CANADIAN IMPERIAL BANK OF COMMERCE /CAN/
Form 6-K
January 15, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

Annual Report for the year ended October 31, 2002

CANADIAN IMPERIAL BANK OF COMMERCE
(Translation of registrant's name into English)

Commerce Court
Toronto, Ontario
Canada M5L 1A2
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F / /   Form 40-F /X/

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ______

Indicate by check mark whether by furnishing the information contained in this form, the registrant is also hereby furnishing the information to the Commission pursuant to Rule 12g 3-2(b) under the Securities Exchange Act of 1934:

Yes [ ]   No [X]

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

CANADIAN IMPERIAL BANK OF COMMERCE

Date: January 14, 2003   By: /s/ Paul T. Fisher

Name: Paul T. Fisher

Title: Vice President and
Corporate Secretary

By: /s/ C. Allen Logue

Name: C. Allen Logue
Title: Vice President

2002 Financial Highlights

As at or for the years ended October 31		2002	2001	2000	199
Common Share Information					
Per share(2)					
- basic earnings	- reported	$ 1.37	$ 4.19	$ 4.95	$ 2.2
	- operating(3)	$ 2.58	$ 5.27	$ 5.52	$ 3.4
- diluted earnings	- reported	$ 1.35	$ 4.13	$ 4.90	$ 2.2
	- operating(3)	$ 2.56	$ 5.19	$ 5.46	$ 3.3
- dividends		$ 1.60	$ 1.44	$ 1.29	$ 1.2
- book value		$ 25.75	$ 26.44	$ 25.17	$ 22.6
Share price	- high	$ 57.70	$ 57.00	$ 50.50	$ 42.6
	- low	$ 34.26	$ 43.20	$ 30.50	$ 28.0
	- closing	$ 38.75	$ 48.82	$ 48.40	$ 31.7
Shares outstanding (thousands)					
- average basic		360,553	372,305	388,951	409,78
- average diluted(2)		363,227	377,807	392,921	412,76
- end of period		359,064	363,188	377,140	402,27
Market capitalization ($ millions)		$ 13,914	$ 17,731	$ 18,254	$ 12,75
Value Measures					
Price to earnings multiple					
(12 month trailing)	- reported	28.9	11.7	9.8	14.
	- operating(3)	15.2	9.3	8.8	9.
Dividend yield (based on closing share price)		4.1 %	2.9 %	2.7 %	3.
Dividend payout ratio	- reported	>100 %	34.2 %	25.9 %	53.
	- operating(3)	62.0 %	27.2 %	23.3 %	35.
Market value to book value ratio		1.50	1.85	1.92	1.4
Financial Results ($ millions)					
Total revenue on a taxable equivalent basis (TEB)(4)					
	- reported	$ 11,152	$ 11,306	$ 12,210	$ 10,26
	- operating(3)	10,719	11,262	11,824	10,26
Provision for credit losses	- specific	1,500	1,100	970	60
	- general	-	-	250	15
	- total	1,500	1,100	1,220	75
Non-interest expenses	- reported	9,129	8,226	8,096	7,99
	- operating(3)	7,815	7,445	7,744	7,34
Earnings	- reported	653	1,686	2,060	1,02
	- operating(3)	1,091	2,089	2,279	1,51
Financial Measures					

Efficiency ratio	- reported	81.9 %	72.8 %	66.3 %	77.
	- operating(3)	72.9 %	66.1 %	65.5 %	71.
Return on common equity	- reported	5.1 %	16.1 %	20.5 %	9.
	- operating(3)	9.7 %	20.2 %	22.8 %	15.
Ratio of retail/wholesale operating earnings/(loss)(3)(5)		122%/(22)%	64%/36 %	55%/45 %	62%/3
Net interest margin (TEB)(4)		1.92 %	1.68 %	1.68 %	1.6
Net interest margin on average interest earning assets (TEB)(4)		2.24 %	1.97 %	1.99 %	2.0
Return on average assets		0.22 %	0.60 %	0.78 %	0.3
Return on interest earning assets		0.26 %	0.71 %	0.93 %	0.4
Regular workforce headcount(6)		42,552	42,315	44,215	45,99
Balance Sheet and Off-Balance Sheet Information ($ millions)					
Cash resources and securities		$ 74,804	$ 86,144	$ 79,921	$ 72,01
Loans and acceptances		159,937	163,740	154,740	145,64
Total assets		273,293	287,474	267,702	250,33
Deposits		196,630	194,352	179,632	160,04
Common shareholders` equity		9,245	9,601	9,493	9,12
Average assets		292,510	278,798	263,119	271,84
Average interest earning assets		250,427	238,655	221,331	223,77
Average common shareholders` equity		9,566	9,739	9,420	9,32
Assets under administration		729,400	657,400	696,800	614,80
Balance Sheet Quality Measures(7)					
Common equity to risk-weighted assets		7.3 %	7.4 %	7.1 %	6.
Risk-weighted assets ($ billions)		$ 126.5	$ 129.9	$ 132.9	$ 134.
Tier 1 capital ratio		8.7 %	9.0 %	8.7 %	8.
Total capital ratio		11.3 %	12.0 %	12.1 %	11.
Net impaired loans after general allowance ($ millions)		$ (13)	$ (592)	$ (575)	$ (26
Net impaired loans to net loans and acceptances		(0.01)%	(0.36)%	(0.37)%	(0.1

(1) Represents the translation of Canadian dollar financial information into US$ using the year-end rate of $0.6421 for balance sheet figures and the average rate of $0.6363 for average balances and income statement items.

(2) On November 1, 2001, CIBC retroactively adopted the requirements of the CICA handbook section 3500 in respect of earnings per share. Prior period information has been restated.

(3) Operating excludes unusual items and the net impact of Amicus. For a discussion of these items in 2002 to 2000, see pages 23 and 24. During 2002, certain items were reallocated from electronic bankIng services and mortgages to Amicus. Prior period information has been reclassified. The words "operating earnings" do not have standardized meanings under GAAP and, consequently, may not be comparable to similar measures presented by other companies. Please refer to the How CIBC Reports section in this report for further details.

(4) For the definition of taxable equivalent basis (TEB), see footnote 1 of Note 26 on page 110 of the consolidated financial statements.

(5) Retail includes CIBC Retail Markets, CIBC Wealth Management and commercial banking (reported as part of CIBC World Markets). Wholesale reflects CIBC World Markets, excluding commercial banking.

(6) In 2001, CIBC introduced a new measure - regular workforce headcount - to

replace full-time equivalent employees (FTE) reported previously. Regular workforce headcount comprises regular full-time and part-time employees, base plus commissioned employees and 100% commissioned employees. Full-time employees are counted as one and part-time employees as one-half. The FTE measure used previously included the regular workforce headcount plus casual and contract employees, consultants, and employees on paid leave, and was calculated based on standard hours worked during the month. Consequently, the regular workforce headcount is lower than the previously used FTE measure. CIBC implemented the regular workforce headcount measure prospectively in 2001.

(7) Debt ratings - S & P - Senior Long Term: A+; Moody's - Senior Long Term: Aa3.

2002 FINANCIAL HIGHLIGHTS

> In 1999, the management team of CIBC set aggressive financial targets as part of a strategy to transform CIBC into an organization that operates with a strong investor mindset. While we have made progress against our targets, we still have work to do to achieve the full potential of our franchise. With that in mind, we have set new go-forward medium-term objectives to allow our shareholders to measure and monitor our performance.

Measuring Performance

(versus three-year objectives established November 1999)

FINANCIAL TARGETS	MEASUREMENT	2002 RESULTS / COMMENTS
Share Price	Best total return to shareholders among the major Canadian banks, beginning November 1, 1999	While CIBC met this objective for the first two of its target timeframe, events of the past yea resulted in a disappointing comparative result. In spite of an overall return to shareholders o 34.1% our relative position fell from first to among the major Canadian banks. Generating the best total shareholder return continues to be o priority.
Return on Equity (ROE)	18% operating ROE (1)	We exceeded this objective in each of the first years of our target period. In 2002, we did not meet this objective. We are maintaining 18% as the high end of our medium-term objective ra
EPS Growth	Diluted operating EPS growth of 15% per year (1)	Although our earnings per share growth rate was for the first two years, we did not meet this objective in 2002.
Efficiency	Non-interest expenses to revenue of 60% (1)	We set an aggressive target for our efficiency r While we have made progress in moderating the gr our operating cost base, reduced revenue in 2002 the achievement of our target ratio more difficu We have more work to do. We have specific plans improve operational efficiency and increase reve
Capital	8.5% - 9.5% Tier 1 11.0% - 12.5% total	Our capital position has continued to be strong have raised our target range for total capital.

capital

(1) Based on operating results. Operating earnings exclude items that management believes are unusual or relate to substantial strategic investments, thereby allowing analysis of business trends and the performance of CIBC's business lines. These measures do not have standardized meanings under GAAP and may not be comparable to similar measures used by other companies. Refer to Management's Discussion and Analysis, Overview section, for reconciliation of operating earnings to reported earnings.

Setting the Course

FINANCIAL TARGETS	MEDIUM-TERM OBJECTIVES (3 - 5 years)
Share Price - among the major Canadian banks	Best total return to shareholders
Return on Equity	14 - 18% return on average common equity
Earnings Growth Retail & Wealth	10% per year
Operating Efficiency	Revenue growth to exceed expense growth
Capital Management	Tier 1 capital ratio equal to 8.5 - 9.5% Total capital ratio of 11.5 - 12.5%
Business Mix	70% retail/30% wholesale Reduce wholesale loan and merchant banking portfolios by 1/3

2002 FINANCIAL HIGHLIGHTS

Monitoring Progress

To monitor our progress, we review over 190 performance metrics every month. Based on these results, we direct capital and other resources to those businesses where we have a long-term sustainable advantage. This process provides the detailed analysis required to make key business decisions during times of change and is fundamental to CIBC's accountability commitment to our shareholders. The following are examples of some of the metrics we use to continually assess our performance. (Some of our metrics are based on operating results which are explained on pages 24 and 29.)

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Return on Equity

	98	99	00	01	02
Reported ROE (%)	10.3	9.8	20.5	16.1	5.1
Operating ROE (%)	13.7	15.0	22.8	20.2	9.7

RETURN ON EQUITY (ROE)
(Reported, operating, %)

Reported ROE was 5.1% in 2002 compared to 16.1% in 2001. Operating ROE was 9.7% for the year, compared to 20.2% in 2001. ROE is a key measure of bank profitability. It is calculated as net income divided by common shareholders' equity.

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Earnings per Share and Dividends

	98	99	00	01	02
Reported EPS ($)	2.22	2.21	4.90	4.13	1.35
Operating EPS ($)	2.94	3.38	5.46	5.19	2.56
Dividends ($)	1.20	1.20	1.29	1.44	1.60

EARNINGS PER SHARE (EPS) AND DIVIDENDS
(Reported, operating, $)

Reported EPS, diluted, were $1.35 in 2002, compared to $4.13 in 2001. Operating EPS, diluted were $2.56 in 2002, compared to $5.19 a year earlier. EPS is a measure of net income after tax and preferred share dividends, divided by average common shares outstanding. CIBC's dividends per common share for 2002 were $1.60, as compared to $1.44 in 2001.

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Total Revenue

	98	99	00	01	02
Reported revenue (TEB) ($ billions)	9.2	10.3	12.2	11.3	11.2
Operating revenue (TEB) ($ billions)	9.1	10.3	11.8	11.3	10.7

TOTAL REVENUE
(Reported, operating, $ billions)

Total reported revenue on a taxable equivalent basis (TEB) was $11.2 billion in

2002, compared to $11.3 billion in 2001. Operating revenue for the year was $10.7 billion, compared to $11.3 billion in the previous year. Total revenue is comprised of: interest and dividends earned on assets, net of interest paid on liabilities; plus non-interest income, which includes income earned from fees for services, such as wealth management services and underwriting.

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NIX Ratio

	98	99	00	01	02
Reported NIX ratio (%)	77.1	77.9	66.3	72.8	81.9
Operating NIX ratio (%)	73.7	71.5	65.5	66.1	72.9

NIX RATIO
(Reported, operating, %)

The NIX ratio, which is a measure of non-interest expenses divided by total revenue, was 81.9% on a reported basis in 2002, compared to 72.8% in 2001. On an operating basis, the NIX ratio was 72.9% in 2002, compared to 66.1% in 2001.

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Risk-Weighted Assets

	98	99	00	01	02
Risk-weighted assets ($ billions)	145.5	134.5	132.9	130.0	126.5

RISK-WEIGHTED ASSETS
($ billions)

Risk-weighted assets were $126.5 billion in 2002, compared to $129.9 billion in 2001. Risk-weighted assets are calculated by applying weighting factors as specified by the industry regulator to all of our balance sheet assets and off-balance sheet exposures.

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Capital Ratios

	98	99	00	01	02
Tier 1 capital ratio (%)	7.7	8.3	8.7	9.0	8.7
Total capital ratio (%)	10.8	11.5	12.1	12.0	11.3

CAPITAL RATIOS
(%)

CIBC continues to be a strongly capitalized bank. At year-end, our Tier 1 capital ratio was 8.7% and our total capital ratio was 11.3%.

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Total Investor Return (Cumulative from November 1, 1999, %)

Month	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Total Return (%)	80.8	85.0	83.6	76.4	91.8	85.8	73.7	66.5	54.5	47.8	40.0	34.1

TOTAL INVESTOR RETURN
(Cumulative from November 1, 1999, %)

CIBC generated a total investor return of 34% for the three-year period ended October 31, 2002.

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Creditor Insurance Sales Penetration (%)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Personal lines of credit (%)	47	46	47	48	49	50	51	52	52
Residential mortgages (%)	50	52	52	53	54	55	56	58	59

CREDITOR INSURANCE SALES PENETRATION
(%)

CIBC continued to realize success in its efforts to improve penetration in key creditor insurance products.

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Electronic Banking Transactions (millions)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Electronic banking transactions (millions)	81.9	87	82	76.4	87.3	87.9	91.4	88.6	92.9

ELECTRONIC BANKING TRANSACTIONS
(millions)

The growth in emerging channels supports our customers' increasing preference to conduct more of their transactions electronically. Electronic transactions reached a high of 95 million in the month of October.

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President's Choice Financial Customers (thousands)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Customers (thousands)	784.7	807.9	835.9	857.9	878.7	901.8	924.8	945.6

PRESIDENT'S CHOICE FINANCIAL(TM)
CUSTOMERS
(thousands)

President's Choice Financial had approximately 1.05 million registered customers at year-end, up 40% year-over-year.

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

President's Choice Financial Funds Under Management ($ billions)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Funds under management ($ billions)	4.8	5.1	5.3	5.5	5.8	5.9	6.1	6.3	6.5

PRESIDENT'S CHOICE FINANCIAL
FUNDS UNDER MANAGEMENT
($ billions)

President's Choice Financial funds under management grew by 58% to $7 billion.

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Card Balances Under Administration ($ billions)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Ju
Card balances under administration ($ billions)	8.7	8.9	8.9	8.5	8.5	8.6	8.8	9

CARD BALANCES UNDER ADMINISTRATION

($ billions)

Card loans measured by average balances under administration, including securitization, grew to $9.3 billion in 2002. Market share of purchase volumes remained at 32%.

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Personal Transaction Accounts (%)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	J
Personal transaction accounts (%)	18.72	18.94	19.09	19.26	19.4	19.34	19.29	19.24	19

PERSONAL TRANSACTION ACCOUNTS
(Chequing and savings accounts)
(% market share of $, incl. President's Choice Financial)

CIBC increased its market share of consumer chequing and savings accounts during the year. Among the major Canadian banks, CIBC's market share increased to 19.4% as at the end of September 2002 compared to 18.6% in October 2001.

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Residential Mortgages ($ billions)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Residential mortgages ($ billions)	60.1	60.7	61.3	61.8	62.4	63.2	64.2	65.2
Market Share (%)	13.3	13.5	13.5	13.7	13.7	13.8	13.8	14.0

RESIDENTIAL MORTGAGES
($ billions, %)

The portfolio of residential mortgages under administration increased to $69.1 billion in 2002, up from $59.1 billion in 2001. New mortgage originations reached a record high $26.7 billion and market share increased to a high of 14.1% in August 2002.

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Dually Employeed Financial Advisers

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Dually employed financial advisers	399	459	519	557	592	655	696	755

DUALLY EMPLOYED FINANCIAL ADVISERS

CIBC now has more than 850 branch-based financial advisers who are licensed to provide investment advice on a wide range of third-party investment choices, as well as offering CIBC's complete range of investment, credit and day-to-day banking solutions. CIBC was the first financial institution in Canada to launch this service.

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Mutual Fund AUM Market Share (%)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Mutual Fund AUM Market Share (%)	7.22	7.20	7.21	8.31	8.22	8.25	8.21	8.26

ASSETS UNDER MANAGEMENT (AUM)
MARKET SHARE OF TOTAL INDUSTRY
(%)

CIBC's mutual fund AUM market share among all Canadian mutual fund companies, including acquired assets, increased to 8.5% from 7.2% in November 2001. CIBC's ranking improved to #4 in October 2002, up from #7 in November 2001.

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Large Corporate Assets Core Loan Portfolio
(Risk-weighted assets, $ billions)

	NOV	DEC	JAN	FEB	MAR	APR	MAY	JU
Large Corporate Assets Core Loan Portfolio (Risk-weighted assets, $ billions)	22.04	21.45	21.13	21.56	21.01	21.37	19.66	19

LARGE CORPORATE ASSETS CORE LOAN PORTFOLIO
(Risk-weighted assets, $ billions)

The large corporate core loan portfolio decreased reflecting our strategy to actively manage our credit portfolio and focus only on core loans. At the end of 2002, the portfolio decreased to $14.8 billion from $22.0 billion in November 2001.

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Investment Banking Canada Equity New Issues Lead (cumulative)

MUTUAL FUNDS
(Cumulative net sales, $ millions)

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Mutual Funds (Cumulative net sales, $ millions)	516	782	1,133	1,527	1,630	1,540	1,447	1,269

MUTUAL FUNDS
(Cumulative net sales, $ millions)

CIBC is ranked first among major Canadian banks in mutual fund net sales. During the year, cumulative net sales from CIBC's entire suite of mutual funds grew to $1.26 billion.

CORPORATE PROFILE

CIBC is a leading North American financial institution comprising four business lines: CIBC Retail Markets; CIBC Wealth Management; CIBC World Markets; and Amicus. CIBC provides financial services to retail and small business banking customers as well as corporate and investment banking customers. At year-end, total assets were $273 billion, market capitalization was $14 billion and Tier 1 capital ratio was 8.7%.

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements which are made pursuant to the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook of CIBC for 2003 and subsequent periods. Forward-looking statements are typically identified by the words "believe," "expect," "anticipate," "intend," "estimate" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." A forward-looking statement is subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond CIBC's control, affect the operations, performance and results of CIBC and its business lines, and could cause actual results to differ materially from the expectations expressed in any of CIBC's forward-looking statements. For more information on forward-looking statements, see page 20.

CONTENTS

innovation

We are stepping up our drive to develop new ways of serving our customers, while improving efficiency and creating an exceptional work environment for our employees.

