CIBC

Report to Shareholders for the **Second Quarter**, 2019

www.cibc.com May 22, 2019

Report of the President and Chief Executive Officer

Overview of results

CIBC today announced its financial results for the second quarter ended April 30, 2019.

Second quarter highlights

	Q2/19	Q2/18	Q1/19	YoY Variance	QoQ Variance
Reported Net Income	$1,348 million	$1,319 million	$1,182 million	+2%	+14%
Adjusted Net Income[1]	$1,357 million	$1,345 million	$1,363 million	+1%	0%
Reported Diluted Earnings Per Share (EPS)	$2.95	$2.89	$2.60	+2%	+13%
Adjusted Diluted EPS[1]	$2.97	$2.95	$3.01	+1%	-1%
Reported Return on Common Shareholders' Equity (ROE)	15.8%	17.0%	13.8%		
Adjusted ROE[1]	15.9%	17.4%	16.0%		
Common Equity Tier 1 Ratio	11.2%	11.2%	11.2%		

Results for the second quarter of 2019 were affected by the following items of note aggregating to a negative impact of $0.02 per share:

- $27 million ($20 million after-tax) amortization of acquisition-related intangible assets; and
- $15 million ($11 million after-tax net positive impact) in purchase accounting adjustments net of transaction and integration-related costs associated with the acquisitions of The PrivateBank and Geneva Advisors.

We maintained strong Common Equity Tier 1, Tier 1 and Total capital ratios of 11.2%, 12.6% and 14.5%, respectively, compared with 11.2%, 12.7% and 14.7%, respectively, at the end of the prior quarter. CIBC's leverage ratio at April 30, 2019 was 4.3%.

We delivered solid earnings this quarter, reflecting the strength of our increasingly diversified business. We continued to invest across our bank for the future, while gaining efficiencies through our ongoing transformation.

Today we announced our intention to seek Toronto Stock Exchange approval for a normal course issuer bid that would permit us to purchase for cancellation up to a maximum of 9 million, or approximately 2% of our outstanding common shares, over the next 12 months.

Core business performance

Canadian Personal and Small Business Banking reported net income of $570 million for the second quarter, down $14 million or 2% from the second quarter a year ago. Excluding items of note, adjusted net income[1] was $571 million, down $15 million or 3% from the second quarter a year ago, as higher revenue was more than offset by higher expenses and provision for credit losses. The increase in revenue was due to wider spreads and volume growth, partially offset by lower fee income.

Canadian Commercial Banking and Wealth Management reported net income of $328 million for the second quarter, up $18 million or 6% from the second quarter a year ago, primarily driven by higher revenue, partially offset by a higher provision for credit losses. Revenue was up in commercial banking due to higher fees and volume growth. Revenue was up in wealth management due to favourable market conditions impacting assets under management and assets under administration.

U.S. Commercial Banking and Wealth Management reported net income of $163 million for the second quarter, up $25 million or 18% from the second quarter a year ago. Excluding items of note, adjusted net income[1] was $176 million, up $34 million or 24% from the second quarter a year ago, primarily due to higher revenue, partially offset by higher expenses. Revenue was up in commercial banking and wealth management primarily due to volume growth and the impact of U.S. dollar appreciation.

Capital Markets reported net income of $279 million for the second quarter, up $30 million or 12% from the second quarter a year ago, driven by higher revenue. Higher underwriting and advisory, interest rate trading, corporate banking, and global markets financing revenue was partially offset by lower investment portfolio gains and lower revenue from equity derivatives and foreign exchange trading.

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

Making a difference in our Communities

At CIBC, our team is passionate about making a difference in our communities through our global community investment initiative, One for Change. In the second quarter, we committed almost $2 million in support of hospitals, primarily focused on cancer treatment, and celebrated National Volunteer Week in recognition of the more than 140,000 hours our employees volunteered in 2018. We also supported efforts by the Canadian Red Cross in response to the devastating floods in Ontario, Québec and New Brunswick.

Victor G. Dodig
President and Chief Executive Officer

Enhanced Disclosure Task Force

The Enhanced Disclosure Task Force (EDTF), established by the Financial Stability Board, released its report "Enhancing the Risk Disclosures of Banks" in 2012, which included thirty-two disclosure recommendations. The index below provides the listing of these disclosures, along with their locations. EDTF disclosures are located in our 2018 Annual Report, quarterly Report to Shareholders, and supplementary packages, which may be found on our website (www.cibc.com). No information on CIBC's website, including the supplementary packages, should be considered incorporated herein by reference.

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(1) A detailed glossary of our risk and capital terminology is included on page 188 of our 2018 Annual Report.
(2) Included in our supplementary financial information package.

Management's discussion and analysis

Management's discussion and analysis (MD&A) is provided to enable readers to assess CIBC's financial condition and results of operations as at and for the quarter and six months ended April 30, 2019 compared with corresponding periods. The MD&A should be read in conjunction with our 2018 Annual Report and the unaudited interim consolidated financial statements included in this report. Unless otherwise indicated, all financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (IFRS or GAAP) and all amounts are expressed in Canadian dollars. Certain disclosures in the MD&A have been shaded as they form an integral part of the interim consolidated financial statements. The MD&A is current as of May 21, 2019. Additional information relating to CIBC is available on SEDAR at www.sedar.com and on the U.S. Securities and Exchange Commission's (SEC) website at www.sec.gov. No information on CIBC's website (www.cibc.com) should be considered incorporated herein by reference. A glossary of terms used throughout this quarterly report can be found on pages 186 to 191 of our 2018 Annual Report.

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A NOTE ABOUT FORWARD-LOOKING STATEMENTS: From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including in this report, in other filings with Canadian securities regulators or the SEC and in other communications. All such statements are made pursuant to the "safe harbour" provisions of, and are intended to be forward-looking statements under applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements made in the "Overview – Financial results", "Overview – Significant events", "Overview – Economic outlook", "Financial condition – Capital resources", "Management of risk – Risk overview", "Management of risk – Top and emerging risks", "Management of risk – Credit risk", "Management of risk – Market risk", "Management of risk – Liquidity risk", "Accounting and control matters – Critical accounting policies and estimates", "Accounting and control matters – Accounting developments", and "Accounting and control matters – Other regulatory developments" sections of this report and other statements about our operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies, the regulatory environment in which we operate and outlook for calendar year 2019 and subsequent periods. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "target", "objective" and other similar expressions or future or conditional verbs such as "will", "should", "would" and "could". By their nature, these statements require us to make assumptions, including the economic assumptions set out in the "Overview – Economic outlook" section of this report, and are subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond our control, affect our operations, performance and results, and could cause actual results to differ materially from the expectations expressed in any of our forward-looking statements. These factors include: credit, market, liquidity, strategic, insurance, operational, reputation and legal, regulatory and environmental risk; the effectiveness and adequacy of our risk management and valuation models and processes; legislative or regulatory developments in the jurisdictions where we operate, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations issued and to be issued thereunder, the Organisation for Economic Co-operation and Development Common Reporting Standard, and regulatory reforms in the United Kingdom and Europe, the Basel Committee on Banking Supervision's global standards for capital and liquidity reform, and those relating to bank recapitalization legislation and the payments system in Canada; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions, and interest rate and liquidity regulatory guidance; the resolution of legal and regulatory proceedings and related matters; the effect of changes to accounting standards, rules and interpretations; changes in our estimates of reserves and allowances; changes in tax laws; changes to our credit ratings; political conditions and developments, including changes relating to economic or trade matters; the possible effect on our business of international conflicts and terrorism; natural disasters, public health emergencies, disruptions to public infrastructure and other catastrophic events; reliance on third parties to provide components of our business infrastructure; potential disruptions to our information technology systems and services; increasing cyber security risks which may include theft or disclosure of assets, unauthorized access to sensitive information, or operational disruption; social media risk; losses incurred as a result of internal or external fraud; anti-money laundering; the accuracy and completeness of information provided to us concerning clients and counterparties; the failure of third parties to comply with their obligations to us and our affiliates or associates; intensifying competition from established competitors and new entrants in the financial services industry including through internet and mobile banking; technological change; global capital market activity; changes in monetary and economic policy; currency value and interest rate fluctuations, including as a result of market and oil price volatility; general business and economic conditions worldwide, as well as in Canada, the U.S. and other countries where we have operations, including increasing Canadian household debt levels and global credit risks; our success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels; changes in client spending and saving habits; our ability to attract and retain key employees and executives; our ability to successfully execute our strategies and complete and integrate acquisitions and joint ventures; the risk that expected synergies and benefits of an acquisition will not be realized within the expected time frame or at all; and our ability to anticipate and manage the risks associated with these factors. This list is not exhaustive of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements. Any forward-looking statements contained in this report represent the views of management only as of the date hereof and are presented for the purpose of assisting our shareholders and financial analysts in understanding our financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statement that is contained in this report or in other communications except as required by law.

