
| Securities purchased under resale agreements | (609) | 2,806 | 5,681 | 4,023 | 4,077 | (4,700) | 2,197 | (623) | 9,081 |
| Other, net | (16) | (354) | 169 | (98) | 386 | 531 | (370) | 917 | 988 |
| | (2,840) | 2,388 | 7,510 | (2,852) | (64) | 244 | (452) | 180 | 4,838 |
| Cash flows provided by (used in) financing activities | | | | | | | | | |
| Issue of subordinated indebtedness | - | - | - | - | - | 1,500 | - | 1,500 | 1,500 |
| Redemption/repurchase of subordinated indebtedness | - | - | (19) | - | (1,080) | - | - | (1,080) | (1,099) |
| Redemption of preferred shares | (312) | (468) | (412) | - | - | (604) | (780) | (604) | (1,016) |
| Issue of common shares, net | 156 | 161 | 126 | 137 | 165 | 147 | 317 | 312 | 575 |
| Net proceeds from treasury shares | 4 | - | (4) | 1 | - | - | 4 | - | (3) |
| Dividends paid | (396) | (398) | (397) | (389) | (386) | (384) | (794) | (770) | (1,556) |
| Other, net | (1) | (9) | 48 | 1 | 99 | 105 | (10) | 204 | 253 |
| | (549) | (714) | (658) | (250) | (1,202) | 764 | (1,263) | (438) | (1,346) |
| Cash flows provided by (used in) investing activities | | | | | | | | | |
| Purchase of AFS securities | (8,487) | (14,408) | (12,672) | (5,059) | (7,201) | (8,713) | (22,895) | (15,914) | (33,645) |
| Proceeds from sale of AFS securities | 5,485 | 6,727 | 2,249 | 4,259 | 4,603 | 2,403 | 12,212 | 7,006 | 13,514 |
| Proceeds from maturity of AFS securities | 7,139 | 6,087 | 3,957 | 4,076 | 4,401 | 4,966 | 13,226 | 9,367 | 17,400 |
| Net cash used in acquisitions | - | (3) | (831) | (12) | (6) | (6) | (3) | (12) | (855) |
| Net cash provided by dispositions | - | - | - | 10 | - | - | - | - | 10 |
| Net purchase of land, buildings and equipment | (53) | (45) | (91) | (63) | (53) | (27) | (98) | (80) | (234) |
| | 4,084 | (1,642) | (7,388) | 3,211 | 1,744 | (1,377) | 2,442 | 367 | (3,810) |
| Effect of exchange rate changes on cash and non-interest-bearing deposits with banks | (10) | 2 | 12 | 5 | (27) | (8) | (8) | (35) | (18) |
| Net increase (decrease) in cash and non-interest-bearing deposits with banks during period | 685 | 34 | (524) | 114 | 451 | (377) | 719 | 74 | (336) |
| Cash and non-interest-bearing deposits with banks at beginning of period | 1,515 | 1,481 | 2,005 | 1,891 | 1,440 | 1,817 | 1,481 | 1,817 | 1,817 |
| Cash and non-interest-bearing deposits with banks at end of period | 2,200 | 1,515 | 1,481 | 2,005 | 1,891 | 1,440 | 2,200 | 1,891 | 1,481 |
| Cash interest paid | 944 | 1,541 | 983 | 1,500 | 1,025 | 1,630 | 2,485 | 2,655 | 5,138 |
| Cash income taxes paid (recovered) | 199 | 733 | 61 | (22) | 48 | 131 | 932 | 179 | 218 |
| Cash interest and dividends received | 2,861 | 3,020 | 2,942 | 3,107 | 2,904 | 3,195 | 5,881 | 6,099 | 12,148 |

¹ Comprises amortization of buildings, furniture, equipment, leasehold improvements, and software and other intangible assets and impairment loss on goodwill.
² Includes cash reserved for payment on redemption of non-cumulative preferred shares. The payment was made subsequent to the period end.

CONDENSED AVERAGE BALANCE SHEET

| (\$ millions) | | | | | | | 2012 | 2011 | 2011 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 6M | 6M | 12M |
| Assets | | | | | | | | | |
| Cash and deposits with banks | 6,513 | 6,866 | 12,206 | 25,037 | 25,930 | 12,347 | 6,691 | 19,026 | 18,822 |
| Securities | 63,744 | 66,073 | 59,156 | 60,215 | 60,898 | 56,940 | 64,921 | 58,886 | 59,289 |
| Securities borrowed or purchased under resale agreements | 27,688 | 26,898 | 32,359 | 38,494 | 38,258 | 38,379 | 27,289 | 38,319 | 36,861 |
| Loans and acceptances, net of allowance | 250,727 | 250,568 | 250,234 | 244,183 | 239,017 | 237,943 | 250,647 | 238,471 | 242,875 |
| Other | 42,974 | 45,717 | 44,431 | 33,386 | 32,472 | 36,288 | 44,361 | 34,412 | 36,680 |
| Total assets | 391,646 | 396,122 | 398,386 | 401,315 | 396,575 | 381,897 | 393,909 | 389,114 | 394,527 |
| Liabilities and equity | | | | | | | | | |
| Deposits | 242,777 | 241,462 | 242,710 | 252,080 | 246,827 | 236,329 | 242,112 | 241,491 | 244,467 |
| Obligations related to securities lent or sold short or under repurchase agreements | 23,780 | 27,980 | 28,731 | 36,509 | 40,835 | 36,586 | 25,904 | 38,675 | 35,623 |
| Secured borrowings | 53,267 | 52,275 | 51,164 | 48,353 | 46,649 | 44,357 | 52,766 | 45,484 | 47,639 |
| Capital Trust securities | 1,645 | 1,609 | 1,594 | 1,594 | 1,593 | 1,593 | 1,627 | 1,593 | 1,593 |
| Other | 48,501 | 50,921 | 53,494 | 41,905 | 39,704 | 41,814 | 49,724 | 40,777 | 44,267 |
| Subordinated indebtedness | 5,116 | 5,132 | 5,173 | 5,136 | 5,777 | 6,228 | 5,124 | 6,006 | 5,577 |
| Shareholders' equity | 16,397 | 16,577 | 15,355 | 15,580 | 15,032 | 14,823 | 16,488 | 14,925 | 15,199 |
| Non-controlling interests | 163 | 166 | 165 | 158 | 158 | 167 | 164 | 163 | 162 |
| Total liabilities and equity | 391,646 | 396,122 | 398,386 | 401,315 | 396,575 | 381,897 | 393,909 | 389,114 | 394,527 |
| Average interest-earning assets ¹ | 337,852 | 339,567 | 343,076 | 357,473 | 354,148 | 336,053 | 338,718 | 344,951 | 347,634 |

PROFITABILITY MEASURES

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 | 2011 | 2011 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | | | | 6M | 6M | 12M |
| Return on common shareholders' equity | 22.1% | 22.4% | 22.6% | 17.1% | 24.9% | 24.4% | 22.2% | 24.7% | 22.2% |
| Income statement measures as a percentage of average assets: | | | | | | | | | |
| Net interest income | 1.82 % | 1.85 % | 1.77 % | 1.76 % | 1.79 % | 1.84 % | 1.84 % | 1.81 % | 1.79 % |
| Non-interest income | 1.38 % | 1.32 % | 1.41 % | 1.33 % | 1.33 % | 1.38 % | 1.35 % | 1.35 % | 1.36 % |
| Provision for credit losses | (0.32)% | (0.34)% | (0.30)% | (0.31)% | (0.25)% | (0.29)% | (0.33)% | (0.27)% | (0.29)% |
| Non-interest expenses | (1.83)% | (1.80)% | (1.91)% | (1.98)% | (1.82)% | (1.88)% | (1.82)% | (1.85)% | (1.90)% |
| Income taxes | (0.21)% | (0.19)% | (0.21)% | (0.22)% | (0.26)% | (0.25)% | (0.20)% | (0.25)% | (0.23)% |
| Net income | 0.84 % | 0.84 % | 0.75 % | 0.58 % | 0.79 % | 0.79 % | 0.84 % | 0.79 % | 0.73 % |

¹ Average interest-earning assets include interest-bearing deposits with banks, securities, cash collateral on securities borrowed, securities purchased under resale agreements, and loans.

ASSETS UNDER ADMINISTRATION

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Assets under administration ^{1, 2, 3} | | | | | | |
| Individuals | 154,042 | 153,029 | 150,235 | 154,629 | 159,048 | 155,482 |
| Institutions | 1,188,502 | 1,157,938 | 1,116,159 | 1,120,446 | 1,082,309 | 1,083,338 |
| Retail mutual funds | 55,080 | 53,542 | 51,405 | 52,132 | 52,672 | 50,778 |
| Total assets under administration | 1,397,624 | 1,364,509 | 1,317,799 | 1,327,207 | 1,294,029 | 1,289,598 |

ASSETS UNDER MANAGEMENT

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Assets under management ³ | | | | | | |
| Individuals | 12,462 | 12,506 | 12,198 | 12,652 | 12,762 | 12,777 |
| Institutions | 17,049 | 18,162 | 16,918 | 16,812 | 16,433 | 16,337 |
| Retail mutual funds | 55,080 | 53,542 | 51,405 | 52,132 | 52,672 | 50,778 |
| Total assets under management | 84,591 | 84,210 | 80,521 | 81,596 | 81,867 | 79,892 |

¹ Assets under administration (AUA) are assets administered by CIBC that are beneficially owned by clients and are, therefore, not reported on the consolidated balance sheet. Services provided by CIBC are of an administrative nature, such as safekeeping of securities, collection of investment income, and the settlement of purchase and sale transactions.

² Includes the full contract amount of assets under administration or custody of CIBC Mellon Global Securities Services Company, which is a 50/50 joint venture of CIBC and The Bank of New York Mellon.

³ Assets under management (AUM) are assets managed by CIBC that are beneficially owned by clients and are, therefore, not reported on the consolidated balance sheet. The service provided in respect of these assets is discretionary portfolio management on behalf of the clients. AUM amounts are included in the amounts reported under AUA.

LOANS AND ACCEPTANCES, NET OF ALLOWANCE FOR CREDIT LOSSES

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Business, government and consumer loans | | | | | | |
| Canada | 231,888 | 230,956 | 230,390 | 227,872 | 222,976 | 219,563 |
| United States | 7,746 | 7,386 | 6,308 | 5,672 | 4,890 | 4,623 |
| Other countries | 11,853 | 12,377 | 11,711 | 11,278 | 12,450 | 14,186 |
| Total net loans and acceptances | 251,487 | 250,719 | 248,409 | 244,822 | 240,316 | 238,372 |
| Residential mortgages | 151,044 | 151,408 | 150,460 | 149,304 | 146,426 | 144,264 |
| Credit card | 14,882 | 14,807 | 15,112 | 14,944 | 15,034 | 15,237 |
| Personal | 34,632 | 34,378 | 34,356 | 34,102 | 33,761 | 33,706 |
| Total net consumer loans | 200,558 | 200,593 | 199,928 | 198,350 | 195,221 | 193,207 |
| Non-residential mortgages | 7,314 | 7,320 | 7,348 | 7,050 | 6,854 | 6,807 |
| Financial institutions | 3,541 | 3,888 | 3,554 | 3,487 | 3,370 | 3,639 |
| Retail and wholesale | 3,280 | 3,033 | 3,046 | 3,254 | 3,104 | 2,721 |
| Business services | 4,762 | 4,426 | 4,761 | 4,596 | 4,475 | 4,279 |
| Manufacturing - capital goods | 1,515 | 1,451 | 1,425 | 1,427 | 1,360 | 1,195 |
| Manufacturing - consumer goods | 2,102 | 1,859 | 1,607 | 1,684 | 1,778 | 1,412 |
| Real estate and construction | 9,281 | 9,071 | 7,905 | 6,804 | 5,905 | 5,687 |
| Agriculture | 3,567 | 3,568 | 3,679 | 3,622 | 3,600 | 3,530 |
| Oil and gas | 3,436 | 3,391 | 3,297 | 3,144 | 2,546 | 2,734 |
| Mining | 480 | 457 | 472 | 490 | 237 | 269 |
| Forest products | 596 | 568 | 500 | 388 | 333 | 393 |
| Hardware and software | 312 | 293 | 339 | 329 | 347 | 555 |
| Telecommunications and cable | 389 | 308 | 285 | 228 | 246 | 329 |
| Publishing, printing and broadcasting | 473 | 450 | 446 | 494 | 352 | 422 |
| Transportation | 1,607 | 1,651 | 1,441 | 1,464 | 1,477 | 1,344 |
| Utilities | 1,286 | 1,189 | 1,192 | 1,015 | 1,126 | 992 |
| Education, health and social services | 1,833 | 1,824 | 1,823 | 1,762 | 1,727 | 1,416 |
| Governments | 1,599 | 1,769 | 1,686 | 1,553 | 1,437 | 1,415 |
| Others | 3,833 | 3,893 | 3,954 | 3,987 | 5,124 | 6,355 |
| Collective allowance allocated to business and government loans | (277) | (283) | (279) | (306) | (303) | (329) |
| Total net business and government loans, including acceptances | 50,929 | 50,126 | 48,481 | 46,472 | 45,095 | 45,165 |
| Total net loans and acceptances | 251,487 | 250,719 | 248,409 | 244,822 | 240,316 | 238,372 |

GROSS IMPAIRED LOANS

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Gross impaired loans by portfolio: | | | | | | |
| Consumer ¹ | | | | | | |
| Residential mortgages | 511 | 521 | 524 | 513 | 507 | 528 |
| Personal | 278 | 294 | 291 | 285 | 286 | 298 |
| Total gross impaired loans - consumer | 789 | 815 | 815 | 798 | 793 | 826 |
| Business and government | | | | | | |
| Non-residential mortgages | 88 | 79 | 75 | 72 | 70 | 72 |
| Financial institutions | 3 | 5 | 4 | 6 | 5 | 5 |
| Retail and wholesale | 22 | 24 | 24 | 33 | 39 | 30 |
| Business services | 288 | 298 | 287 | 267 | 251 | 237 |
| Manufacturing - capital goods | 46 | 46 | 49 | 46 | 46 | 61 |
| Manufacturing - consumer goods | 33 | 34 | 28 | 45 | 44 | 47 |
| Real estate and construction | 572 | 578 | 504 | 464 | 460 | 497 |
| Agriculture | 35 | 38 | 38 | 51 | 44 | 46 |
| Oil and gas | 1 | 1 | 1 | 7 | 15 | 16 |
| Mining | 3 | 2 | 3 | 2 | 1 | - |
| Forest products | 2 | 3 | 3 | 3 | 6 | 7 |
| Hardware and software | 13 | 13 | 13 | 9 | 9 | 9 |
| Telecommunications and cable | - | 1 | 25 | - | 1 | - |
| Publishing, printing and broadcasting | 10 | 9 | 10 | 11 | 10 | 32 |
| Transportation | 33 | 36 | 36 | 38 | 34 | 38 |
| Utilities | 1 | - | - | - | - | - |
| Education, health and social services | 3 | 2 | 2 | 3 | 3 | 2 |
| Total gross impaired loans - business and government | 1,153 | 1,169 | 1,102 | 1,057 | 1,038 | 1,099 |
| Total gross impaired loans | 1,942 | 1,984 | 1,917 | 1,855 | 1,831 | 1,925 |
| Gross impaired loans by geography: | | | | | | |
| Consumer | | | | | | |
| Canada | 477 | 505 | 514 | 521 | 527 | 544 |
| Other countries | 312 | 310 | 301 | 277 | 266 | 282 |
| | 789 | 815 | 815 | 798 | 793 | 826 |
| Business and government | | | | | | |
| Canada | 133 | 133 | 157 | 158 | 186 | 207 |
| United States | 321 | 319 | 270 | 262 | 271 | 292 |
| Other countries | 699 | 717 | 675 | 637 | 581 | 600 |
| | 1,153 | 1,169 | 1,102 | 1,057 | 1,038 | 1,099 |
| Total gross impaired loans | 1,942 | 1,984 | 1,917 | 1,855 | 1,831 | 1,925 |

¹ Credit card loans are fully written-off at the earlier of the notice of consumer bankruptcy, settlement proposal, enlistment of credit counselling services, or when payments are contractually 180 days in arrears.