[PHOTO OMITTED]

accountability

By focusing on our customers and supporting our people, we are committed to building long-term value for all of our stakeholders.

[PHOTO OMITTED]

[PHOTO OMITTED]

Chairman's Letter to Shareholders

> JOHN HUNKIN (above right), Chairman and Chief Executive Officer with TOM WOODS (above left), Executive Vice-President and Chief Financial Officer at CIBC's head office at Commerce Court in Toronto.

[PHOTO OMITTED]

For CIBC, 2002 was a challenging and, ultimately, disappointing year. Deteriorating capital markets and the rapid emergence of a new economic reality in the wholesale sector, particularly in the United States, overshadowed a very strong performance by our Canadian retail, wealth management, and wholesale banking businesses.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Stepping Up

For the first time in three years, CIBC did not deliver the best total return among the major Canadian banks. And while our three-year total return to shareholders was 34.1%, your management clearly viewed this year's financial performance as unacceptable. We are determined to step up our efforts to create the kind of high performance organization that can deliver sustainable, superior returns.

We have chosen the theme "Stepping Up" for this year's report. Stepping Up is a fitting theme on two fronts: First, our employees did step up in a very challenging environment; and second, we will need to further step up our efforts if we are to produce better results.

OUR EMPLOYEES - STEPPING UP WHEN IT COUNTED MOST

This year, across CIBC, our employees delivered a tremendous performance in the face of what was a truly difficult environment.

- In CIBC Retail & Wealth, our decision to make large investments in training, technology, product development and brand awareness is paying off. With the help of new technology and new sales tools, our people took CIBC's retail franchise to new heights - a $7.9 billion business with earnings of $1.4 billion. We made significant gains in revenue and funds managed, and we gained market share in deposits and mortgages.
- In CIBC Wealth Management, our employees made the large and complex integration of the acquired businesses of Merrill Lynch successful. In 1999, CIBC had a fully licensed adviser group of over 1,300; today, thanks to acquisitions and the internal development of our Imperial Service branch-based sales force, the number exceeds 3,000. Going forward, we are committed to maintaining our leadership in advice-based distribution. A decision to segment our customer base enabled us to focus resources on the entire high net worth market. Today over 850 of our Imperial Service advisers are licensed to sell both bank products and third-party investment products. With the completion of the acquisition of TAL and Merrill Lynch Investment Managers Canada Inc., CIBC's total mutual fund assets under management is now the 4th highest in Canada among all Canadian mutual fund companies. In 2002 we ranked 1st among the major Canadian banks in mutual fund net sales.

- CIBC World Markets was ranked Canada's #1 mergers and acquisition franchise in 2002, both in terms of number and value of deals, by the National Post. CIBC World Markets was also the Canadian leader in the emerging Income Trust sector and maintained #1 industry ranking with respect to in-country equity financing.

- Rates of customer acquisition continue to be strong at President's Choice Financial services. At year-end, total number of customers was 1.05 million, up 40% from 2001. Total funds managed at year-end grew to $7.0 billion, up 58%. Customer satisfaction levels for President's Choice Financial remained higher than those of competitors.
- In Treasury, Balance Sheet and Risk Management, we continue to expand our ability to actively manage our loan portfolio. Since 1998, we have reduced risk-weighted assets by $19 billion, through a combination of disciplined loan underwriting and syndication practices, as well as several innovative structures to distribute credit risk.
- Our Administration group provided expertise and leadership in the all-important area of corporate governance, supporting the board's efforts to keep CIBC at the forefront of best governance practices. Lead Director Bill Etherington addresses this topic in his message, on page 12.

Clearly 2002 challenged us in profound and unexpected ways. We now see that the tragedy of September 11, 2001, and its consequences continued to reverberate into the year. A series of corporate failures and oversight lapses served to further undermine the very trust that makes a market economy viable. Although we had already begun to shift capital and other resources towards the retail sectors of our business - as witnessed by our investments in the branch system and the Merrill Lynch acquisition - with the benefit of hindsight we did not do so quickly enough. We are committed to taking action to return CIBC's performance to levels that you - and we - demand.

To get there, in 2002 we moved quickly to identify and tackle several issues that affected our performance in 2002:

- In October, we decided to close our U.S. electronic banking operations.
- We further downsized our U.S. corporate and investment banking operations.
- We undertook a thorough review of our merchant banking portfolio and our collateralized debt obligations and high yield debt portfolios, taking appropriate write-downs.
- We implemented branch re-configuration and efficiency measures in our retail banking businesses.
- We moved to reduce capital allocated to our large corporate loan book by one-third over the next three years.
- We announced our intention to reduce the size of our merchant bank portfolio by one-third over the next three years.

STEPPING AHEAD

The late 1990s produced exaggerated market trends. Adjusting for inflation, the Toronto Stock Exchange rose by 72% through the 1990s, four times the average of the three previous decades. Future growth is expected to be solid but slower and few expect the market to be as generous. So, what does that mean for CIBC?

In order to achieve best shareholder returns, CIBC's strategy will continue to be grounded in its traditional priorities:

- Good corporate governance.
- Putting our customers at the centre of our strategy.
- Creating attractive career opportunities for our employees.
- Maintaining a strict focus on our financial goals:
  - A significant shift in the business mix of the bank in favour of CIBC Retail & Wealth.
  - Strong targets for growth in earnings and market share in CIBC Retail & Wealth.
  - A substantial reduction in earnings volatility.
  - A commitment to maintaining high levels of capital.
  - Improved efficiency ratios.

Solid, steady growth with a heightened emphasis on the deliberate execution of our objectives - that, in essence, is CIBC's objective.

We will continue to closely monitor changes in Canadian government policies regarding consolidation in the financial services sector. In that context, the government's initiative in late 2002 to invite comment on the subject of bank mergers was a welcome development.

The core strengths of a strong and vibrant organization do not change during periods of adversity; they simply stiffen with resolve. CIBC's core strengths - innovation, accountability and teamwork - were all evident as our people stepped up to meet unprecedented challenges. These are the same qualities that will move CIBC forward and build value - long-term value - for our shareholders and for all of our stakeholders.

/s/ J.S. Hunkin

J.S. Hunkin

Chairman and Chief Executive Officer

LEAD DIRECTOR'S MESSAGE

Lead Director's Message

At CIBC, leadership in corporate governance has long been a key objective of the Board of Directors and management. As part of our journey to this destination, we have taken numerous steps to strengthen our corporate governance policies and practices. 2002 was no exception.

As Lead Director, I want to share with you, my fellow shareholders, just some of the actions your Board of Directors has undertaken in the last 12 months to enhance corporate governance. We have:

- Announced the separation of auditing and consulting work by our external auditors;
- Mandated that all non-auditing work must be approved by the board's Audit Committee;
- Instituted a CIBC-wide prohibition on the awarding of any information technology or systems implementation projects to CIBC's auditing firms; and

- Expensed stock options to provide greater financial transparency to investors.

During the year, the board also initiated an extensive review of the shareholders' auditors, including the practice of using two auditing firms. The Audit Committee of the board, independent of management but with management's assistance, established a review process that included assessing submissions from the four global accounting firms.

Following that review, the committee unanimously recommended to the Board of Directors that one firm - Ernst & Young LLP - be retained to audit CIBC's 2003 consolidated financial statements. CIBC's complex needs for assurance services can best be met by one firm. The three other firms that were not selected will be eligible to compete for other consulting work. The recommendation was approved by the board in October. The existing auditors will resign their office in December 2002, and Ernst & Young LLP will act as CIBC's auditors until the next annual meeting in February 2003, where the appointment of Ernst & Young LLP will be put to the shareholders for a vote.

[PHOTO OMITTED]

WILLIAM A. ETHERINGTON
Lead Director

Mandate of the
Lead Director

- Appointed annually by the Board of Directors
- Role is to facilitate the independence of the board and to strive for the highest standards of corporate governance

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LEAD DIRECTOR'S MESSAGE

The actions undertaken in 2002 with respect to corporate governance support the board's and management's focus to provide CIBC's shareholders with enhanced financial and operational transparency. They also reflect our ongoing commitment to manage CIBC with a tough investor-focused mindset and to take the action necessary to protect the long-term value of our shareholders' investments.

These beliefs are deep rooted at CIBC. A special board task force, commissioned by John Hunkin upon becoming chairman and chief executive officer in 1999, put forth several recommendations for enhancing our corporate governance framework, forming the cornerstone of our current policies and practices. One of these recommendations, implemented in March 2000, established the role of the Lead Director to strengthen board independence. Another resulted in the formation of formal and rigorous assessment procedures for the board, its committees and individual directors, managed by the Corporate Governance Committee.

Our experiences over the past several years have shown that, while regulations and guidelines are necessary to protect the interests of shareholders, strong corporate governance derives from the mutual trust and open communication that exists between the Board of Directors and management. The board is pleased with the progress made during the year to further enhance our corporate governance policies and practices, and for the continued constructive working relationship we have with the chairman and chief executive officer and the senior management team.

As John Hunkin describes in his letter, 2002 was clearly a difficult and challenging year. Your board works closely with management and fully supports decisive actions taken during the year to reallocate resources, realize cost savings and lower risk. These actions are focused on improving performance in 2003 and further reflect our commitment to serve the long-term interests of CIBC's shareholders.

For more information on how CIBC manages and governs, see:

Management of Risk and Balance Sheet Resources
page 55

Regulatory
page 70

Related-Party Procedures
page 70

Corporate Governance
page 132

2002 PERFORMANCE HIGHLIGHTS

[GRAPHIC OMITTED]

[FIRST CARIBBEAN LOGO]

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>2002 Performance Highlights

In 2002, CIBC continued to stress innovation and accountability across the organization. Below are some of our significant operating achievements for the year.

Created the largest full-service brokerage in Canada through the continuing integration of Merrill Lynch Canada Private Client Group, with assets under administration of $83 billion and over 1,500 investment professionals providing CIBC Wealth Management clients with objective financial advice.

Continued to have the largest VISA(TM) market share in Canada in both average outstanding card balances and purchase volumes. This year, we built up our strength with an agreement with American Express Limited to issue American Express-branded credit cards, becoming the first bank to offer both VISA and American Express in Canada. The entourage(TM) line of American Express-branded cards also includes the first smart-chip credit card available nationally.

Established FirstCaribbean International Bank(TM) (FCIB) through the combination of CIBC's Caribbean retail, corporate and international banking operations with those of Barclays Bank PLC. FCIB has operations in 13 Caribbean countries with over US$9.2 billion in assets and over 700,000 accounts.

Increased market share in mortgages. CIBC's market share in residential mortgages increased to 14%, up from 13% last year. Our multi-channel strategy, coupled with product innovation, continues to perform well and we are on track to become the leader in this market in 2003.

Continued to record positive growth through President's Choice Financial services. As a result of our alliance with Loblaw Companies Limited, our customer base in Canada grew by 40% to 1.05 million. In the recent Gomez survey of Internet sites of Canadian banks, President's Choice Financial received top ranking in the overall cost category and was ranked #3 in customer confidence.

CIBC World Markets participated in three of the five biggest M&A deals of the year in Canada, including acting as lead adviser in the biggest deal of the year, Alberta Energy Company Ltd.'s merger with PanCanadian Energy Corp. to form EnCana.

2002 PERFORMANCE HIGHLIGHTS

CIBC World Markets was ranked the #1 M&A franchise in Canada in 2002 by the National Post, both in terms of number and value of deals. CIBC World Markets also achieved a year-to-date #1 industry ranking with respect to equity financings completed in Canada.

CIBC World Markets participated in the largest ever mezzanine financing provided in a European leveraged buy-out. CIBC World Markets arranged and underwrote senior and mezzanine facilities in respect of Paribas Affaires Industrielles' acquisition of Holdelis SA.

Achieved ongoing success in our strategy to grow our CIBC Wealth Management business with non-institutional assets under administration growing to $207 billion, a 24% increase from last year.

Completed the integration of Treasury and Balance Sheet Management with Risk Management. This ensures that authority and accountability resides in one functional group, creating greater efficiency and effectiveness in managing the resources of CIBC.

Continued our program of proactive credit portfolio management through additional single-name and bulk loan sales and hedges. Such activities have been instrumental in supporting CIBC's reduction of risk-weighted assets by $19 billion since 1998.

Continued to meet the needs of those customers looking for alternative ways to do their banking; the number of internet transactions in 2002 more than doubled from 2001 to almost 25 million transactions.

Offered the latest in payment innovation and convenience via an arrangement with Certapay Inc. and other Canadian banks to launch the world's first real-time, bank-to-bank, secure email transfers.

Selected for 2002/2003 Dow Jones Sustainability World Index. CIBC was one of two Canadian financial services companies to be listed on this index, which tracks the financial performance of the leading sustainability-driven companies worldwide.

Implemented a new branch technology infrastructure that allows the introduction of new performance and sales measurement tools, faster transaction processing times for our customers, as well as e-learning for employees.

Announced a new seven-year outsourcing agreement with Hewlett-Packard (Canada) Co., along with the divestiture of CIBC's interest in INTRIA-HP. The agreement enables CIBC to drive down costs by reducing technology diversification while concentrating on its core business. The new outsourcing relationship also establishes new service levels and governance standards that will ensure service delivery and minimize operational risk.

(right)
In August 2002, CIBC opened the CIBC Children's Centre, Canada's first employer-sponsored centre dedicated to back-up childcare. Operated by ChildrenFirst Ltd.,

the centre is exclusively for CIBC employees

[PHOTO OMITTED]

(below)
In June 2002, CIBC celebrated National Aboriginal Day with ceremonies held at Commerce Court.

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[PHOTO OMITTED]

(above)
The CIBC Run for the Cure(TM) is the bank's biggest employee fundraising activity in Canada, raising over $13 million for the fight against breast cancer.

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Public Accountability Statement

CIBC is stepping up efforts to create sustainable business excellence by building employee satisfaction, delivering enhanced long-term value for customers and shareholders, and promoting greater commitment to the communities we serve.

At CIBC, accountability means more than delivering solid financial results to our shareholders. It is our commitment to make a difference to all stakeholders - to win respect from our employees, to deliver quality and value to customers, to foster strong, healthy communities, and to work diligently to exceed the expectations of shareholders.

CIBC is one of Canada's leading corporations, with major business operations around the world. In 2002, we employed more than 42,000 people worldwide, the majority of them in Canada. Taxes paid to all levels of government in Canada totalled $1,317 million. During the year, CIBC contributed more than $46 million to hundreds of causes around the world, including almost $24 million in Canada, and we supported our employees' volunteer initiatives that raised millions of dollars for grassroots community organizations across the country.

In 2002, CIBC made significant progress to step up our efforts to grow into a performance-driven culture focused on innovation and business excellence to better serve CIBC's stakeholders. As a public corporation and good corporate citizen, our mission is clear: To have a positive impact on the lives of Canadians by offering them superior financial solutions, and by playing a leading role in the growth of our communities.

Responsible stewardship of the environment is an important priority. CIBC's longstanding environmental policy reflects our commitment to responsible conduct, both to protect and conserve the environment and to safeguard the interests of stakeholders from environmental risk.

CIBC's retail customers want banking products and services that they can afford, and easily access whenever they want them. Our small business customers insist upon more choice of financial solutions, as well as greater access to credit and financial advice, to help them manage their businesses efficiently. And, national, regional and grassroots community groups across Canada look to us for commitment and support, to help them accomplish their goals.

Here are some examples of the initiatives CIBC took in 2002 to respond to our stakeholders' needs.

AFFORDABLE ACCESSIBLE BANKING

Banking in the 21st century is changing. Today, our customers want more choice, more convenience and the freedom to pick the delivery channel that works best for them - going to their branch, visiting an ABM, picking up the telephone or clicking their mouse. CIBC is listening to what they are telling us. In 2002, we provided faster, more convenient ways to access our services "24/7" by strengthening our entire distribution network, which includes 1,139 branches and more than 4,300 ABMs nationwide, and expanding our telephone and computer banking capabilities.

Our customers also want a greater selection of affordable banking products and services to meet their financial needs more effectively. We've responded by providing a wider choice of Smart Simple Solutions(TM) to allow customers to weigh the options and pick the solution that is right for them.

Some of the initiatives taken in 2002 include:

- Upgrading our ABM network infrastructure to add functionality to more than 4,300 machines, allowing customers to do more of their banking at the ABM.

- Introducing email money transfer, so personal account customers now have the convenience of transferring money electronically, through the world's first real-time, bank-to-bank secure email transfer.

- Offering more flexible mortgage options, giving customers the choice between the variable-rate CIBC Better Than Prime Mortgage(TM) or the fixed-rate CIBC Better Than Posted Mortgage(TM).

- Providing faster, more powerful telephone banking solutions. We introduced speech-recognition technology and added more call centres to meet increased customer demand.

- Expanding low-cost banking options by extending our co-branded electronic, no fee daily banking offer to 212 President's Choice Financial services pavilions in grocery stores through our strategic alliance with Loblaw Companies Limited.

SUPPORTING SMALL BUSINESS

Small businesses across Canada make a vital contribution to this country's economic growth. In today's economic environment, conditions for Canadian small business growth have never been better. Entrepreneurs are taking the Canadian economy forward and CIBC is behind them, supporting their growth in regional and national markets, and helping them to establish themselves competitively on the global stage.

At year-end, CIBC had more than 480,000 small business customers and more than $25.8 billion in authorized loans (under $5 million in authorized credit) supporting business across Canada, including over $4.5 billion in authorized loans in agriculture.

During the last year, CIBC introduced a broad range of initiatives and enhancements to better support our small business customers - versatile solutions that will save them more time, so that they can accomplish their goals more effectively. We updated our lending processes and procedures, launched new products, enhanced delivery through upgraded alternative channels and provided easier access to a wealth of CIBC resources to give small business customers greater, more timely access to the products and services they need.

We enhanced our offer to small business customers by providing them with faster, more convenient access to credit products to finance their businesses and offering a range of new products and services to make their banking experience more productive and meaningful. Our initiatives included:

- Expanding CIBC Small Business Credit Edge(TM) eligibility requirements to allow more businesses to apply. The Small Business Credit Edge offers customers up to $100,000 either as a loan or line of credit, with only minimal information required, a two-page application and typically a 48-hour turnaround.

- Eliminating restrictive conditions for customers borrowing less than $250,000, including the margining of accounts receivable and maintenance of financial covenants, to enhance and simplify access to credit.

- Introducing CIBC entourage Business(TM) American Express(R) Card, a no-annual fee, low interest rate card with a great combination of travel, entertainment and savings features built in, offering value, convenience and choice to small business owners.

Total employees
approximately 42,000

Taxes paid in Canada
$1,317 million

Global contributions
to community-based
organizations were
more than $46 million

- An expanded Online Banking and Telephone Banking offer that includes new services and transaction capabilities, such as requests for:

  - Loan balance information.

  - Copies of transaction documents, including cheques, credit memos, debit memos, deposits, and electronic funds transfer items and withdrawals.

  - A dedicated team of small business specialists within CIBC's telephone banking channel to assist customers with day-to-day banking transactions.

SUPPORTING COMMUNITY AND EMPLOYEE VOLUNTEER ACTIVITIES

Community giving is at the heart of CIBC. Through the volunteer efforts of our employees and corporate donations, CIBC's contribution to Canadian communities is significant.