Second quarter financial highlights

Unaudited	As at or for the three months ended 2019 Apr. 30	2019 Jan. 31	2018 Apr. 30	As at or for the six months ended 2019 Apr. 30	2018 Apr. 30
Financial results ($ millions)					
Net interest income	**$ 2,460**	$ 2,596	$ 2,476	**$ 5,056**	$ 4,949
Non-interest income	**2,082**	1,969	1,900	**4,051**	3,886
Total revenue	**4,542**	4,565	4,376	**9,107**	8,835
Provision for credit losses	**255**	338	212	**593**	365
Non-interest expenses	**2,588**	2,760	2,517	**5,348**	5,095
Income before income taxes	**1,699**	1,467	1,647	**3,166**	3,375
Income taxes	**351**	285	328	**636**	728
Net income	**$ 1,348**	$ 1,182	$ 1,319	**$ 2,530**	$ 2,647
Net income attributable to non-controlling interests	**$ 7**	$ 4	$ 6	**$ 11**	$ 11
Preferred shareholders	**28**	23	24	**51**	42
Common shareholders	**1,313**	1,155	1,289	**2,468**	2,594
Net income attributable to equity shareholders	**$ 1,341**	$ 1,178	$ 1,313	**$ 2,519**	$ 2,636
Financial measures					
Reported efficiency ratio	**57.0 %**	60.5 %	57.5 %	**58.7 %**	57.7 %
Adjusted efficiency ratio (1)	**56.1 %**	54.4 %	55.9 %	**55.3 %**	55.5 %
Loan loss ratio (2)	**0.26 %**	0.30 %	0.24 %	**0.28 %**	0.23 %
Reported return on common shareholders' equity	**15.8 %**	13.8 %	17.0 %	**14.8 %**	17.2 %
Adjusted return on common shareholders' equity (1)	**15.9 %**	16.0 %	17.4 %	**15.9 %**	18.1 %
Net interest margin	**1.59 %**	1.66 %	1.71 %	**1.63 %**	1.68 %
Net interest margin on average interest-earning assets	**1.77 %**	1.86 %	1.91 %	**1.81 %**	1.88 %
Return on average assets	**0.87 %**	0.76 %	0.91 %	**0.81 %**	0.90 %
Return on average interest-earning assets	**0.97 %**	0.85 %	1.02 %	**0.91 %**	1.01 %
Total shareholder return	**2.58 %**	(0.68)%	(7.15)%	**1.89 %**	0.70 %
Reported effective tax rate	**20.6 %**	19.4 %	19.9 %	**20.1 %**	21.6 %
Adjusted effective tax rate (1)	**20.7 %**	20.4 %	20.0 %	**20.6 %**	19.1 %
Common share information					
Per share ($) – basic earnings	**$ 2.96**	$ 2.61	$ 2.90	**$ 5.56**	$ 5.86
– reported diluted earnings	**2.95**	2.60	2.89	**5.55**	5.84
– adjusted diluted earnings (1)	**2.97**	3.01	2.95	**5.98**	6.13
– dividends	**1.40**	1.36	1.33	**2.76**	2.63
– book value	**77.49**	75.11	69.98	**77.49**	69.98
Share price ($) – high	**114.73**	116.19	121.04	**116.19**	123.99
– low	**105.60**	100.80	110.11	**100.80**	110.11
– closing	**112.81**	111.41	111.83	**112.81**	111.83
Shares outstanding (thousands) – weighted-average basic (3)	**444,028**	443,033	444,140	**443,523**	442,607
– weighted-average diluted	**445,224**	444,301	445,658	**444,755**	444,231
– end of period (3)	**444,650**	443,802	444,691	**444,650**	444,691
Market capitalization ($ millions)	**$ 50,161**	$ 49,444	$ 49,730	**$ 50,161**	$ 49,730
Value measures					
Dividend yield (based on closing share price)	**5.1 %**	4.8 %	4.9 %	**4.9 %**	4.7 %
Reported dividend payout ratio	**47.3 %**	52.2 %	45.8 %	**49.6 %**	44.9 %
Adjusted dividend payout ratio (1)	**47.0 %**	45.1 %	44.9 %	**46.1 %**	42.8 %
Market value to book value ratio	**1.46**	1.48	1.60	**1.46**	1.60
On- and off-balance sheet information ($ millions)					
Cash, deposits with banks and securities	**$ 135,954**	$ 125,599	$ 119,354	**$ 135,954**	$ 119,354
Loans and acceptances, net of allowance	**392,945**	385,072	374,216	**392,945**	374,216
Total assets	**634,109**	614,647	590,537	**634,109**	590,537
Deposits	**477,540**	464,707	449,031	**477,540**	449,031
Common shareholders' equity	**34,455**	33,334	31,118	**34,455**	31,118
Average assets	**633,556**	620,599	594,340	**626,970**	592,309
Average interest-earning assets	**570,057**	554,312	532,516	**562,053**	530,489
Average common shareholders' equity	**34,091**	33,183	31,017	**33,629**	30,336
Assets under administration (AUA) (4)(5)	**2,404,719**	2,279,879	2,279,301	**2,404,719**	2,279,301
Assets under management (AUM) (5)	**242,694**	228,562	224,954	**242,694**	224,954
Balance sheet quality and liquidity measures					
Risk-weighted assets (RWA) ($ millions) (6)					
Total RWA	**$ 234,816**	$ 225,663	n/a	**$ 234,816**	n/a
Common Equity Tier 1 (CET1) capital RWA	**n/a**	n/a	$ 208,068	**n/a**	$ 208,068
Tier 1 capital RWA	**n/a**	n/a	208,231	**n/a**	208,231
Total capital RWA	**n/a**	n/a	208,394	**n/a**	208,394
Capital ratios					
CET1 ratio	**11.2 %**	11.2 %	11.2 %	**11.2 %**	11.2 %
Tier 1 capital ratio	**12.6 %**	12.7 %	12.7 %	**12.6 %**	12.7 %
Total capital ratio	**14.5 %**	14.7 %	15.1 %	**14.5 %**	15.1 %
Leverage ratio					
Leverage ratio exposure ($ millions)	**$ 696,026**	$ 674,962	$ 641,307	**$ 696,026**	$ 641,307
Leverage ratio	**4.3 %**	4.2 %	4.1 %	**4.3 %**	4.1 %
Liquidity coverage ratio (LCR)	**134 %**	131 %	124 %	**n/a**	n/a
Other information					
Full-time equivalent employees	**44,797**	43,815	44,646	**44,797**	44,646

(1) For additional information, see the "Non-GAAP measures" section.
(2) The ratio is calculated as the provision for credit losses on impaired loans to average loans and acceptances, net of allowance for credit losses.
(3) Excludes 409 restricted shares as at April 30, 2019 (January 31, 2019: 60,532; April 30, 2018: 190,789).
(4) Includes the full contract amount of AUA or custody under a 50/50 joint venture between CIBC and The Bank of New York Mellon of $1,911.9 billion (January 31, 2019: $1,815.8 billion; April 30, 2018: $1,808.6 billion).
(5) AUM amounts are included in the amounts reported under AUA.
(6) During 2018, before any capital floor requirement, there were three different levels of RWAs for the calculation of CIBC's CET1, Tier 1 and Total capital ratios as CIBC elected in 2014 to phase in the credit valuation adjustment (CVA) capital charge as permitted under the Office of the Superintendent of Financial Institutions (OSFI) guideline. Beginning in the first quarter of 2019 the ratios are calculated by reference to the same level of RWAs, as the phase-in of the CVA capital charge has been completed.
n/a Not applicable.

Overview

Financial results

Reported net income for the quarter was $1,348 million, compared with $1,319 million for the same quarter last year, and $1,182 million for the prior quarter.

Adjusted net income(1) for the quarter was $1,357 million, compared with $1,345 million for the same quarter last year, and $1,363 million for the prior quarter.

Reported diluted earnings per share (EPS) for the quarter was $2.95, compared with $2.89 for the same quarter last year, and $2.60 for the prior quarter.

Adjusted diluted EPS(1) for the quarter was $2.97, compared with $2.95 for the same quarter last year, and $3.01 for the prior quarter.

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

- $27 million ($20 million after-tax) amortization of acquisition-related intangible assets ($1 million after-tax in Canadian Personal and Small Business Banking, $17 million after-tax in U.S. Commercial Banking and Wealth Management, and $2 million after-tax in Corporate and Other); and
- $15 million ($11 million after-tax net positive impact) in purchase accounting adjustments net of transaction and integration-related costs(2) associated with the acquisitions of The PrivateBank and Geneva Advisors (income of $4 million after-tax in U.S. Commercial Banking and Wealth Management, and $7 million after-tax in Corporate and Other).

The above items of note increased revenue by $6 million and non-interest expenses by $18 million, and decreased income taxes by $3 million. In aggregate, these items of note decreased net income by $9 million.

Net interest income(3)

Net interest income was down $16 million or 1% from the same quarter last year, primarily due to lower trading income and narrower spreads in U.S. Commercial Banking and Wealth Management, partially offset by volume growth across our businesses, wider spreads in Canadian Personal and Small Business Banking, and the impact of foreign exchange translation.

Net interest income was down $136 million or 5% from the prior quarter, primarily due to the impact of fewer days in the current quarter and lower revenue from trading and treasury activities, partially offset by volume growth across most of our businesses.

Net interest income for the six months ended April 30, 2019 was up $107 million or 2% from the same period in 2018, primarily due to volume growth and wider spreads across our businesses, the impact of foreign exchange translation, and higher corporate banking revenue, partially offset by lower trading income.

Non-interest income(3)

Non-interest income was up $182 million or 10% from the same quarter last year, primarily due to higher trading income, underwriting and advisory fees and credit fees.

Non-interest income was up $113 million or 6% from the prior quarter, primarily due to higher trading income and underwriting and advisory fees.

Non-interest income for the six months ended April 30, 2019 was up $165 million or 4% from the same period in 2018, primarily due to higher trading income, underwriting and advisory fees and credit fees, partially offset by lower card fees and commission revenue.

Provision for credit losses

Provision for credit losses was up $43 million or 20% from the same quarter last year. Provision for credit losses on performing loans was $5 million for the current quarter, primarily due to a higher provision in Canadian Personal and Small Business Banking that was largely offset by reversals in Corporate and Other and our other strategic business units (SBUs), compared with a reversal of credit losses on performing loans of $5 million in the same quarter last year. Provision for credit losses on impaired loans was up $33 million primarily due to higher provisions on impaired loans in Canadian Commercial Banking and Wealth Management.