ALLOWANCE FOR CREDIT LOSSES

(\$ millions)

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Allowance for credit losses by portfolio: | | | | | | |
| Consumer | | | | | | |
| Individual | | | | | | |
| Residential mortgages | - | - | 1 | 1 | 1 | 1 |
| Personal | 9 | 9 | 8 | 9 | 8 | 6 |
| Total individual allowance for credit losses on consumer loans | 9 | 9 | 9 | 10 | 9 | 7 |
| Collective | | | | | | |
| Residential mortgages | 40 | 36 | 32 | 27 | 29 | 26 |
| Personal | 180 | 174 | 173 | 173 | 176 | 185 |
| Collective allowance for credit losses on consumer loans - impaired ¹ | 220 | 210 | 205 | 200 | 205 | 211 |
| Collective allowance for credit losses on consumer loans - unimpaired | 922 | 945 | 953 | 952 | 967 | 980 |
| Total collective allowance for credit losses on consumer loans | 1,142 | 1,155 | 1,158 | 1,152 | 1,172 | 1,191 |
| Total allowance for credit losses on consumer loans | 1,151 | 1,164 | 1,167 | 1,162 | 1,181 | 1,198 |
| Business and government | | | | | | |
| Individual | | | | | | |
| Non-residential mortgages | 40 | 36 | 29 | 24 | 17 | 17 |
| Financial institutions | 1 | 2 | 1 | 2 | 2 | 2 |
| Retail and wholesale | 11 | 11 | 10 | 20 | 20 | 14 |
| Business services | 97 | 93 | 95 | 90 | 83 | 78 |
| Manufacturing - capital goods | 40 | 40 | 40 | 18 | 18 | 21 |
| Manufacturing - consumer goods | 10 | 5 | 6 | 17 | 22 | 21 |
| Real estate and construction | 182 | 168 | 119 | 123 | 120 | 126 |
| Agriculture | 9 | 9 | 16 | 17 | 16 | 17 |
| Oil and gas | 1 | - | - | 6 | 10 | 10 |
| Mining | 2 | 2 | 1 | 1 | 1 | - |
| Forest products | 1 | 1 | 1 | 1 | 4 | 6 |
| Hardware and software | 11 | 11 | 11 | 7 | 7 | 7 |
| Telecommunications and cable | - | 1 | 5 | - | - | - |
| Publishing, printing and broadcasting | 9 | 9 | 9 | 9 | 9 | 11 |
| Transportation | 13 | 13 | 13 | 15 | 15 | 16 |
| Utilities | - | - | - | - | - | - |
| Education, health and social services | 1 | 1 | 1 | 1 | 1 | 1 |
| Total individual allowance for credit losses on business and government loans | 428 | 402 | 357 | 351 | 345 | 347 |
| Collective | | | | | | |
| Collective allowance for credit losses on business and government loans - impaired ¹ | 29 | 30 | 31 | 33 | 29 | 29 |
| Collective allowance for credit losses on business and government loans - unimpaired | 248 | 253 | 248 | 273 | 274 | 300 |
| Total collective allowance for credit losses on business and government loans | 277 | 283 | 279 | 306 | 303 | 329 |
| Total allowance for credit losses on business and government loans | 705 | 685 | 636 | 657 | 648 | 676 |
| Undrawn credit facilities ² | | | | | | |
| Collective allowance for credit losses on undrawn credit facilities | 48 | 46 | 48 | 49 | 49 | 63 |
| Total allowance for credit losses | 1,904 | 1,895 | 1,851 | 1,868 | 1,878 | 1,937 |

¹ Includes allowance relating to personal, scored small business loans and mortgages that are greater than 90 days delinquent.

² Included in Other liabilities on consolidated balance sheet.

ALLOWANCE FOR CREDIT LOSSES

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Total individual allowance for credit losses | | | | | | |
| By geography: | | | | | | |
| Consumer loans | | | | | | |
| Canada | 9 | 9 | 9 | 10 | 9 | 7 |
| Business and government loans | | | | | | |
| Canada | 58 | 55 | 57 | 72 | 85 | 81 |
| United States | 129 | 119 | 98 | 100 | 97 | 101 |
| Other countries | 241 | 228 | 202 | 179 | 163 | 165 |
| | 428 | 402 | 357 | 351 | 345 | 347 |
| | 437 | 411 | 366 | 361 | 354 | 354 |
| Total individual allowance for credit losses | | | | | | |
| By portfolio: | | | | | | |
| Consumer loans | 9 | 9 | 9 | 10 | 9 | 7 |
| Business and government loans | 428 | 402 | 357 | 351 | 345 | 347 |
| | 437 | 411 | 366 | 361 | 354 | 354 |
| Total collective allowance for credit losses | | | | | | |
| By geography: | | | | | | |
| Consumer loans | | | | | | |
| Canada | 1,087 | 1,101 | 1,107 | 1,106 | 1,124 | 1,140 |
| Other countries | 55 | 54 | 51 | 46 | 48 | 51 |
| | 1,142 | 1,155 | 1,158 | 1,152 | 1,172 | 1,191 |
| Business and government loans | | | | | | |
| Canada | 212 | 212 | 205 | 228 | 227 | 236 |
| United States | 46 | 51 | 54 | 60 | 60 | 71 |
| Other countries | 19 | 20 | 20 | 18 | 16 | 22 |
| | 277 | 283 | 279 | 306 | 303 | 329 |
| | 1,419 | 1,438 | 1,437 | 1,458 | 1,475 | 1,520 |
| Total collective allowance for credit losses | | | | | | |
| By portfolio: | | | | | | |
| Consumer loans | 1,142 | 1,155 | 1,158 | 1,152 | 1,172 | 1,191 |
| Business and government loans | 277 | 283 | 279 | 306 | 303 | 329 |
| | 1,419 | 1,438 | 1,437 | 1,458 | 1,475 | 1,520 |
| Undrawn credit facilities ¹ | 48 | 46 | 48 | 49 | 49 | 63 |
| | 1,467 | 1,484 | 1,485 | 1,507 | 1,524 | 1,583 |

¹ Included in Other liabilities on consolidated balance sheet.

NET IMPAIRED LOANS ¹

(\$ millions)

Net impaired loans by portfolio:

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Consumer | | | | | | |
| Residential mortgages | 471 | 485 | 491 | 485 | 477 | 501 |
| Personal | 89 | 111 | 110 | 103 | 102 | 107 |
| Total net impaired loans - consumer | 560 | 596 | 601 | 588 | 579 | 608 |
| Business and government | | | | | | |
| Non-residential mortgages | 48 | 43 | 46 | 48 | 53 | 55 |
| Financial institutions | 2 | 3 | 2 | 3 | 3 | 3 |
| Retail and wholesale | 4 | 6 | 7 | 7 | 12 | 8 |
| Business services | 183 | 196 | 184 | 169 | 163 | 154 |
| Manufacturing - capital goods | 5 | 5 | 8 | 26 | 27 | 39 |
| Manufacturing - consumer goods | 21 | 27 | 20 | 26 | 21 | 24 |
| Real estate and construction | 386 | 406 | 381 | 336 | 335 | 367 |
| Agriculture | 25 | 28 | 21 | 32 | 27 | 28 |
| Oil and gas | - | - | - | - | 4 | 5 |
| Mining | 1 | - | 2 | 1 | - | - |
| Forest products | - | 1 | 1 | 1 | 1 | - |
| Hardware and software | 1 | 1 | 1 | 1 | - | 1 |
| Telecommunications and cable | - | - | 20 | - | - | - |
| Publishing, printing and broadcasting | 1 | - | - | 1 | - | 20 |
| Transportation | 17 | 21 | 21 | 21 | 17 | 19 |
| Utilities | 1 | - | - | - | - | - |
| Education, health and social services | 1 | - | - | 1 | 1 | - |
| Total net impaired loans - business and government | 696 | 737 | 714 | 673 | 664 | 723 |
| Total net impaired loans | 1,256 | 1,333 | 1,315 | 1,261 | 1,243 | 1,331 |

Net impaired loans by geography:

| | | | | | | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Consumer | | | | | | |
| Canada | 293 | 332 | 343 | 349 | 350 | 366 |
| Other countries | 267 | 264 | 258 | 239 | 229 | 242 |
| | 560 | 596 | 601 | 588 | 579 | 608 |
| Business and government | | | | | | |
| Canada | 46 | 48 | 69 | 53 | 72 | 97 |
| United States | 192 | 200 | 172 | 162 | 174 | 191 |
| Other countries | 458 | 489 | 473 | 458 | 418 | 435 |
| | 696 | 737 | 714 | 673 | 664 | 723 |
| Total net impaired loans | 1,256 | 1,333 | 1,315 | 1,261 | 1,243 | 1,331 |

¹ Net impaired loans are calculated by deducting allowance on impaired loans from gross impaired loans.

CHANGES IN GROSS IMPAIRED LOANS

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Gross impaired loans at beginning of period | | | | | | | | | |
| Consumer | 815 | 815 | 798 | 793 | 826 | 854 | 815 | 854 | 854 |
| Business and government | 1,169 | 1,102 | 1,057 | 1,038 | 1,099 | 1,080 | 1,102 | 1,080 | 1,080 |
| | 1,984 | 1,917 | 1,855 | 1,831 | 1,925 | 1,934 | 1,917 | 1,934 | 1,934 |
| New additions | | | | | | | | | |
| Consumer ¹ | 436 | 438 | 446 | 452 | 456 | 438 | 874 | 894 | 1,792 |
| Business and government | 60 | 116 | 136 | 117 | 83 | 95 | 176 | 178 | 431 |
| | 496 | 554 | 582 | 569 | 539 | 533 | 1,050 | 1,072 | 2,223 |
| Returned to performing status, repaid or sold | | | | | | | | | |
| Consumer | (168) | (134) | (149) | (139) | (197) | (169) | (302) | (366) | (654) |
| Business and government | (47) | (31) | (8) | (57) | (127) | (59) | (78) | (186) | (251) |
| | (215) | (165) | (157) | (196) | (324) | (228) | (380) | (552) | (905) |
| Write-off | | | | | | | | | |
| Consumer ¹ | (294) | (304) | (280) | (308) | (292) | (297) | (598) | (589) | (1,177) |
| Business and government | (29) | (18) | (83) | (41) | (17) | (17) | (47) | (34) | (158) |
| | (323) | (322) | (363) | (349) | (309) | (314) | (645) | (623) | (1,335) |
| Gross impaired loans at end of period | | | | | | | | | |
| Consumer | 789 | 815 | 815 | 798 | 793 | 826 | 789 | 793 | 815 |
| Business and government | 1,153 | 1,169 | 1,102 | 1,057 | 1,038 | 1,099 | 1,153 | 1,038 | 1,102 |
| | 1,942 | 1,984 | 1,917 | 1,855 | 1,831 | 1,925 | 1,942 | 1,831 | 1,917 |

CHANGES IN ALLOWANCE FOR CREDIT LOSSES

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | 2012 6M | 2011 6M | 2011 12M |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total allowance at beginning of period | 1,895 | 1,851 | 1,868 | 1,878 | 1,937 | 1,950 | 1,851 | 1,950 | 1,950 |
| Write-offs | (323) | (322) | (363) | (349) | (309) | (314) | (645) | (623) | (1,335) |
| Recoveries | 43 | 40 | 36 | 37 | 36 | 36 | 83 | 72 | 145 |
| Provision for credit losses | 308 | 338 | 306 | 310 | 245 | 283 | 646 | 528 | 1,144 |
| Interest income on impaired loans | (11) | (16) | (10) | (12) | (12) | (14) | (27) | (26) | (48) |
| Other | (8) | 4 | 14 | 4 | (19) | (4) | (4) | (23) | (5) |
| Total allowance at end of period ² | 1,904 | 1,895 | 1,851 | 1,868 | 1,878 | 1,937 | 1,904 | 1,878 | 1,851 |
| Individual allowance | 437 | 411 | 366 | 361 | 354 | 354 | 437 | 354 | 366 |
| Collective allowance ² | 1,467 | 1,484 | 1,485 | 1,507 | 1,524 | 1,583 | 1,467 | 1,524 | 1,485 |
| Total allowance for credit losses | 1,904 | 1,895 | 1,851 | 1,868 | 1,878 | 1,937 | 1,904 | 1,878 | 1,851 |

¹ Credit card loans which are fully written-off at the earlier of the notice of consumer bankruptcy, settlement proposal, enlistment of credit counselling services, or when payments are contractually 180 days in arrears, are included both in new additions and in write-offs relating to gross impaired loans.

² Includes \$48 million (Q1/12: \$46 million) of allowance on undrawn credit facilities included in Other liabilities on consolidated balance sheet.

PAST DUE LOANS BUT NOT IMPAIRED ¹

(\$ millions)

| | | | | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|-------------------------|----------------------|------------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Less than 31 days | 31 to 90 days | Over 90 days | Total | Total | Total | Total | Total | Total |
| Residential mortgages | 2,058 | 617 | 268 | 2,943 | 3,009 | 3,103 | 3,335 | 3,298 | 3,535 |
| Personal | 462 | 103 | 21 | 586 | 619 | 619 | 652 | 653 | 687 |
| Credit card | 792 | 209 | 144 | 1,145 | 1,145 | 1,241 | 1,417 | 1,276 | 1,357 |
| Business and government | 193 | 123 | 29 | 345 | 306 | 256 | 322 | 496 | 721 |
| | 3,505 | 1,052 | 462 | 5,019 | 5,079 | 5,219 | 5,726 | 5,723 | 6,300 |

¹ Past due loans are loans where repayment of principal or payment of interest is contractually in arrears. The above table provides an ageing analysis of the past due loans.