In 2002, CIBC contributed more than $46 million worldwide, including almost $24 million in Canada to hundreds of national, regional and grassroots organizations in communities across the country. Supporting youth is the strategic focus of our commitment. Through CIBC Youthvision(TM), we fund research, education, mentoring and skills development programs aimed at helping Canadian youth prepare for the future. The CIBC Youthvision Scholarship Program - our flagship program - is a unique arrangement with Big Brothers Big Sisters of Canada and YMCA Canada.

Each year, 30 scholarships valued up to $35,000 each are awarded to Grade 10 students enrolled in a mentoring program with these charitable partners. Winning a CIBC Youthvision Scholarship gives young Canadians the once-in-a-lifetime opportunity to stay in school and reap all the benefits of a post-secondary education.

The volunteer activities of CIBC employees make up the lion's share of our contribution to communities. Through the Employee as Ambassador Program, CIBC encourages their community spirit by donating up to $1,000 per employee to each community organization they support. In 2002, we donated over $289,000 to local organizations on behalf of our employees. We're also proud to support their significant volunteer efforts in raising millions of dollars for high-profile events, such as the CIBC Run for the Cure, the CIBC World Markets Children's Miracle Day(TM) and the United Way.

The CIBC Run for the Cure is the bank's biggest employee fundraising activity in Canada, and the country's premier annual event dedicated to raising money for the fight against breast cancer. This year's event was the largest ever, even breaking last year's incredible record for the number of participants. More than 135,000 people in 38 communities across Canada took part in 2002, including over 14,000 CIBC employees, their families and friends nationwide, raising over $13 million for breast cancer research, education, diagnosis and treatment.

The CIBC World Markets Children's Miracle Day is held each year, on the first Wednesday in December, when CIBC World Markets and CIBC Wood Gundy sales and trading staff in Canada, the U.S., Europe and Asia donate their fees and commissions to children's charities. On Miracle Day 2001, CIBC raised more than $19 million globally, including more than $3 million in Canada. Since one solitary broker, the late Timothy Miller, came up with the idea for the event back in 1984, Children's Miracle Day has raised more than $85 million.

These funds are directed back to the communities where they were raised, providing help for more than 350 local and national charitable organizations dedicated to improving the education, health, and well-being of children.

CIBC provided more than $2.4 million in corporate donations to United Way agencies across Canada, in addition to $250,000 in gifts-in-kind. CIBC's employees contributed $3.7 million through their organizational and fundraising efforts and payroll deductions.

PUBLIC ACCOUNTABILITY

CIBC publishes its public accountability statement annually, outlining its contribution to the economic and social well-being of our communities and our country. A full version of CIBC's 2002 Public Accountability Statement will be available online on our corporate website at www.cibc.com in the first quarter of 2003.

Management's Discussion and Analysis for 2002 has been designed to provide readers with a more meaningful presentation of our businesses and our risk management approach. Strategic commentary and key messages from each business line leader have been integrated into the business line review to supplement the financial analysis.

Management's Discussion and Analysis

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Management's Discussion and Analysis of CIBC's 2002 results and operations is organized into five sections

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OVERVIEW

To facilitate an understanding of CIBC's 2002 results, this section sets out CIBC's significant business themes and critical accounting policies. An overview of the consolidated financial results is also provided to set the framework for the more detailed business line discussions that follow.

BUSINESS LINE REVIEW

This section reviews CIBC's businesses and provides an explanation of CIBC's reporting structure, which is consistent with how the business is managed. In addition, each business line leader reviews financial results for the year. Business line performance is measured against 2002 objectives. Ongoing objectives and priorities, together with an outlook for 2003 are also provided. Finally, an in-depth financial review is provided.

FUNCTIONAL GROUPS

The functional groups provide infrastructure support services to the business lines. In this section, the business leader for each functional group reviews the year and establishes priorities going forward.

CONSOLIDATED FINANCIAL REVIEW

This section provides a discussion of CIBC's consolidated income statements and consolidated balance sheets, as well as a detailed outline of how CIBC manages risk and balance sheet resources.

BUSINESS ENVIRONMENT

This section provides an economic review of the year 2002 and the outlook for 2003, an overview of the regulatory environment in which CIBC operates and related-party procedures. Accounting and reporting developments complete the section.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

BUSINESS THEMES

Disciplined balance sheet management and capital strength continued to be priorities for CIBC in 2002. The balance sheet management process is aimed at reallocating economic capital and balance sheet resources to businesses with strong, stable results and ensuring CIBC remains strongly capitalized. The performance of every business across CIBC is assessed based on both quantity and quality of earnings criteria. As a result, CIBC places each of its 37 businesses into one of the four quadrants in the balance sheet resource allocation matrix presented below.

BALANCE SHEET RESOURCE ALLOCATION MATRIX

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The quantity of earnings is measured on a performance management basis, including risk-adjusted return on capital (RAROC) and economic profit. RAROC and economic profit are measured using economic capital, which captures the inherent risks associated with each business (see page 29). Quality of earnings considers volatility, sustainability, strategic importance, and growth potential. These are dynamic assessments based on financial performance and management judgment, which support the allocation of balance sheet resources to each business.

Businesses with strong earnings, high strategic importance and long-term growth potential are considered "Growth" businesses. Examples of businesses in this quadrant include both cards and the Canadian full-service brokerage, which continued strong growth in 2002. Balance sheet resources in cards were up 7% in 2002, supporting 15% operating revenue growth. In 2002, CIBC acquired Merrill Lynch Canada Inc.'s Private Client & Securities Services businesses and Merrill Lynch Investment Managers Canada Inc., now CM Investment Management Inc. These acquisitions have enabled CIBC to increase its Canadian full-service brokerage platform under the CIBC Wood Gundy name. In aggregate, the CIBC Canadian full-service brokerage business increased its balance sheet resource usage by over 100% in 2002. The performance of these now integrated businesses continues to exceed expectations.

Businesses with low current earnings but long-term profitability and growth potential are considered "Investment" businesses. In 2002, CIBC continued to invest in the electronic banking operations of Amicus in Canada (President's Choice Financial) which continues to perform well and is expected to become profitable in the fourth quarter of 2003. The total number of customers for President's Choice Financial at the year-end was 1.05 million, up 40% from 2001. It also experienced strong revenue growth in 2002 due to increasing volumes and spreads.

"Managed growth" businesses are those that deliver strong financial results, but have more moderate long-term growth prospects. In 2002, mortgages grew by over 13%, with revenue up by 30%. CIBC also completed the combination of its Caribbean retail, corporate and international banking operations with those of Barclays Bank PLC to form FirstCaribbean International Bank(TM). The combined operations will be both more efficient and better able to compete in the region from a position of enhanced market share.

Businesses with low earnings and lower long-term growth potential fall into the category of "Fix, reduce, exit." CIBC continued to liberate capital and other balance sheet resources from these businesses and redeploy them to "Investment" and "Growth" businesses. Examples of activities in 2002 included:

A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements which are made pursuant to the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook of CIBC for 2003 and subsequent periods. Forward-looking statements are typically identified by the words "believe," "expect," "anticipate," "intend," "estimate" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." A forward-looking statement is subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond CIBC's control, affect the operations, performance and results of CIBC and its business lines, and could cause actual results to differ materially from the expectations expressed in any of CIBC's forward-looking statements. These factors include: current, pending and proposed legislative or regulatory developments in the jurisdictions where CIBC operates, including pending developments in Canadian laws regulating financial institutions and U.S. regulatory changes affecting foreign companies listed on a U.S. exchange; political conditions and developments, including conflict in the Middle East and the war on terrorism; weakened market conditions; intensifying competition from established competitors and new entrants in the financial services industry; technological change; global capital market activity; interest rate fluctuation; currency value fluctuation; general economic conditions worldwide, as well as in Canada, the United States and other countries where CIBC has operations; the impact of the events of September 11, 2001; changes in market rates and prices which may adversely affect the value of financial products; CIBC's success in developing and introducing new products and services to a receptive market, expanding existing distribution channels, developing new ones and realizing increased revenue from these channels, including electronic commerce-based efforts. This list is not exhaustive of the factors that may affect any of CIBC's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on CIBC's forward-looking statements. CIBC does not undertake to update any forward-looking statement that is contained in this annual report.

(i) The continued reduction of the non-core loan portfolio, through loan sales credit derivatives and maturities, resulting in the release of more than 34% of balance sheet resources related to this portfolio.

(ii) The decision to close the U.S. electronic banking operations. Operating losses from these activities will be substantially reduced in 2003.

(iii) The commitment to reduce capital allocated to the corporate loan and merchant banking portfolios by one-third over the next three years.

CIBC continued to meet its targets for capital strength throughout 2002, with strong growth in key retail businesses in spite of a difficult economic environment. Share repurchases were curtailed earlier in the year to ensure continued capital strength and flexibility.

CRITICAL ACCOUNTING POLICIES

A summary of significant accounting policies is presented in Note 1 to the consolidated financial statements. Certain accounting policies of CIBC are critical to understanding the results of operations and the financial condition of CIBC.

These critical accounting policies require management to make certain judgments and estimates, some of which may relate to matters that are uncertain. Changes in these judgments and estimates could have a material impact on CIBC's financial results and financial condition. Management has established control procedures that are intended to ensure that accounting policies are applied consistently and that the processes for changing methodologies are well controlled, and occur in an appropriate and systematic manner. The following details CIBC's critical accounting policies that require management's judgments and estimates.

Valuation of financial instruments

CIBC's financial instruments include debt and equity securities, derivatives and investments in merchant banking activities. Financial instruments that are classified as held for trading purposes are carried at fair value, and financial instruments that are classified as held for investment purposes, including those held in the merchant banking portfolios, are carried at cost and amortized cost adjusted for write-downs to reflect other-than-temporary impairments in value.

For debt and equity securities carried at fair value, the fair values are based on quoted market prices, where available; otherwise, fair values are estimated using quoted market prices for similar securities or other third-party evidence as available. The fair values are adjusted for bid-offer considerations, including consideration of concentration exposure, where appropriate.

For derivative instruments carried at fair value, the fair values are based on quoted market prices or dealer quotes, where available; otherwise, fair values are estimated on the basis of pricing models that incorporate current market measures for interest rates, currency exchange rates, equity prices and indices, credit spreads, corresponding market volatility levels and other market-based pricing factors. Where appropriate, fair value includes a valuation adjustment to cover credit, model and market risks, as well as administrative costs.

Realized and unrealized gains or losses on securities and derivatives held for trading purposes are included in trading activities in the consolidated statements of income.

For financial instruments carried at cost and amortized cost, CIBC conducts regular reviews to assess whether other-than-temporary impairment has occurred. Management's assessment is based upon a review of various factors, including quoted market price of public securities; the investee's financial results; future prospects and values derived from discounted cash flow models. Impairment losses that are considered other-than-temporary are recognized in earnings.

Management uses judgment in the estimation of fair values and impairments as there is often limited market information. Management has control procedures in place relating to valuation processes, the process for obtaining external prices, periodic model review, and the consistent application of control procedures from period to period. Imprecise estimates can affect the amount of gain or loss recorded in trading activities and the impairment recorded for a particular position or portfolio.

For additional details of fair value by type of on- and off-balance sheet financial instruments, see Note 22 to the consolidated financial statements.

Allowance for credit losses

Management establishes and maintains an allowance for credit losses that it considers the best estimate of probable credit-related losses existing in CIBC's portfolio of on- and off-balance sheet financial instruments, giving due regard to current conditions and credit protection purchased from third parties. The allowance for credit losses consists of specific and general components. A number of factors affect management judgment and estimates relating to CIBC's allowance for credit losses, including probability of default, risk ratings, expected loss and recovery rates, and the degree of risk inherent in the loan portfolios. Changes in these estimates due to any number of circumstances can have a direct impact on the provision for credit losses, and may result in a change in the allowance.

Management establishes specific allowances against impaired loans for larger non-homogeneous loan portfolios based on continuous monitoring of these portfolios. Generally, a loan is classified as impaired when management is of the opinion that there is no longer a reasonable assurance of the full and timely collection of principal and interest. Impaired loans are carried at their estimated realizable values determined by discounting the expected future cash flows at the interest rate inherent in the loan. When the amount and timing of future cash flows cannot be estimated reliably, the loan is carried at either the fair value of the security underlying the loan or the market price of the loan. Any changes in the estimated realizable amounts over time are reported as a charge or credit to the allowance for credit losses.

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

CIBC's homogeneous loans include residential mortgages, and personal and credit card loan portfolios. Management evaluates its homogeneous loan portfolios for specific allowances by reference to historical write-offs of balances outstanding. The general allowance for these consumer loan portfolios is based on CIBC's historical flow and loss rates. Further analysis and evaluation of the allowance is performed to account for the aging of the portfolios, along with the impact of economic trends and conditions. For a further discussion of the methodologies used in establishing CIBC's allowance for credit losses, see "Management of credit risk" included in the "Management of Risk and Balance Sheet Resources" section. For details of the allowance for credit losses, see Note 4 to the consolidated financial statements.

Securitizations

CIBC periodically transfers groups of loans or receivables to special purpose entities (SPEs) that issue securities to investors. These investors are entitled to a return of cash flows, based on the principal and interest provided by the group of loans or receivables transferred. This process is referred to as securitization.

Securitizations are accounted for as sales when CIBC surrenders control of the transferred assets and receives consideration other than beneficial interests in the transferred assets.

Gains or losses on transfers accounted for as sales depend, in part, upon the allocation of previous carrying amounts to assets sold and retained interests. These carrying amounts are allocated in proportion to the relative fair value of the assets sold and retained interests. As market prices are generally not available for retained interests, CIBC estimates fair values based on the present value of expected future cash flows. This requires management to estimate expected credit losses, prepayment rates, discount rates, forward yield curves, and other factors that influence the value of retained interests.

There are two key accounting determinations to be made relating to securitizations. First, accounting rules require a determination to be made as to whether a transfer of a group of loans or receivables should be considered a sale for accounting purposes. Second, a decision is required whether a securitization SPE should be considered a subsidiary of CIBC and be consolidated into the financial statements. If the SPE is sufficiently restricted to meet certain accounting requirements, the seller of the transferred assets need not consolidate the SPE.

CIBC's securitizations that meet the accounting criteria are recorded as a sale of assets and are not consolidated for financial reporting purposes. For additional information on CIBC's securitizations, see Note 5 to the consolidated financial statements.

As further discussed in the section "Off-balance sheet arrangements involving SPEs," CIBC administers several SPEs that purchase pools of third-party financial assets and may be involved in other financial transactions involving SPEs. Under current accounting requirements, if the administrator does not control the SPEs, the administrator need not consolidate the SPEs.

In August 2002, the Canadian Institute of Chartered Accountants (CICA) issued a draft guideline "Consolidation of Special-Purpose Entities." As well, in June 2002, the Financial Accounting Standards Board in the U.S. issued an exposure draft addressing the accounting for SPEs. The impact of these exposure drafts on CIBC's consolidated financial statements is not yet determinable.

Valuation of goodwill and other intangible assets

Effective November 1, 2001, CIBC adopted the requirements of the CICA handbook section 3062, "Goodwill and Other Intangible Assets." Under this section, goodwill is no longer subject to amortization. Rather, goodwill is subject to at least an annual assessment for impairment by applying a fair value-based test at the reporting unit level. Impairment loss is recognized to the extent that the carrying amount of goodwill exceeds the implied fair value. Under the standard, an acquired intangible asset should be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the intangible asset can be sold, transferred, licensed, rented, or exchanged, regardless of the acquirer's intent to do so. Determining the useful lives of intangible assets requires considerable judgment and fact-based analysis. Intangible assets with an indefinite life are not amortized but are tested at least annually for impairment.

The fair values of the reporting units and intangible assets with an indefinite life are derived from internally and externally developed valuation models, using a market or income approach. These models consider various factors, including normalized earnings, projected forward earnings, price earnings multiples and discount rates. Management uses judgment to estimate the fair value of the reporting units and intangible assets with an indefinite life. Imprecise estimates can affect the value reported for goodwill and other intangible assets with an indefinite life. For details of goodwill and other intangible assets, see Note 7 to the consolidated financial statements.

Pension and other post-retirement benefits

Pension and other post-retirement benefit costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, projected salary increases, expected return on assets, health care cost trend rates, turnover of employees, retirement age and mortality rates. In accordance with Canadian generally accepted accounting principles, actual results that differ from the assumptions are accumulated and amortized over future periods and, therefore, generally affect recognized expense and the recorded obligation in future periods.

CIBC's approach to managing its pension plans is based upon a comprehensive framework to ensure that the pension plans are properly governed, managed, and operated in each region. This framework is built upon an effective system that holds its decision-makers accountable for results under changing conditions. During the year, key assumptions were reviewed and adopted for the principal CIBC Pension Plan. These assumptions, which affect the October 31, 2002 accrued benefit obligation and funded status of the plan and which will be used to determine expense for 2003 are as follows:

- The discount rate is based on the yield of high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. As at the measurement date of September 30, 2002, the rate was 6.75%, consistent with the prior year.

- The assumed rate of compensation increase was reduced from 4% to 3.5%. The impact of this assumption change was to decrease the accrued benefit obligation by $53 million.

- The expected long-term rate of return on plan assets remains at 7.5%. The rate is based on the long-term market outlook and CIBC Pension Fund investment policies.

Actual future experience different from that assumed or future changes in assumptions may affect CIBC's pension and other post-retirement benefit obligations and future expense.

For a further discussion of the key assumptions used in determining CIBC's annual pension expense and accrued pension liability, see Note 15 to the consolidated financial statements.

Income taxes

Management uses judgment in the estimation of income taxes, and future income tax assets and liabilities. As part of the process of preparing CIBC's consolidated financial statements, management is required to estimate income taxes in each of the jurisdictions in which CIBC operates. This process involves estimating actual current tax exposure, together with assessing temporary differences that result from different treatment of items for tax and accounting purposes and the tax loss carryforwards. These temporary differences and tax loss carryforwards result in future income tax assets and liabilities, which are included on CIBC's consolidated balance sheets. Substantially all of CIBC's tax loss carryforwards originated from the U.S. operations in 2002 and expire in 20 years. In addition, as other future income tax assets naturally reverse into tax losses in the U.S., CIBC will have 20 years from the date such temporary differences become tax losses to utilize them before they would begin to expire under current tax law. Management is required to assess whether it is more likely than not that future income tax assets will be realized prior to their expiration and, based on all available evidence, determine if a valuation allowance is required on all or a portion of its future income tax assets. The factors used to assess the likelihood of realization are management's forecast of future net income before taxes, available tax planning strategies that could be implemented to realize the net future income tax assets and the remaining expiration period of loss carryforwards. Although realization is not assured, management believes, based on all available evidence, that it is more likely than not that all of the future tax assets will be realized prior to their expiration. In this regard, CIBC has initiated various expense management initiatives, refocused its business activities and committed to provide additional capital which will generate additional income. The amount of the future income tax asset considered realizable, however, could be reduced in the near term if forecasted income during the carryforward period is not achieved. Factors that may affect CIBC's ability to achieve sufficient forecasted income include, but are not limited to, the following: deterioration of capital and credit markets, a decline in revenue or margins, loss of market share or increased competition.