Provision for credit losses was down $83 million or 25% from the prior quarter. Provision for credit losses on performing loans was down $38 million, as the prior quarter included a higher increase in allowance related to the impact of certain unfavourable changes to our economic outlook. Provision for credit losses on impaired loans was down $45 million, due to lower provisions in Capital Markets and Canadian Commercial Banking and Wealth Management, partially offset by higher provisions in Canadian Personal and Small Business Banking and U.S. Commercial Banking and Wealth Management.

Provision for credit losses for the six months ended April 30, 2019 was up $228 million or 62% from the same period in 2018. Provision for credit losses on performing loans was up $102 million, as the same period last year included a reduction in allowance driven by an economic outlook that had improved since our adoption of IFRS 9 "Financial Instruments" (IFRS 9) on November 1, 2017, while the current period included an increase in allowance, reflective of the impact of certain unfavourable changes to our economic outlook. Provision for credit losses on impaired loans was up $126 million, primarily due to higher provisions on impaired loans in Canadian Commercial Banking and Wealth Management and Capital Markets.

(1) For additional information, see the "Non-GAAP measures" section.
(2) Transaction costs include legal and other advisory fees, financing costs associated with pre-funding the cash component of the merger consideration, and interest adjustments relating to the obligation payable to dissenting shareholders. Integration costs are comprised of direct and incremental costs incurred as part of planning for and executing the integration of the businesses of The PrivateBank (subsequently rebranded as CIBC Bank USA) and Geneva Advisors with CIBC, including enabling cross-sell opportunities and expansion of services in the U.S. market, the upgrade and conversion of systems and processes, project management, integration-related travel, severance, consulting fees and marketing costs related to rebranding activities. Purchase accounting adjustments, included as items of note beginning in the fourth quarter of 2017, include the accretion of the acquisition date fair value discount on the acquired loans of The PrivateBank, the collective allowance established for new loan originations and renewals of acquired loans (prior to the adoption of IFRS 9 in the first quarter of 2018), and changes in the fair value of contingent consideration relating to the Geneva Advisors and Wellington Financial acquisitions.
(3) Trading activities and related risk management strategies can periodically shift trading income between net interest income and non-interest income. Therefore, we view total trading income as the most appropriate measure of trading performance.

Non-interest expenses

Non-interest expenses were up $71 million or 3% from the same quarter last year, primarily due to higher spending on strategic initiatives, higher employee-related compensation and the impact of foreign exchange translation, partially offset by lower performance-based compensation.

Non-interest expenses were down $172 million or 6% from the prior quarter, as the prior quarter included a charge for a payment made to Air Canada, including related sales tax and transaction costs, to secure our participation in its new loyalty program, shown as an item of note.

Non-interest expenses for the six months ended April 30, 2019 were up $253 million or 5% from the same period in 2018, largely due to the charge noted above. The current period also included higher spending on strategic initiatives, an unfavourable impact from foreign exchange translation, and higher employee-related compensation, largely offset by lower performance-based compensation.

Income taxes

Income tax expense was up $23 million or 7% from the same quarter last year, primarily due to higher income in the current quarter.

Income tax expense was up $66 million or 23% from the prior quarter, primarily due to higher income. The prior quarter also included a net tax recovery of $38 million resulting from the Enron settlement discussed below, largely offset by a $28 million revaluation of certain deferred tax assets due to tax rate changes enacted by the Barbados government in the first quarter of 2019.

Income tax expense for the six months ended April 30, 2019 was down $92 million or 13% from the same period in 2018, primarily due to net tax adjustments resulting from the U.S. tax reforms enacted in the first quarter of 2018, shown as an item of note, that were included in the same period last year, and lower income in the current period.

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act (U.S. tax reforms), which reduced the U.S. federal corporate income tax rate to 21% effective January 1, 2018, resulting in a significant decrease in CIBC's U.S. deferred tax assets in the first quarter of 2018. The U.S. tax reforms introduced other important changes to U.S. corporate income tax laws including the creation of a new Base Erosion Anti-abuse Tax (BEAT) that subjects certain payments from a U.S. corporation to foreign related parties to additional taxes. On December 20, 2018, the Internal Revenue Service released proposed regulations to implement certain other aspects of the U.S. tax reforms. CIBC continues to evaluate the impact of these proposed regulations, together with BEAT, on our U.S. operations.

In prior years, the Canada Revenue Agency (CRA) issued reassessments disallowing the deduction of approximately $3 billion of the 2005 Enron settlement payments and related legal expenses (the "Enron expenses"). In January 2019, CIBC entered into a settlement agreement (the "Agreement") with the CRA that provides certainty with respect to the portion of the Enron expenses that are deductible in Canada. The impact of this Agreement resulted in the recognition of a net $38 million tax recovery in the first quarter of 2019. This recovery was determined after taking into account the portion of the Enron expenses that we expect to deduct in the United States, but which has not yet been agreed to by the Internal Revenue Service, and the taxable refund interest that we expect to collect from the CRA upon the reassessment of certain prior year tax returns in accordance with the Agreement. It is possible that adjustments may be required to the amount of the tax benefits recognized in the United States.

The 2015 Canadian federal budget which became law effective on November 1, 2015, contained new rules for "synthetic equity arrangements" which eliminated the tax deductibility of Canadian inter-corporate dividends for Canadian corporations in certain circumstances. A set of transition rules applied between November 1, 2015 and April 30, 2017. The new rules have resulted in a higher effective tax rate, as the tax deductibility of certain Canadian corporate dividends is diminished. On February 27, 2018, the 2018 Canadian federal budget was released which extended the denial of the deductibility of Canadian inter-corporate dividends for Canadian corporations to include dividends received on share buyback transactions.

In prior years, the CRA reassessed CIBC approximately $527 million of additional income tax by denying the tax deductibility of certain 2011 to 2013 Canadian corporate dividends on the basis that they were part of a "dividend rental arrangement". In March 2018, CIBC filed a Notice of Appeal with the Tax Court of Canada with respect to the 2011 taxation year. The matter is now in litigation. The circumstances of the dividends subject to the reassessments are similar to those prospectively addressed by the rules in the 2015 and 2018 Canadian federal budgets. In May 2019, the CRA reassessed CIBC in respect of the 2014 taxation year for approximately $273 million of additional income tax. It is possible that subsequent years may be reassessed for similar activities. CIBC is confident that its tax filing positions were appropriate and intends to defend itself vigorously. Accordingly, no amounts have been accrued in the interim consolidated financial statements.

Foreign exchange

The following table provides the estimated impact of U.S. dollar translation on key lines of our interim consolidated statement of income, as a result of changes in average exchange rates.

$ millions, except per share amounts	For the three months ended Apr. 30, 2019 vs. Apr. 30, 2018	Apr. 30, 2019 vs. Jan. 31, 2019	For the six months ended Apr. 30, 2019 vs. Apr. 30, 2018
Estimated increase (decrease) in:			
Total revenue	$ 33	$ (4)	$ 90
Provision for credit losses	–	–	4
Non-interest expenses	16	(2)	43
Income taxes	3	–	5
Net income	14	(2)	38
Impact on EPS:			
Basic	$ 0.03	$ –	$ 0.09
Diluted	0.03	–	0.09
Average USD appreciation (depreciation) relative to CAD	3.5 %	(0.4) %	4.8 %

Impact of items of note in prior periods

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

First quarter of 2019

- $227 million ($167 million after-tax) charge for a payment made to Air Canada, including related sales tax and transaction costs, to secure our participation in its new loyalty program (Canadian Personal and Small Business Banking);
- $27 million ($21 million after-tax) amortization of acquisition-related intangible assets ($2 million after-tax in Canadian Personal and Small Business Banking, $16 million after-tax in U.S. Commercial Banking and Wealth Management, and $3 million after-tax in Corporate and Other); and
- $8 million ($7 million after-tax net positive impact) in purchase accounting adjustments net of transaction and integration-related costs(1) associated with the acquisitions of The PrivateBank, Geneva Advisors and Wellington Financial (income of $10 million after-tax in U.S. Commercial Banking and Wealth Management, and charge of $3 million after-tax in Corporate and Other).

The above items of note increased revenue by $13 million and non-interest expenses by $259 million, and decreased income taxes by $65 million. In aggregate, these items of note decreased net income by $181 million.

Second quarter of 2018

- $26 million ($19 million after-tax) amortization of intangible assets ($2 million after-tax in Canadian Personal and Small Business Banking, $15 million after-tax in U.S. Commercial Banking and Wealth Management, and $2 million after-tax in Corporate and Other); and
- $9 million ($7 million after-tax) in transaction and integration-related costs(1) net of purchase accounting adjustments associated with the acquisitions of The PrivateBank and Geneva Advisors (income of $11 million after-tax in U.S. Commercial Banking and Wealth Management, and charge of $18 million after-tax in Corporate and Other).

The above items of note increased revenue by $15 million and non-interest expenses by $50 million, and decreased income taxes by $9 million. In aggregate, these items of note decreased net income by $26 million.

First quarter of 2018

- $88 million charge from net tax adjustments resulting from the U.S. tax reforms enacted in the first quarter of 2018 (Corporate and Other);
- $32 million ($24 million after-tax) amortization of acquisition-related intangible assets ($2 million after-tax in Canadian Personal and Small Business Banking, $19 million after-tax in U.S. Commercial Banking and Wealth Management, and $3 million after-tax in Corporate and Other); and
- $10 million ($7 million after-tax net positive impact) in purchase accounting adjustments net of transaction and integration-related costs(1) associated with the acquisitions of The PrivateBank and Geneva Advisors (income of $13 million after-tax in U.S. Commercial Banking and Wealth Management, and charge of $6 million after-tax in Corporate and Other).

The above items of note increased revenue by $27 million, non-interest expenses by $49 million, and income taxes by $83 million. In aggregate, these items of note decreased net income by $105 million.