PROVISION FOR CREDIT LOSSES

(\$ millions)

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|------------|------------|-------------|------------|-------------|------------|
| Provision for credit losses by portfolio: | | | | | | |
| Individual | | | | | | |
| Consumer | | | | | | |
| Residential mortgages | - | (1) | - | - | - | - |
| Personal | - | - | - | 1 | 3 | - |
| Total provision for individual allowance on consumer loans | - | (1) | - | 1 | 3 | - |
| Business and government | | | | | | |
| Non-residential mortgages | 3 | 5 | 4 | 8 | 2 | 1 |
| Financial institutions | - | - | - | 17 | 1 | - |
| Retail and wholesale | 1 | 1 | (4) | (1) | 7 | - |
| Business services | 23 | 8 | 25 | 14 | 17 | 15 |
| Manufacturing - capital goods | 1 | 1 | 24 | (1) | (1) | (1) |
| Manufacturing - consumer goods | 4 | - | (4) | (1) | 1 | - |
| Real estate and construction | 18 | 52 | 7 | 6 | 1 | 5 |
| Agriculture | 1 | (7) | 2 | 2 | - | 4 |
| Oil and gas | - | - | - | (4) | (1) | - |
| Mining | - | 1 | - | - | 2 | - |
| Forest products | - | - | (1) | - | - | - |
| Hardware and software | - | - | 5 | - | - | - |
| Telecommunications and cable | 1 | (5) | 5 | - | - | - |
| Publishing, printing and broadcasting | - | - | - | - | (2) | - |
| Transportation | - | 1 | 1 | - | - | (3) |
| Total provision for individual allowance on business and government loans | 52 | 57 | 64 | 40 | 27 | 21 |
| Total provision for individual allowance | 52 | 56 | 64 | 41 | 30 | 21 |
| Collective | | | | | | |
| Consumer | | | | | | |
| Residential | 10 | 8 | 14 | 7 | 10 | 5 |
| Credit card | 179 | 193 | 180 | 197 | 183 | 186 |
| Personal | 71 | 70 | 65 | 64 | 63 | 72 |
| Provision for collective allowance on consumer loans - impaired ¹ | 260 | 271 | 259 | 268 | 256 | 263 |
| Provision for collective allowance on consumer loans - unimpaired | (14) | (7) | 1 | (15) | (13) | (4) |
| Total provision for collective allowance on consumer loans | 246 | 264 | 260 | 253 | 243 | 259 |
| Business and government | | | | | | |
| Provision for collective allowance on business and government loans - impaired ¹ | 12 | 14 | 7 | 17 | 12 | 8 |
| Provision for collective allowance on business and government loans - unimpaired | (2) | 4 | (25) | (1) | (40) | (5) |
| Total provision for collective allowance on business and government loans | 10 | 18 | (18) | 16 | (28) | 3 |
| Total provision for collective allowance | 256 | 282 | 242 | 269 | 215 | 262 |
| Total provision for credit losses | 308 | 338 | 306 | 310 | 245 | 283 |
| Provision for individual allowance by geography: | | | | | | |
| Consumer | | | | | | |
| Canada | - | (1) | - | 1 | 3 | - |
| | - | (1) | - | 1 | 3 | - |
| Business and government | | | | | | |
| Canada | 5 | (2) | 10 | 8 | 8 | 3 |
| United States | 16 | 26 | 4 | 8 | 5 | 1 |
| Other countries | 31 | 33 | 50 | 24 | 14 | 17 |
| Total provision for individual allowance | 52 | 57 | 64 | 40 | 27 | 21 |
| Total provision for individual allowance | 52 | 56 | 64 | 41 | 30 | 21 |

¹ Includes provision for credit losses on: personal, scored small business loans and mortgages that are greater than 90 days delinquent; and net credit card write-offs.



NET WRITE-OFFS

(\$ millions)

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|------------|------------|------------|------------|------------|------------|
| Net write-offs by portfolio: | | | | | | |
| Consumer | | | | | | |
| Residential mortgages | 3 | 4 | 4 | 7 | 3 | 3 |
| Credit card | 179 | 193 | 180 | 197 | 183 | 186 |
| Personal | 71 | 69 | 64 | 70 | 72 | 75 |
| Net write-offs on consumer loans | 253 | 266 | 248 | 274 | 258 | 264 |
| Business and government | | | | | | |
| Non-residential mortgages | - | - | - | - | - | - |
| Financial institutions | - | - | 1 | 16 | - | - |
| Retail and wholesale | 3 | 3 | 10 | (2) | 5 | 4 |
| Business services | 17 | 3 | 44 | 10 | 4 | 5 |
| Manufacturing - capital goods | - | 1 | 2 | 1 | - | 1 |
| Manufacturing - consumer goods | - | 1 | 8 | 3 | - | 1 |
| Real estate and construction | 3 | 5 | 5 | 5 | 2 | 1 |
| Agriculture | - | 1 | (1) | 1 | 1 | - |
| Oil and gas | - | - | 6 | - | 1 | - |
| Mining | - | - | - | - | - | - |
| Forest products | 1 | - | 1 | 2 | 1 | - |
| Hardware and software | 1 | - | 1 | - | - | 1 |
| Telecommunications and cable | - | - | - | - | (1) | - |
| Publishing, printing and broadcasting | - | - | - | 1 | - | - |
| Transportation | 2 | 1 | 3 | 1 | 1 | 1 |
| Education, health and social services | - | 1 | (1) | - | 1 | - |
| Net write-offs on business and government loans | 27 | 16 | 79 | 38 | 15 | 14 |
| Total net write-offs | 280 | 282 | 327 | 312 | 273 | 278 |

Net write-offs by geography:

| | | | | | | |
|--------------------------------|------------|------------|------------|------------|------------|------------|
| Consumer | | | | | | |
| Canada | 251 | 264 | 248 | 269 | 251 | 262 |
| Other countries | 2 | 2 | - | 5 | 7 | 2 |
| | 253 | 266 | 248 | 274 | 258 | 264 |
| Business and government | | | | | | |
| Canada | 14 | 13 | 37 | 30 | 12 | 14 |
| United States | 1 | 3 | 6 | 5 | - | (1) |
| Other countries | 12 | - | 36 | 3 | 3 | 1 |
| | 27 | 16 | 79 | 38 | 15 | 14 |
| Total net write-offs | 280 | 282 | 327 | 312 | 273 | 278 |

CREDIT RISK FINANCIAL MEASURES

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|--|--------|--------|--------|--------|--------|--------|
| Diversification ratios | | | | | | |
| Gross loans and acceptances | | | | | | |
| Consumer | 80% | 80% | 80% | 81% | 81% | 81% |
| Business and government | 20% | 20% | 20% | 19% | 19% | 19% |
| Canada | 92% | 92% | 93% | 93% | 93% | 92% |
| United States | 3% | 3% | 3% | 2% | 2% | 2% |
| Other countries | 5% | 5% | 4% | 5% | 5% | 6% |
| Net loans and acceptances | | | | | | |
| Consumer | 80% | 80% | 80% | 81% | 81% | 81% |
| Business and government | 20% | 20% | 20% | 19% | 19% | 19% |
| Canada | 92% | 92% | 93% | 93% | 93% | 92% |
| United States | 3% | 3% | 3% | 2% | 2% | 2% |
| Other countries | 5% | 5% | 4% | 5% | 5% | 6% |
| Coverage ratios | | | | | | |
| Allowance for credit losses¹ to gross impaired loans and acceptances (GIL) - segmented and total | | | | | | |
| Consumer | 29% | 27% | 26% | 26% | 27% | 26% |
| Business and government | 40% | 37% | 35% | 36% | 36% | 34% |
| Total | 35% | 33% | 31% | 32% | 32% | 31% |
| Condition ratios | | | | | | |
| GIL-to-gross loans and acceptances | 0.77 % | 0.79 % | 0.77 % | 0.75 % | 0.76 % | 0.80 % |
| Net impaired loans and acceptances (NIL)-to-net loans and acceptances | 0.50 % | 0.53 % | 0.53 % | 0.52 % | 0.52 % | 0.56 % |
| Segmented NIL-to-segmented net loans and acceptances | | | | | | |
| Consumer | 0.28 % | 0.30 % | 0.30 % | 0.30 % | 0.30 % | 0.31 % |
| Business and government | 1.37 % | 1.47 % | 1.47 % | 1.45 % | 1.47 % | 1.60 % |
| Canada | 0.15 % | 0.16 % | 0.18 % | 0.18 % | 0.19 % | 0.21 % |
| United States | 2.48 % | 2.71 % | 2.73 % | 2.86 % | 3.56 % | 4.13 % |
| Other countries | 6.12 % | 6.08 % | 6.24 % | 6.18 % | 5.20 % | 4.77 % |

¹ Represents individual allowance and the portion of collective allowance relating to personal, scored small business loans and mortgages that are greater than 90 days delinquent.

OUTSTANDING DERIVATIVE CONTRACTS - NOTIONAL AMOUNTS

(\$ millions)

| | Q2/12 | | | Q2/12 | | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 | |
|--|---------------------------------------|----------------|-----------------|-----------------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|
| | Residual term to contractual maturity | | | Total notional amount | Analyzed by use | | Total notional amount | | | | |
| | Less than 1 year | 1 - 5 years | Over 5 years | | Trading | ALM ¹ | | | | | |
| Interest rate derivatives | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | |
| Forward rate agreements | 127,735 | 40,224 | - | 167,959 | 165,447 | 2,512 | 132,353 | 121,402 | 135,509 | 83,412 | 64,799 |
| Swap contracts | 211,362 | 535,490 | 98,028 | 844,880 | 578,246 | 266,634 | 860,381 | 936,887 | 912,644 | 862,792 | 805,378 |
| Clearing house settled swap contracts | 40,790 | 71,082 | 21,034 | 132,906 | 115,300 | 17,606 | 80,527 | 23,962 | 14 | - | - |
| Purchased options | 3,566 | 7,458 | 4,654 | 15,678 | 12,992 | 2,686 | 13,916 | 11,581 | 10,591 | 12,515 | 12,446 |
| Written options | 4,312 | 5,252 | 2,282 | 11,846 | 11,546 | 300 | 12,523 | 13,356 | 13,457 | 17,190 | 19,482 |
| | 387,765 | 659,506 | 125,998 | 1,173,269 | 883,531 | 289,738 | 1,099,700 | 1,107,188 | 1,072,215 | 975,909 | 902,105 |
| Exchange-traded | | | | | | | | | | | |
| Futures contracts | 38,357 | 9,918 | - | 48,275 | 43,540 | 4,735 | 51,603 | 42,665 | 50,789 | 44,239 | 47,180 |
| Purchased options | 5,182 | 3,952 | - | 9,134 | 9,134 | - | 18,586 | 24,233 | 70,396 | 55,188 | 42,192 |
| Written options | 4,199 | 3,952 | - | 8,151 | 8,151 | - | 21,593 | 29,466 | 99,730 | 88,477 | 69,933 |
| | 47,738 | 17,822 | - | 65,560 | 60,825 | 4,735 | 91,782 | 96,364 | 220,915 | 187,904 | 159,305 |
| Total interest rate derivatives | 435,503 | 677,328 | 125,998 | 1,238,829 | 944,356 | 294,473 | 1,191,482 | 1,203,552 | 1,293,130 | 1,163,813 | 1,061,410 |
| Foreign exchange derivatives | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | |
| Forward contracts | 154,302 | 7,286 | 178 | 161,766 | 152,684 | 9,082 | 156,971 | 136,141 | 136,544 | 115,967 | 111,380 |
| Swap contracts | 23,866 | 83,791 | 23,094 | 130,751 | 115,462 | 15,289 | 128,919 | 125,955 | 120,592 | 111,655 | 108,016 |
| Purchased options | 7,998 | 883 | 104 | 8,985 | 8,971 | 14 | 7,892 | 9,475 | 9,758 | 9,956 | 11,496 |
| Written options | 8,400 | 733 | 168 | 9,301 | 9,076 | 225 | 8,534 | 8,566 | 9,110 | 7,854 | 9,787 |
| | 194,566 | 92,693 | 23,544 | 310,803 | 286,193 | 24,610 | 302,316 | 280,137 | 276,004 | 245,432 | 240,679 |
| Exchange-traded | | | | | | | | | | | |
| Futures contracts | 13 | - | - | 13 | 13 | - | 17 | 20 | 22 | 18 | 30 |
| Total foreign exchange derivatives | 194,579 | 92,693 | 23,544 | 310,816 | 286,206 | 24,610 | 302,333 | 280,157 | 276,026 | 245,450 | 240,709 |
| Credit derivatives | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | |
| Total return swap contracts - payable | - | 2,545 | - | 2,545 | 2,545 | - | 2,573 | 2,612 | 2,538 | 2,811 | 2,900 |
| Credit default swap contracts - purchased | 455 | 12,354 | 343 | 13,152 | 13,068 | 84 | 13,329 | 15,740 | 15,703 | 20,142 | 22,172 |
| Credit default swap contracts - written | 1,088 | 6,064 | 260 | 7,412 | 7,412 | - | 7,521 | 7,642 | 10,186 | 10,434 | 10,855 |
| Total credit derivatives | 1,543 | 20,963 | 603 | 23,109 | 23,025 | 84 | 23,423 | 25,994 | 28,427 | 33,387 | 35,927 |
| Equity derivatives² | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | |
| | 26,072 | 1,304 | 54 | 27,430 | 26,818 | 612 | 26,672 | 24,403 | 23,500 | 21,521 | 20,202 |
| Exchange-traded | | | | | | | | | | | |
| | 2,076 | 195 | - | 2,271 | 2,271 | - | 3,842 | 3,853 | 2,759 | 2,490 | 2,299 |
| Total equity derivatives | 28,148 | 1,499 | 54 | 29,701 | 29,089 | 612 | 30,514 | 28,256 | 26,259 | 24,011 | 22,501 |
| Precious metal derivatives² | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | |
| | 5,444 | 70 | - | 5,514 | 5,514 | - | 7,162 | 1,906 | 580 | 1,619 | 915 |
| Exchange-traded | | | | | | | | | | | |
| | 68 | 40 | - | 108 | 108 | - | 121 | 257 | 60 | 125 | 57 |
| Total precious metal derivatives | 5,512 | 110 | - | 5,622 | 5,622 | - | 7,283 | 2,163 | 640 | 1,744 | 972 |
| Other commodity derivatives² | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | |
| | 6,462 | 5,322 | 23 | 11,807 | 11,807 | - | 10,392 | 8,399 | 9,408 | 9,115 | 6,845 |
| Exchange-traded | | | | | | | | | | | |
| | 8,155 | 4,640 | 12 | 12,807 | 12,807 | - | 11,909 | 11,339 | 9,723 | 8,700 | 6,845 |
| Total other commodity derivatives | 14,617 | 9,962 | 35 | 24,614 | 24,614 | - | 22,301 | 19,738 | 19,131 | 17,815 | 13,690 |
| Total notional amount | 679,902 | 802,555 | 150,234 | 1,632,691 | 1,312,912 | 319,779 | 1,577,336 | 1,559,860 | 1,643,613 | 1,486,220 | 1,375,209 |

¹ ALM: Asset/liability management.