For details of CIBC's income taxes, see Note 18 to the consolidated financial statements.

CONSOLIDATED FINANCIAL RESULTS
Highlights

- Total shareholder return of 34.1% for the three-year period ended October 31, 2002, versus the TSX Banks and Trust Index of 44.5%

- Strong Tier 1 and total capital ratios of 8.7% and 11.3%, respectively

- Reported ROE of 5.1%

Earnings

CIBC's reported earnings were $653 million for the year, down $1,033 million from 2001. This was primarily due to a restructuring charge in the U.S. electronic banking operations and other businesses, lower revenue from the CIBC World Markets business line, and a higher provision for credit losses. This was partially offset by lower revenue-related compensation and the gain resulting from the combination of the Caribbean retail, corporate and international banking operations of CIBC and Barclays Bank PLC, to form FirstCaribbean International Bank(TM), now reflected as an equity investment. As well, CIBC benefited from significant tax recoveries in 2002. Reported EPS, diluted, and reported ROE were $1.35 and 5.1%, respectively, compared with $4.13 and 16.1% in 2001.

CIBC's reported earnings in 2001 were $1,686 million, down $374 million from 2000. This resulted from a combination of lower revenue, reflecting weaker markets that were further challenged by the events of September 11, 2001, and higher expenses related to increased technology spending and a restructuring charge. Concurrently, CIBC benefited from a relatively lower income tax expense. Reported EPS, diluted, and reported ROE were $4.13 and 16.1%, respectively, compared with $4.90 and 20.5% in 2000.

The accompanying table adjusts reported earnings for unusual items and CIBC's investment in Amicus. Refer to page 29 for more information on operating earnings.

EARNINGS

$ millions, for the years ended October 31	2002	2001
Reported earnings	$ 653	$ 1,686
Less:		
Gain on sales of corporate assets (1)	200	65
Restructuring charge(2)	(323)	(123)
Merrill Lynch acquisition-related costs (3)	(112)	-
Events of September 11, 2001(4)	(19)	(4)
Adjustment to future income tax assets (5)	52	(66)
Bulk sale of U.S. corporate loans (6)	-	(94)
Restructured ownership of certain U.S.-based loans and leases (7)	-	142

Specific provision for credit losses (6) (8)	-	(28)
General provision for credit losses (9)	-	-
Goodwill amortization (10)	-	(46)
Other items (11)	-	(4)
Adjusted earnings(12)	855	1,844
Less:		
Net impact of Amicus (13)	(236)	(245)
Operating earnings(12)	$ 1,091	$ 2,089
EPS(14) - diluted, reported	$ 1.35	$ 4.13
- diluted, adjusted	$ 1.91	$ 4.54
- diluted, operating	$ 2.56	$ 5.19
ROE - reported	5.1%	16.1%
- adjusted	7.3%	17.7%
- operating	9.7%	20.2%

(1) During the fourth quarter of 2002, CIBC and Barclays Bank PLC completed the combination of their Caribbean retail, corporate and international banking operations. As a result of this combination, CIBC recognized an after-tax gain of $190 million (pre-tax $190 million). During the third quarter of 2002, a $10 million after-tax gain (pre-tax $13 million) was recognized relating to the sale of CIBC's investment in Life of Barbados Limited. Gains in 2001 included the sale of CIBC's two offshore banking subsidiaries, CIBC Fund Managers (Guernsey) Limited and CIBC Bank and Trust Company (Channel Islands) Limited, collectively the Guernsey private banking business, for an after-tax gain of $22 million (pre-tax $22 million) and the sale of the Merchant Card Services business for an after-tax gain of $43 million (pre-tax $58 million). The after-tax gains in 2000 included $143 million (pre-tax $203 million) from the sale of CIBC's portfolio of various wholly-owned office properties; $97 million (pre-tax $97 million) from the sale of CIBC's property and casualty insurance companies; and $20 million (pre-tax $28 million) from the sale of CIBC Suisse S.A.

(2) During the fourth quarter of 2002, CIBC recorded an after-tax restructuring charge of $323 million (pre-tax $514 million). This amount included $232 million (pre-tax $366 million) relating to closing the U.S. electronic banking operations. During the fourth quarter of 2001, CIBC recorded an after-tax restructuring charge of $123 million (pre-tax $207 million). The $18 million after-tax restructuring credit (pre-tax $31 million) in 2000 represented an adjustment of the 1999 after-tax restructuring charge of $242 million (pre-tax $426 million).

(3) In 2002, CIBC incurred after-tax costs of $112 million (pre-tax $183 million) relating to the acquisition of Merrill Lynch Canada Inc.'s Private Client & Securities Services businesses. These costs also include additional compensation to certain investment advisers within CIBC Wood Gundy.

(4) During 2002, net after-tax expenses of $19 million (pre-tax $32 million) were recognized relating to losses and incremental expenses incurred for certain of CIBC's New York operations located at One World Financial Center, in close proximity to the World Trade Center. In the fourth quarter of 2001, CIBC recognized an after-tax expense of $4 million (pre-tax $7 million) in respect of such losses and incremental expenses.

(5) During the fourth quarter of 2002, CIBC recorded $52 million in recognition of certain United Kingdom tax losses related to prior years. In June 2002, the Ontario Government proposed that the tax rate reductions previously announced by it be delayed by one year. This measure was substantively enacted in 2002. During the third quarter of 2001, it was determined that the provincial income tax rate decreases proposed in the May 9, 2001 Ontario Budget and the July 30, 2001 British Columbia Budget Update were substantively enacted. As a result, CIBC recognized a $21 million charge to income tax expense in that quarter, thereby reducing its future income tax assets, in recognition of the fact that temporary differences will reverse when the rates are lower. An adjustment of $45 million was recognized in the first quarter of 2001, resulting from the federal income tax rate decreases proposed in the October 18, 2000 federal government Economic Statement and Budget Update.

(6) In the fourth quarter of 2001, CIBC completed a sale of $848 million of non-investment grade loans and $195 million of undrawn credit commitments. CIBC recorded an after-tax specific provision for credit losses of $28 million (pre-tax $48 million) related to the loans and incurred an after-tax loss on the sale of $94 million (pre-tax $162 million).

(7) During the fourth quarter of 2001, CIBC restructured ownership of certain U.S.-based loans and leases, resulting in a net reduction of income tax expense of $142 million.

(8) In 2000, CIBC recorded an after-tax additional specific provision of $143 million (pre-tax $250 million) for credit losses related to government-sponsored student loans.

(9) In 2000, CIBC recorded an after-tax general provision for credit losses of $146 million (pre-tax $250 million).

(10) On November 1, 2001, CIBC adopted the requirements of the CICA handbook section 3062, "Goodwill and Other Intangible Assets," which require that amortization of goodwill, including that relating to equity accounted investments, cease after October 31, 2001. Accordingly, adjusted earnings for 2001 and 2000 include adding back amortization of goodwill to present 2001 and 2000 results on a basis comparable to the current year.

(11) In the fourth quarter of 2001, CIBC incurred after-tax costs of $4 million (pre-tax $8 million) related to the restructured ownership of certain U.S.-based loans and leases. In 2000, CIBC recorded after-tax costs of $12 million (pre-tax $20 million) for Oppenheimer acquisition-related costs. In 2000, other after-tax costs of $27 million (pre-tax $50 million) related to CIBC's New York premises consolidation.

(12) Operating earnings exclude items that, in management's opinion, are either unusual in nature, or that relate to substantial strategic investments, thereby allowing for the analysis of business trends and the performance of CIBC's business lines. Adjusted earnings exclude only unusual items. The words "operating earnings" and "adjusted earnings" do not have standardized meanings under generally accepted accounting principles and, consequently, may not be comparable to similar measures presented by other companies. Refer to the "Operating performance measurements" section in this report for further details.

(13) During the first quarter of 2002, certain business activities were moved from CIBC Retail Markets (formerly Retail Products and Retail Markets) to Amicus. Refer to the "Business line review" section in this report for further details. Comparative information has been reclassified.

(14) During the first quarter of 2002, CIBC retroactively adopted the CICA

handbook section 3500, "Earnings Per Share." Prior period EPS figures have been restated.

Revenue

Reported revenue in 2002 was $11,152 million on a taxable equivalent basis (TEB), down $154 million from the prior year. The decrease in revenue was mainly due to lower trading and origination revenue, lower net merchant banking revenue and write-downs related to collateralized debt obligation and high-yield portfolios, all as a result of continued weak markets. This decrease was partially offset by the gain resulting from the combination of the Caribbean retail, corporate and international banking operations of CIBC and Barclays Bank PLC. Revenue also benefited from increased net interest income related to increased volumes in credit products (cards, lending products and mortgages) and in customer deposits, as well as revenue related to acquired businesses.

REVENUE

$ millions, for the years ended October 31	2002	2001	2000
Reported revenue (TEB)	$ 11,152	$ 11,306	$ 12,210
Less:			
Gain on sales of corporate assets	203	80	328
Bulk sale of U.S. corporate loans	--	(162)	--
Amicus	230	148	75
Goodwill amortization - equity accounted investments	--	(22)	(17)
Operating revenue (TEB)	$ 10,719	$ 11,262	$ 11,824

Reported revenue in 2001 was $11,306 million, down $904 million from the prior year. Revenue for the year included gains from sales of CIBC's Merchant Card Services business and the Guernsey private banking business. These gains were more than offset by the loss associated with the bulk sale of the U.S. corporate loans. In 2000, revenue included gains of $328 million related to the sales of certain office properties, the property and casualty insurance companies and CIBC Suisse S.A. Reported revenue in 2001 was also lower from 2000 as a result of revenue declines in CIBC Wealth Management and CIBC World Markets businesses, reflecting weaker market conditions and the events of September 11, 2001.

Non-interest expenses

CIBC's reported non-interest expenses for the year were $9,129 million, up $903 million from 2001. The increase in non-interest expenses was primarily due to a higher restructuring charge and the ongoing expenses related to acquired businesses, as well as acquisition-related costs, partially offset by lower revenue-related compensation. Details of the restructuring charge are outlined below.

The reported efficiency ratio was 81.9% in 2002, compared with 72.8% in the prior year.

At October 31, 2002, CIBC had a regular workforce headcount of 42,552, up 237 from 2001 due to the impact of acquired businesses partly offset by staff reductions as part of restructuring and the exclusion of the West Indies workforce. The regular workforce headcount measure comprises regular full-time and part-time employees, base salaried plus commissioned employees and 100% commissioned employees.

NON-INTEREST EXPENSES

$ millions, for the years ended October 31	2002	2001	2000
Reported non-interest expenses	$ 9,129	$ 8,226	$ 8,096
Less:			
Restructuring charge	514	207	(31)
Merrill Lynch acquisition-related costs	183	--	--
Events of September 11, 2001	32	7	--
Amicus	585	535	290
Goodwill amortization	--	24	23
Other items	--	8	70
Operating non-interest expenses	$ 7,815	$ 7,445	$ 7,744

Reported non-interest expenses were $8,226 million in 2001, up $130 million from the prior year. This was primarily the result of increased Amicus spending and the restructuring charge related to CIBC's cost-reduction program, partially offset by lower revenue-related compensation.

Restructuring

In 2002, CIBC recorded a restructuring charge of $366 million relating to the closing of its U.S. electronic banking operations and an additional $142 million related to restructuring initiatives in other businesses. These initiatives in total are expected to result in the elimination of approximately 2,700 positions.

The charge relating to closing the U.S. electronic banking operations, subject to regulatory approval, consisted of contract termination costs, termination benefits and other related charges, including the write-down of assets. The initiative is expected to be substantially completed by the end of the first quarter of 2003.

CIBC World Markets has reduced staff levels, primarily in the U.S., as a result of the continued low level of business activity in capital markets and investment banking. In addition, selective reductions will be made in Asian, European and commercial banking businesses.

CIBC Retail Markets will reduce staff levels, reconfigure its branch network and close bizSmart(TM), CIBC's direct banking offer which provided internet and telephone based banking services to small businesses.

Operations and systems development support for CIBC World Markets, CIBC

Wealth Management and CIBC Retail Markets businesses will rationalize to align their cost structures with current market conditions.

In 2001, a CIBC-wide cost-reduction program was initiated in response to changing economic conditions. Significant actions taken in 2002 under the program included consolidation of branches, rationalization of business support functions, realignment of the workforce, reorganization of certain operations, and termination of certain leases. This program was substantially completed in 2002 and the original estimate was revised by a net increase of $6 million.

Events of September 11, 2001

CIBC's New York operations located at One World Financial Center (WFC), in close proximity to the World Trade Center, were directly affected by the events of September 11, 2001. These events caused the temporary

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relocation of employees from WFC to CIBC's other major premises in mid-town Manhattan, as well as to temporary locations in the vicinity.

For the year ended October 31, 2002, CIBC recorded expenses, net of insurance recoveries, related to the events of September 11, 2001 of $32 million (2001: $7 million). CIBC has received payments on account of insurance claims of $90 million in 2002 (2001: $9 million). Although CIBC is still in discussions with its insurance carrier as to the ultimate settlement amount, CIBC has recorded insurance recoveries for amounts for which it considers recovery is probable. In addition, no insurance recovery amounts are recorded under the business interruption insurance claim as negotiations are still continuing. Management is still in the process of evaluating various scenarios concerning the premises in New York. The full financial impact of these decisions, including related insurance recoveries, was not determinable at the time of preparation of the consolidated financial statements.

For details relating to expenses related to the events of September 11, 2001, refer to Note 17 to the consolidated financial statements.

Taxes

CIBC's reported income tax recovery for the year was $279 million, compared with an income tax expense of $92 million in 2001 primarily due to a higher provision for credit losses in North America in 2002 and increased restructuring charge and other losses in CIBC's U.S. operations. Also contributing to the reduced income tax expense were the gain resulting from the combination of the Caribbean retail, corporate and international banking operations of CIBC and Barclays Bank PLC, upon which no tax expense was provided, and the recognition of a future tax asset in respect of certain United Kingdom tax losses relating to prior years.

CIBC has not provided for a valuation allowance related to future income tax assets. Included in the tax loss carryforwards amount is $447 million relating to losses in the U.S. operations in 2002 which expire in 20 years. In addition, as other future income tax assets naturally reverse into tax losses in the U.S., CIBC will have 20 years from the date such temporary differences become tax losses to utilize them before they would begin to expire under current tax law. Although realization is not assured, CIBC believes that, based on all available evidence, it is more likely than not that all of the future tax assets will be realized prior to their expiration. In this regard, CIBC has initiated various expense management initiatives, refocused its business activities and committed to provide additional capital which will generate additional income. See pages 52 and 53 for a more detailed discussion.

Assets

CIBC's balance sheet decreased by $14.2 billion, to $273.3 billion, from October 31, 2001. Decreases were largely driven by reductions in business and government loans ($4.7 billion), securities borrowed or purchased under a resale agreement ($8.1 billion), trading securities ($7.2 billion), investment securities ($2.3 billion), customers' liability under acceptances ($1.3 billion), and interest-bearing deposits with banks ($1.6 billion). These decreases were partially offset by increases in retail assets, such as residential mortgages ($7.9 billion), and personal and credit card loans ($2.4 billion). Large reductions in balances, specifically in the fourth quarter of 2002, were partially the result of the combination of the Caribbean retail, corporate and international banking operations of CIBC and Barclays Bank PLC, and also as a result of continuing efforts to manage the balance sheet to appropriate levels.

The net unrealized excess of market value over book value of CIBC's investment portfolio totalled $671 million at year-end. The unrealized gains in corporate equity of $271 million related mainly to investments held in the merchant banking portfolio.

Gross impaired loans were $2.28 billion at October 31, 2002, up from $1.70 billion from the prior year. CIBC's total allowance for credit losses, which includes specific and general allowances, was $2.29 billion at year-end, and exceeded gross impaired loans by $13 million, compared with $592 million at October 31, 2001.

The specific provision for credit losses was $1,500 million for the year, up from $1,100 million in 2001. As at October 31, 2002, the general allowance remained at $1.25 billion, unchanged from the prior year. The increase in specific provisions mainly related to the business and government loan portfolio and reflects the continuing decline in credit conditions experienced in the U.S. and Europe.

Capital management

CIB's total capital for regulatory purposes was $14.3 billion at October 31, 2002, down $1.3 billion from 2001 mainly as a result of increased deductions for goodwill (from Tier 1 capital) and for equity accounted investments (from total regulatory capital). Goodwill increased as a result of acquisitions during the year. The increase in equity accounted investments resulted from the combination of the Caribbean retail, corporate and international banking operations of CIBC and Barclays Bank PLC. CIBC's Tier 1 and total regulatory capital ratios were 8.7% and 11.3%, respectively, at October 31, 2002, compared with 9.0% and 12.0% a year ago.

Shareholder value

CIBC's common share price was $38.75 at October 31, 2002, compared with $48.82 at the end of 2001. Current dividends of 41 cents per quarter, implying an annual dividend of $1.64, represent a dividend yield of 4.2% based on the closing share price for the year. Book value was $25.75 per share, down from $26.44 per share in 2001.

Under a normal course issuer bid that began on January 9, 2002, CIBC purchased 5.7 million common shares for cancellation during the year for an aggregate consideration of $313 million, representing an average price of $55.05 per share. The normal course issuer bid ends January 8, 2003.

Stock option plans

CIBC has two stock option plans: the Employee Stock Option Plan and the Non-Officer Director Stock Option Plan, as detailed in Note 14 to the consolidated financial statements.

During the year, CIBC early adopted the fair value-based method to account for stock options. This is further explained in Note 14 to the consolidated financial statements.

The dilution impact of the stock option plans is summarized in the table below. The dilution impact is calculated as the new option grants for the year, net of options forfeited by employees leaving CIBC, divided by the average number of shares outstanding during the year.

STOCK OPTIONS As at or for the years ended October 31	2002	2001	2000	1999	1998	19
Net options granted (millions)	2.7	2.4	5.1	4.5	3.4	3
Average number of shares outstanding (millions)	360.6	372.3	388.9	409.8	415.0	413
Net grants during period as % of average number of shares outstanding	0.8%	0.6%	1.3%	1.1%	0.8%	0

OUTLOOK

The current North American economic environment remains uncertain. An earlier recovery in the U.S. has faltered amid weak gains in employment and little appetite for renewed capital spending by corporations. In Canada, the picture is somewhat brighter with relatively strong consumer spending and a healthy trade surplus, although it is unclear how long this divergence can continue in light of the conditions south of the border. Ultimately, North American economic growth is expected to slowly strengthen, particularly during the latter part of 2003, as low interest rates support retail sales and companies finally begin re-investing in their businesses. The key uncertainty in this forecast remains the threat of war in the Middle East.

In light of these challenges, CIBC will continue to shift its business mix away from the capital and credit markets to its core retail and wealth management businesses. Loan loss provisions are expected to decline in 2003 and management's efforts will be focused on improving operational efficiency and maintaining strong capital ratios.