(1) Transaction costs include legal and other advisory fees, financing costs associated with pre-funding the cash component of the merger consideration, and interest adjustments relating to the obligation payable to dissenting shareholders. Integration costs are comprised of direct and incremental costs incurred as part of planning for and executing the integration of the businesses of The PrivateBank (subsequently rebranded as CIBC Bank USA) and Geneva Advisors with CIBC, including enabling cross-sell opportunities and expansion of services in the U.S. market, the upgrade and conversion of systems and processes, project management, integration-related travel, severance, consulting fees and marketing costs related to rebranding activities. Purchase accounting adjustments, included as items of note beginning in the fourth quarter of 2017, include the accretion of the acquisition date fair value discount on the acquired loans of The PrivateBank, the collective allowance established for new loan originations and renewals of acquired loans (prior to the adoption of IFRS 9 in the first quarter of 2018), and changes in the fair value of contingent consideration relating to the Geneva Advisors and Wellington Financial acquisitions.

Significant events

Finalization of arrangement with Air Canada

Following the close of Air Canada's acquisition of the Aeroplan loyalty business from Aimia Inc. on January 10, 2019, we will be offering credit cards under Air Canada's new loyalty program, which is expected to launch in 2020. This program will allow CIBC's Aeroplan cardholders to transfer their Aeroplan Miles to Air Canada's new loyalty program.

To secure our participation in Air Canada's new loyalty program for a period of 10 years, we paid Air Canada $200 million plus applicable sales tax, which we recognized as an expense in the first quarter of 2019. We have shown this payment, together with related transaction costs, as an item of note related to the first quarter of 2019. In addition, we made a payment of $92 million plus applicable sales tax in the first quarter of 2019 as a prepayment to be applied towards future monthly payments in respect of Aeroplan Miles over a 10-year period.

Review of quarterly financial information

$ millions, except per share amounts, for the three months ended	2019		2018				2017	
	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31
Revenue								
Canadian Personal and Small Business Banking	**$ 2,128**	$ 2,166	$ 2,201	$ 2,176	$ 2,090	$ 2,138	$ 2,093	$ 2,039
Canadian Commercial Banking and Wealth Management	**1,003**	992	986	988	937	954	922	903
U.S. Commercial Banking and Wealth Management (1)	**475**	479	457	448	429	432	422	239
Capital Markets (1)	**751**	705	649	752	710	801	622	679
Corporate and Other (1)	**185**	223	159	183	210	134	210	244
Total revenue	**$ 4,542**	$ 4,565	$ 4,452	$ 4,547	$ 4,376	$ 4,459	$ 4,269	$ 4,104
Net interest income	**$ 2,460**	$ 2,596	$ 2,539	$ 2,577	$ 2,476	$ 2,473	$ 2,464	$ 2,276
Non-interest income	**2,082**	1,969	1,913	1,970	1,900	1,986	1,805	1,828
Total revenue	**4,542**	4,565	4,452	4,547	4,376	4,459	4,269	4,104
Provision for credit losses	**255**	338	264	241	212	153	229	209
Non-interest expenses	**2,588**	2,760	2,591	2,572	2,517	2,578	2,570	2,452
Income before income taxes	**1,699**	1,467	1,597	1,734	1,647	1,728	1,470	1,443
Income taxes	**351**	285	329	365	328	400	306	346
Net income	**$ 1,348**	$ 1,182	$ 1,268	$ 1,369	$ 1,319	$ 1,328	$ 1,164	$ 1,097
Net income attributable to:								
Non-controlling interests	**$ 7**	$ 4	$ 2	$ 4	$ 6	$ 5	$ 5	$ 4
Equity shareholders	**1,341**	1,178	1,266	1,365	1,313	1,323	1,159	1,093
EPS – basic	**$ 2.96**	$ 2.61	$ 2.81	$ 3.02	$ 2.90	$ 2.96	$ 2.60	$ 2.61
– diluted	**2.95**	2.60	2.80	3.01	2.89	2.95	2.59	2.60

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

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

Revenue

Canadian Personal and Small Business Banking revenue has benefited from volume growth and widening spreads over the period.

Canadian Commercial Banking and Wealth Management has benefited from strong volume growth in deposits and loans, and continued growth in AUA and AUM as a result of market appreciation over the period and positive net sales of retail mutual funds in 2017 and the first half of 2018. Increases in interest rates beginning in the latter half of 2017 contributed to improved margins beginning in the fourth quarter of 2017.

U.S. Commercial Banking and Wealth Management includes the revenue of CIBC Bank USA after the close of the acquisition on June 23, 2017, and has benefited from volume growth in both loans and deposits following the acquisition. Margins have remained relatively stable over the period notwithstanding increased deposit costs.

Capital Markets revenue is influenced, to a large extent, by market conditions and activity in the equity derivatives business, which includes tax-exempt income. The first quarter of 2018 included higher trading revenue. Corporate and Other includes the offset related to the TEB component of tax-exempt income reported in the revenue of Capital Markets and U.S. Commercial Banking and Wealth Management.

Provision for credit losses

Provision for credit losses is dependent upon the credit cycle in general, on the credit performance of the loan portfolios, and, following our adoption of IFRS 9 in the first quarter of 2018, changes in our economic outlook.

In Canadian Personal and Small Business Banking, the first quarter of 2018 included a reduction in allowance on performing loans, reflective of an economic outlook that improved in the first quarter of 2018. The second quarter of 2019 included an increase in allowance on performing loans, reflective of the impact of certain changes to our economic outlook, and a model parameter update.

In Canadian Commercial Banking and Wealth Management, the first and the second quarter of 2019 included higher provisions on impaired loans in the commercial banking portfolio.

In U.S. Commercial Banking and Wealth Management, the provision for credit losses relating to the loan portfolio in CIBC Bank USA has been included since the acquisition on June 23, 2017. The fourth quarter of 2017 included $35 million relating to the establishment of a collective allowance (prior to our adoption of IFRS 9) for new loan originations and renewals of acquired loans relating to CIBC Bank USA. The third quarters of 2017 and 2018 included higher provisions in our pre-existing U.S. real estate finance portfolio. The fourth quarter of 2018 included higher provisions on impaired loans in CIBC Bank USA.

In Capital Markets, the first quarter of 2019 included an increase in allowance on performing loans, reflective of the impact of increased uncertainty on our economic outlook, as well as higher provisions on impaired loans. The first half of 2018 included reductions in allowance for performing loans, reflective of better portfolio credit quality and an improved outlook with respect to the oil and gas sector.

In Corporate and Other, the third and fourth quarters of 2018 included higher provisions on impaired loans in FirstCaribbean International Bank Limited (CIBC FirstCaribbean) resulting from the Barbados government debt restructuring. The final two quarters of 2017 included reductions in the collective allowance (prior to our adoption of IFRS 9).

Non-interest expenses

Non-interest expenses have fluctuated over the period largely due to changes in employee-related compensation and benefits, higher spending on strategic initiatives, and movement in foreign exchange rates. The first quarter of 2019 included a charge for a payment made to Air Canada, including related sales tax and transaction costs, to secure our participation in its new loyalty program. The fourth quarter of 2017 included fees and charges related to the launch of Simplii Financial and the related wind-down of the President's Choice Financial branded banking offer. The third quarter of 2017 included an increase in legal provisions in Corporate and Other, shown as an item of note. Non-interest expenses include the non-interest expenses of CIBC Bank USA following the close of the acquisition on June 23, 2017.

Income taxes

Income taxes vary with changes in income subject to tax, and the jurisdictions in which the income is earned. Taxes can also be affected by the impact of significant items and the level of tax-exempt income. The first quarter of 2019 included a net tax recovery resulting from the Enron settlement, largely offset by the revaluation of certain deferred tax assets due to tax rate changes enacted by the Barbados government in that quarter. The first quarter of 2018 included net tax adjustments resulting from U.S. tax reforms. The favourable impact of the U.S. tax reforms on the effective tax rate in the U.S. has benefited the U.S. Commercial Banking and Wealth Management SBU beginning in the first quarter of 2018. Income taxes include the results of CIBC Bank USA following the close of the acquisition on June 23, 2017.

Economic outlook

While quarterly growth is expected to improve after a slow start to the year, Canada's economy is still expected to see a slight moderation in growth in 2019 in the wake of interest rate hikes in the prior year. Real gross domestic product (GDP) growth is expected to decelerate in 2019 to roughly 1.5%, with a similar pace expected in 2020 as exports are impacted by slower economic growth in the U.S. While the unemployment rate could move up slightly, it is expected to remain low by historical standards. The Bank of Canada's overnight rate is expected to be unchanged from current levels, with inflation remaining moderate and the central bank having reduced its growth outlook. Housing construction should run at a slower pace, while capital spending by businesses should remain on a moderate growth path, with the energy sector awaiting greater assurance of pipeline access. Global crude oil prices should level off after a recent recovery, but that could be offset by a return to somewhat wider differentials for Canadian heavy crude oil once production increases on any easing of recently mandated curtailments.

The U.S. economy is expected to decelerate to just under 2.5% growth in 2019, and it is anticipated that tight labour markets will constrain Midwest regional growth to roughly that pace. A further slowing to 1.5% growth in 2020 is likely if fiscal policy tightens. The U.S. Federal Reserve has put rate hikes on hold given signs of softer global growth and contained core inflation. The absence of fresh tax cut stimulus by 2020 and the potential for government spending restraints to address deficits should allow the U.S. Federal Reserve to leave its benchmark rate unchanged over the balance of the year, and opens the door for an easing in policy in 2020.

Canadian Personal and Small Business Banking is expected to see a continuation of low growth in consumer and mortgage lending, with demand constrained by the level of interest rates, softer growth in housing prices, and last year's regulatory tightening.