² Comprises forwards, futures, swaps, and options.

FAIR VALUE OF FINANCIAL INSTRUMENTS

| (\$ millions) | Q2/12 | | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|--|--|------------|------------------------------------|-------|-------|-------|-------|-------|
| | Book value (includes AFS securities at amortized cost) | Fair value | Fair value over (under) book value | | | | | |
| Assets | | | | | | | | |
| Cash and deposits with banks | 6,157 | 6,157 | - | - | - | - | - | - |
| Securities | 62,088 | 62,538 | 450 | 568 | 518 | 698 | 461 | 439 |
| Cash collateral on securities borrowed | 3,116 | 3,116 | - | - | - | - | - | - |
| Securities purchased under resale agreements | 23,444 | 23,444 | - | - | - | - | - | - |
| Loans, net of allowance | 242,455 | 242,605 | 150 | 992 | 1,589 | 1,414 | 778 | 1,021 |
| Derivative instruments | 25,911 | 25,911 | - | - | - | - | - | - |
| Customers' liability under acceptances | 9,032 | 9,032 | - | - | - | - | - | - |
| Other assets | 6,216 | 6,216 | - | 3 | 4 | 3 | 4 | 6 |
| Liabilities | | | | | | | | |
| Deposits | 244,207 | 244,840 | 633 | 881 | 944 | 878 | 1,267 | 1,566 |
| Obligations related to securities sold short | 9,891 | 9,891 | - | - | - | - | - | - |
| Cash collateral on securities lent | 3,041 | 3,041 | - | - | - | - | - | - |
| Secured borrowings | 52,904 | 53,217 | 313 | 229 | 143 | 191 | 62 | 121 |
| Capital Trust securities | 1,617 | 2,051 | 434 | 358 | 476 | 561 | 540 | 460 |
| Obligations related to securities sold under repurchase agreements | 7,803 | 7,803 | - | - | - | - | - | - |
| Derivative instruments | 26,166 | 26,166 | - | - | - | - | - | - |
| Acceptances | 9,032 | 9,032 | - | - | - | - | - | - |
| Other liabilities | 8,232 | 8,232 | - | - | - | - | - | - |
| Subordinated indebtedness | 5,112 | 5,484 | 372 | 504 | 395 | 272 | 212 | 200 |

FAIR VALUE OF AFS SECURITIES

| (\$ millions) | Q2/12 | | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|----------------|---------------|-------------------------------|------------|------------|------------|------------|------------|
| | Amortized cost | Fair value | Unrealized net gains (losses) | | | | | |
| AFS securities | | | | | | | | |
| Government debt (issued or guaranteed) | 16,506 | 16,601 | 95 | 215 | 137 | 147 | 28 | (1) |
| Asset / mortgage-backed securities | 2,619 | 2,648 | 29 | 53 | 63 | 60 | 31 | 43 |
| Debt | 4,520 | 4,545 | 25 | 5 | - | 2 | 3 | 18 |
| Equity | 435 | 736 | 301 | 295 | 318 | 489 | 399 | 379 |
| Total fair value of AFS securities | 24,080 | 24,530 | 450 | 568 | 518 | 698 | 461 | 439 |

FAIR VALUE OF DERIVATIVE INSTRUMENTS

| (\$ millions) | Q2/12 | | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|---------------|---------------|-----------------|--------------|--------------|------------|--------------|--------------|
| | Positive | Negative | Fair value, net | | | | | |
| Total held for trading purposes | 22,996 | 23,921 | (925) | (1,255) | (1,343) | 222 | (233) | (309) |
| Total held for ALM purposes | 2,915 | 2,245 | 670 | 835 | 821 | 590 | (220) | (121) |
| Total fair value ¹ | 25,911 | 26,166 | (255) | (420) | (522) | 812 | (453) | (430) |
| Average fair values of derivatives during the quarter | 27,895 | 28,231 | (336) | (375) | 703 | 128 | (705) | (596) |

¹ Includes positive and negative fair values of \$200 million (Q1/12: \$225 million) and \$200 million (Q1/12: \$183 million) for exchange-traded contracts.

INTEREST RATE SENSITIVITY^{1, 2}

| (\$ millions) | within 3 months | 3 to 12 months | Total within 1 year | 1 to 5 years | Over 5 years | Non-interest rate sensitive | Total |
|---|--------------------|-------------------|---------------------------|-----------------|-----------------|-----------------------------------|-----------|
| Q2/12 | | | | | | | |
| Canadian currency | | | | | | | |
| Assets | 163,885 | 31,738 | 195,623 | 70,750 | 9,417 | 46,104 | 321,894 |
| Structural assumptions³ | (9,596) | 4,139 | (5,457) | 8,514 | - | (3,057) | - |
| Liabilities and equity | (164,382) | (35,961) | (200,343) | (49,072) | (13,155) | (59,324) | (321,894) |
| Structural assumptions³ | 15,637 | (19,326) | (3,689) | (23,589) | - | 27,278 | - |
| Off-balance sheet | (24,769) | 22,117 | (2,652) | (1,121) | 3,773 | - | - |
| Gap | (19,225) | 2,707 | (16,518) | 5,482 | 35 | 11,001 | - |
| Foreign currencies | | | | | | | |
| Assets | 49,338 | 3,551 | 52,889 | 5,831 | 1,298 | 5,546 | 65,564 |
| Liabilities and equity | (35,773) | (4,262) | (40,035) | (16,504) | (1,656) | (7,369) | (65,564) |
| Off-balance sheet | (14,216) | 626 | (13,590) | 13,123 | 467 | - | - |
| Gap | (651) | (85) | (736) | 2,450 | 109 | (1,823) | - |
| Total gap | (19,876) | 2,622 | (17,254) | 7,932 | 144 | 9,178 | - |
| Q1/12 | | | | | | | |
| Canadian currency | (18,548) | 4,599 | (13,949) | 4,940 | (175) | 9,184 | - |
| Foreign currencies | (329) | 1,385 | 1,056 | 967 | 16 | (2,039) | - |
| Total gap | (18,877) | 5,984 | (12,893) | 5,907 | (159) | 7,145 | - |
| Q4/11 | | | | | | | |
| Canadian currency | (8,824) | (3,899) | (12,723) | 7,325 | (685) | 6,083 | - |
| Foreign currencies | (3,689) | 3,498 | (191) | 1,347 | 752 | (1,908) | - |
| Total gap | (12,513) | (401) | (12,914) | 8,672 | 67 | 4,175 | - |
| Q3/11 | | | | | | | |
| Canadian currency | 13,976 | (13,721) | 255 | (4,792) | 705 | 3,832 | - |
| Foreign currencies | 1,742 | 1,107 | 2,849 | (459) | 203 | (2,593) | - |
| Total gap | 15,718 | (12,614) | 3,104 | (5,251) | 908 | 1,239 | - |
| Q2/11 | | | | | | | |
| Canadian currency | 10,106 | (17,714) | (7,608) | 3,141 | (38) | 4,505 | - |
| Foreign currencies | 467 | (188) | 279 | 384 | 1,760 | (2,423) | - |
| Total gap | 10,573 | (17,902) | (7,329) | 3,525 | 1,722 | 2,082 | - |
| Q1/11 | | | | | | | |
| Canadian currency | (1,534) | (5,145) | (6,679) | 4,208 | (916) | 3,387 | - |
| Foreign currencies | (1,767) | 2,602 | 835 | 221 | 1,269 | (2,325) | - |
| Total gap | (3,301) | (2,543) | (5,844) | 4,429 | 353 | 1,062 | - |

¹ On- and off-balance sheet financial instruments have been reported on the earlier of their contractual repricing or maturity dates. Certain contractual repricing and repayment dates have been adjusted according to management's estimates for prepayments and early redemptions.

² Based on the interest rate sensitivity profile as at April 30, 2012, as adjusted for structural assumptions, estimated prepayments and early withdrawals, an immediate 1% increase in interest rates across all maturities would increase net income after taxes by approximately \$51 million (\$133 million increase as at January 31, 2012) over the next 12 months, and decrease equity as measured on a present value basis by approximately \$330 million (\$151 million decrease as at January 31, 2012).

³ We manage our interest rate gap by inputting a duration to certain assets and liabilities based on historical and forecasted trends in core balances.

REGULATORY CAPITAL ¹

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|--------------------|---------|---------|---------|---------|---------|
| Tier 1 capital | | | | | | |
| Common shares ² | 7,681 | 7,537 | 7,376 | 7,254 | 7,116 | 6,951 |
| Contributed surplus | 86 | 87 | 90 | 89 | 90 | 96 |
| Retained earnings | 6,276 | 5,873 | 7,605 | 7,208 | 6,801 | 6,509 |
| Adjustment for transition to IFRS ³ | 823 | 1,097 | - | - | - | - |
| Net after-tax fair value losses arising from changes in institution's own credit risk | - | 1 | - | 1 | - | 2 |
| Foreign currency translation adjustments | (122) | (66) | (650) | (796) | (829) | (640) |
| Non-cumulative preferred shares | 2,006 | 2,306 | 2,756 | 2,756 | 3,156 | 3,156 |
| Innovative instruments ⁴ | 1,617 | 1,679 | 1,600 | 1,575 | 1,596 | 1,599 |
| Certain non-controlling interests in subsidiaries | 163 | 163 | 164 | 156 | 156 | 163 |
| Goodwill | (1,671) | (1,681) | (1,894) | (1,855) | (1,847) | (1,895) |
| Gains on sale of applicable securitized assets | - | - | (60) | (58) | (62) | (65) |
| Other deductions | (41) | (73) | - | - | - | - |
| 50/50 deductions from each of Tier 1 and Tier 2 ⁵ | (897) | (946) | (779) | (426) | (521) | (576) |
| | 15,921 | 15,977 | 16,208 | 15,904 | 15,656 | 15,300 |
| Tier 2 capital | | | | | | |
| Perpetual subordinated indebtedness | 232 | 236 | 234 | 253 | 251 | 265 |
| Other subordinated indebtedness (net of amortization) | 4,402 ⁶ | 4,676 | 4,741 | 4,736 | 4,720 | 4,721 |
| Net after-tax unrealized holding gains on AFS equity securities | 202 | 175 | 5 | 6 | 8 | 7 |
| Eligible allowance | 150 | 109 | 108 | 110 | 110 | 118 |
| 50/50 deductions from each of Tier 1 and Tier 2 ⁵ | (897) | (946) | (779) | (426) | (521) | (576) |
| Investment in insurance activities ⁵ | - | - | (230) | (200) | (177) | (180) |
| | 4,089 | 4,250 | 4,079 | 4,479 | 4,391 | 4,355 |
| Total regulatory capital | 20,010 | 20,227 | 20,287 | 20,383 | 20,047 | 19,655 |
| Total risk-weighted assets | 113,255 | 111,480 | 109,968 | 108,954 | 106,336 | 106,986 |
| Tier 1 capital ratio | 14.1% | 14.3% | 14.7% | 14.6% | 14.7% | 14.3% |
| Total capital ratio | 17.7% | 18.1% | 18.4% | 18.7% | 18.9% | 18.4% |

¹ Basel II standards require that banks maintain a minimum Tier 1 and Total capital ratios of 4% and 8%, respectively. The Office of the Superintendent of Financial Institutions (OSFI) has established that Canadian deposit-taking institutions maintain Tier 1 and Total capital ratios of at least 7% and 10%, respectively.

² Excludes short trading positions in CIBC common shares.

³ Incorporates OSFI's IFRS transitional relief election over five quarters starting November 1, 2011.

⁴ On March 13, 2009 CIBC Capital Trust, wholly owned by CIBC, issued \$1.3 billion of 9.976% CIBC Tier 1 Notes - Series A due June 30, 2108 and \$300 million of 10.25% CIBC Tier 1 Notes - Series B due June 30, 2108 (together, the Tier 1 Notes). The Tier 1 Notes qualify as our Tier 1 regulatory capital.

⁵ Items which are deducted 50% from each of Tier 1 capital and Tier 2 capital include allowance shortfall calculated under advanced internal ratings-based (AIRB) approach, securitization exposures (other than gain on sale of applicable securitized assets), investment in insurance activities and substantial investments in unconsolidated entities. Prior to Q1/12, investment in insurance activities was deducted 100% from Tier 2 capital in accordance with the OSFI's transition rules.

⁶ Excludes \$262 million (€200 million) of our floating rate Debentures (subordinated indebtedness) due June 22, 2017. CIBC has notified holders of its intention to redeem the Debentures at 100% of their principal value, and accrued but unpaid interest, on June 22, 2012.