We have four strategic business lines - CIBC Retail Markets, CIBC Wealth Management, CIBC World Markets and Amicus. CIBC Retail Markets and CIBC Wealth Management together comprise our CIBC Retail & Wealth operations. These business lines are supported by four functional groups - Treasury, Balance Sheet and Risk Management; Administration; Technology and Operations; and Corporate Development.

Business Line Review

BUSINESS LINE REVIEW	AVERAG ASSET (% of tota
CIBC RETAIL & WEALTH	58.7
CIBC RETAIL MARKETS Provides financial services and lending, credit cards, mortgages, deposit, insurance and investment products to retail and small business customers through CIBC branches, ABM network, internet and telephone banking.	49.4
CIBC WEALTH MANAGEMENT Provides relationship-based advisory sales, services and products through a sales force of more than 3,000 investment professionals. Products and services include full-service brokerage in Canada and the U.S., discount brokerage, global private banking and trust services, asset management, and a variety of other wealth products.	9.3
CIBC WORLD MARKETS Provides integrated investment and corporate banking solutions to clients throughout North America, with niche capabilities in the U.K. and Asia. Areas of specialization include mergers and acquisitions; research; sales and trading of securities and derivatives; merchant banking; and commercial banking.	39.5
AMICUS Provides co-branded electronic retail banking services. Operating through pavilions in retail locations, Amicus offers a variety of deposit and credit products.	1.8

FUNCTIONAL GROUPS

CORPORATE AND OTHER includes the four functional groups that provide infrastructure support services, with revenue and expenses generally allocated to the business lines. These functional groups are:

- Treasury, Balance Sheet and Risk Management-manages CIBC's balance sheet resource allocation process and also measures, monitors and controls CIBC's exposure to credit, market, liquidity and operational risk.

- Administration - provides governance and support services to CIBC and its strategic business lines.

- Technology and Operations - provides a wide range of shared technology and operations services to CIBC's businesses.

- Corporate Development - reinforces an owner-manager mindset among CIBC's leaders to develop and grow their businesses.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

How CIBC Reports

CIBC's four business lines are CIBC Retail Markets, CIBC Wealth Management, CIBC World Markets and Amicus. CIBC Retail Markets and CIBC Wealth Management together comprise CIBC Retail & Wealth operations, the focus of CIBC's overall strategy of concentrating resources and increasing capital to the retail operations.

CIBC's business lines are supported by four functional groups: Treasury, Balance Sheet and Risk Management; Administration; Technology and Operations; and Corporate Development.

During 2002, CIBC merged most of the businesses within Electronic Commerce, and Retail and Small Business Banking into a new business line, CIBC Retail Markets. Amicus (previously part of Electronic Commerce) became a separate business line, and Technology and Operations became a part of Corporate and Other. Prior year segmented financial information has been reclassified to reflect these changes.

CIBC's Manufacturer/Customer Segment/Distributor Management Model is used to measure and report the results of operations of the four business lines. Under this model, internal payments for sales commissions and distribution service fees are made among the business lines. As well, revenue and expenses relating to certain activities, such as the payments business included in CIBC Retail Markets, are fully allocated to other business lines. In addition, the revenue, expenses and balance sheet resources of the four functional groups are generally allocated to the business lines. Corporate and Other comprises the four functional groups, as well as CIBC Mellon's custody business and other revenue and expense items not directly attributable to the business lines. Management uses this model to better understand the economics of customer segments, products and delivery channels.

The model employs certain estimates and allocation methodologies in the preparation of segmented financial information. In 2002, the sales and service fees paid to segments for certain products were renegotiated among the business lines. Prior year financial information was not reclassified to reflect these fee changes.

OPERATING PERFORMANCE MEASUREMENTS

The principal measurements used by CIBC to assess business line performance include operating earnings; return on equity, which is based on risk-adjusted (economic) capital; and economic profit. These measurements are outlined in more detail in the following sections and are provided as part of the business line performance reviews on pages 30 to 46.

Operating earnings

Management uses operating earnings and adjusted earnings to review and analyse the performance of the business lines. Operating earnings exclude items that, in management's opinion, are either unusual in nature or relate to substantial strategic investments, thereby allowing for the analysis of business trends. Adjusted earnings exclude only unusual items. Examples of excluded items are the impact of gains (or losses) on sales of non-strategic assets, restructuring costs within each business line and the costs related to the events of September 11, 2001. These items are explained in more detail in the footnotes to the table under earnings on page 24. Business line results show both reported and operating earnings. The discussions on pages 30 to 46 refer to operating earnings. In addition, further details on the business lines are provided in Note 26 to the consolidated financial statements.

Risk-adjusted return on capital (RAROC)

RAROC is a risk-adjusted profitability measurement and management framework for measuring risk-adjusted financial performance and for providing a consistent view of profitability across all businesses. RAROC is defined as the ratio of risk-adjusted return to economic capital.

Economic capital is attributed on the basis of three risk factors: credit, market and operational risk. The fundamental approaches to managing these risk factors are described in the "Management of Risk and Balance Sheet Resources" section. The use of risk-based capital strengthens the risk management discipline within CIBC's business lines, as the methodologies employed quantify the level of risk within each business line and attribute capital accordingly. This process assists CIBC in achieving its objectives of controlled growth and returns commensurate with the risk taken.

Economic capital methodologies can be applied across products, clients, lines of business and other segmentations, as required, to measure certain types of performance. The resulting capital attributed to each business line provides the financial framework to understand and evaluate sustainable performance, and to actively manage the composition of the business portfolio. This enables CIBC to increase shareholder value by reallocating capital to those businesses with high strategic value and sustainable returns, or with long-term growth and profitability potential.

Business line return on equity is also measured using risk-adjusted (economic) capital, which, in many instances, may be different from legal capital. The difference between economic capital allocated to the business lines and legal capital is held in Corporate and Other. Periodically, enhancements are made to CIBC's economic capital allocation model as part of CIBC's risk measurement process. These changes are made prospectively.

Economic profit

Economic profit elaborates on RAROC by incorporating the cost of equity capital, which is based on the market required rate of return from holding CIBC's equity instruments, to assess whether shareholder wealth is being created. Economic profit measures the return generated by each business in excess of CIBC's cost of equity capital. Shareholder wealth is increased if capital can be employed at a return in excess of CIBC's cost of equity capital. Similarly, when returns do not exceed the cost of equity capital, then shareholder wealth is diminished and a more effective deployment of that capital is sought.

2002 Results

- Reported earnings of $1,347 million; including commercial banking, reported earnings of $1,430 million
- Growth in transaction account balances of 22%
- Growth in personal loans administered of 14%
- Growth in non-institutional assets under administration of 24%

Our Priorities

- Customer satisfaction
- Proactive sales and service
- Leadership in advice-based wealth management products and services
- Operational efficiency

[GRAPHIC OMITTED]

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[PHOTO OMITTED]

JILL DENHAM
Vice-Chair
CIBC Retail Markets

[PHOTO OMITTED]

GERRY McCAUGHEY
Vice-Chair
CIBC Wealth Management

CIBC Retail & Wealth

\> PAT REILLY (above right), Executive Assistant, Corporate Communications and Public Affairs, long-time employee and CIBC customer for almost 50 years, meets with fellow veteran employee Shirley McLellan (above left), CIBC's Client Care Ambassador, at CIBC's main branch in Toronto.

CIBC Retail & Wealth comprises CIBC Retail Markets and CIBC Wealth Management business lines and represents CIBC's combined retail operations. The combination of these two business lines reflects CIBC's strategy to focus resources in its retail business. CIBC Retail & Wealth products and services are provided to customers in Canada, the U.S. and the Caribbean through a variety of channels.

CIBC Retail & Wealth

SCOPE AND SCALE

Personal transaction
account balances
$ billions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

00	01	02
16.86	17.83	21.78

Personal Loans
administered
$ billions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

	00	01	02
Cards	7.69	8.71	15.24
Residential Mortgages	57.01	64.79	75.65
Other Consumer Loans	28.48	28.17	29.56

Non-institutional assets
under administration
$ billions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

00	01	02
163.4	166.4	207

The following tables set out the reported and operating earnings as well as operating revenue for CIBC Retail & Wealth by business.

In addition, while CIBC manages its commercial banking operations within CIBC World Markets, some financial institutions include commercial banking with their retail operations. The accompanying tables also set out the effect of including CIBC's commercial banking operations under CIBC Retail & Wealth.

Earnings
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

	2000	2001	2002
Earnings			
Reported			
CIBC Retail & Wealth and commercial banking	1251	1331	1430
CIBC Retail & Wealth	1121	1228	1347
Operating			
CIBC Retail & Wealth	1150	1216	1292
Commercial banking	130	106	86

Revenue
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

	2000	2001	2002
Operating Revenue			
CIBC Retail & Wealth	6759	6632	7469
Commercial banking	491	481	446

EARNINGS

$ millions for the years ended October 31	2002	2001	2000
CIBC Retail Markets	$ 1,171	$ 917	$ 687
CIBC Wealth Management	176	311	434
	1,347	1,228	1,121
Commercial banking	83	103	130
Reported earnings	1,430	1,331	1,251
Less:			
Gain on sales of corporate assets	200	65	117
Restructuring charge	(36)	(42)	6
Merrill Lynch acquisition-related costs	(112)	--	--
Specific provision for credit losses	--	--	(143)
Goodwill amortization	--	(14)	(9)
Operating earnings	$ 1,378	$ 1,322	$ 1,280

REVENUE $ millions for the years ended October 31	2002	2001	2000
Operating revenue (TEB)(1)			
CIBC Retail Markets			
Personal banking	$ 1,126	$ 993	$ 952
Small business banking	720	661	681
West Indies	245	281	268
Cards	1,241	1,077	936
Lending products	582	634	624
Mortgages(2)	623	479	332
Insurance	72	50	148
Other	67	163	105
	4,676	4,338	4,046
Operating revenue (TEB)(1)			
CIBC Wealth Management			
Imperial Service	667	627	558
Private client investment	1,320	977	1,280
Global private banking and trust	127	123	163
Wealth products	643	486	663
Other	36	81	49
	2,793	2,294	2,713
	7,469	6,632	6,759
Commercial banking	446	481	491
Operating revenue (TEB)	$ 7,915	$ 7,113	$ 7,250

(1) Operating revenue excludes gain on sales of corporate assets and adds back goodwill amortization - equity accounted investments.

(2) Comparative figures have been reclassified to conform with the presentation used in 2002.

2002 Results

- Operating ROE of 44%
- Overall customer loyalty remained unchanged
- Top rated of the big five banks for Satisfaction with Problem Resolution for 2002
- Small business customer

loyalty increased by 4%

Our Priorities

- Improve customer loyalty
- Drive profitable growth
- Continue market leadership in cards

Our Ongoing Objectives

- Achieve operating earnings growth of 10% for the year
- Improve customer loyalty
- Become the leading bank for small business customers

[PHOTO OMITTED]

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[PHOTOS OMITTED]

JILL DENHAM
Vice-Chair

CIBC Retail & Wealth -
CIBC Retail Markets

> CIBC'S SMALL BUSINESS BANKING customer Derek Gardner (above centre), President, CLO Glass Limited of Concord, Ontario pictured with sons Kevin (above right) and Paul (above left) who serve as vice-presidents of the company.

CIBC Retail Markets serves both personal and small business customers across Canada. We offer deposit products, personal and student loans, cards, mortgages and insurance, and small business and agricultural loans through CIBC's Canadian branch network, telephone banking, internet banking and ABMs. In addition to the banking services offered in Canada, we have an approximate 44% equity investment in FirstCaribbean International Bank(TM).

MANAGEMENT'S DISCUSSION AND ANALYSIS

CIBC Retail & Wealth - CIBC Retail Markets

2002 marked the first full year of new leadership in CIBC Retail Markets, and performance was strong, with increased revenue, funds managed and profitability. With a renewed focus on leveraging the strengths of our retail franchise, we launched a wide range of initiatives to increase our value to customers, increase performance and improve the efficiency of our operations.

Our three-year goal is to become the best relationship retailer of financial services in Canada. To achieve this goal, we are building on both our current strengths and new opportunities for competitive advantage.

CURRENT STRENGTHS

Our cards business again experienced significant growth in 2002. Total purchase volumes were up 13% and balances under administration increased 9% to $9.5 billion as at year end. We maintained our #1 position in market share of card purchase volumes and average outstanding card balances and remained the leading issuer of premium credit cards based on purchase volumes.

We are committed to continued growth in this core business through ongoing product innovation and operating efficiencies. We launched several new card products during 2002, including the entourage suite of cards as part of our alliance with American Express Limited. CIBC also launched the CIBC Shoppers Optimum(TM) VISA card, a co-branded, loyalty-based no-fee credit card with Shoppers Drug Mart Inc.

Our mortgage business continues to perform exceptionally well. New residential mortgage originations reached a record high of $26.7 billion this year, increasing total residential mortgages under administration by 17% and our market share by a full percentage point. Our multi-brand, multi-channel mortgage strategy sells mortgages under the CIBC, FirstLine(TM) and President's Choice Financial brands through CIBC retail channels, Home Loans Canada, independent brokers and President's Choice Financial channels.

New automated sales management tools and processes introduced this year to our branch-based sales force played an important role in increasing personal and small business banking revenues, with a significant increase in revenues per salesperson.

We continued to develop innovative products with significant customer appeal. Our new CIBC Better Than Posted Mortgage, the introduction of CIBC Audio Access(TM) ABM service for elderly customers and those with visual impairments, and our new email money transfer service are examples of our continued success at delivering valued products and services.

In small business banking, we introduced a new credit process to give small business customers faster turnaround on credits up to $30,000 for unsecured startup ventures. Small business customer loyalty is now at its highest point in four years. We made the decision to close bizSmart, our direct banking offer which provided internet and telephone-based banking services to small businesses.

FirstCaribbean International Bank(TM) was formed on October 11, 2002 as a result of the combination of our Caribbean retail, corporate and international banking operations with those of Barclays Bank PLC. The new bank operates in 13 countries in the West Indies, and will leverage one of the largest capital bases of any Caribbean bank to focus on growth and excellent customer service.

NEW OPPORTUNITIES FOR COMPETITIVE ADVANTAGE

While product excellence in areas such as mortgages and cards is important, our objective is to be recognized by customers as the bank that can fulfill all of their financial services needs, at each stage of their lives.

This year, we took a number of steps to achieve stronger relationships with customers in order to better meet their financial needs. Our detailed understanding of customer segments is driving our product development, marketing activities, distribution decisions and our sales focus.

We implemented a sophisticated, new branch technology infrastructure that has allowed us to introduce automated performance measurement and sales leads, e-learning for employees, and faster transaction processing times. We continue to invest in learning and sales management tools for branch staff so that we can achieve our goals for deepening our customer relationships.

Also, we have begun to streamline our organization by overhauling processes to improve the customer experience and reduce associated costs and time.

OUTLOOK FOR 2003

CIBC Retail Markets will grow revenue from initiatives that deepen customer relationships, increase the sales performance of employees and improve operational efficiencies.

Earnings
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

	2000	2001	2002
Earnings			
Reported earnings	687	917	1,171
Operating earnings	742	907	1,007

Revenue
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

	2000	2001	2002
Revenue			
Reported revenue	4,143	4,389	4,879
Operating revenue	4,046	4,338	4,676

Expenses
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

	2000	2001	2002
Expenses			
Reported non-interest expenses	2,540	2,685	2,831
Operating non-interest expenses	2,530	2,646	2,773

Financial Results: CIBC Retail & Wealth - CIBC Retail Markets

EARNINGS

CIBC Retail Markets operating earnings in 2002, as set out in the table below, were $1,007 million, up $100 million from the prior year due to growth in operating revenue, partially offset by higher expenses.

In 2001, operating earnings were $907 million, up $165 million from 2000 as a result of strong revenue growth and a lower provision for credit losses, partially offset by higher expenses.

Reported earnings are set out in the table below.

EARNINGS - CIBC RETAIL MARKETS

$ millions, for the years ended October 31	2002	2001	2000
Total revenue (TEB)	$ 4,879	$ 4,389	$ 4,143
Provision for credit losses	418	396	679
Non-interest expenses	2,831	2,685	2,540
Income before income taxes and non-controlling interests	1,630	1,308	924
Income taxes and non-controlling interests	459	391	237
Reported earnings	1,171	917	687
Less:			
Gain on sales of corporate assets	200	43	97
Restructuring charge	(36)	(19)	--
Goodwill amortization	--	(14)	(9)
Additional student loan provision	--	--	(143)
Operating earnings	$ 1,007	$ 907	$ 742
Reported efficiency ratio	58.1%	61.2%	61.3%
Reported ROE	51.4%	36.5%	21.5%
Reported economic profit	$ 906	$ 616	$ 277
Operating efficiency ratio	59.3%	61.0%	62.5%
Operating ROE	43.9%	36.0%	23.3%
Operating economic profit	$ 742	$ 606	$ 333

REVENUE

Operating revenue for the year was $4,676 million, up $338 million from 2001 due to volume growth experienced in all credit products (cards, lending products and mortgages) and in customer deposits. Spreads improved in cards and mortgages but declined elsewhere. Revenue also increased due to gains on sales of mortgages, higher prepayment fees, higher hedging gains from managing prepayment risk, and higher student loan servicing fees, partially offset by lower student loan volumes. These increases were partially offset by lower revenue from lending products as a result of higher internal commissions paid to the segments, including personal banking and small business banking, the loss of ongoing revenue from the sale of the Merchant Card Services business in 2001, lower treasury revenue and lower West Indies revenue due to the change to equity accounting.

In 2001, operating revenue was $4,338 million, up $292 million from 2000. The increase was due to volume growth in deposits, cards and mortgages, improved spreads in mortgages, cards and lending products, and higher treasury earnings, partially offset by lower deposit spreads and the loss of ongoing revenue from exiting property and casualty insurance and Merchant Card Services businesses.

Reported revenue is set out in the table below.

REVENUE - CIBC RETAIL MARKETS

$ millions, for the years ended October 31	2002	2001	2000
Reported revenue (TEB)			
Personal banking	$ 1,126	$ 993	$ 952
Small business banking	720	661	681
West Indies	448	281	268
Cards	1,241	1,128	936
Lending products	582	634	624
Mortgages(1)	623	479	332
Insurance	72	50	245
Other	67	163	105
	4,879	4,389	4,143
Less:			
Gain on sales of corporate assets	203	58	97
Goodwill amortization	--	(7)	--
Operating revenue (TEB)	$4,676	$ 4,338	$ 4,046
By business:			
Personal banking	$ 1,126	$ 993	$ 952
Small business banking	720	661	681
West Indies	245	281	268
Cards	1,241	1,077	936
Lending products	582	634	624
Mortgages(1)	623	479	332
Insurance	72	50	148
Other	67	163	105
Operating revenue (TEB)	$ 4,676	$ 4,338	$ 4,046

(1) Comparative figures have been reclassified to conform with the presentation used in 2002.

Revenue details are as follows:

Personal banking is the individual customer segment (customers other than those in Imperial Service and global private banking and trust). Revenue is earned from commission and service fees paid by CIBC's product

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groups, primarily the investments, deposits, mortgages and lending products businesses. Operating revenue was $1,126 million, up $133 million from 2001 due to increases in fee revenue and internal commission income, as well as volume growth in customer deposits, partially offset by the effect of lower interest rates.