Moderate growth in corporate earnings should support activity in Capital Markets and Canadian Commercial Banking and Wealth Management. Government bond issuance activity is anticipated to remain elevated due to provincial deficits and capital spending. Credit markets should remain healthy with low unemployment and moderate profit growth. Wealth management should benefit from ongoing growth in the pool of savings, but softer economic growth could constrain the extent to which assets under management benefit from equity price gains.

In U.S. Commercial Banking and Wealth Management, commercial banking should benefit from existing capacity constraints affecting many sectors as the need to expand capacity drives incremental financing requirements. Wealth management has benefited from a greater pool of after-tax savings, although a softer path for further equity price gains is expected to reduce growth in assets under management. Interest rates should remain low and thereby support growth in commercial lending activity.

Non-GAAP measures

We use a number of financial measures to assess the performance of our business lines as described below. Some measures are calculated in accordance with GAAP (IFRS), while other measures do not have a standardized meaning under GAAP, and accordingly, these measures may not be comparable to similar measures used by other companies. Investors may find these non-GAAP measures useful in understanding how management views underlying business performance. For a more detailed discussion on our non-GAAP measures, see page 14 of the 2018 Annual Report. The following table provides a reconciliation of non-GAAP to GAAP measures related to CIBC on a consolidated basis.

$ millions		As at or for the three months ended 2019 Apr. 30	2019 Jan. 31	2018 Apr. 30	As at or for the six months ended 2019 Apr. 30	2018 Apr. 30
Reported and adjusted diluted EPS						
Reported net income attributable to common shareholders	A	**$ 1,313**	$ 1,155	$ 1,289	**$ 2,468**	$ 2,594
After-tax impact of items of note [1]		**9**	181	26	**190**	131
Adjusted net income attributable to common shareholders [2]	B	**$ 1,322**	$ 1,336	$ 1,315	**$ 2,658**	$ 2,725
Diluted weighted-average common shares outstanding (thousands)	C	**445,224**	444,301	445,658	**444,755**	444,231
Reported diluted EPS ($)	A/C	**$ 2.95**	$ 2.60	$ 2.89	**$ 5.55**	$ 5.84
Adjusted diluted EPS ($) [2]	B/C	**2.97**	3.01	2.95	**5.98**	6.13
Reported and adjusted efficiency ratio						
Reported total revenue	D	**$ 4,542**	$ 4,565	$ 4,376	**$ 9,107**	$ 8,835
Pre-tax impact of items of note [1]		**(6)**	(13)	(15)	**(19)**	(42)
TEB		**44**	41	53	**85**	206
Adjusted total revenue (TEB) [2]	E	**$ 4,580**	$ 4,593	$ 4,414	**$ 9,173**	$ 8,999
Reported non-interest expenses	F	**$ 2,588**	$ 2,760	$ 2,517	**$ 5,348**	$ 5,095
Pre-tax impact of items of note [1]		**(18)**	(259)	(50)	**(277)**	(99)
Adjusted non-interest expenses [2]	G	**$ 2,570**	$ 2,501	$ 2,467	**$ 5,071**	$ 4,996
Reported efficiency ratio	F/D	**57.0 %**	60.5 %	57.5 %	**58.7 %**	57.7 %
Adjusted efficiency ratio [2]	G/E	**56.1 %**	54.4 %	55.9 %	**55.3 %**	55.5 %
Reported and adjusted dividend payout ratio						
Dividends paid to common shareholders	H	**$ 621**	$ 603	$ 591	**$ 1,224**	$ 1,165
Reported dividend payout ratio	H/A	**47.3 %**	52.2 %	45.8 %	**49.6 %**	44.9 %
Adjusted dividend payout ratio [2]	H/B	**47.0 %**	45.1 %	44.9 %	**46.1 %**	42.8 %
Reported and adjusted return on common shareholders' equity						
Average common shareholders' equity	I	**$ 34,091**	$ 33,183	$ 31,017	**$ 33,629**	$ 30,336
Reported return on common shareholders' equity	A/I [3]	**15.8 %**	13.8 %	17.0 %	**14.8 %**	17.2 %
Adjusted return on common shareholders' equity [2]	B/I [3]	**15.9 %**	16.0 %	17.4 %	**15.9 %**	18.1 %
Reported and adjusted effective tax rate						
Reported income before income taxes	J	**$ 1,699**	$ 1,467	$ 1,647	**$ 3,166**	$ 3,375
Pre-tax impact of items of note [1]		**12**	246	35	**258**	57
Adjusted income before income taxes [2]	K	**$ 1,711**	$ 1,713	$ 1,682	**$ 3,424**	$ 3,432
Reported income taxes	L	**$ 351**	$ 285	$ 328	**$ 636**	$ 728
Tax impact of items of note [1]		**3**	65	9	**68**	(74)
Adjusted income taxes [2]	M	**$ 354**	$ 350	$ 337	**$ 704**	$ 654
Reported effective tax rate	L/J	**20.6 %**	19.4 %	19.9 %	**20.1 %**	21.6 %
Adjusted effective tax rate [2]	M/K	**20.7 %**	20.4 %	20.0 %	**20.6 %**	19.1 %

$ millions, for the three months ended		Canadian Personal and Small Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets	Corporate and Other	CIBC Total
2019 Apr. 30	**Reported net income (loss)**	**$ 570**	**$ 328**	**$ 163**	**$ 279**	**$ 8**	**$ 1,348**
	After-tax impact of items of note [1]	**1**	**–**	**13**	**–**	**(5)**	**9**
	Adjusted net income (loss) [2]	**$ 571**	**$ 328**	**$ 176**	**$ 279**	**$ 3**	**$ 1,357**
2019 Jan. 31	Reported net income (loss)	$ 463	$ 319	$ 168	$ 201	$ 31	$ 1,182
	After-tax impact of items of note [1]	169	–	6	–	6	181
	Adjusted net income (loss) [2]	$ 632	$ 319	$ 174	$ 201	$ 37	$ 1,363
2018 Apr. 30	Reported net income (loss)	$ 584	$ 310	$ 138	$ 249	$ 38	$ 1,319
	After-tax impact of items of note [1]	2	–	4	–	20	26
	Adjusted net income (loss) [2]	$ 586	$ 310	$ 142	$ 249	$ 58	$ 1,345
$ millions, for the six months ended							
2019 Apr. 30	**Reported net income (loss)**	**$ 1,033**	**$ 647**	**$ 331**	**$ 480**	**$ 39**	**$ 2,530**
	After-tax impact of items of note [1]	**170**	**–**	**19**	**–**	**1**	**190**
	Adjusted net income (loss) [2]	**$ 1,203**	**$ 647**	**$ 350**	**$ 480**	**$ 40**	**$ 2,720**
2018 Apr. 30	Reported net income (loss)	$ 1,240	$ 624	$ 272	$ 571	$ (60)	$ 2,647
	After-tax impact of items of note [1]	4	–	10	–	117	131
	Adjusted net income (loss) [2]	$ 1,244	$ 624	$ 282	$ 571	$ 57	$ 2,778

(1) Reflects impact of items of note described under "Financial results" section.
(2) Non-GAAP measure.
(3) Annualized.

Strategic business units overview

CIBC has four SBUs – Canadian Personal and Small Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management, and Capital Markets. These SBUs are supported by the following functional groups – Client Connectivity and Innovation, Finance, Human Resources and Communications, Risk Management, and Technology and Operations, as well as other support groups, which all form part of Corporate and Other. The expenses of these functional and support groups are generally allocated to the business lines within the SBUs. The majority of the functional and support costs of CIBC Bank USA are recognized directly in the U.S. Commercial Banking and Wealth Management SBU. Corporate and Other also includes the results of CIBC FirstCaribbean and other strategic investments, as well as other income statement and balance sheet items not directly attributable to the business lines. The key methodologies and assumptions used in reporting the financial results of our SBUs are provided on page 17 of the 2018 Annual Report.

Canadian Personal and Small Business Banking

Canadian Personal and Small Business Banking provides personal and business clients across Canada with financial advice, products and services through a team in our banking centres, as well as through our direct, mobile and remote channels.

Results(1)

	For the three months ended			For the six months ended	
$ millions	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30
Revenue	**$ 2,128**	$ 2,166	$ 2,090	**$ 4,294**	$ 4,228
Provision for (reversal of) credit losses					
Impaired	**202**	192	199	**394**	379
Performing	**27**	16	4	**43**	(28)
Total provision for credit losses	**229**	208	203	**437**	351
Non-interest expenses	**1,122**	1,327	1,092	**2,449**	2,190
Income before income taxes	**777**	631	795	**1,408**	1,687
Income taxes	**207**	168	211	**375**	447
Net income	**$ 570**	$ 463	$ 584	**$ 1,033**	$ 1,240
Net income attributable to:					
Equity shareholders (a)	**$ 570**	$ 463	$ 584	**$ 1,033**	$ 1,240
Efficiency ratio	**52.7 %**	61.2 %	52.3 %	**57.0 %**	51.8 %
Return on equity (2)	**61.7 %**	49.9 %	63.6 %	**55.8 %**	66.5 %
Charge for economic capital (2) (b)	**$ (90)**	$ (91)	$ (90)	**$ (181)**	$ (183)
Economic profit (2) (a+b)	**$ 480**	$ 372	$ 494	**$ 852**	$ 1,057
Full-time equivalent employees	**13,735**	13,527	14,593	**13,735**	14,593

(1) For additional segmented information, see the notes to the interim consolidated financial statements.
(2) For additional information, see the "Non-GAAP measures" section.

Financial overview

Net income for the quarter was $570 million, down $14 million from the same quarter last year, primarily due to higher non-interest expenses and a higher provision for credit losses, partially offset by higher revenue.