RISK-WEIGHTED ASSETS

| (\$ billions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Credit risk | | | | | | |
| <u>Standardized approach</u> | | | | | | |
| Corporate | 3.7 | 3.7 | 3.7 | 3.8 | 3.5 | 4.0 |
| Sovereign | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | 0.4 |
| Banks | 0.1 | 0.2 | 0.4 | 0.3 | 0.4 | 0.4 |
| Real estate secured personal lending | 1.7 | 1.7 | 1.7 | 1.6 | 1.6 | 1.6 |
| Other retail | 1.8 | 1.9 | 2.0 | 2.0 | 2.1 | 2.3 |
| | 8.0 | 8.2 | 8.5 | 8.4 | 8.2 | 8.7 |
| <u>AIRB approach</u> | | | | | | |
| Corporate | 37.6 | 36.1 | 35.0 | 33.3 | 31.4 | 31.4 |
| Sovereign | 1.8 | 1.8 | 1.5 | 1.5 | 1.8 | 1.6 |
| Banks | 3.3 | 2.8 | 3.1 | 3.2 | 3.8 | 4.0 |
| Real estate secured personal lending | 4.8 | 4.7 | 4.9 | 5.0 | 4.5 | 4.3 |
| Qualifying revolving retail | 14.7 | 15.4 | 15.5 | 15.7 | 14.3 | 14.5 |
| Other retail | 5.8 | 5.7 | 5.8 | 5.8 | 5.8 | 5.6 |
| Equity | 0.8 | 0.8 | 0.6 | 0.6 | 0.5 | 0.6 |
| Trading book | 2.6 | 2.8 | 2.6 | 2.2 | 2.3 | 2.2 |
| Securitization ¹ | 2.7 | 2.4 | 2.1 | 2.2 | 2.3 | 2.5 |
| Adjustment for scaling factor | 4.4 | 4.4 | 4.3 | 4.2 | 4.0 | 4.0 |
| | 78.5 | 76.9 | 75.4 | 73.7 | 70.7 | 70.7 |
| Other credit risk-weighted assets | 5.7 | 5.5 | 6.2 | 6.6 | 6.4 | 6.6 |
| Total credit risk | 92.2 | 90.6 | 90.1 | 88.7 | 85.3 | 86.0 |
| Market risk (Internal Models and IRB Approach) ¹ | 2.8 | 2.5 | 1.7 | 2.1 | 2.6 | 2.6 |
| Operational risk (Advanced Measurement Approach) | 18.3 | 18.4 | 18.2 | 18.2 | 18.4 | 18.4 |
| Total risk-weighted assets | 113.3 | 111.5 | 110.0 | 109.0 | 106.3 | 107.0 |

¹ Commencing Q1/12, we implemented changes to the capital requirements for securitization transactions outlined in the Basel Committee on Banking Supervision "Enhancements to the Basel II Framework" and changes to the trading book capital rules "Revisions to the Basel II Market Risk Framework".

GROSS CREDIT EXPOSURE ¹ (EXPOSURE AT DEFAULT)

(\$ millions)

| | Q2/12 | | Q1/12 | | Q4/11 | | Q3/11 | | Q2/11 | | Q1/11 | |
|---|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach |
| Business and government portfolios | | | | | | | | | | | | |
| Corporate | | | | | | | | | | | | |
| Drawn | 41,766 | 3,561 | 39,987 | 3,617 | 39,509 | 3,559 | 37,474 | 3,611 | 34,862 | 3,417 | 33,945 | 3,737 |
| Undrawn commitments | 26,253 | 185 | 25,783 | 101 | 24,303 | 139 | 23,421 | 146 | 22,102 | 100 | 21,053 | 205 |
| Repo-style transactions | 30,819 | 325 | 29,366 | 98 | 28,055 | 139 | 28,007 | 136 | 28,040 | - | 28,645 | - |
| Other off-balance sheet | 10,225 | 170 | 8,940 | 183 | 5,204 | 191 | 5,532 | 182 | 6,262 | 175 | 6,356 | 178 |
| OTC derivatives | 3,862 | - | 3,896 | - | 3,909 | - | 3,812 | - | 4,150 | - | 4,091 | 29 |
| | 112,925 | 4,241 | 107,972 | 3,999 | 100,980 | 4,028 | 98,246 | 4,075 | 95,416 | 3,692 | 94,090 | 4,149 |
| Sovereign | | | | | | | | | | | | |
| Drawn | 19,527 | 2,601 | 24,937 | 2,631 | 39,716 | 3,792 | 44,611 | 3,820 | 66,032 | 3,513 | 50,819 | 3,159 |
| Undrawn commitments | 5,096 | - | 4,709 | - | 4,791 | - | 4,474 | - | 4,783 | - | 4,555 | - |
| Repo-style transactions | 5,259 | - | 1,528 | - | 1,893 | - | 1,960 | - | 1,655 | - | 2,326 | - |
| Other off-balance sheet | 270 | - | 347 | - | 410 | - | 410 | - | 318 | - | 297 | - |
| OTC derivatives | 2,992 | - | 2,737 | - | 2,572 | - | 3,119 | - | 2,443 | - | 1,876 | - |
| | 33,144 | 2,601 | 34,258 | 2,631 | 49,382 | 3,792 | 54,574 | 3,820 | 75,231 | 3,513 | 59,873 | 3,159 |
| Banks | | | | | | | | | | | | |
| Drawn | 13,145 | 606 | 12,831 | 894 | 12,960 | 1,854 | 14,033 | 1,537 | 16,513 | 1,487 | 18,529 | 1,633 |
| Undrawn commitments | 682 | - | 654 | - | 613 | - | 499 | - | 629 | - | 707 | - |
| Repo-style transactions | 15,450 | - | 20,600 | - | 25,342 | 362 | 40,833 | 358 | 51,320 | 297 | 56,202 | 295 |
| Other off-balance sheet | 46,451 | - | 46,020 | - | 43,825 | - | 45,411 | - | 43,059 | - | 43,415 | - |
| OTC derivatives | 8,145 | 4 | 8,604 | 6 | 7,948 | 5 | 7,931 | 5 | 7,392 | 8 | 7,080 | 4 |
| | 83,873 | 610 | 88,709 | 900 | 90,688 | 2,221 | 108,707 | 1,900 | 118,913 | 1,792 | 125,933 | 1,932 |
| Gross business and government portfolios | 229,942 | 7,452 | 230,939 | 7,530 | 241,050 | 10,041 | 261,527 | 9,795 | 289,560 | 8,997 | 279,896 | 9,240 |
| Less: Repo-style transaction collateral | 45,506 | - | 46,503 | - | 50,106 | - | 66,553 | - | 76,520 | - | 81,869 | - |
| Net business and government portfolios | 184,436 | 7,452 | 184,436 | 7,530 | 190,944 | 10,041 | 194,974 | 9,795 | 213,040 | 8,997 | 198,027 | 9,240 |
| Retail portfolios | | | | | | | | | | | | |
| Real estate secured personal lending | | | | | | | | | | | | |
| Drawn | 165,547 | 2,182 | 165,238 | 2,222 | 115,024 | 2,218 | 116,776 | 2,118 | 112,688 | 2,088 | 109,408 | 2,195 |
| Undrawn commitments | 28,857 | - | 27,758 | - | 27,993 | - | 27,722 | - | 29,031 | - | 26,703 | - |
| | 194,404 | 2,182 | 192,996 | 2,222 | 143,017 | 2,218 | 144,498 | 2,118 | 141,719 | 2,088 | 136,111 | 2,195 |
| Qualifying revolving retail | | | | | | | | | | | | |
| Drawn | 21,244 | - | 21,136 | - | 21,338 | - | 20,911 | - | 20,702 | - | 20,835 | - |
| Undrawn commitments | 40,383 | - | 41,289 | - | 40,586 | - | 41,033 | - | 40,791 | - | 40,383 | - |
| Other off-balance sheet | 389 | - | 302 | - | 396 | - | 379 | - | 367 | - | 365 | - |
| | 62,016 | - | 62,727 | - | 62,320 | - | 62,323 | - | 61,860 | - | 61,583 | - |
| Other retail | | | | | | | | | | | | |
| Drawn | 8,011 | 2,352 | 7,879 | 2,434 | 7,963 | 2,541 | 8,118 | 2,633 | 8,102 | 2,764 | 8,056 | 2,910 |
| Undrawn commitments | 1,266 | 19 | 1,285 | 20 | 1,302 | 20 | 1,311 | 19 | 1,314 | 19 | 1,316 | 20 |
| Other off-balance sheet | 31 | 17 | 33 | 13 | 32 | 16 | 32 | - | 33 | - | 34 | - |
| | 9,308 | 2,388 | 9,197 | 2,467 | 9,297 | 2,577 | 9,461 | 2,652 | 9,449 | 2,783 | 9,406 | 2,930 |
| Total retail portfolios | 265,728 | 4,570 | 264,920 | 4,689 | 214,634 | 4,795 | 216,282 | 4,770 | 213,028 | 4,871 | 207,100 | 5,125 |
| Securitization exposures | 19,116 | - | 19,181 | - | 19,488 | - | 22,394 | - | 24,694 | - | 26,196 | - |
| Gross credit exposure | 514,786 | 12,022 | 515,040 | 12,219 | 475,172 | 14,836 | 500,203 | 14,565 | 527,282 | 13,868 | 513,192 | 14,365 |
| Less: Repo-style transaction collateral | 45,506 | - | 46,503 | - | 50,106 | - | 66,553 | - | 76,520 | - | 81,869 | - |
| Net credit exposure | 469,280 | 12,022 | 468,537 | 12,219 | 425,066 | 14,836 | 433,650 | 14,565 | 450,762 | 13,868 | 431,323 | 14,365 |

¹ Gross credit exposure after credit valuation adjustments for financial guarantors, and before allowance for credit losses.

CREDIT EXPOSURE - GEOGRAPHIC CONCENTRATION ¹

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Business and government | | | | | | |
| Canada | | | | | | |
| Drawn | 50,335 | 53,252 | 70,941 | 61,774 | 67,500 | 70,277 |
| Undrawn commitments | 27,322 | 26,821 | 25,421 | 24,646 | 23,879 | 22,636 |
| Repo-style transactions | 4,012 | 3,327 | 3,126 | 2,186 | 2,298 | 2,835 |
| Other off-balance sheet | 43,687 | 46,338 | 39,001 | 40,629 | 36,203 | 37,580 |
| OTC derivatives | 7,061 | 6,607 | 6,365 | 7,371 | 6,715 | 5,729 |
| | 132,417 | 136,345 | 144,854 | 136,606 | 136,595 | 139,057 |
| United States | | | | | | |
| Drawn | 15,994 | 16,796 | 12,650 | 24,577 | 38,168 | 20,306 |
| Undrawn commitments | 3,502 | 3,239 | 3,397 | 3,007 | 2,822 | 2,661 |
| Repo-style transactions | 1,228 | 1,359 | 1,547 | 1,527 | 1,680 | 1,963 |
| Other off-balance sheet | 8,096 | 5,107 | 5,204 | 4,638 | 5,789 | 5,338 |
| OTC derivatives | 2,721 | 3,103 | 2,774 | 2,737 | 3,092 | 2,879 |
| | 31,541 | 29,604 | 25,572 | 36,486 | 51,551 | 33,147 |
| Europe | | | | | | |
| Drawn | 4,134 | 4,050 | 5,086 | 6,043 | 8,070 | 7,956 |
| Undrawn commitments | 700 | 486 | 381 | 362 | 467 | 471 |
| Repo-style transactions | 664 | 237 | 429 | 373 | 431 | 343 |
| Other off-balance sheet | 4,895 | 3,656 | 5,050 | 5,821 | 6,886 | 6,535 |
| OTC derivatives | 4,708 | 5,055 | 4,664 | 4,310 | 3,827 | 3,960 |
| | 15,101 | 13,484 | 15,610 | 16,909 | 19,681 | 19,265 |
| Other countries | | | | | | |
| Drawn | 3,975 | 3,657 | 3,508 | 3,724 | 3,669 | 4,754 |
| Undrawn commitments | 507 | 600 | 508 | 379 | 346 | 547 |
| Repo-style transactions | 118 | 68 | 82 | 161 | 86 | 163 |
| Other off-balance sheet | 268 | 206 | 184 | 265 | 761 | 615 |
| OTC derivatives | 509 | 472 | 626 | 444 | 351 | 479 |
| | 5,377 | 5,003 | 4,908 | 4,973 | 5,213 | 6,558 |
| | 184,436 | 184,436 | 190,944 | 194,974 | 213,040 | 198,027 |

¹ This table provides information of our business and government exposures under the AIRB approach. Substantially, all our retail exposures under the AIRB approach are based in Canada. Gross credit exposure after credit valuation adjustments for financial guarantors, and before allowance for credit losses.

CREDIT RISK ASSOCIATED WITH DERIVATIVES

(\$ millions)

| | Current replacement cost ¹ | | | Credit equivalent amount ² | Risk-weighted amount | | | | | |
|---|---------------------------------------|--------------|---------------|---------------------------------------|----------------------|--------------|--------------|--------------|--------------|--------------|
| | Trading | ALM | Total | | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
| Interest rate derivatives | | | | | | | | | | |
| Forward rate agreements | 90 | - | 90 | 44 | 8 | 10 | 7 | 7 | 7 | 7 |
| Swap contracts | 15,738 | 2,407 | 18,145 | 4,580 | 1,308 | 1,505 | 1,373 | 1,046 | 947 | 1,015 |
| Purchased options | 398 | 34 | 432 | 76 | 22 | 21 | 20 | 19 | 18 | 23 |
| | 16,226 | 2,441 | 18,667 | 4,700 | 1,338 | 1,536 | 1,400 | 1,072 | 972 | 1,045 |
| Foreign exchange derivatives | | | | | | | | | | |
| Forward contracts | 1,254 | 19 | 1,273 | 1,230 | 247 | 267 | 296 | 277 | 293 | 218 |
| Swap contracts | 3,445 | 453 | 3,898 | 3,818 | 720 | 731 | 770 | 729 | 725 | 689 |
| Purchased options | 109 | 1 | 110 | 81 | 26 | 20 | 32 | 31 | 37 | 31 |
| | 4,808 | 473 | 5,281 | 5,129 | 993 | 1,018 | 1,098 | 1,037 | 1,055 | 938 |
| Credit derivatives ³ | | | | | | | | | | |
| Credit default swap contracts - purchased | 783 | - | 783 | 827 | 475 | 516 | 613 | 527 | 898 | 1,202 |
| | 783 | - | 783 | 827 | 475 | 516 | 613 | 527 | 898 | 1,202 |
| Equity derivatives ⁴ | 225 | - | 225 | 770 | 58 | 54 | 47 | 52 | 45 | 165 |
| Precious metal derivatives ⁴ | 51 | - | 51 | 27 | 11 | 38 | 13 | 3 | 17 | 7 |
| Other commodity derivatives ⁴ | 704 | - | 704 | 1,214 | 380 | 347 | 242 | 293 | 412 | 270 |
| | 22,797 | 2,914 | 25,711 | 12,667 | 3,255 | 3,509 | 3,413 | 2,984 | 3,399 | 3,627 |
| Less: effect of master netting agreements | (18,602) | - | (18,602) | - | - | - | - | - | - | - |
| Total | 4,195 | 2,914 | 7,109 | 12,667 | 3,255 | 3,509 | 3,413 | 2,984 | 3,399 | 3,627 |

¹ Exchange-traded contracts with a replacement cost of \$200 million (Q1/12: \$225 million) are excluded in accordance with the guidelines of the Office of the Superintendent of Financial Institutions, Canada (OSFI).

² Sum of current replacement cost and potential credit exposure, adjusted for the master netting agreements and the impact of collateral amounting to \$2,327 million (Q1/12: \$2,607 million). The collateral comprises cash of \$2,128 million (Q1/12: \$2,307 million) and government securities of \$199 million (Q1/12: \$300 million).