Small business banking is the customer segment supporting small owner-operated businesses, including owners' personal holdings. Revenue is earned from commission and service fees paid by CIBC's product groups, primarily the investments, deposits, mortgages and lending products businesses. Operating revenue was $720 million, up $59 million from 2001 as a result of higher internal commission revenue and volume growth in customer deposits, partially offset by the effect of lower interest rates.

West Indies, prior to October 11, 2002 when FirstCaribbean International Bank(TM) (FCIB) was formed, was a full-service banking operation in eight countries, servicing all customer segments through a 42-branch network and electronic delivery channels. Revenue was earned on net interest spreads, and sales and service fees. FCIB was formed as a result of the combination of the Caribbean retail, corporate and international banking operations of CIBC and Barclays Bank PLC. After the formation of FCIB, revenue represents CIBC's earnings from its approximate 44% equity investment in FCIB. Operating revenue was $245 million, down $36 million from 2001 due to the change to equity accounting.

Cards comprises a portfolio of credit cards. Revenue is earned through spreads and fees. Operating revenue was $1,241 million, up $164 million from 2001 due to improved spreads and growth in average balances under administration. These factors more than offset the loss of ongoing revenue from the sale of the Merchant Card Services business in 2001.

Lending products comprises personal (including student loans), small business and agricultural lending portfolios. Revenue is earned through net interest spreads and service fees, less internal commissions paid to the customer segments. Operating revenue was $582 million, down $52 million from 2001. Volume increases in all products, other than student loans, were more than offset by higher internal commissions paid to the segments. Fees earned on managing student loans more than offset the impact of reduced volumes within the student loan portfolio.

Mortgages includes both residential and commercial mortgages. Revenue is earned through spreads, fees, mortgage sales and hedging activities, less internal commissions paid to the customer segments. Operating revenue was $623 million, up $144 million from 2001 due to improved volume and spreads, gains on sales of mortgages, higher prepayment fees earned and higher hedging gains from managing prepayment risk.

Insurance provides creditor insurance products. Revenue comprises earned premiums less claims plus investment income. Operating revenue was $72 million, up $22 million from 2001 due to increased penetration of creditor insurance products.

Other includes electronic and self-service banking, and the allocation of a portion of treasury revenue. Operating revenue was $67 million, down $96 million from 2001 primarily due to reduced treasury earnings.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $418 million in 2002, up $22 million from the prior year due to higher volumes.

In 2001, the provision for credit losses was $396 million, down $283 million from 2000. In 2000, the provision included $365 million related to government-sponsored student loans. Excluding the provision of $365 million from 2000, the provision for credit losses in 2001 was up $82 million from 2000 reflecting volume growth in the cards business and weakening economic conditions.

NON-INTEREST EXPENSES

NON-INTEREST EXPENSES - CIBC RETAIL MARKETS

$ millions, for the years ended October 31	2002	2001	2000
Reported non-interest expenses	$2,831	$2,685	$2,540
Less:			
Restructuring charge	58	32	1
Goodwill amortization	--	7	9
Operating non-interest expenses	$2,773	$2,646	$2,530

Operating non-interest expenses were $2,773 million in 2002, up $127 million from the prior year due to higher compensation costs and spending on marketing and technology.

The operating efficiency ratio for 2002 improved to 59.3% from 61.0% in 2001.

In 2001, operating non-interest expenses were $2,646 million, up $116 million from 2000 as a result of spending to support growth in credit products' volumes, higher compensation and occupancy costs and infrastructure spending, partially offset by expense declines as a result of businesses exited.

Reported non-interest expenses are set out in the table above.

The regular workforce headcount was 16,978 at year-end, down 1,550 from the prior year mainly due to the exclusion of the West Indies workforce.

AVERAGE ASSETS

Average assets in 2002 were $144.6 billion, up $13.2 billion from the prior year, largely related to the growth in residential mortgages.

2002 Results

- Operating ROE was 54%
- Non-institutional assets under administration, including acquired assets, increased by 24%. Excluding acquired assets, growth was negative 4%
- Mutual fund assets increased by 14% for the year, including acquired assets. Excluding acquired assets, growth was negative 1%, vs. overall mutual fund industry decline of 3%

Our Priorities

- Capitalize on acquisitions to support and accelerate our growth objective
- Continue to increase the investment advisory capability of our branch-based sales force
- Enhance products and services through additional CIBC and third-party offerings

Our Ongoing Objectives

- Achieve operating earnings growth of 10% for the year
- Increase mutual fund assets by 5%
- Increase non-institutional assets under administration by 4%

[PHOTO OMITTED]

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[PHOTOS OMITTED]

GERRY McCAUGHEY
Vice-Chair

CIBC Retail & Wealth -
CIBC Wealth Management

> PETER E. MCCAWLEY (above), President of Aramark Canada Ltd. meets with CIBC Wealth Management Private Banker Lynne Maxwell in CIBC's Private Banking Hall to discuss his integrated financial management needs.

CIBC Wealth Management is focused on providing relationship-based advisory sales, service and product solutions to the full spectrum of wealth-building clients. A sales force of more than 3,000 investment professionals in our Canadian and U.S. full-service brokerages, and our Imperial Service and private banking branch-based network, deliver investment products and services to help clients achieve their financial goals.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CIBC Retail & Wealth - CIBC Wealth Management

Our products and services include asset management, a full range of CIBC and third-party mutual funds, fixed-term investments, trust services, and a broad selection of investment and credit products, as well as our online discount brokerage services. TAL Global Asset Management Inc. (TAL) delivers global investment services for institutional, private and mutual fund investors.

Canadian household investible assets are expected to more than double this decade, rising from $1.6 trillion in 2001 to almost $3.7 trillion in 2010.* Through our team of investment professionals, we are well positioned to meet the growing demand for advice and the desire for more sophisticated products.

IMPERIAL SERVICE

This branch-based advisory group provides affluent clients with objective and comprehensive advice and planning on a broad range of investment, credit and banking products. We have over 1,200 financial advisers and investment specialists, of whom more than 850 are licensed to provide investment advice on a wide range of third-party investment choices, as well as offering CIBC's complete range of investment, credit and day-to-day banking solutions. In 2003, our goal is to continue growing our team of fully licensed advisers to more than 1,000 in order to better meet the full financial needs of our clients.

PRIVATE CLIENT INVESTMENT

This group includes CIBC Wood Gundy and CIBC Oppenheimer, CIBC's Canadian and U.S. full-service brokerages, and focuses on both affluent and high-net-worth individuals. In 2002, we created the largest full-service brokerage in Canada through the integration of the Merrill Lynch Canada retail brokerage business with CIBC Wood Gundy. In 2003, our full-service brokerage operations will continue to emphasize fee-based financial services and solutions.

GLOBAL PRIVATE BANKING AND TRUST

This group provides a comprehensive range of global solutions, including investment management, trusts, private banking and global custody, to meet the financial management needs of high-net-worth individuals, families and corporations. In 2002, our goal was to further strengthen Private Banking client relationships by continuing to enhance our services. We achieved this through a greater focus on our personalized service and through a variety of additional measures, including a new Internet presence and a new Private Banking Convenience Card(TM) with ABM messaging. In 2003, our goal is to enhance our product offer by focusing on managed products sold directly by Private Banking as well as with the support of our TAL Private Management Ltd. and CIBC Wood Gundy partners.

WEALTH PRODUCTS

This group includes mutual funds, investment management services, GICs and discount brokerage services. The acquisition of Merrill Lynch Canada's retail brokerage business also included CM Investment Management Inc. (formerly Merrill Lynch Investment Managers Canada Inc.) and has added 39 additional mutual funds to our proprietary product offering, including what is now the Renaissance family of funds and Frontiers pools. This acquisition also included what is now CIBC Wood Gundy Investment Consulting Service(TM), our separately managed account program.

The above transaction, combined with CIBC Mutual Funds and the Talvest family of funds, positions us as #2 among the Canadian banks (and #4 in the industry), in terms of mutual fund assets under management. CIBC ranked #1 in mutual fund net sales among banks in 2002.

CIBC ranks second in assets under management in the Canadian mutual fund wrap market. Over the course of the year, CIBC Personal Portfolio Services(R), our fee-based, discretionary investment management product, grew 10% from $5.9 billion to $6.5 billion. Managed Portfolio Services, CIBC All-In-One Fund Solution, has recorded total net sales of $444 million since its launch in February 2002. As well, CIBC Wood Gundy Investment Consulting Service, our separately managed wrap product, maintained its leadership position in the market with assets under management growing 2% in 2002.

OUTLOOK FOR 2003

In 2003, we expect to maintain our leadership in advice-based distribution. This leadership position will allow us to reach our existing and new customers with a broad range of investment management products and services. In these unpredictable capital markets, we believe clients will be well served by our comprehensive, advice-based approach. As well, we will continue to drive scale efficiencies and to improve our revenue productivity.

*Source Investor Economics, Household Balance Sheet research

MANAGEMENT'S DISCUSSION AND ANALYSIS

Earnings
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

	2000	2001	2002
Earnings			

Reported earnings	434	311	176
Operating earnings	408	309	285

Revenue
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Revenue	2000	2001	2002
Reported revenue	2,741	2,316	2,793
Operating revenue	2,713	2,294	2,793

Expenses
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Expenses	2000	2001	2002
Reported non-interest expenses	2,093	1,920	2,551
Operating non-interest expenses	2,104	1,887	2,374

Financial Results: CIBC Retail & Wealth - CIBC Wealth Management

EARNINGS

EARNINGS - CIBC WEALTH MANAGEMENT

$ millions, for the years ended October 31	2002	2001	2000
Total revenue (TEB)	$ 2,793	$ 2,316	$ 2,741
Provision for credit losses	--	--	1
Non-interest expenses	2,551	1,920	2,093
Income before income taxes	242	396	647
Income taxes	66	85	213
Reported earnings	176	311	434
Less:			
Gain on sales of corporate assets	--	22	20
Restructuring charge	3	(20)	6
Merrill Lynch acquisition-related costs	(112)	--	--
Operating earnings	$ 285	$ 309	$ 408

Reported efficiency ratio	91.3%	82.9%	76.4%
Reported ROE	32.6%	72.0%	74.1%
Reported economic profit	$ 115	$ 258	$ 356
Operating efficiency ratio	85.0%	82.3%	77.6%
Operating ROE	53.7%	71.4%	69.7%
Operating economic profit	$ 224	$ 255	$ 331

CIBC Wealth Management operating earnings, as set out in the table above, were $285 million in 2002, down $24 million from the prior year. This was primarily due to lower retail trading volumes reflecting continued weakness in equity markets, lower GIC revenue as a result of narrower spreads and lower volumes, as well as lower treasury earnings. The decrease was partially offset by increased Imperial Service commission revenue due to increased loan, mortgage and investment product volumes, higher average asset values generating fee-based revenue and earnings from the acquisitions noted below.

In 2001, operating earnings were $309 million, down $99 million from 2000 due to lower revenue on retail trading activities, resulting from weaker equity market conditions that were further challenged by the events of September 11, 2001. The decrease was partially offset by improved Imperial Service revenue that resulted from product volume increases, and revenue and expense allocations renegotiated during the year.

Reported earnings are set out in the table above.

REVENUE

REVENUE - CIBC WEALTH MANAGEMENT $ millions, for the years ended October 31	2002	2001	2000
Reported revenue (TEB)			
Imperial Service	$ 667	$ 627	$ 558
Private client investment(1)	1,320	977	1,280
Global private banking and trust	127	145	191
Wealth products(1)	643	486	663
Other	36	81	49
	2,793	2,316	2,741
Less:			
Gain on sales of corporate assets	--	22	28
Operating revenue (TEB)	$2,793	$2,294	$2,713
By business:			
Imperial Service	$ 667	$ 627	$ 558
Private client investment(1)	1,320	977	1,280
Global private banking and trust	127	123	163
Wealth products(1)	643	486	663
Other	36	81	49

Operating revenue (TEB)	$2,793	$2,294	$2,713

(1) Comparative figures have been reclassified to conform with the presentation used in 2002.

Operating revenue for the year was $2,793 million, up $499 million from 2001 primarily due to the acquisitions of:

- The remaining shares in TAL Global Asset Management Inc. in October 2001;
- The retail brokerage business of Merrill Lynch Canada Inc. in December 2001; and
- CM Investment Management Inc. (formerly Merrill Lynch Investment Managers Canada Inc.) in January 2002.

In addition, revenue increased due to higher Imperial Service revenue, partially offset by lower GIC and retail trading revenue.

In 2001, operating revenue was $2,294 million, down $419 million from 2000 as a result of lower annual incentive fees and retail trading volumes associated with weaker equity markets. Also, the loss of ongoing revenue resulting from the sales of the Guernsey private banking business in the third quarter of 2001 and CIBC Suisse S.A. in the fourth quarter of 2000 contributed to the overall decline in revenue.

Reported revenue is set out in the table above.

Revenue details are as follows:

Imperial Service is the customer segment offering financial advice to CIBC's affluent clients. Specially trained financial advisers support the financial planning and product fulfillment needs of these clients. Revenue is earned primarily from sales and service fees paid by CIBC's product groups. Operating revenue was $667 million, up $40 million from 2001 as a result of increased commissions earned on higher loan, mortgage and investment product volumes, partially offset by narrower spreads on transaction deposits.

Private client investment generates fees and commissions from full-service retail brokerage, providing equity and debt investments, mutual fund products, asset management services and advisory and financial planning services to individuals in Canada and the U.S. Operating revenue was $1,320 million, up $343 million from 2001, resulting from the acquisition of the retail brokerage business of Merrill Lynch Canada Inc. in December 2001. Excluding revenue earned from the acquired business, revenue was down $43 million from 2001 due to lower retail trading volumes, reflecting a continued weakness in the equity markets.

Global private banking and trust provides a comprehensive range of global solutions, including investment management, trusts, private banking and global custody, to meet the financial management needs of individuals, families and corporations with significant financial resources. Revenue is earned from net interest spreads, fees and commissions. Operating revenue was $127 million, up $4 million from 2001. Excluding foregone revenue related to the exit of the Guernsey private banking business in July 2001, operating revenue was up $18 million as a result of increased business growth, particularly in the Asian and Cayman operations.

Wealth products includes mutual funds, investment management services, GICs and discount brokerage services. These investment products are developed and distributed to retail, institutional, small business and Imperial Service customers. Revenue is earned from net interest spreads, fees and commissions. Operating revenue was $643 million, up $157 million from 2001 due to the acquisition of the remaining shares in TAL Global Asset Management Inc. in October 2001, and CM Investment Management Inc. in January 2002. Excluding revenue earned from the acquired businesses, operating revenue was down $27 million primarily due to lower GIC revenue as a result of narrower spreads and lower volumes.

Other consists primarily of the allocation of a portion of treasury revenue. Operating revenue was $36 million, down $45 million from 2001 due to lower treasury revenue.

NON-INTEREST EXPENSES

NON-INTEREST EXPENSES - CIBC WEALTH MANAGEMENT

$ millions, for the years ended October 31	2002	2001	2000
Reported non-interest expenses	$ 2,551	$ 1,920	$ 2,093
Less:			
Restructuring charge	(6)	33	(11)
Merrill Lynch acquisition-related costs	183	--	--
Operating non-interest expenses	$ 2,374	$ 1,887	$ 2,104

Operating non-interest expenses for the year were $2,374 million, up $487 million from 2001. Excluding the ongoing expenses of the acquired businesses, operating non-interest expenses were down $40 million. This was primarily due to cost-containment activities, including savings on staff-related costs as a result of the cost-reduction program announced in the fourth quarter of 2001 and lower revenue-related compensation.

The operating efficiency ratio for 2002 was 85.0%, up from 82.3% in 2001.

In 2001, operating non-interest expenses were $1,887 million, down $217 million from 2000 as a result of lower revenue-related and staff-related expenses, combined with active cost-management activities. As well, expenses were lower due to the reduction of ongoing costs related to the Guernsey private banking business sold in the third quarter of 2001 and CIBC Suisse S.A. sold in the fourth quarter of 2000.

Reported non-interest expenses are set out in the table above.

The regular workforce headcount totalled 9,062 at year-end, up 2,032 from 2001 due to the acquisitions noted above, partially offset by integration synergies from the acquired businesses and the cost-reduction program announced in the fourth quarter of 2001.

SELECTED INFORMATION

Average assets in 2002 were $27.3 billion, up $4.4 billion from the prior year primarily due to acquired businesses.

CIBC Wealth Management assets under administration for individuals totalled $207.0 billion at year-end, an increase of $40.6 billion, or 24.4%, from 2001 primarily due to acquired businesses.

CIBC WEALTH MANAGEMENT ASSETS UNDER ADMINISTRATION - FOR INDIVIDUALS

$ billions, as at October 31	2002	2001	2000
Private client - Canada	$ 83.4	$ 38.3	$ 42.5
Private client - U.S.	57.5	61.2	65.4
Global private banking and trust	17.4	18.4	17.1
Wealth products	70.7	63.6	52.6
Intersegment elimination(1)	(22.0)	(15.1)	(14.2)
	$ 207.0	$ 166.4	$ 163.4

(1) Intersegment elimination represents assets under management of wealth products administered by private client, and global private banking and trust.

2002 Results

- Operating loss of $160 million
- Operating ROE of (5.9)%
- Merchant banking revenue of $198 million

Our Priority

- Reduce capital employed in lending and merchant banking

Our Ongoing Objectives

- Operating earnings of $400 million to $600 million
- Operating ROE of 15% to 20%

[PHOTO OMITTED]

[PHOTO OMITTED]

DAVID KASSIE
Vice-Chair

CIBC World Markets

> GWYN MORGAN (above), President and CEO, of EnCana, one of the world's leading independent oil and gas companies. EnCana was formed in 2002 following the merger of Alberta Energy Company Ltd. with PanCanadian Energy Corp. CIBC World Markets acted as a lead adviser on the deal.

CIBC World Markets is a full-service investment bank, active throughout North America, with niche capabilities in the U.K. and Asia. Our strategy is to provide our full capabilities to targeted sectors and industry groups where we excel and have strong potential for profitability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CIBC World Markets

Clearly, 2002 was a difficult year for North America's investment banks. Reports of corporate malfeasance, coming closely on the heels of the events of September 11, led to a prolonged weakening and near unprecedented volatility in the capital markets. Our earnings were further affected by higher-than-expected corporate loan losses, higher write-downs in the collateralized debt obligation and high-yield debt portfolios, and lower merchant banking net revenue resulting from higher merchant banking write-downs.

Given these factors, we did not achieve our operating earnings, operating ROE or merchant banking revenue targets during 2002 - after averaging $900 million in operating NIAT and a 20.5% operating ROE for the three years ended October 31, 2001.

Our top priority is to return CIBC World Markets to profitability and to deliver the level of returns that we, and our shareholders, have come to expect from our wholesale business.

REDUCING CAPITAL

To achieve this we are aggressively focused on one objective - reducing capital. Reducing capital is key to addressing the underlying factors that affected our performance in 2002.