Net income was up $107 million from the prior quarter, primarily due to lower non-interest expenses, as the prior quarter included a charge for a payment made to Air Canada to secure our participation in its new loyalty program, shown as an item of note, partially offset by lower revenue.

Net income for the six months ended April 30, 2019 was $1,033 million, down $207 million from the same period in 2018, primarily due to the charge noted above.

Revenue

Revenue was up $38 million or 2% from the same quarter last year, primarily due to wider spreads and volume growth, partially offset by lower fee income.

Revenue was down $38 million or 2% from the prior quarter, primarily due to the impact of fewer days in the current quarter, partially offset by wider spreads.

Revenue for the six months ended April 30, 2019 was up $66 million or 2% from the same period in 2018, primarily due to wider spreads and volume growth, partially offset by lower fee income.

Provision for credit losses

Provision for credit losses was up $26 million from the same quarter last year, primarily due to an increase in allowance on performing loans, reflective of the impact of certain unfavourable changes to our economic outlook, as well as a model parameter update in the current quarter. Provision for credit losses on impaired loans was comparable with the same quarter last year.

Provision for credit losses was up $21 million from the prior quarter, primarily due to an increase in allowance on performing loans, reflective of the impact of certain unfavourable changes to our economic outlook, and the model parameter update noted above. The current quarter also included higher write-offs in the card portfolio.

Provision for credit losses for the six months ended April 30, 2019 was up $86 million from the same period in 2018. Provision for credit losses on performing loans was up, as the same period last year included a reduction in allowance, driven by an economic outlook that had improved since our adoption of IFRS 9 on November 1, 2017, while the current period included an increase in allowance, reflective of the impact of certain unfavourable changes to our economic outlook as well as the model parameter update noted above. Provision for credit losses on impaired loans was up due to higher write-offs in the personal lending portfolio.

Non-interest expenses

Non-interest expenses were up $30 million or 3% from the same quarter last year, primarily due to higher spending on strategic initiatives.

Non-interest expenses were down $205 million or 15% from the prior quarter, primarily due to the charge noted above.

Non-interest expenses for the six months ended April 30, 2019 were up $259 million or 12% from the same period in 2018, primarily due to the charge noted above and higher spending on strategic initiatives.

Income taxes

Income taxes were down $4 million from the same quarter last year, primarily due to lower income.

Income taxes were up $39 million from the prior quarter, primarily due to higher income.

Income taxes for the six months ended April 30, 2019 were down $72 million from the same period in 2018, primarily due to lower income.

Canadian Commercial Banking and Wealth Management

Canadian Commercial Banking and Wealth Management provides high-touch, relationship-oriented banking and wealth management services to middle-market companies, entrepreneurs, high-net-worth individuals and families across Canada. In addition, we provide asset management services to institutional investors.

Results[1]

	For the three months ended			For the six months ended	
$ millions	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30
Revenue					
Commercial banking	**$ 408**	$ 413	$ 359	**$ 821**	$ 713
Wealth management	**595**	579	578	**1,174**	1,178
Total revenue	**1,003**	992	937	**1,995**	1,891
Provision for (reversal of) credit losses					
Impaired	**25**	48	1	**73**	5
Performing	**(2)**	(5)	–	**(7)**	(3)
Total provision for credit losses	**23**	43	1	**66**	2
Non-interest expenses	**530**	515	511	**1,045**	1,034
Income before income taxes	**450**	434	425	**884**	855
Income taxes	**122**	115	115	**237**	231
Net income	**$ 328**	$ 319	$ 310	**$ 647**	$ 624
Net income attributable to:					
Equity shareholders (a)	**$ 328**	$ 319	$ 310	**$ 647**	$ 624
Efficiency ratio	**52.9 %**	51.9 %	54.5 %	**52.4 %**	54.7 %
Return on equity[2]	**38.6 %**	37.0 %	38.5 %	**37.8 %**	38.8 %
Charge for economic capital[2] (b)	**$ (82)**	$ (85)	$ (79)	**$ (167)**	$ (157)
Economic profit[2] (a+b)	**$ 246**	$ 234	$ 231	**$ 480**	$ 467
Full-time equivalent employees	**5,028**	4,977	5,041	**5,028**	5,041

(1) For additional segmented information, see the notes to the interim consolidated financial statements.
(2) For additional information, see the "Non-GAAP measures" section.

Financial overview

Net income for the quarter was $328 million, up $18 million from the same quarter last year, primarily due to higher revenue, partially offset by a higher provision for credit losses and higher non-interest expenses.

Net income was up $9 million from the prior quarter, primarily due to a lower provision for credit losses and higher revenue, partially offset by higher non-interest expenses.

Net income for the six months ended April 30, 2019 was $647 million, up $23 million from the same period in 2018, primarily due to higher revenue, partially offset by a higher provision for credit losses and higher non-interest expenses.

Revenue

Revenue was up $66 million or 7% from the same quarter last year.

Commercial banking revenue was up $49 million, primarily due to higher fees and volume growth.

Wealth management revenue was up $17 million, primarily due to higher investment management and custodial fees driven by higher AUM and AUA, and higher commission revenue.

Revenue was up $11 million or 1% from the prior quarter.

Commercial banking revenue was down $5 million, primarily due to narrower spreads and the impact of fewer days in the current quarter, partially offset by higher fees and volume growth.

Wealth management revenue was up $16 million, primarily due to higher commission revenue driven by higher new issuance activity, and higher mutual fund fees driven by higher average AUM and AUA.

Revenue for the six months ended April 30, 2019 was up $104 million or 5% from the same period in 2018.

Commercial banking revenue was up $108 million, primarily due to higher fees, volume growth and wider spreads.

Wealth management revenue was comparable with the same period in 2018.

Provision for credit losses

Provision for credit losses was up $22 million from the same quarter last year, primarily due to higher provisions on impaired loans in the commercial banking portfolio mainly attributable to two loans in the business services and retail and wholesale sectors.

Provision for credit losses was down $20 million from the prior quarter, primarily due to lower provisions on impaired loans in the commercial banking portfolio. The current quarter included the provisions on impaired loans in the commercial banking portfolio noted above. The prior quarter included provisions on two other impaired loans also in the business services and retail and wholesale sectors.

Provision for credit losses for the six months ended April 30, 2019 was up $64 million from the same period in 2018, primarily due to the higher provisions on impaired loans in the commercial banking portfolio in the first two quarters of 2019 noted above.

Non-interest expenses

Non-interest expenses were up $19 million or 4% from the same quarter last year, primarily due to higher spending on strategic initiatives.

Non-interest expenses were up $15 million or 3% from the prior quarter, primarily due to higher performance-based compensation.

Non-interest expenses for the six months ended April 30, 2019 were up $11 million or 1% from the same period in 2018, primarily due to higher spending on strategic initiatives and higher employee-related compensation, partially offset by lower performance-based compensation.

Income taxes

Income taxes were up $7 million from the same quarter last year and up $7 million from the prior quarter, primarily due to higher income.

Income taxes for the six months ended April 30, 2019 were up $6 million from the same period in 2018, primarily due to higher income.

U.S. Commercial Banking and Wealth Management

U.S. Commercial Banking and Wealth Management provides high-touch, relationship-oriented commercial, personal and small business banking, as well as wealth management services to meet the needs of middle-market companies, executives, entrepreneurs, high-net-worth individuals and families in the markets we serve in the U.S.

Results(1)

	For the three months ended			For the six months ended	
$ millions	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30
Revenue					
Commercial banking	**$ 324**	$ 333	$ 287	**$ 657**	$ 582
Wealth management	**148**	148	138	**296**	271
Other	**3**	(2)	4	**1**	8
Total revenue (2)(3)	**475**	479	429	**954**	861
Provision for (reversal of) credit losses					
Impaired	**12**	5	13	**17**	17
Performing	**(1)**	11	(2)	**10**	8
Total provision for credit losses	**11**	16	11	**27**	25
Non-interest expenses	**277**	274	256	**551**	513
Income before income taxes	**187**	189	162	**376**	323
Income taxes (2)	**24**	21	24	**45**	51
Net income	**$ 163**	$ 168	$ 138	**$ 331**	$ 272
Net income attributable to:					
Equity shareholders (a)	**$ 163**	$ 168	$ 138	**$ 331**	$ 272
Efficiency ratio	**58.5 %**	57.2 %	59.4 %	**57.8 %**	59.5 %
Return on equity (4)	**9.1 %**	9.0 %	8.2 %	**9.0 %**	8.1 %
Charge for economic capital (4) (b)	**$ (171)**	$ (178)	$ (160)	**$ (349)**	$ (322)
Economic profit (4) (a+b)	**$ (8)**	$ (10)	$ (22)	**$ (18)**	$ (50)
Full-time equivalent employees	**2,015**	1,982	1,814	**2,015**	1,814

(1) For additional segmented information, see the notes to the interim consolidated financial statements.
(2) Revenue and income taxes are reported on a TEB. Accordingly, revenue and income taxes include a TEB adjustment of $1 million for the quarter ended April 30, 2019 (January 31, 2019: nil; April 30, 2018: $1 million) and $1 million for the six months ended April 30, 2019 (April 30, 2018: $1 million). The equivalent amounts are offset in the revenue and income taxes of Corporate and Other.
(3) Included $6 million of accretion of the acquisition date fair value discount on the acquired loans of The PrivateBank, shown as an item of note, for the quarter ended April 30, 2019 (January 31, 2019: $13 million; April 30, 2018: $15 million) and $19 million for the six months ended April 30, 2019 (April 30, 2018: $34 million).
(4) For additional information, see the "Non-GAAP measures" section.

Financial overview

Net income for the quarter was $163 million, up $25 million from the same quarter last year, primarily due to higher revenue, partially offset by higher non-interest expenses.

Net income was down $5 million from the prior quarter.