³ Written ALM credit derivatives are treated as guarantee commitments; bought ALM credit derivatives meeting hedge effectiveness criteria under Basel II are treated as credit risk mitigation with no counterparty credit risk charge; and bought ALM credit derivatives not meeting the hedge effectiveness criteria under Basel II receive a counterparty credit risk charge.

⁴ Comprises forwards, swaps, and options.

MAPPING OF INTERNAL RATINGS WITH EXTERNAL RATING AGENCIES ¹

| Grade | CIBC rating | Standard & Poor's equivalent | Moody's Investors Service equivalent |
|----------------------|-------------|---------------------------------|--|
| Investment grade | 00 - 47 | AAA to BBB- | Aaa to Baa3 |
| Non-investment grade | 51 - 67 | BB+ to B- | Ba1 to B3 |
| Watchlist | 70 - 80 | CCC+ to CC | Caa1 to Ca |
| Default | 90 | D | C |

PD BANDS TO VARIOUS RISK LEVELS ²

| Risk level | PD bands |
|-------------------|-----------------|
| Exceptionally low | 0.01% - 0.20% |
| Very low | 0.21% - 0.50% |
| Low | 0.51% - 2.00% |
| Medium | 2.01% - 10.00% |
| High | 10.01% - 99.99% |
| Default | 100.00% |

¹ The above table for mapping of internal ratings with external rating agencies is used for business and government exposures under risk-rating method.

² The above table for PD bands to various risk levels is used for retail portfolios.

CREDIT QUALITY OF AIRB EXPOSURE - BUSINESS AND GOVERNMENT PORTFOLIOS (RISK RATING METHOD) ¹

(\$ millions)

| | Q2/12 | | | | | | Q1/12 | | | | | |
|---|----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|
| | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % |
| Corporate | | | | | | | | | | | | |
| Investment grade | 48,554 | 24,797 | 76% | 0.18% | 30% | 27% | 45,440 | 24,441 | 76% | 0.18% | 31% | 28% |
| Non-investment grade | 28,207 | 12,918 | 57% | 1.65% | 29% | 57% | 27,027 | 12,519 | 56% | 1.62% | 29% | 56% |
| Watchlist | 632 | 48 | 44% | 16.41% | 40% | 193% | 625 | 71 | 46% | 16.26% | 40% | 195% |
| Default | 911 | 73 | 48% | 100.00% | 39% | 245% | 907 | 60 | 47% | 100.00% | 39% | 253% |
| | 78,304 | 37,836 | 69% | 2.00% | 30% | 42% | 73,999 | 37,091 | 69% | 2.07% | 30% | 42% |
| Sovereign | | | | | | | | | | | | |
| Investment grade | 27,548 | 6,103 | 79% | 0.02% | 10% | 3% | 32,435 | 5,838 | 79% | 0.02% | 9% | 2% |
| Non-investment grade | 561 | 453 | 64% | 0.90% | 11% | 23% | 452 | 283 | 44% | 1.08% | 13% | 27% |
| Watchlist | - | - | - | 15.27% | - | - | - | - | - | 15.27% | - | - |
| Default | - | - | - | 100.00% | - | - | - | - | - | 100.00% | - | - |
| | 28,109 | 6,556 | 78% | 0.04% | 10% | 3% | 32,887 | 6,121 | 77% | 0.03% | 9% | 3% |
| Banks | | | | | | | | | | | | |
| Investment grade | 68,368 | 973 | 70% | 0.11% | 12% | 6% | 67,767 | 792 | 69% | 0.10% | 11% | 6% |
| Non-investment grade | 2,084 | 8 | 34% | 2.28% | 18% | 39% | 2,192 | 163 | 67% | 1.82% | 17% | 36% |
| Watchlist | 9 | 3 | 70% | 15.27% | 20% | 93% | 2 | 3 | 70% | 15.27% | 5% | 26% |
| Default | - | - | - | 100.00% | - | - | - | - | - | 100.00% | - | - |
| | 70,461 | 984 | 69% | 0.17% | 13% | 7% | 69,961 | 958 | 68% | 0.16% | 11% | 7% |
| | 176,874 | 45,376 | 70% | 0.96% | 20% | 22% | 176,847 | 44,170 | 70% | 0.93% | 19% | 21% |
| Commercial mortgages (Slotting approach) | | | | | | | | | | | | |
| Strong | 7,169 | | | | | | 7,222 | | | | | |
| Good | 243 | | | | | | 253 | | | | | |
| Satisfactory | 80 | | | | | | 44 | | | | | |
| Weak | 68 | | | | | | 65 | | | | | |
| Default | 2 | | | | | | 5 | | | | | |
| | 7,562 | | | | | | 7,589 | | | | | |
| Total business and government | 184,436 | | | | | | 184,436 | | | | | |

¹ Gross credit exposure after credit valuation adjustments for financial guarantors and credit risk mitigation, and before allowance for credit losses.

CREDIT QUALITY OF AIRB EXPOSURE - BUSINESS AND GOVERNMENT PORTFOLIOS (RISK RATING METHOD) ¹

(\$ millions)

| | Q4/11 | | | | | | Q3/11 | | | | | |
|---|---------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|---------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|
| | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % |
| Corporate | | | | | | | | | | | | |
| Investment grade | 39,831 | 22,530 | 76% | 0.18% | 33% | 29% | 37,819 | 21,845 | 76% | 0.19% | 32% | 28% |
| Non-investment grade | 26,482 | 12,342 | 57% | 1.76% | 29% | 58% | 25,006 | 11,565 | 57% | 1.85% | 29% | 59% |
| Watchlist | 546 | 96 | 59% | 17.57% | 42% | 209% | 481 | 66 | 52% | 17.73% | 41% | 201% |
| Default | 866 | 47 | 57% | 100.00% | 39% | 267% | 854 | 55 | 55% | 100.00% | 41% | 298% |
| | 67,725 | 35,015 | 69% | 2.22% | 31% | 44% | 64,160 | 33,531 | 69% | 2.30% | 31% | 45% |
| Sovereign | | | | | | | | | | | | |
| Investment grade | 47,131 | 5,878 | 79% | 0.02% | 8% | 2% | 52,243 | 5,490 | 79% | 0.02% | 7% | 2% |
| Non-investment grade | 510 | 352 | 48% | 1.11% | 13% | 27% | 521 | 309 | 51% | 1.08% | 11% | 22% |
| Watchlist | - | - | - | 16.36% | - | - | - | - | - | 16.36% | - | - |
| Default | - | - | - | 100.00% | - | - | 1 | - | - | 100.00% | 39% | 235% |
| | 47,641 | 6,230 | 77% | 0.03% | 8% | 2% | 52,765 | 5,799 | 77% | 0.03% | 7% | 2% |
| Banks | | | | | | | | | | | | |
| Investment grade | 65,760 | 854 | 71% | 0.11% | 12% | 6% | 69,471 | 718 | 78% | 0.11% | 13% | 6% |
| Non-investment grade | 2,244 | 13 | 38% | 1.80% | 27% | 51% | 1,389 | 2 | 69% | 2.57% | 11% | 28% |
| Watchlist | 3 | 4 | 70% | 16.36% | 5% | 25% | 3 | 4 | 70% | 16.36% | 5% | 27% |
| Default | - | - | - | 100.00% | - | - | - | - | - | 100.00% | - | - |
| | 68,007 | 871 | 70% | 0.16% | 12% | 7% | 70,863 | 724 | 78% | 0.16% | 13% | 7% |
| | 183,373 | 42,116 | 70% | 0.89% | 18% | 20% | 187,788 | 40,054 | 70% | 0.85% | 18% | 18% |
| Commercial mortgages (Slotting approach) | | | | | | | | | | | | |
| Strong | 7,222 | | | | | | 6,898 | | | | | |
| Good | 239 | | | | | | 174 | | | | | |
| Satisfactory | 41 | | | | | | 40 | | | | | |
| Weak | 65 | | | | | | 67 | | | | | |
| Default | 4 | | | | | | 7 | | | | | |
| | 7,571 | | | | | | 7,186 | | | | | |
| Total business and government | 190,944 | | | | | | 194,974 | | | | | |

¹ Gross credit exposure after credit valuation adjustments for financial guarantors and credit risk mitigation, and before allowance for credit losses.

CREDIT QUALITY OF AIRB EXPOSURE - RETAIL PORTFOLIOS ¹

(\$ millions)

| | Q2/12 | | | | | | Q1/12 | | | | | |
|---|---------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|---------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|
| | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % |
| Real estate secured personal lending | | | | | | | | | | | | |
| Exceptionally low | 170,871 | 29,815 | 89% | 0.03% | 8% | 1% | 170,163 | 28,809 | 88% | 0.03% | 8% | 1% |
| Very low | 12,461 | 2,159 | 77% | 0.36% | 12% | 7% | 12,276 | 2,039 | 77% | 0.36% | 12% | 7% |
| Low | 9,889 | 1,508 | 44% | 0.79% | 20% | 21% | 9,336 | 1,472 | 44% | 0.78% | 21% | 21% |
| Medium | 894 | 135 | 63% | 5.39% | 15% | 52% | 910 | 129 | 62% | 5.51% | 15% | 52% |
| High | 174 | 5 | 75% | 19.94% | 15% | 79% | 183 | 4 | 72% | 21.18% | 15% | 77% |
| Default | 115 | - | - | 100.00% | 15% | 49% | 128 | - | - | 100.00% | 15% | 51% |
| | 194,404 | 33,622 | 86% | 0.19% | 9% | 3% | 192,996 | 32,453 | 86% | 0.20% | 9% | 3% |
| Qualifying revolving credit | | | | | | | | | | | | |
| Exceptionally low | 34,437 | 38,040 | 73% | 0.07% | 91% | 4% | 34,042 | 37,882 | 73% | 0.07% | 91% | 4% |
| Very low | 7,771 | 8,354 | 64% | 0.37% | 91% | 16% | 6,774 | 6,080 | 71% | 0.36% | 94% | 16% |
| Low | 11,875 | 8,074 | 66% | 0.98% | 89% | 33% | 13,727 | 10,012 | 72% | 0.92% | 88% | 31% |
| Medium | 6,269 | 3,394 | 58% | 3.89% | 87% | 85% | 6,313 | 3,529 | 58% | 3.81% | 88% | 86% |
| High | 1,495 | 451 | 74% | 23.41% | 81% | 177% | 1,688 | 562 | 71% | 24.51% | 83% | 187% |
| Default | 169 | - | - | 100.00% | 59% | 95% | 183 | - | - | 100.00% | 80% | 5% |
| | 62,016 | 58,313 | 70% | 1.50% | 90% | 24% | 62,727 | 58,065 | 72% | 1.62% | 90% | 25% |
| Other retail | | | | | | | | | | | | |
| Exceptionally low | 1,316 | 1,548 | 51% | 0.07% | 60% | 13% | 1,352 | 1,563 | 51% | 0.07% | 60% | 13% |
| Very low | 819 | 720 | 38% | 0.37% | 75% | 45% | 805 | 727 | 38% | 0.37% | 75% | 45% |
| Low | 4,380 | 292 | 42% | 1.33% | 43% | 47% | 4,225 | 299 | 42% | 1.33% | 43% | 47% |
| Medium | 2,303 | 104 | 40% | 3.39% | 75% | 105% | 2,291 | 109 | 39% | 3.41% | 75% | 105% |
| High | 382 | 81 | 40% | 24.51% | 75% | 153% | 410 | 85 | 40% | 23.99% | 75% | 152% |
| Default | 108 | - | 0% | 100.00% | 72% | 144% | 114 | 1 | 38% | 100.00% | 72% | 143% |
| | 9,308 | 2,745 | 46% | 3.67% | 58% | 62% | 9,197 | 2,784 | 46% | 3.81% | 58% | 62% |
| | 265,728 | 94,680 | 75% | 0.62% | 30% | 10% | 264,920 | 93,302 | 76% | 0.66% | 30% | 10% |

¹ Amounts are before allowance for credit losses and after credit risk mitigation.

CREDIT QUALITY OF AIRB EXPOSURE - RETAIL PORTFOLIOS ¹

(\$ millions)

| | Q4/11 | | | | | | Q3/11 | | | | | |
|---|---------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|---------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|
| | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % |
| Real estate secured personal lending | | | | | | | | | | | | |
| Exceptionally low | 119,120 | 28,457 | 88% | 0.04% | 10% | 1% | 120,282 | 28,251 | 89% | 0.04% | 9% | 1% |
| Very low | 12,906 | 2,546 | 83% | 0.36% | 12% | 7% | 13,156 | 2,466 | 82% | 0.36% | 12% | 7% |
| Low | 9,760 | 1,455 | 43% | 0.77% | 21% | 21% | 9,753 | 1,430 | 42% | 0.78% | 21% | 21% |
| Medium | 922 | 137 | 62% | 5.39% | 15% | 52% | 969 | 121 | 54% | 5.38% | 15% | 52% |
| High | 181 | 4 | 68% | 21.85% | 15% | 78% | 191 | 9 | 36% | 21.90% | 15% | 77% |
| Default | 128 | - | - | 100.00% | 15% | 49% | 147 | - | - | 100.00% | 15% | 52% |
| | 143,017 | 32,599 | 86% | 0.27% | 11% | 4% | 144,498 | 32,277 | 86% | 0.28% | 10% | 4% |
| Qualifying revolving credit | | | | | | | | | | | | |
| Exceptionally low | 33,562 | 37,106 | 73% | 0.07% | 91% | 4% | 33,402 | 37,495 | 72% | 0.07% | 91% | 4% |
| Very low | 6,796 | 6,112 | 71% | 0.36% | 94% | 16% | 6,851 | 6,246 | 71% | 0.36% | 94% | 16% |
| Low | 13,646 | 9,945 | 72% | 0.93% | 88% | 32% | 13,610 | 10,167 | 72% | 0.93% | 88% | 32% |
| Medium | 6,397 | 3,647 | 57% | 3.82% | 88% | 86% | 6,496 | 3,798 | 59% | 3.82% | 89% | 86% |
| High | 1,746 | 609 | 72% | 24.40% | 83% | 188% | 1,805 | 658 | 72% | 23.81% | 83% | 186% |
| Default | 173 | - | - | 100.00% | 80% | 5% | 159 | - | - | 100.00% | 80% | 5% |
| | 62,320 | 57,419 | 71% | 1.64% | 90% | 25% | 62,323 | 58,364 | 71% | 1.62% | 90% | 25% |
| Other retail | | | | | | | | | | | | |
| Exceptionally low | 1,423 | 1,632 | 51% | 0.07% | 60% | 13% | 1,446 | 1,629 | 51% | 0.07% | 60% | 13% |
| Very low | 743 | 678 | 39% | 0.37% | 75% | 45% | 743 | 688 | 38% | 0.37% | 75% | 45% |
| Low | 4,252 | 288 | 41% | 1.33% | 43% | 47% | 4,411 | 298 | 42% | 1.33% | 43% | 47% |
| Medium | 2,296 | 115 | 40% | 3.44% | 74% | 104% | 2,285 | 116 | 40% | 3.47% | 74% | 103% |
| High | 465 | 101 | 40% | 23.06% | 75% | 151% | 468 | 103 | 40% | 23.15% | 74% | 151% |
| Default | 118 | 1 | 40% | 100.00% | 72% | 138% | 108 | 1 | 41% | 100.00% | 70% | 149% |
| | 9,297 | 2,815 | 46% | 3.92% | 58% | 62% | 9,461 | 2,835 | 46% | 3.78% | 57% | 61% |
| | 214,634 | 92,833 | 76% | 0.82% | 36% | 12% | 216,282 | 93,476 | 75% | 0.82% | 36% | 13% |

¹ Amounts are before allowance for credit losses and after credit risk mitigation.