By lowering our economic capital, particularly in the riskier businesses, we will reduce future earnings volatility; decrease the level of absolute loan losses; increase the liquidity of capital; and generate higher levels of ROE. Our target is to bring capital usage down to under $4 billion over the next three years from its current level of more than $5 billion and improve capital efficiency and quality.

During the year we initiated several actions in support of this objective including:

- Changing our philosophy for managing credit: While CIBC World Markets will continue to be a major underwriter of credit for large corporate clients, we will do so at less risk by holding less exposure. We have changed our approach from one of "originating and holding credit," which places pressure on our balance sheet, to one of "originating and selling credit," which will increase the velocity of capital and allow us to increase our underwriting activities. We've also instituted lower hold levels, by risk rating and region, which will significantly reduce our risk to future name exposures.

- Reducing capital in the large corporate loan book: We will use credit derivatives and hedging strategies to reduce concentrations of core loans and manage down our remnant portfolio. This strategy has proved successful in the past in freeing up capital and balance sheet resources.

- Reducing commitments in the merchant banking portfolio: We are reviewing commitments within the portfolio on a fund-by-fund basis to determine what additional assets can be sold into the secondary market, as well as examining bulk portfolio sales or securitizations in order to further maximize capital relief. Early success has been achieved in this more recent initiative with the completion of three sales of our private equity fund investments during 2002, resulting in a decrease in commitments of approximately $395 million.

REFOCUSING THE U.S. OPERATIONS

During the year, we took steps to rightsize our U.S. operations through the elimination of 299 positions. These reductions were necessary to align our cost structure with the particularly weak market conditions. At the same time, we continued to selectively upgrade talent in sectors or industry groups where we have the strongest potential for growth and profitability, particularly our growth and industrial teams. These additions, combined with the realignment of our resources and the strength of our mid-market strategy, leave our U.S. business poised for improved performance as markets strengthen.

ENHANCING OUR LEADERSHIP POSITION IN CANADA

In Canada, despite a year that was distinguished by very few deals, our M&A team achieved the #1 position by advising on 30 transactions worth a total of $33.4 billion. Among our successes was our participation in three of the five biggest deals of the year, including acting as a lead adviser on the biggest of them all, the merger of Alberta Energy Company Ltd. with PanCanadian Energy Corp. to form EnCana. CIBC World Markets also achieved the #1 industry ranking, with respect to equity financings completed in Canada in 2002, and its research capabilities were ranked #1 by Canadian fixed income clients for 2002. The overall strength of our Canadian operations, including having the largest salesforce, will ensure that we continue to be a dominant player in 2003.

GROWING OUR NICHE CAPABILITIES IN THE U.K. AND ASIA

In the U.K., we are well on our way to transforming our business from being solely focused on providing credit to corporate clients, to a leading leveraged finance franchise with strong advisory capabilities. In Asia, we continue to develop our alliance strategy which has demonstrated strong value to both our Asian and North American client base.

EMPLOYEES - A CORE STRENGTH

While our overall performance fell below our expectations in 2002, our employees stepped up their commitment in the face of extremely difficult markets. This was particularly true in our U.S. franchise where the events of September 11 and the challenge of resuming operations in the face of a weakening environment put our employees under tremendous stress. Their efforts to continue to battle the external conditions are an inherent strength of our organization - and will continue to be a key factor in improving our performance in the months to come.

OUTLOOK FOR 2003

Given the economic outlook, we are expecting flat to modest revenue growth in 2003. Our focus will be on reducing capital usage and managing our business mix, as a way to reduce earnings volatility and minimize risk. The key risk to our 2003 outlook continues to be the extent of the current market downturn. The rate of recovery will play a major role in trading room volumes, origination, new issues, mergers and acquisitions activities, and loan losses.

Financial Results: CIBC World Markets

EARNINGS

CIBC World Markets operating loss, as set out in the table below, was $160 million in 2002, down from operating earnings of $843 million in 2001 due to significantly lower revenue and a higher provision for credit losses, reflecting difficult financial markets in the U.S., partially offset by lower non-interest expenses and increased income tax recoveries.

In 2001, operating earnings were $843 million, down $333 million from 2000 primarily due to decreased revenue and an increase in the provision for credit losses, reflecting deteriorating market conditions and the effects of the September 11, 2001 events, partially offset by lower revenue-related expenses and reduced income taxes.

Reported earnings are set out in the table below.

EARNINGS - CIBC WORLD MARKETS

$ millions, for the years ended October 31	2002	2001	2000
Total revenue (TEB)	$ 3,013	$ 4,066	$ 4,781
Provision for credit losses	1,062	694	286
Non-interest expenses	2,518	2,730	2,938

(Loss) income before income taxes and non-controlling interests	(567)	642	1,557
Income taxes and non-controlling interests	(423)	(166)	434
Reported (loss) earnings	(144)	808	1,123
Less:			
Restructuring charge	(36)	(37)	--
Adjustment to future income tax assets	52	--	--
Bulk sale of U.S. corporate loans	--	(94)	--
Restructured ownership of certain U.S.-based loans and leases	--	138	--
Specific provisions for credit losses associated with the bulk loan sale	--	(28)	--
New York premises consolidation	--	--	(27)
Oppenheimer acquisition-related costs	--	--	(12)
Goodwill amortization	--	(14)	(14)
Operating (loss) earnings	$ (160)	$ 843	$ 1,176
Reported efficiency ratio	83.6%	67.1%	61.4%
Reported ROE	(5.5)%	18.8%	25.6%
Reported economic (loss) profit	$ (598)	$ 309	$ 556
Operating efficiency ratio	81.6%	62.5%	59.7%
Operating ROE	(5.9)%	19.7%	26.9%
Operating economic (loss) profit	$ (614)	$ 343	$ 610

REVENUE

In 2002, operating revenue was $3,013 million, down $1,215 million from the prior year due to lower trading and origination activities. These results reflect the impact of difficult financial markets in the U.S. associated with weak economic conditions. Current year results also include increased net merchant banking write-downs, and write-downs to CIBC's collateralized debt obligation and high-yield portfolios (both reported within investment banking and credit products).

Operating revenue in 2001 was $4,228 million, down $553 million from 2000 due to lower U.S. investment banking revenue, combined with a decrease in net merchant banking gains. Reported revenue is set out in the table below.

REVENUE - CIBC WORLD MARKETS

$ millions, for the years ended October 31	2002	2001	2000
Reported revenue (TEB)			
Capital markets	$ 1,288	$ 1,534	$ 1,516
Investment banking and credit products	1,115	1,474	1,723
Merchant banking	198	569	1,021
Commercial banking	446	481	491
Other	(34)	8	30
	$ 3,013	$ 4,066	$ 4,781

Less:			
Bulk sale of U.S. corporate loans	--	(162)	--
Operating revenue (TEB)	$ 3,013	$ 4,228	$ 4,781
By business:			
Capital markets	1,288	1,534	1,516
Investment banking and credit products	1,115	1,636	1,723
Merchant banking	198	569	1,021
Commercial banking	446	481	491
Other	(34)	8	30
Operating revenue (TEB)	$ 3,013	$ 4,228	$ 4,781

Revenue details are as follows:

Capital markets operates trading, sales and research businesses serving institutional, corporate and government clients across North America and around the world. Revenue is generated from fees, commissions, spread-based income and from taking proprietary positions within prescribed risk parameters. Operating revenue was $1,288 million, down $246 million from 2001 due to weaker performance from the equity structured products business and fixed income activities resulting from the effects of unfavourable market conditions.

Earnings
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Earnings	2000	2001	2002
Reported (loss) earnings	1,123	808	(144)
Operating (loss) earnings	1,176	843	(160)

Revenue
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Revenue	2000	2001	2002
Reported revenue	4,781	4,066	3,013
Operating revenue	4,781	4,228	3,013

Expenses

$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Expenses	2000	2001	2002
Reported non-interest expenses	2,938	2,730	2,518
Operating non-interest expenses	2,854	2,645	2,459

Investment banking and credit products provides advisory services and underwriting of debt, credit and equity for corporate and government clients across North America and around the world. Revenue is earned from fees relating to merger and acquisition services, underwriting activities, advisory services, and loan syndications. In addition, net interest is earned on spreads on corporate loans. Operating revenue was $1,115 million, down $521 million from 2001 due to lower origination activities in the U.S. associated with weak economic conditions. Current year results also include the impact of higher write-downs to CIBC's collateralized debt obligation and high-yield portfolios.

Merchant banking makes investments to create, grow and recapitalize companies across a variety of industries. Revenue is generated from fees, interest and dividends earned on investments and from gains or losses associated with these investments. Operating revenue was $198 million, down $371 million from 2001 as a result of the combination of lower realized gains and higher asset write-downs.

Commercial banking originates financial solutions centred around credit products for medium-sized businesses in Canada. Revenue is generated from interest, fees and service charges. Operating revenue was $446 million, down $35 million from 2001 due to decreased asset levels and narrower credit spreads.

Other includes the allocation of a portion of treasury revenue, net of unallocated funding charges; CEF Capital Limited, an affiliated Asian merchant bank holding company; and other revenue not directly attributed to the main businesses listed above. Operating revenue was $(34) million, down $42 million from 2001 primarily as a result of interest income on a tax reassessment included in the prior year.

PROVISION FOR CREDIT LOSSES

The provision for credit losses was $1,062 million in 2002, up $416 million from 2001, after excluding the provision associated with the bulk loan sale in the prior year, due to a combination of deteriorating market conditions and specific provisions relating to Enron Corporation, Global Crossing Ltd. and Teleglobe Inc.

In 2001, the provision for credit losses was $646 million, after excluding the provision associated with the bulk loan sale, up $360 million from 2000 due to general weakening of credit markets in the latter part of the year.

NON-INTEREST EXPENSES

NON-INTEREST EXPENSES - CIBC WORLD MARKETS $ millions, for the years ended October 31	2002	2001	2000
Reported non-interest expenses	$2,518	$2,730	$2,938
Less:			
Restructuring charge	59	63	--
Restructured ownership of certain U.S.-based loans and leases	--	8	--
New York premises consolidation	--	--	50
Oppenheimer acquisition-related costs	--	--	20
Goodwill amortization	--	14	14
Operating non-interest expenses	$2,459	$2,645	$2,854

Operating non-interest expenses were $2,459 million in 2002, down $186 million from the prior year mainly due to lower variable compensation associated with lower revenue and savings from the cost-reduction program initiated in 2001. These reductions were partially offset by the impact of consolidation of Juniper Financial Corporation, expenditures associated with the rising costs of litigation in the U.S. and higher severance costs.

The operating efficiency ratio for 2002 was 81.6%, up from 62.5% in 2001, primarily as a result of lower revenue.

In 2001, operating non-interest expenses were $2,645 million, down $209 million from 2000 as a result of lower variable compensation.

Reported non-interest expenses are set out in the table above.

The regular workforce headcount was 3,131 at year-end, up 135 from the end of 2001. Excluding the impact of consolidation of Juniper Financial Corporation, regular workforce headcount was down 203 from the end of 2001 as a result of the cost-reduction program initiated at the end of 2001 and additional 2002 programs to reduce staff levels.

AVERAGE ASSETS

Average assets in 2002 were $115.4 billion, down $6.6 billion from the prior year as lower equity securities resulted from the bearish market outlook present in the U.S. throughout the year. Lending assets were also reduced.

Amicus

Amicus comprises the co-branded retail electronic banking businesses, including President's Choice Financial services (Loblaw Companies Limited), Marketplace Bank (Winn-Dixie Stores, Inc.), Safeway SELECT Bank (Safeway Inc.) and the non-branch ABM business. During the year, CIBC decided to close its U.S. electronic banking operations and focus on operations in Canada where, during the year, almost 300,000 new customers opened accounts at 212 pavilions across the country.

During 2002, CIBC made a commitment to its stakeholders that we would assess the U.S. operations of Amicus and mitigate the financial impact of this business by year-end. While we were encouraged by the early performance of Amicus in the U.S., where there is tremendous opportunity for growth, we knew it was necessary to weigh this carefully against the costs and risks associated with expansion. During the year, we assessed the ability of the business to meet CIBC's value commitment to its shareholders in the timeframe required. Various options were considered, including potential strategic alliances to assist in this expansion. In October 2002, it was determined that the closure of the U.S. operations was necessary to meet CIBC's commitment to significantly reduce losses in 2003. This will be conducted in a prudent and orderly fashion with regard to customers, affected employees and the U.S. retailers.

The focus for President's Choice Financial was on expanding products and services for over one million customers, capitalizing on their satisfaction with our no fee daily banking offer and convenient in-store pavilions. President's Choice Financial's customer base grew 40% during the year and funds managed increased 58%. Funds managed per customer are growing steadily and customer satisfaction ratings continue to exceed the industry norm. In a recent independent survey, President's Choice Financial maintained a loyalty index at 17 points above the industry average.

In addition, in the recent Gomez survey of Internet sites of Canadian banks, President's Choice Financial received top ranking in the Overall Cost category, confirming the strong value proposition offered to our customers. The website was ranked third in Customer Confidence, reflecting its reliability, strong customer service and detailed privacy and security policies and procedures.

OUTLOOK FOR 2003

For 2003, President's Choice Financial will continue to drive value, balancing growth and customer acquisition with disciplined cost control. We expect to be profitable in the fourth quarter of 2003.

2002 Results

- Added 788,000 new Amicus customers for the two-year period ended October 31, 2002

- President's Choice Financial continued to build a strong franchise, with 1.05 million customers and $7.0 billion in funds managed at October 31, 2002

- The decision was made to

close the U.S. electronic banking operations

Our Priorities

- Maintain industry leading customer loyalty and satisfaction levels
- Continue customer acquisition

Our Ongoing Objectives

- Achieve profitability in Canada by the end of 2003
- Grow President's Choice Financial to more than two million customers

[PHOTO OMITTED]

MANAGEMENT'S DISCUSSION AND ANALYSIS

Earnings
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Earnings	2000	2001	2002
Reported loss	(129)	(274)	(468)
Adjusted loss	(129)	(245)	(236)

Revenue
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

Revenue	2000	2001	2002
Reported revenue	75	148	230
Adjusted revenue	75	148	230

Expenses
$ millions

[THE FOLLOWING DATA WAS REPRESENTED AS A BAR CHART IN THE PRINTED MATERIAL]

	2000	2001	2002
Expenses			
Reported non-interest expenses	290	578	951
Adjusted non-interest expenses	290	535	585

Financial Results: Amicus

EARNINGS - AMICUS $ millions, for the years ended October 31	2002	2001	2000
Total revenue (TEB)	$ 230	$ 148	$ 75
Provision for credit losses	20	10	4
Non-interest expenses	951	578	290
Loss before taxes	(741)	(440)	(219)
Income taxes	(273)	(166)	(90)
Reported loss	(468)	(274)	(129)
Less:			
Restructuring charge	(232)	(26)	--
Goodwill amortization	--	(3)	--
Adjusted loss	$(236)	$(245)	$(129)

Adjusted loss for the year was $236 million, down $9 million from 2001 due to revenue growth that more than offset increases in non-interest expenses and the provision for credit losses. Adjusted loss for 2001 was $245 million, up $116 million from 2000 due to higher spending to support business growth. Adjusted loss relating to the Canadian operations was $62 million (2001: $83 million; 2000: $63 million).

Reported loss is set out in the table above.

Reported and adjusted revenue for the year were $230 million, up $82 million from 2001 due to increasing volumes and spreads, primarily in Canada. Revenue in 2001 was $148 million, up $73 million from 2000 due to business growth.

Provision for credit losses was $20 million for the year, up $10 million from 2001 due to volume growth. Provision for credit losses in 2001 was $10 million, up $6 million from 2000 for the reason noted above.

Adjusted non-interest expenses for the year, as set out in the table below, were $585 million. This was up $50 million from 2001 to support business growth, partially offset by cost-reduction initiatives in Canada and the U.S. Reported non-interest expenses were up $373 million from the prior year primarily as a result of the restructuring charge of $366 million to close the

U.S. electronic banking operations.

Non-interest expenses in 2001 were $578 million, up $288 million from 2000 to support volume growth.

NON-INTEREST EXPENSES - AMICUS

$ millions, for the years ended October 31	2002	2001	2000
Reported non-interest expenses	$951	$578	$290
Less:			
Restructuring charge	366	40	--
Goodwill amortization	--	3	--
Adjusted non-interest expenses	$585	$535	$290

The regular workforce headcount totalled 2,349 at year-end, down 371 from 2001 due to cost-reduction initiatives.

Corporate and Other

Corporate and Other comprises the four functional groups - Treasury, Balance Sheet and Risk Management (TBRM); Administration; Technology and Operations; and Corporate Development - that support CIBC's business lines, as well as CIBC Mellon's custody business and other revenue and expense items not directly attributable to the four business lines. The revenue and expenses of these functional groups are generally allocated to the business lines.

Treasury revenue refers to revenue generated by TBRM from funding and hedging activities, and is generally allocated to the four business lines. In 2002, market positioning for interest rate movements generated lower revenue than 2001. This was partially offset by gains on specific risk portfolios managed by TBRM.

The operating earnings in Corporate and Other reflect the results at the corporate level after application of CIBC's Manufacturer / Customer Segment / Distributor Management Model, which is used to measure and report the results of operations of the four business lines.

Operating loss for the year was $41 million, compared with operating earnings of $30 million for 2001, primarily due to lower treasury revenue and write-down of a preferred share investment in 2002, offset by interest income on a tax reassessment.

EARNINGS - CORPORATE AND OTHER

$ millions, for the years ended October 31	2002	2001(1)	2000(1)
Reported (loss)	$ (82)	$ (76)	$ (55)
Less:			
Gain on sale of corporate assets	--	--	143
Events of September 11, 2001	(19)	(4)	--

Restructuring charge	(22)	(21)	12
Adjustment to future income tax assets	--	(66)	--
General allowance	--	--	(146)
Goodwill amortization	--	(15)	(17)
Operating (loss) earnings	$ (41)	$ 30	$ (47)

(1) Certain comparative figures have been reclassified to conform with the presentation used in 2002.

Treasury, Balance Sheet and Risk Management

A key success factor behind CIBC's ongoing strategy is the rigorous management of CIBC's balance sheet and risk resources. The Treasury, Balance Sheet and Risk Management (TBRM) group facilitates the direction of risk and balance sheet (including capital) resources to higher-return and/or strategic growth activities. In 2002, this approach was enhanced through the combination of Treasury and Balance Sheet Management, with Risk Management, ensuring that authority and accountability reside in one functional group, and creating greater efficiency and effectiveness in managing CIBC's balance sheet (including capital) and risk resources.

TBRM comprises the following services, functions and activities:

- Treasury provides CIBC-wide asset-liability, funding, liquidity, cash and collateral management. It also ensures that CIBC is strongly and effectively capitalized and manages capital in CIBC's legal entities.

- Credit Asset and Merchant Banking Portfolio Management applies market-based techniques and models to the management of capital attributed to large corporate credit assets and merchant banking investments. By using direct loan sales, derivative hedges or structured transactions, risky or concentrated positions are reduced, and selected exposures are added to the portfolio to increase diversification and returns.

- Balance Sheet Measurement, Monitoring and Control oversees the critically important balance sheet resource allocation process and is responsible for the calculation of economic capital, including risk-adjusted return on capital (RAROC) methodologies.