Net income for the six months ended April 30, 2019 was up $59 million from the same period in 2018, primarily due to higher revenue, partially offset by higher non-interest expenses.

Revenue

Revenue was up $46 million or 11% from the same quarter last year.

Commercial banking revenue was up $37 million, primarily due to volume growth and the impact of foreign exchange translation, partially offset by narrower spreads.

Wealth management revenue was up $10 million, primarily due to the impact of foreign exchange translation and volume growth.

Other revenue was comparable with the same quarter last year. Other revenue primarily includes the treasury activities of CIBC Bank USA.

Revenue was comparable with the prior quarter.

Commercial banking revenue was down $9 million, primarily due to the impact of fewer days in the current quarter and lower revenue from the accretion of the acquisition date fair value discount on the acquired loans of The PrivateBank, shown as an item of note, partially offset by volume growth and higher fees.

Wealth management revenue was comparable with the prior quarter.

Other revenue was up $5 million, primarily due to higher revenue from treasury activities.

Revenue for the six months ended April 30, 2019 was up $93 million or 11% from the same period in 2018.

Commercial banking revenue was up $75 million, primarily due to volume growth and the impact of foreign exchange translation.

Wealth management revenue was up $25 million, primarily due to the impact of foreign exchange translation, volume growth, and higher investment management and custodial fees driven by higher AUM.

Other revenue was down $7 million, primarily due to lower revenue from treasury activities.

Provision for credit losses

Provision for credit losses was comparable with the same quarter last year.

Provision for credit losses was down $5 million from the prior quarter, primarily due to an increase in allowance for performing loans in the prior quarter, partially offset by higher provisions on impaired loans in CIBC Bank USA in the current quarter. The reduction in allowance on performing loans in the current quarter included the impact of migrations from performing to impaired, largely offset by the impact of unfavourable changes to our economic outlook.

Provision for credit losses for the six months ended April 30, 2019 was comparable with the same period in 2018.

Non-interest expenses

Non-interest expenses were up $21 million or 8% from the same quarter last year, primarily due to the impact of foreign exchange translation and higher employee-related compensation.

Non-interest expenses were comparable with the prior quarter.

Non-interest expenses for the six months ended April 30, 2019 were up $38 million or 7% from the same period in 2018, primarily due to the impact of foreign exchange translation and higher employee-related compensation.

Income taxes

Income taxes were comparable with the same quarter last year, as higher income in the current quarter was offset by a lower effective tax rate due to the impact of the U.S. tax reforms.

Income taxes were comparable with the prior quarter.

Income taxes for the six months ended April 30, 2019 were down $6 million from the same period in 2018, as higher income in the current period was offset by a lower effective tax rate due to the impact of the U.S. tax reforms.

Capital Markets

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

Results[1]

$ millions	For the three months ended **2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	For the six months ended **2019 Apr. 30**	2018 Apr. 30
Revenue					
Global markets	**$ 427**	$ 414	$ 409	**$ 841**	$ 895
Corporate and investment banking [2]	**324**	291	301	**615**	616
Total revenue [3]	**751**	705	710	**1,456**	1,511
Provision for (reversal of) credit losses					
Impaired	**6**	42	3	**48**	5
Performing	**(6)**	24	(12)	**18**	(30)
Total provision for (reversal of) credit losses	**–**	66	(9)	**66**	(25)
Non-interest expenses	**372**	368	376	**740**	752
Income before income taxes	**379**	271	343	**650**	784
Income taxes [3]	**100**	70	94	**170**	213
Net income	**$ 279**	$ 201	$ 249	**$ 480**	$ 571
Net income attributable to:					
Equity shareholders (a)	**$ 279**	$ 201	$ 249	**$ 480**	$ 571
Efficiency ratio	**49.5 %**	52.2 %	52.9 %	**50.8 %**	49.8 %
Return on equity [4]	**38.0 %**	28.6 %	37.3 %	**33.4 %**	41.5 %
Charge for economic capital [4] (b)	**$ (71)**	$ (69)	$ (66)	**$ (140)**	$ (135)
Economic profit [4] (a+b)	**$ 208**	$ 132	$ 183	**$ 340**	$ 436
Full-time equivalent employees	**1,370**	1,365	1,304	**1,370**	1,304

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

(2) Certain information has been reclassified to conform to the presentation adopted in the first quarter of 2019. Corporate and investment banking now includes the Other line of business.

(3) Revenue and income taxes are reported on a TEB. Accordingly, revenue and income taxes include a TEB adjustment of $43 million for the quarter ended April 30, 2019 (January 31, 2019: $41 million; April 30, 2018: $52 million) and $84 million for the six months ended April 30, 2019 (April 30, 2018: $205 million). The equivalent amounts are offset in the revenue and income taxes of Corporate and Other.

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

Financial overview

Net income for the quarter was $279 million, up $30 million from the same quarter last year, primarily due to higher revenue.

Net income was up $78 million from the prior quarter, primarily due to a lower provision for credit losses and higher revenue.

Net income for the six months ended April 30, 2019 was down $91 million from the same period in 2018, primarily due to a higher provision for credit losses and lower revenue.

Revenue

Revenue was up $41 million or 6% from the same quarter last year.

Global markets revenue was up $18 million, primarily due to higher revenue from our interest rate trading business, global markets financing activities, and the movement in reserves related to derivative client exposure, partially offset by lower revenue from our equity derivatives and foreign exchange trading businesses.

Corporate and investment banking revenue was up $23 million, primarily due to higher equity underwriting and advisory activity, and higher corporate banking revenue, partially offset by lower investment portfolio gains.

Revenue was up $46 million or 7% from the prior quarter.

Global markets revenue was up $13 million, primarily due to higher revenue from our interest rate trading business and global markets financing activities, partially offset by lower revenue from our foreign exchange, equity derivatives and commodities trading businesses.

Corporate and investment banking revenue was up $33 million, primarily due to higher revenue from equity and debt underwriting activity, partially offset by lower advisory revenue.

Revenue for the six months ended April 30, 2019 was down $55 million or 4% from the same period in 2018.

Global markets revenue was down $54 million, primarily due to lower revenue from our equity derivatives trading business, partially offset by higher revenue from global markets financing activities and our interest rate, equity and commodities trading businesses.

Corporate and investment banking revenue was comparable with the same period in 2018, as higher advisory and corporate banking revenue was largely offset by lower investment portfolio gains, lower revenue from our run-off businesses, and lower equity underwriting activity.

Provision for (reversal of) credit losses

Provision for credit losses was up $9 million from the same quarter last year, primarily due to a higher reversal of credit losses on performing loans in the same quarter last year, reflecting better portfolio credit quality and an improved economic outlook in respect of the oil and gas sector in that quarter, partially offset by higher provisions on impaired loans in the current quarter.

Provision for credit losses was down $66 million from the prior quarter. The prior quarter included losses on an impaired loan in the utility sector, as well as an increase in allowance on performing loans, reflective of the impact of certain changes to our economic outlook in that quarter, including downward revisions to expected oil prices. The current quarter included a decrease in allowance for performing loans driven by certain favourable changes to our economic outlook.

Provision for credit losses for the six months ended April 30, 2019 was up $91 million from the same period in 2018. The same period last year included a reduction in allowance on performing loans, driven by improvements in the oil and gas sector and an economic outlook that had improved since our adoption of IFRS 9 on November 1, 2017, while the current period included an increase in allowance on performing loans, reflecting the net impact of the changes to our economic outlook in the current period noted above. The current period also included losses on an impaired loan in the utility sector.

Non-interest expenses

Non-interest expenses were down $4 million or 1% from the same quarter last year, primarily due to lower performance-based compensation.

Non-interest expenses were up $4 million from the prior quarter, primarily due to higher performance-based compensation.

Non-interest expenses for the six months ended April 30, 2019 were down $12 million or 2% from the same period in 2018, primarily due to lower performance-based compensation, partially offset by higher spending on strategic initiatives.

Income taxes

Income taxes were up $6 million from the same quarter last year, and up $30 million from the prior quarter, primarily due to higher income.

Income taxes for the six months ended April 30, 2019 were down $43 million from the same period in 2018, primarily due to lower income.

Corporate and Other

Corporate and Other includes the following functional groups – Client Connectivity and Innovation, Finance, Human Resources and Communications, Risk Management, and Technology and Operations, as well as other support groups. The expenses of these functional and support groups are generally allocated to the business lines within the SBUs. The majority of the functional and support costs of CIBC Bank USA are recognized directly in the U.S. Commercial Banking and Wealth Management SBU. Corporate and Other also includes the results of CIBC FirstCaribbean and other strategic investments, as well as other income statement and balance sheet items not directly attributable to the business lines.

Results[1]

$ millions	For the three months ended **2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	For the six months ended **2019 Apr. 30**	2018 Apr. 30
Revenue					
International banking	**$ 199**	$ 197	$ 185	**$ 396**	$ 364
Other	**(14)**	26	25	**12**	(20)
Total revenue [2]	**185**	223	210	**408**	344
Provision for (reversal of) credit losses					
Impaired	**5**	8	1	**13**	13
Performing	**(13)**	(3)	5	**(16)**	(1)
Total provision for (reversal of) credit losses	**(8)**	5	6	**(3)**	12
Non-interest expenses	**287**	276	282	**563**	606
Loss before income taxes	**(94)**	(58)	(78)	**(152)**	(274)
Income taxes [2]	**(102)**	(89)	(116)	**(191)**	(214)
Net income (loss)	**$ 8**	$ 31	$ 38	**$ 39**	$ (60)
Net income (loss) attributable to:					
Non-controlling interests	**$ 7**	$ 4	$ 6	**$ 11**	$ 11
Equity shareholders	**1**	27	32	**28**	(71)
Full-time equivalent employees	**22,649**	21,964	21,894	**22,649**	21,894

(1) For additional segmented information, see the notes to the interim consolidated financial statements.
(2) Revenue and income taxes of Capital Markets and U.S. Commercial Banking and Wealth Management are reported on a TEB. The equivalent amounts are offset in the revenue and income taxes of Corporate and Other. Accordingly, revenue and income taxes include a TEB adjustment of $44 million for the quarter ended April 30, 2019 (January 31, 2019: $41 million; April 30, 2018: $53 million) and $85 million for the six months ended April 30, 2019 (April 30, 2018: $206 million).