AIRB CREDIT RISK EXPOSURE - LOSS EXPERIENCE

| | Q2/12 | | Q1/12 | | Q4/11 | |
|--|-------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------|
| | Actual loss rate ¹ | Expected loss rate ¹ | Actual loss rate ¹ | Expected loss rate ¹ | Actual loss rate ¹ | Expected loss rate ¹ |
| Business and government portfolios ² | | | | | | |
| Corporate | 0.27% | 0.71% | 0.24% | 0.74% | 0.16% | 0.76% |
| Sovereign | - | - | - | - | - | - |
| Banks | - | 0.12% | - | 0.14% | - | 0.11% |
| Retail portfolios ³ | | | | | | |
| Real estate secured personal lending | 0.02% | 0.06% | 0.02% | 0.06% | 0.02% | 0.06% |
| Qualifying revolving retail | 3.77% | 3.85% | 3.74% | 3.90% | 3.85% | 3.96% |
| Other retail | 1.55% | 2.94% | 1.53% | 2.83% | 1.55% | 1.79% |

| | Q3/11 | | Q2/11 | | Q1/11 | |
|--|-------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------|
| | Actual loss rate ¹ | Expected loss rate ¹ | Actual loss rate ¹ | Expected loss rate ¹ | Actual loss rate ¹ | Expected loss rate ¹ |
| Business and government portfolios ² | | | | | | |
| Corporate | 0.08% | 0.77% | 0.19% | 0.87% | 0.39% | 0.95% |
| Sovereign | - | - | - | - | - | - |
| Banks | - | 0.09% | - | 0.08% | - | 0.08% |
| Retail portfolios ³ | | | | | | |
| Real estate secured personal lending | 0.02% | 0.06% | 0.02% | 0.05% | 0.02% | 0.06% |
| Qualifying revolving retail | 4.02% | 3.99% | 4.19% | 4.09% | 4.41% | 4.14% |
| Other retail | 1.58% | 1.70% | 1.63% | 1.91% | 1.77% | 2.02% |

¹ Actual loss rates on business and government portfolios for each quarter represent the write-offs, less recoveries plus the change in individual (2011: specific) allowance for the previous 12 months, divided by the outstanding balance at the beginning of the previous 12 month period. The expected loss rate represents the loss rate that was predicted by the Basel II parameter estimates at the beginning of the period defined above.

Actual loss rates on retail portfolios for each quarter represent write-offs less recoveries for the previous 12 months, divided by the outstanding balance at the beginning of the previous 12 month period. The expected loss rate represents the loss rate that was predicted by the Basel II parameter estimates at the beginning of the period defined above.

Differences between actual and expected loss rates are due to the following reasons:

Expected losses are generally calculated using "through the business cycle" risk parameters while actual losses are determined at a "point in time" and reflect more current economic conditions. "Through the cycle" parameters are estimated to include a long time horizon and as a result, actual losses may exceed expected losses during an economic downturn and may fall below expected losses during times of economic growth.

² Business and government portfolios:

Actual loss rates for business and government exposures were lower than the historically measured expected losses as average default rates and LGDs were higher during the historically measured period than the preceding 12 months.

³ Retail portfolios:

Actual loss rates for qualifying revolving retail exposures were lower than the historical measured expected losses this quarter, given relatively stable Canadian economic conditions in fiscal 2011 and 2012. Expected loss rate for real estate secured personal lending is significantly higher than actual loss experience due to conservative assumptions built into the model.

The increase in the expected loss rate for "Other retail" as at Q1/12 was due to the implementation of new expected loss methodology for small business in Q1/11.

CREDIT EXPOSURE - MATURITY PROFILE

| (\$ millions) | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Business and government portfolios | | | | | | |
| Corporate | | | | | | |
| Less than 1 year ¹ | 33,876 | 31,516 | 26,923 | 25,271 | 25,171 | 23,121 |
| 1 - 3 years | 25,646 | 25,437 | 26,670 | 28,960 | 30,743 | 30,573 |
| 3 - 5 years | 26,087 | 24,343 | 21,251 | 16,756 | 12,359 | 11,561 |
| Over 5 years | 212 | 285 | 446 | 351 | 380 | 1,111 |
| | 85,821 | 81,581 | 75,290 | 71,338 | 68,653 | 66,366 |
| Sovereign | | | | | | |
| Less than 1 year ¹ | 6,492 | 6,108 | 6,130 | 21,337 | 34,709 | 17,125 |
| 1 - 3 years | 9,303 | 12,821 | 20,640 | 12,638 | 16,823 | 20,071 |
| 3 - 5 years | 11,325 | 12,925 | 19,888 | 17,906 | 21,374 | 19,662 |
| Over 5 years | 1,028 | 1,034 | 983 | 885 | 818 | 770 |
| | 28,148 | 32,888 | 47,641 | 52,766 | 73,724 | 57,628 |
| Banks | | | | | | |
| Less than 1 year ¹ | 51,397 | 50,389 | 48,480 | 50,993 | 49,562 | 50,807 |
| 1 - 3 years | 16,137 | 16,572 | 15,275 | 16,416 | 17,900 | 17,404 |
| 3 - 5 years | 2,653 | 2,802 | 3,683 | 3,035 | 2,726 | 5,108 |
| Over 5 years | 280 | 204 | 575 | 426 | 475 | 714 |
| | 70,467 | 69,967 | 68,013 | 70,870 | 70,663 | 74,033 |
| Total business and government portfolios | 184,436 | 184,436 | 190,944 | 194,974 | 213,040 | 198,027 |
| Retail portfolios | | | | | | |
| Real estate and secured personal lending | | | | | | |
| Less than 1 year ¹ | 72,084 | 70,850 | 60,623 | 59,467 | 59,864 | 57,703 |
| 1 - 3 years | 54,226 | 51,809 | 24,593 | 27,131 | 28,060 | 27,657 |
| 3 - 5 years | 65,954 | 68,169 | 55,504 | 55,346 | 51,069 | 47,875 |
| Over 5 years | 2,140 | 2,168 | 2,297 | 2,554 | 2,726 | 2,876 |
| | 194,404 | 192,996 | 143,017 | 144,498 | 141,719 | 136,111 |
| Qualifying revolving retail | | | | | | |
| Less than 1 year ¹ | 62,016 | 62,727 | 62,320 | 62,323 | 61,860 | 61,583 |
| | 62,016 | 62,727 | 62,320 | 62,323 | 61,860 | 61,583 |
| Other retail | | | | | | |
| Less than 1 year ¹ | 8,740 | 8,590 | 8,675 | 8,774 | 8,711 | 8,656 |
| 1 - 3 years | 459 | 495 | 507 | 569 | 610 | 618 |
| 3 - 5 years | 55 | 60 | 65 | 69 | 73 | 73 |
| Over 5 years | 54 | 52 | 50 | 49 | 55 | 59 |
| | 9,308 | 9,197 | 9,297 | 9,461 | 9,449 | 9,406 |
| Total retail portfolios | 265,728 | 264,920 | 214,634 | 216,282 | 213,028 | 207,100 |
| Total credit exposure | 450,164 | 449,356 | 405,578 | 411,256 | 426,068 | 405,127 |

¹ Demand loans are included in the "Less than 1 year" category.

BUSINESS AND GOVERNMENT EXPOSURES (AIRB) BY INDUSTRY GROUPS ¹

(\$ millions)

| | | | | | | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|--|---------------|---------------------|-------------------------|-------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Drawn | Undrawn commitments | Repo-style transactions | Other off-balance sheet | OTC derivatives | Total | Total | Total | Total | Total | Total |
| Commercial mortgages | 7,457 | 105 | - | - | - | 7,562 | 7,589 | 7,571 | 7,186 | 6,972 | 6,880 |
| Financial institutions | 17,647 | 2,933 | 5,849 | 52,875 | 10,191 | 89,495 | 87,013 | 81,981 | 83,460 | 83,323 | 87,360 |
| Retail and wholesale | 2,619 | 2,274 | - | 269 | 50 | 5,212 | 5,014 | 4,971 | 4,998 | 4,691 | 4,299 |
| Business services | 4,042 | 1,750 | - | 181 | 36 | 6,009 | 5,914 | 5,452 | 5,543 | 5,500 | 5,608 |
| Manufacturing - capital goods | 1,517 | 1,155 | - | 87 | 40 | 2,799 | 2,624 | 2,767 | 2,704 | 2,711 | 2,520 |
| Manufacturing - consumer goods | 2,164 | 739 | - | 104 | 26 | 3,033 | 2,762 | 2,603 | 2,750 | 2,843 | 2,284 |
| Real estate and construction | 9,474 | 3,554 | - | 709 | 123 | 13,860 | 13,530 | 12,573 | 11,334 | 10,014 | 9,449 |
| Agriculture | 3,319 | 1,322 | - | 34 | 18 | 4,693 | 4,452 | 4,393 | 4,353 | 4,313 | 4,170 |
| Oil and gas | 3,451 | 6,006 | - | 773 | 887 | 11,117 | 10,483 | 9,871 | 9,603 | 9,447 | 8,450 |
| Mining | 478 | 2,397 | - | 376 | 14 | 3,265 | 3,045 | 2,691 | 2,283 | 2,003 | 1,873 |
| Forest products | 575 | 365 | - | 135 | 49 | 1,124 | 1,133 | 1,115 | 910 | 835 | 953 |
| Hardware and software | 400 | 411 | - | 49 | 3 | 863 | 732 | 814 | 701 | 628 | 917 |
| Telecommunications and cable | 460 | 910 | - | 229 | 79 | 1,678 | 1,505 | 1,460 | 1,511 | 1,573 | 1,562 |
| Broadcasting, publishing, and printing | 469 | 302 | - | 172 | 8 | 951 | 937 | 926 | 861 | 805 | 913 |
| Transportation | 1,365 | 1,019 | - | 264 | 48 | 2,696 | 2,730 | 2,493 | 2,416 | 2,333 | 2,350 |
| Utilities | 1,021 | 2,679 | - | 537 | 690 | 4,927 | 4,513 | 4,226 | 3,947 | 3,661 | 3,493 |
| Education, health, and social services | 1,251 | 990 | 6 | 49 | 90 | 2,386 | 2,409 | 2,348 | 2,223 | 2,279 | 2,245 |
| Governments | 16,729 | 3,120 | 167 | 103 | 2,647 | 22,766 | 28,051 | 42,689 | 48,191 | 69,109 | 52,701 |
| | 74,438 | 32,031 | 6,022 | 56,946 | 14,999 | 184,436 | 184,436 | 190,944 | 194,974 | 213,040 | 198,027 |

¹ Gross credit exposure after credit valuation adjustments for financial guarantors, and before allowance for credit losses.

EAD UNDER THE STANDARDIZED APPROACH

| (\$ millions) | Risk-weight category | | | | | |
|--------------------------------------|----------------------|------------|------------|--------------|--------------|---------------|
| | 0% | 20% | 50% | 75% | 100% | Total |
| Q2/12 | | | | | | |
| Corporate | - | - | - | - | 4,241 | 4,241 |
| Sovereign | 1,759 | 42 | 314 | - | 486 | 2,601 |
| Banks | - | 541 | 61 | - | 8 | 610 |
| Real estate secured personal lending | - | - | - | 2,182 | - | 2,182 |
| Other retail | - | - | - | 2,238 | 150 | 2,388 |
| | 1,759 | 583 | 375 | 4,420 | 4,885 | 12,022 |
| Q1/12 | 1,691 | 835 | 458 | 4,514 | 4,721 | 12,219 |
| Q4/11 | 2,910 | 2,167 | 399 | 4,622 | 4,738 | 14,836 |
| Q3/11 | 2,992 | 1,884 | 318 | 4,579 | 4,792 | 14,565 |
| Q2/11 | 2,676 | 1,696 | 432 | 4,683 | 4,381 | 13,868 |
| Q1/11 | 2,520 | 1,861 | 385 | 4,925 | 4,674 | 14,365 |

EXPOSURE COVERED BY GUARANTEES AND CREDIT DERIVATIVES ¹

| (\$ millions) | Q2/12 | | | Q1/12 | | | Q4/11 | | |
|--------------------------------------|--|----------------|--------------|--|----------------|------------|--|---------------|------------|
| | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | |
| | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank |
| Corporate | 1,880 | 1,289 | 164 | 1,780 | 1,340 | 162 | 1,717 | 1,532 | 128 |
| Sovereign | - | 4,646 | - | - | 5,616 | - | - | 1,907 | - |
| Banks | - | 1,734 | 1,814 | - | 2,687 | 782 | - | 3,362 | 508 |
| Real estate secured personal lending | 847 | 113,295 | - | 803 | 114,453 | - | 550 | 83,171 | - |
| Other retail | - | 73 | - | - | 80 | - | - | 86 | - |
| | 2,727 | 121,037 | 1,978 | 2,583 | 124,176 | 944 | 2,267 | 90,058 | 636 |

| (\$ millions) | Q3/11 | | | Q2/11 | | | Q1/11 | | |
|--------------------------------------|--|---------------|--------------|--|---------------|--------------|--|---------------|--------------|
| | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | |
| | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank |
| Corporate | 1,650 | 1,815 | 376 | 1,309 | 1,576 | 678 | 1,376 | 1,642 | 916 |
| Sovereign | - | 2,375 | - | - | 2,870 | - | - | 2,127 | - |
| Banks | - | 3,305 | 1,577 | - | 3,524 | 1,277 | - | 3,968 | 996 |
| Real estate secured personal lending | 556 | 80,717 | - | 520 | 77,407 | - | 526 | 78,278 | - |
| Other retail | - | 93 | - | - | 101 | - | - | 107 | - |
| | 2,206 | 88,305 | 1,953 | 1,829 | 85,478 | 1,955 | 1,902 | 86,122 | 1,912 |

¹ This table provides information on credit mitigants against exposures analyzed under the AIRB approach.