- TBRM's risk management services and functions identify, measure, monitor and control CIBC's global credit, market, liquidity and operational risk exposures. In addition, they develop and recommend risk management policies and standards, and develop and implement methodologies and infrastructure necessary to measure, monitor and control risk, in accordance with these policies and standards.

During 2002, significant highlights for TBRM included:

- The re-engineering of retail credit adjudication services to support CIBC's future growth in domestic retail activities.

- Continued disciplined management of CIBC's balance sheet and risk resources, including the mix and use of capital, to optimize shareholder value through the reduction of lower-quality balance sheet and risk resources.

- The rigorous balance sheet resource allocation process continued to be part of a common, CIBC-wide approach and now includes liquidity as a formally rationed resource. Since the end of 1998, wholesale risk-weighted assets have declined by almost $30 billion, while retail risk-weighted assets have increased by $11 billion.

- Continued active management of the large corporate non-core loan portfolio by the Credit Asset and Merchant Banking Portfolio Management group, increasing our ability to liquefy our credit assets. In addition, the group's mandate was expanded to include the governance and oversight of merchant banking investments.

- The total allowance for credit losses exceeded gross impaired loans by $13 million as at October 31, 2002, compared with $592 million at the end of 2001.

- Maintenance of low aggregate Risk Measurement Unit (RMU) levels during 2002, in spite of continued challenging market conditions. This is reflected in low RMUs across CIBC's trading and non-trading portfolios.

- Implementation of an enhanced framework of policies and standards for the identification, measurement, monitoring and control of operational risk congruent with industry standards.

- Development of a model for strategic risk capital.

OUTLOOK FOR 2003

In 2003, TBRM will play a leading role in reducing CIBC's large corporate credit and merchant banking exposures as part of its ongoing independent measurement, monitoring, control and optimization of balance sheet and risk resources. The group is directing the implementation of a technology program aimed at enhancing the accuracy, completeness and timeliness of CIBC's credit risk information. Also, TBRM will continue to enhance its support of the governance of CIBC through its interaction with the Board of Directors, its Risk Management and Audit committees, and management committees.

2002 Results

- Integrated Treasury & Balance Sheet Management and Risk Management into an independent functional group

- Achieved Tier 1 capital ratio of 8.7%, and total capital ratio of 11.3%, as at October 31, 2002

- Managed and reallocated balance sheet and risk resources to support CIBC's growth based on economic performance and other key metrics

- Developed and enhanced models for credit, market, liquidity and operational risk and introduced a model for strategic risk

Our Priorities

- Target capital ratios of 8.5% to 9.5% (Tier 1) and 11.5% to 12.5% (Total)

- Manage and reallocate balance sheet and risk resources to support achievement of CIBC's targets

- Actively lead and participate in a new technology program aimed at enhancing the accuracy, completeness and timeliness of CIBC's credit risk information

- Identify, measure, monitor and control risk

[PHOTOS OMITTED]

WAYNE FOX
Vice-Chair and
Chief Risk Officer

Our Priorities

- Target expense growth at less than the rate of inflation

- Demonstrate excellence in all corporate governance practices

- Reinforce performance measurement and accountability at both individual and business levels

- Improve the frequency and quality of communications to our internal and external audiences

- Extend e-learning strategies across the enterprise

- Continue to set high standards for the Administration group's customer service levels

- Create attractive career opportunities for our employees

[PHOTO OMITTED]
RON LALONDE
Senior Executive Vice-President and
Chief Administrative Officer

Administration

The Administration group provides governance and support services to CIBC and its business lines, and comprises the following functions: finance, corporate communications and public affairs, human resources, marketing, corporate real estate, and governance, including legal, audit and compliance.

Our mandate is to establish CIBC-wide processes to ensure that CIBC, its subsidiaries and businesses operate in an efficient, controlled and integrated manner, emphasizing a performance measurement and accountability culture throughout the organization.

An area of ongoing focus is the delivery of the best possible value in Administration group services. In 2002, we exceeded our expense target by 3%. For 2003, we are targeting to limit our growth in expenses to less than the rate of inflation - and we will endeavour to better this target.

One strategy that we have used to achieve efficiency gains has been to outsource non-core functions to best-in-class service providers. In 2002, our group engineered a new alliance with IBM to provide electronic training across the organization. The pilot for this program involved employees in our branch network and leveraged updated technology installed over the past two years. Training is a critical activity at CIBC, and we expect to be able to improve our productivity and the reach of our training programs through this new relationship.

We are also very proud of the arrangement CIBC made with ChildrenFirst Ltd. to launch Canada's inaugural back-up childcare centre in August 2002. CIBC employees now have access to a secure childcare facility in downtown Toronto when their primary childcare arrangements fall through. One of our objectives for 2003 will be to extend this innovative capability to other CIBC locations in Canada.

The Administration group is also taking a leadership role to ingrain a performance and accountability culture at CIBC, as we continue to work with senior management to establish operating and financial performance targets, and to review progress against these targets. These detailed metrics are also reviewed quarterly with our Board of Directors. The commitment to a performance culture also extends to individual performance measurement and management. It is our objective that every employee in the organization will have a personal performance plan against which performance is measured. These performance plans are cascaded from the Board of Directors and the chief executive officer to all levels of the organization to ensure that efforts of all employees are aligned with our shareholders' objectives.

CIBC has always aspired to the highest levels of corporate governance, and the Administration group provides expertise and leadership in this area. Our group has kept abreast with developments in this area over the year, ensuring that CIBC continues to comply with legal and regulatory requirements. For example, CIBC's internal financial control accountability process was enhanced and formalized by our group; this has allowed CIBC to more readily comply with new standards regarding the certification of financial information.

OUTLOOK FOR 2003

In 2003, the Administration group will continue to focus on the efficient delivery of a broad range of services within CIBC, including excellence in the areas of control and corporate governance.

Technology and Operations

Technology and Operations (T&O) provides a wide range of shared technology and operations services to CIBC's businesses, focusing on service quality as measured from our customers' perspective.

The group is organized into four areas:

Operations:

- Global Operations provides back office processing, middle office and other support for businesses in Canada, the U.S., Europe and Asia.

- INTRIA Items Inc., a joint venture with Fiserv Solutions of Canada Inc., offers a fully integrated suite of back office operations.

Technology Development:

- Technology Development is responsible for the delivery of technology in support of all CIBC's businesses and customers, combining in-house systems development and working with leading technology suppliers.

Enterprise Technology Services:

- Enterprise Technology Services is responsible for CIBC-wide technology architecture and platforms in Canada and around the globe.

Global Sourcing and Payments:

- Creates value and saves time and money for CIBC's businesses by providing procurement, vendor and supplier cost management disciplines for the CIBC group of companies.

T&O made significant progress in providing technology and operations leadership to enhance CIBC's market position. During the year, significant highlights included:

- A new, seven-year outsourcing agreement with Hewlett-Packard (Canada) Co. (HP), along with the divestiture of CIBC's interest in INTRIA-HP Corporation (I-HP). The agreement enables CIBC to reduce technology costs while concentrating on its core businesses. The new outsourcing relationship covers technology previously managed by I-HP. A rigorous structure to track operations performance has been put in place to monitor service delivery against negotiated levels and to minimize operational risk.

- Successfully integrated Merrill Lynch's technology and operations to create a consolidated wealth management operating platform.

- Completed a two-year program to provide new technology to all retail branches.

- Delivered several infrastructure improvements including the consolidation to one enterprise-wide email system and launch of a new Corporate Information Security program that will allow the bank to effectively manage information security and risk.

- Completed a significant re-build in New York City concluding the 9/11 recovery effort and creating a resilient technology infrastructure.

OUTLOOK FOR 2003

For 2003, T&O's focus will be on providing innovative, cost-effective technology and operations solutions, resulting in improved service at lower cost. In these challenging times, the group will concentrate on managing operational risk to protect the interests of CIBC and its customers. In addition, we will optimize technology and operations investments through initiatives focused on simplifying the environment, increasing resiliency and security of systems, and re-engineering workflow and operations.

Our Priorities

- Increase shareholder value through CIBC-wide efficiencies from Technology and Operations

- Work with businesses to expand CIBC's capabilities in the marketplace

- Create new value through innovation in CIBC's usage of technology and operations

- Continue to enhance controls to safeguard CIBC's customers' assets and to ensure integrity of CIBC's balance sheet

[PHOTOS OMITTED]
MICHAEL WOELLER
Senior Executive Vice-President
and Chief Information Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our Priorities

- Reinforce an owner-manager mindset among CIBC's leaders to develop and grow their businesses to increase value to CIBC shareholders

- Seek, assess and act on opportunities to maximize the value of CIBC's portfolio of businesses through acquisition, divestiture or joint venture

[PHOTO OMITTED]

Richard Venn
Senior Executive Vice-President

Corporate Development

Corporate Development continued to promote an owner-manager mindset among the organization's business leaders to further align business decisions with the interests of shareholders.

The group continuously examines CIBC's activities in light of market conditions, to identify and capitalize on opportunities to maximize the value of CIBC's portfolio of businesses.

Over the past few years, Corporate Development has worked with CIBC's business lines to review ways to accelerate growth, especially in CIBC Wealth Management and CIBC Retail Markets. In 2002, Corporate Development was integral in CIBC's successful acquisition of Merrill Lynch Canada's retail brokerage and asset management businesses. This, coupled with the acquisition of the remaining shares of TAL Global Asset Management in 2001, has positioned CIBC to build an exceptional wealth management business in Canada.

In the course of reviewing ways in which CIBC might accelerate growth in CIBC Retail Markets, Corporate Development assessed the strategic future of our West Indies operations. We helped initiate discussions with Barclays Bank PLC to combine our retail, corporate and international banking operations in the Caribbean to create a new entity with greater scale providing the opportunity to be a dominant player in this market. During the year, Corporate Development worked closely with other areas in CIBC to successfully launch this business combination, FirstCaribbean International Bank(TM) (FCIB). CIBC owns an approximate 44% equity investment in FCIB.

Corporate Development also seeks to maximize the value of CIBC's businesses through optimizing and enhancing its relationships with third parties. We played a key role in the analysis and negotiations of CIBC's new and competitive outsourcing arrangement with HP. In addition, our group assisted in the sale of CIBC's interest in the INTRIA-HP joint venture to HP. This allows us to focus on our core businesses, enhancing alignment in the relationship while continuing to provide excellent service to CIBC customers.

CIBC had previously established a joint venture, EDULINX Canada Corporation, with USA Education, Inc. to provide student loans portfolio administration and other related services to financial institutions and the federal and provincial government-sponsored student loans industry. During the year, we facilitated the process whereby CIBC became the sole shareholder of EDULINX once it was determined that 100% ownership would better allow CIBC to achieve its objectives.

Corporate Development also manages CIBC's relationship with CIBC Mellon, the growing and successful joint venture between CIBC and Mellon Financial Corporation, which provides domestic and global custody, securities lending, multi-currency, accounting and other services. During the year, CIBC Mellon acquired TD Bank Financial Group's third-party investment fund custody business and became TD Bank's primary supplier of internal custodial services. This transaction affirmed CIBC Mellon's position as an industry-leading provider of custody services. CIBC Mellon was recognized as Canada's number one sub-custodian by Global Custodian magazine.

OUTLOOK FOR 2003

In 2003, the group will continue to work with CIBC Retail & Wealth operations to grow and enhance their businesses. We will maintain our ongoing focus on operations and assets of CIBC that are under-leveraged and assess opportunities to maximize their value. Finally, we will review CIBC's major joint venture relationships to determine if they are appropriately structured and are continuing to meet CIBC's needs.

Consolidated Financial Review

CONSOLIDATED INCOME STATEMENTS

Revenue

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

Reported revenue in 2002 was $11,152 million on a taxable equivalent basis (TEB), down $154 million, or 1.4%, from the prior year due to a decrease in non-interest income of $1,082 million, offset in part by an increase of $928 million in net interest income.

In 2001, reported revenue was $11,306 million (TEB), down $904 million from 2000 due to a decrease in non-interest income of $1,184 million, partially offset by an increase of $280 million in net interest income.

Net interest income and margin

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

NET INTEREST INCOME AND MARGIN

$ millions, for the years ended October 31	2002	2001	2000
Average assets	$ 292,510	$ 278,798	$ 263,119
Net interest income (TEB)	$ 5,621	$ 4,693	$ 4,413
Net interest margin (TEB)	1.92%	1.68%	1.68%

In 2002, net interest income of $5,621 million benefited from the increase in average assets, particularly in cards and mortgages, and an improvement in spreads. The increase in net interest margin over 2001 also benefited from lower funding costs on trading activities. Additional analysis of net interest income and margin is provided in the supplementary annual financial information on pages 120 and 121.

In 2001, net interest income was $4,693 million, up $280 million from 2000 as a result of higher average assets and improvement in spreads.

Non-interest income

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

Non-interest income of $5,531 million in 2002 was down $1,082 million, or 16.4%, from the prior year. Non-interest income was adversely affected by lower origination and trading activities, particularly in the U.S., and increased net merchant banking write-downs and other write-downs in the collateralized debt obligation and high-yield portfolios, all associated with weaker market conditions. This was offset by revenue from acquired businesses and the $190 million gain resulting from the combination of the Caribbean retail, corporate and international banking operations of CIBC and Barclays Bank PLC.

NON-INTEREST INCOME

$ millions, for the years ended October 31	2002	2001	2000
Fees for services			
Underwriting	$ 698	$ 614	$ 886
Deposit	605	521	503
Credit	410	493	508
Card	331	363	368
Investment management and custodial	486	322	379
Mutual funds	561	351	358
Insurance	148	100	124
	3,239	2,764	3,126
Commissions on securities transactions	1,203	1,089	1,480
Trading activities	273	1,343	1,140
Investment securities (losses) gains, net	(168)	575	970
Income from securitized assets	177	223	237
Other	807	619	844
Total non-interest income	$ 5,531	$ 6,613	$ 7,797

Fees for services were up $475 million, or 17.2%, from the prior year.

- Underwriting fees increased by 13.7% due to higher new equity issue volumes and the impact of acquired businesses.
- Deposit fees increased by 16.1% as a result of higher fees earned in Amicus and CIBC Retail Markets.
- Credit fees were down by 16.8% mainly in CIBC World Markets due to lower origination activities.
- Investment management and custodial fees increased by 50.9% from 2001, reflecting the impact of acquired businesses.
- Fees from mutual funds increased by 59.8% mainly due to the impact of the acquired businesses.

Commissions on securities transactions were up $114 million, or 10.5%, resulting from the impact of the acquired businesses.

Trading activities were down $1,070 million, or 79.7%, from 2001 mainly due to weaker performance from equity structured products business and fixed income activities business. For a detailed discussion of trading activities, see "Management of market risk" included in the "Management of Risk and Balance Sheet Resources" section.

Investment securities (losses) gains include realized gains and losses on disposals, as well as write-downs, to reflect other-than-temporary impairments in the value of securities held for investment purposes. Revenue was down $743 million, or 129.2%, from 2001 due to higher asset write-downs, as a result of deteriorating economic conditions. The prior year also benefited from higher gains on disposal of securities.

Income from securitized assets was down $46 million, or 20.6%, from 2001 primarily due to decreases in revenue from credit card loans securitization, partially offset by increases in revenue from residential mortgages securitization.

Other includes the gains and losses on the disposal of fixed assets and sale of subsidiaries, foreign exchange commissions and fees. Other was up $188 million, or 30.4%, from 2001. Excluding the loss associated with the bulk sale of U.S. corporate loans and gain on sales of corporate

assets in 2001, other was up $106 million over 2001. This increase was mainly due to the gain resulting from the combination of the Caribbean retail, corporate and international banking operations of CIBC and Barclays Bank PLC, and increase in non-trading foreign exchange revenue, partially offset by write-downs related to investments in limited partnerships and lower revenue from third-party securitization and advisory fees.

In 2001, non-interest income was $6,613 million, a decrease of $1,184 million from 2000. The decrease resulted from decreased U.S. investment banking activity, reduced trading volumes, lower net merchant banking gains, all associated with deteriorating market conditions, and the loss incurred on the bulk sale of the U.S. corporate loans, and lower gain on sales of corporate assets.

Non-interest expenses

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

In 2002, reported non-interest expenses were $9,129 million, up $903 million, or 11.0%, from 2001. A detailed analysis of non-interest expenses is provided below.

NON-INTEREST EXPENSES

$ millions, for the years ended October 31	2002	2001	2000
Employee compensation and benefits			
Salaries	$2,620	$2,417	$2,235
Incentive bonuses	933	1,372	1,636
Commissions	767	474	633
Benefits	562	469	433
	4,882	4,732	4,937
Occupancy costs	715	631	634
Computer and office equipment	985	834	758
Communications	441	412	371
Advertising and business development	295	286	273
Professional fees	297	327	240
Business and capital taxes	114	109	108
Restructuring charge	514	207	(31)
Other	886	688	806
Total non-interest expenses	$9,129	$8,226	$8,096

Employee compensation and benefits was up $150 million, or 3.2%, from the prior year due to higher salary expenses and commissions associated with the impact of acquired businesses, increased severance costs, particularly in CIBC World Markets, as well as higher pension and other benefit costs. These increases were partially offset by lower revenue-related incentive compensation, reflecting the effect of weaker markets.

Occupancy costs in 2002 were up $84 million, or 13.3%, over the prior year mainly due to acquired businesses.

Computer and office equipment was up $151 million, or 18.1%, from 2001 primarily due to spending on technology initiatives and the impact of acquired businesses.

Communications comprises telecommunications, postage, courier and stationery. Expenses were up $29 million, or 7.0%, from 2001 mainly due to the impact of acquired businesses.

Advertising and business development was up $9 million, or 3.1%, mainly due to the impact of acquired businesses.

Professional fees were down $30 million, or 9.2%, mainly because the prior year included fees relating to certain strategic initiatives.

Business and capital taxes were up $5 million, or 4.6%, over the prior year.

Restructuring charge of $514 million in 2002 included $366 million relating to closing of the U.S. electronic banking operations, $142 million relating to restructuring initiatives in other businesses and a $6 million revised estimate related to the 2001 cost-reduction program. This was up $307 million from the prior year, which included a charge for a CIBC-wide cost-reduction program.

Other comprises outside services, unrecoverable losses, other personnel costs and donations. Other was up $198 million, or 28.8%, from 2001 primarily as a result of higher non-credit losses, the rising cost of litigation in the U.S., costs related to the events of September 11, 2001 and the impact of acquired businesses.

In 2001, non-interest expenses totalled $8,226 million, up $130 million, or 1.6%, over 2000. Excluding the restructuring charge of $207 million, non-interest expenses were down 1% over 2000 mainly due to lower revenue-related compensation and commissions, offset by increased salaries and costs of strategic initiatives.

Taxes

TAXES $ millions, for the years ended October 31	2002	2001	2000
Income taxes			
Income taxes	$ (279)	$ 92	$ 641
Taxable equivalent adjustment	111	144	131
Total income taxes (TEB)	(168)	236	772
Indirect taxes			
Capital taxes	100	98	92
Property and business taxes	44	38	44
Payroll taxes (employer portion)	235	209	202
GST and sales taxes	204	198	182