EXPOSURES SECURITIZED AS ORIGINATOR

(\$ millions)

| | Q2/12 | | | Q1/12 | | |
|--|---|----------------------|-------|---|----------------------|-------|
| | Residential mortgages - Prime and Near Prime / Alt-A program ¹ | Commercial mortgages | Total | Residential mortgages - Prime and Near Prime / Alt-A program ¹ | Commercial mortgages | Total |
| Securitized | 830 | 328 | 1,158 | 852 | 342 | 1,194 |
| Sold | 830 | 328 | 1,158 | 852 | 342 | 1,194 |
| Impaired and other past due loans ² | 13 | - | 13 | 15 | - | 15 |
| Net write-offs for the period | 1 | - | 1 | - | - | - |

(\$ millions)

| | Q4/11 | | | Q3/11 | Q2/11 | Q1/11 |
|--|-----------------------|----------------------|--------|--------|--------|--------|
| | Residential mortgages | Commercial mortgages | Total | Total | Total | Total |
| Securitized | 50,607 | 360 | 50,967 | 48,161 | 49,458 | 50,372 |
| Sold | 31,462 | 360 | 31,822 | 31,523 | 31,236 | 30,593 |
| Impaired and other past due loans ² | 247 | - | 247 | 258 | 264 | 275 |
| Net write-offs for the period | 4 | - | 4 | 1 | - | 1 |

¹ In accordance with OSFI guidelines, we are required to hold regulatory capital for Near Prime / Alt-A program residential securitization exposure as if they have been securitized.

² Other past due loans are loans with repayment of principal and payment of interest overdue for over 90 days.

BANK SPONSORED MULTI-SELLER CONDUITS EXPOSURE

(\$ millions)

| | Q2/12 | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|--|------------------|--------------|--------------|--------------|--------------|--------------|
| | ← Asset amount → | | | | | |
| Canadian residential mortgages | 84 | 134 | 182 | 245 | 307 | 379 |
| Auto leases | 197 | 173 | 130 | 125 | 106 | 111 |
| Franchise loans | 400 | 361 | 406 | 433 | 455 | 432 |
| Credit cards | 525 | 525 | 525 | 525 | 525 | 525 |
| Equipment leases/loans | 143 | 88 | 2 | 3 | 19 | 28 |
| Trade receivables | 77 | 58 | 70 | 57 | 68 | 30 |
| | 1,426 | 1,339 | 1,315 | 1,388 | 1,480 | 1,505 |
| Impaired and other past due loans ¹ | 18 | 17 | 16 | 21 | 22 | 25 |

TOTAL SECURITIZATION EXPOSURES (IRB APPROACH)

(\$ millions)

| | Q2/12 | | | | | Q1/12 | Q4/11 | Q3/11 | Q2/11 | Q1/11 |
|--|--------------------|---|----------------------------|----------------|---|---------------|---------------|---------------|---------------|---------------|
| | Investment & loans | Undrawn liquidity and credit facilities | Written credit derivatives | Total exposure | Of which resecuritization exposure ^{2,3} | | | | | |
| Non-Trading | | | | | | | | | | |
| <u>Own securitized assets</u> | | | | | | | | | | |
| Residential mortgages - Prime and Near Prime / Alt-A program | 669 | 211 | - | 880 | - | 900 | 967 | 946 | 984 | 1,019 |
| Commercial mortgages | 4 | - | - | 4 | - | 4 | 4 | 4 | 4 | 4 |
| Credit cards | - | - | - | - | - | - | 23 | 19 | 19 | 19 |
| <u>Third party securitized assets ⁴</u> | | | | | | | | | | |
| CIBC sponsored conduits and structured vehicles | 197 | 2,244 | 166 | 2,607 | 51 | 2,155 | 2,045 | 2,088 | 2,150 | 2,065 |
| Third party structured vehicles | 6,368 | 1,038 | 8,219 | 15,625 | 2,266 | 16,122 | 16,449 | 19,337 | 21,537 | 23,089 |
| Trading ⁵ | 217 | - | - | 217 | - | 135 | n/a | n/a | n/a | n/a |
| Total exposure (EAD) | 7,455 | 3,493 | 8,385 | 19,333 | 2,317 | 19,316 | 19,488 | 22,394 | 24,694 | 26,196 |

¹ These are in respect of assets that are collateral to the short-term notes, rated R-1(High) (sf) / P-1 (sf) by DBRS/Moody's, issued by the multi-seller conduits and benefit from related credit enhancements.

² Resecuritization exposure comprises of \$1,279 million (Q1/12: \$1,176 million) of investments and loans, \$296 million (Q1/12: \$296 million) of undrawn credit facilities and \$742 million (Q1/12: \$780 million) of written credit derivatives.

³ Do not benefit from any financial collateral.

⁴ Comprises collateralized loan obligations, asset-backed commercial paper, trust preferred securities collateralized debt obligations, and others.

⁵ Comprises asset-backed securities.

n/a - not applicable

SECURITIZATION EXPOSURES - RISK WEIGHTED ASSETS AND CAPITAL CHARGES (IRB APPROACH)

| (\$ millions) | Q2/12 | | | | | | Q1/12 | | | | | |
|-------------------------------|------------------|------------------|----------------|------------------|----------------|------------------|------------------|------------------|----------------|------------------|----------------|------------------|
| | EAD ¹ | | RWA | | Capital charge | | EAD ¹ | | RWA | | Capital charge | |
| | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization |
| Trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 217 | - | 15 | - | 1 | - | 135 | - | 16 | - | 1 | - |
| Total trading | 217 | - | 15 | - | 1 | - | 135 | - | 16 | - | 1 | - |
| Non-trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 8,447 | 2,317 | 805 | 1,215 | 64 | 97 | 8,085 | 2,227 | 787 | 979 | 63 | 78 |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| | 8,447 | 2,317 | 805 | 1,215 | 64 | 97 | 8,085 | 2,227 | 787 | 979 | 63 | 78 |
| Internal assessment approach | | | | | | | | | | | | |
| AAA to BBB- | 2,197 | - | 154 | - | 12 | - | 2,764 | - | 194 | - | 16 | - |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| | 2,197 | - | 154 | - | 12 | - | 2,764 | - | 194 | - | 16 | - |
| Supervisory formula approach | 5,678 | 23 | 477 | 4 | 38 | - | 5,625 | 24 | 472 | 5 | 38 | - |
| Unrated exposure ² | 10 | - | 2 | - | - | - | 10 | - | 3 | - | - | - |
| Deduction from capital | | | | | | | | | | | | |
| Tier 1 and 2 | | | | | | | | | | | | |
| Rated below BB- | 18 | - | - | - | 18 | - | 19 | - | - | - | 19 | - |
| Unrated exposure ³ | 76 | - | - | - | 76 | - | 76 | 1 | - | - | 76 | 1 |
| | 94 | - | - | - | 94 | - | 95 | 1 | - | - | 95 | 1 |
| Total non-trading | 16,426 | 2,340 | 1,438 | 1,219 | 208 | 97 | 16,579 | 2,252 | 1,456 | 984 | 212 | 79 |
| Total exposure | 16,643 | 2,340 | 1,453 | 1,219 | 209 | 97 | 16,714 | 2,252 | 1,472 | 984 | 213 | 79 |

¹ Net of financial collateral \$349 million (Q1/12: \$351 million).

² Comprises exposures benefiting from guarantees.

³ Pertains to cash account that is a first loss protection for residential mortgages securitized, unrated credit exposures, and securities.

SECURITIZATION EXPOSURES - RISK WEIGHTED ASSETS AND CAPITAL CHARGES (IRB APPROACH)

| (\$ millions) | Q4/11 | | | Q3/11 | | |
|---------------------------------------|--------|-------|----------------|--------|-------|----------------|
| | EAD | RWA | Capital charge | EAD | RWA | Capital charge |
| Risk ratings ¹ | | | | | | |
| AAA to BBB- | 13,517 | 1,670 | 134 | 13,672 | 1,543 | 123 |
| BB+ to BB- | - | 1 | - | 10 | 44 | 4 |
| Unrated | 5,461 | 448 | 36 | 8,000 | 596 | 48 |
| | 18,978 | 2,119 | 170 | 21,682 | 2,183 | 175 |
| Deduction from capital | | | | | | |
| Tier 1 | | | | | | |
| Accumulated gain on sale ² | 60 | - | 60 | 58 | - | 58 |
| Tier 1 and 2 | | | | | | |
| Rated below BB- | 19 | - | 19 | 165 | - | 165 |
| Other unrated exposure ³ | 78 | - | 78 | 79 | - | 79 |
| | 157 | - | 157 | 302 | - | 302 |

| (\$ millions) | Q2/11 | | | Q1/11 | | |
|---------------------------------------|--------|-------|----------------|--------|-------|----------------|
| | EAD | RWA | Capital charge | EAD | RWA | Capital charge |
| Risk ratings ¹ | | | | | | |
| AAA to BBB- | 15,588 | 1,618 | 129 | 17,398 | 1,839 | 147 |
| BB+ to BB- | 10 | 47 | 4 | 9 | 38 | 3 |
| Unrated | 8,001 | 622 | 50 | 7,586 | 579 | 46 |
| | 23,599 | 2,287 | 183 | 24,993 | 2,456 | 196 |
| Deduction from capital | | | | | | |
| Tier 1 | | | | | | |
| Accumulated gain on sale ² | 62 | - | 62 | 65 | - | 65 |
| Tier 1 and 2 | | | | | | |
| Rated below BB- | 485 | - | 485 | 552 | - | 552 |
| Other unrated exposure ³ | 83 | - | 83 | 91 | - | 91 |
| | 630 | - | 630 | 708 | - | 708 |

¹ Includes originator and investor interests.

² Comprises accumulated gain on sale on residential mortgages and credit card loans.

³ Pertains to cash account that is a first loss protection for residential mortgages securitized, unrated credit exposures, and securities.

Advanced internal rating based (AIRB) approach for credit risk

Internal models based on historical experience of key risk assumptions are used to compute the capital requirements.

Advanced measurement approach (AMA) for operational risk

The capital charge for operational risk is calculated based on internal risk measurement models, using a combination of quantitative and qualitative risk measurement techniques.

Business and government portfolio

In Basel II credit risk exposure reporting, a category of exposures that includes lending to businesses and governments, where the primary basis of adjudication relies on the determination and assignment of an appropriate risk rating, that reflects the credit risk of the exposure.

Corporate exposures

In Basel II credit risk exposure reporting, all direct credit risk exposures to corporations, partnerships and proprietorships, and exposures guaranteed by those entities.

Credit risk

Risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with agreed terms.

Drawn exposure

In Basel II credit risk exposure reporting, the amount of credit risk exposure resulting from loans already advanced to the customer.

Exposure at default (EAD)

In Basel II credit risk exposure reporting, an estimate of the amount of exposure to a customer at the event of, and at the time of, default.

Internal models approach (IMA) for market risk

Internal models are used to calculate the regulatory capital requirement CIBC must meet for debt/equity specific risks and general market risks.

Internal ratings based approach for securitization exposures

The computation of capital charge is based on risk weights that are mapped from internal ratings.

Loss given default (LGD)

An estimate of the amount of exposure to a customer that will not be recovered following a default by that customer, expressed as a percentage of the exposure at default.

Operational risk

The risk of loss resulting from inadequate or failed internal processes, systems, or from human error or external events.

Probability of default (PD)

An estimate of the likelihood of default for any particular customer which occurs when that customer is not able to repay its obligations as they become contractually due.

Qualifying revolving retail

In Basel II credit risk exposure reporting, this exposure class includes credit cards, unsecured lines of credit and overdraft protection products extended to individuals. Under the standardized approach, these exposures would be included under "other retail".

Real estate secured personal lending

In Basel II credit risk exposure reporting, this exposure class includes residential mortgages and home equity lines of credit extended to individuals.

Regulatory capital

Basel II regulatory capital comprises Tier 1 and Tier 2 capital as defined by OSFI's Capital Adequacy Regulations. Tier 1 capital comprises common shares excluding short trading positions in our own shares, retained earnings, preferred shares, innovative Tier 1 notes, non-controlling interests, contributed surplus, and foreign currency translation adjustments. Goodwill and gain on sale of applicable securitized assets is deducted from Tier 1 capital. Tier 2 capital comprises subordinated debt and eligible general allowance. Both Tier 1 and Tier 2 capital are subject to certain other deductions on a 50/50 basis except for investment in insurance activities which was 100% deducted from Tier 2 capital until October 31, 2011 in accordance with OSFI's transitional rules.

Retail portfolios

In Basel II credit risk exposure reporting, a category of exposures that includes primarily personal but also small business lending, where the primary basis of adjudication relies on credit scoring models.

Resecuritization

A resecuritization exposure is a securitization exposure in which the risk associated with an underlying pool of exposures is tranching and at least one of the underlying exposures is a securitization exposure.

Risk-weighted assets

Under Basel II rules, RWAs consist of three components: (i) RWAs for credit risk are calculated using the AIRB approach and Standardized Approach. The AIRB RWAs are calculated utilizing PDs, LGDs, EADs, and in some cases maturity adjustment, and the Standardized Approach applies risk weighting factors specified in the OSFI guidelines to on- and off- balance sheet exposures; (ii) RWAs for market risk in the trading portfolio are statistically estimated based on models approved by OSFI; and (iii) RWAs for operational risk relating to the risk of losses from inadequate or failed processes, people and systems are calculated under the AMA approach.

Securitization

The process of selling assets (normally financial assets such as loans, leases, trade receivables, credit card receivables or mortgages) to trusts or other special purpose entities (SPEs). A SPE normally issues securities or other form of interests to investors and/or the asset transferor, and the SPE uses the proceeds of the issue of securities to purchase the transferred assets. The SPE will generally use the cash flows generated by the assets to meet the obligations under the securities or other interests issued by the SPE, which may carry a number of different risk profiles.

Sovereign exposures

In Basel II credit risk exposure reporting, all direct credit risk exposures to governments, central banks and certain public sector entities, and exposures guaranteed by those entities.

Standardized approach for credit risk

In Basel II, it is applied to exposures when there is not sufficient information to allow for the AIRB approach for credit risk. Credit risk capital requirements are calculated based on a standardized set of risk weights as prescribed in the Basel Accord. The standardized risk-weights are based on external credit assessments, where available, and other risk related factors, including export credit agencies, exposure asset class, collateral, etc.

Tier 1 and total capital ratios

Tier 1 and total regulatory capital, divided by risk-weighted assets, based on guidelines set by OSFI, based on Bank for International Settlements standards.