Financial overview

Net income for the quarter was $8 million, compared with net income of $38 million in the same quarter last year, primarily due to lower revenue.

Net income was down $23 million from the prior quarter, primarily due to lower revenue, partially offset by a reversal of credit losses in the current quarter compared with a provision for credit losses in the prior quarter.

Net income for the six months ended April 30, 2019 was $39 million, compared with a net loss of $60 million for the same period in 2018, primarily due to higher revenue and lower non-interest expenses.

Revenue

Revenue was down $25 million or 12% from the same quarter last year.

International banking revenue was up $14 million, primarily due to the impact of foreign exchange translation and better performance in CIBC FirstCaribbean.

Other revenue was down $39 million, primarily due to lower treasury revenue, partially offset by a lower TEB adjustment.

Revenue was down $38 million or 17% from the prior quarter.

International banking revenue was comparable with the prior quarter.

Other revenue was down $40 million, primarily due to lower treasury revenue and a higher TEB adjustment.

Revenue for the six months ended April 30, 2019 was up $64 million or 19% from the same period in 2018.

International banking revenue was up $32 million, primarily due to the impact of foreign exchange translation and better performance in CIBC FirstCaribbean.

Other revenue was up $32 million, primarily due to a lower TEB adjustment, partially offset by lower treasury revenue.

Provision for (reversal of) credit losses

The current quarter included a reversal of credit losses of $8 million, compared with a provision for credit losses of $6 million in the same quarter last year and $5 million in the prior quarter, primarily due to various model parameter updates which resulted in a decrease in allowance on performing loans in the current quarter.

The six months ended April 30, 2019 included a reversal of credit losses of $3 million, compared with a provision for credit losses of $12 million in the same period in 2018, primarily due to the model parameter updates in the current period noted above.

Non-interest expenses

Non-interest expenses were up $5 million or 2% from the same quarter last year, primarily due to higher corporate support costs, higher spending on strategic initiatives, and the impact of foreign exchange translation in CIBC FirstCaribbean, partially offset by lower transaction and integration-related costs as well as purchase accounting adjustments associated with the acquisitions of The PrivateBank and Geneva Advisors, shown as items of note in both quarters.

Non-interest expenses were up $11 million or 4% from the prior quarter, primarily due to higher corporate support costs, partially offset by lower transaction and integration-related costs as well as purchase accounting adjustments associated with the acquisitions noted above.

Non-interest expenses for the six months ended April 30, 2019 were down $43 million or 7% from the same period in 2018, primarily due to lower transaction and integration-related costs as well as purchase accounting adjustments associated with the acquisitions noted above and the timing of corporate support costs, partially offset by higher spending on strategic initiatives and the impact of foreign exchange translation in CIBC FirstCaribbean.

Income taxes

Income tax benefit was down $14 million from the same quarter last year, primarily due to a tax recovery relating to the utilization of certain tax loss carryforwards in the same quarter last year, and a lower TEB adjustment in the current quarter, partially offset by higher losses.

Income tax benefit was up $13 million from the prior quarter, primarily due to higher losses. The prior quarter also included a net tax recovery of $38 million resulting from the Enron settlement, (see the "Overview – Income taxes" section for additional details), largely offset by a $28 million revaluation of certain deferred tax assets due to tax rate changes enacted by the Barbados government in the first quarter of 2019.

Income tax benefit for the six months ended April 30, 2019 was down $23 million from the same period in 2018, primarily due to a lower TEB adjustment, partially offset by net tax adjustments resulting from the U.S. tax reforms enacted in the first quarter of 2018, shown as an item of note, that were included in the same period last year. The current period also included the net tax recovery resulting from the Enron settlement and the revaluation of certain deferred tax assets noted above.

Financial condition

Review of condensed consolidated balance sheet

$ millions, as at	2019 Apr. 30	2018 Oct. 31
Assets		
Cash and deposits with banks	**$ 14,407**	$ 17,691
Securities	**121,547**	101,664
Securities borrowed or purchased under resale agreements	**54,085**	48,938
Loans and acceptances, net of allowance	**392,945**	381,661
Derivative instruments	**22,103**	21,431
Other assets	**29,022**	25,714
	$ 634,109	$ 597,099
Liabilities and equity		
Deposits	**$ 477,540**	$ 461,015
Obligations related to securities lent or sold short or under repurchase agreements	**65,584**	47,353
Derivative instruments	**22,839**	20,973
Other liabilities	**26,762**	28,562
Subordinated indebtedness	**4,171**	4,080
Equity	**37,213**	35,116
	$ 634,109	$ 597,099

Assets

As at April 30, 2019, total assets were up $37.0 billion or 6% from October 31, 2018, of which approximately $3 billion was due to the appreciation of the U.S. dollar.

Cash and deposits with banks decreased by $3.3 billion or 19%, primarily due to lower short-term placements in Treasury.

Securities increased by $19.9 billion or 20%, primarily due to increases in U.S. Treasury and other agencies from client-driven activities, as well as debt securities in Canadian governments, and corporate equity.

Securities borrowed or purchased under resale agreements increased by $5.1 billion or 11%, primarily due to client-driven activities.

Loans and acceptances, net of allowance, increased by $11.3 billion or 3%, primarily due to an increase in Canadian and U.S. business and government loans.

Derivative instruments increased by $0.7 billion or 3%, largely driven by an increase in interest rate and equity derivatives valuation, partially offset by a decrease in foreign exchange and other commodity derivatives valuation.

Other assets increased by $3.3 billion or 13%, primarily due to an increase in broker receivables, collateral pledged for derivatives, and precious metals.

Liabilities

As at April 30, 2019, total liabilities were up $34.9 billion or 6% from October 31, 2018, of which approximately $3 billion was due to the appreciation of the U.S. dollar.

Deposits increased by $16.5 billion or 4%, primarily due to domestic retail volume growth, and increased wholesale funding. Further details on the composition of deposits are provided in Note 6 to the interim consolidated financial statements.

Obligations related to securities lent or sold short or under repurchase agreements increased by $18.2 billion or 39%, primarily due to client-driven activities.

Derivative instruments increased by $1.9 billion or 9%, largely driven by an increase in interest rate and equity derivatives valuation, partially offset by a decrease in foreign exchange derivatives valuation.

Other liabilities decreased by $1.8 billion or 6%, primarily due to a decrease in accrued liabilities and acceptances.

Equity

As at April 30, 2019, equity increased by $2.1 billion or 6% from October 31, 2018, primarily due to a net increase in retained earnings and the issuance of preferred shares.

Capital resources

We actively manage our capital to maintain a strong and efficient capital base, to maximize risk-adjusted returns to shareholders, and to meet regulatory requirements. For additional details on capital resources, see pages 30 to 39 of the 2018 Annual Report.

Regulatory capital requirements under Basel III

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

Regulatory capital consists of CET1, Tier 1 and Tier 2 capital. The tiers of regulatory capital indicate increasing quality/permanence and the ability to absorb losses. The major components of our regulatory capital are summarized as follows:

CET1 capital
- Common equity (retained earnings, common shares and stock surplus)
- Accumulated other comprehensive income (AOCI)[1]
- Qualifying instruments issued by a consolidated banking subsidiary to third parties
- Less regulatory deductions for items such as:
  - ➢ Goodwill and other intangible assets
  - ➢ Deferred tax assets
  - ➢ Net assets related to defined benefit pension plans
  - ➢ Certain investments

Additional Tier 1 (AT1) capital
- Non-viability contingent capital (NVCC) preferred shares
- Qualifying instruments issued by a consolidated subsidiary to third parties
- Innovative Tier 1 notes subject to phase-out rules for capital instruments

Tier 1 capital

Tier 2 capital
- NVCC subordinated indebtedness
- Non-qualifying subordinated indebtedness subject to phase-out rules for capital instruments
- Eligible general allowance under the standardized approach
- Qualifying instruments issued by a consolidated subsidiary to third parties

Total capital

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

Qualifying regulatory capital instruments must be capable of absorbing loss at the point of non-viability of the financial institution; non-qualifying Tier 1 and Tier 2 capital instruments are excluded from regulatory capital at a rate of 10% per annum until January 2022, at which point they will have no regulatory value.

OSFI requires all institutions to achieve target capital ratios which include buffers. Targets may be higher for certain institutions at OSFI's discretion. CIBC, along with Bank of Montreal, Bank of Nova Scotia, National Bank of Canada, Royal Bank of Canada, and the Toronto-Dominion Bank, have been designated by OSFI as domestic systemically important banks (D-SIBs) in Canada. D-SIBs are subject to a CET1 surcharge equal to 1.0% of RWAs and a Domestic Stability Buffer requirement intended to address Pillar 2 risks that are not adequately captured in the Pillar 1 capital requirements. The Domestic Stability Buffer is currently set at 1.75%, but can range from 0% to 2.5% of RWAs. Additionally, banks need to hold an incremental countercyclical capital buffer equal to their weighted-average buffer requirement in Canada and across certain other jurisdictions where they have private sector credit exposures. OSFI's current targets are summarized below:

As at April 30, 2019	Minimum	Capital conservation buffer	D-SIB buffer	Pillar I targets (1)	Domestic Stability Buffer (2)	Target including all buffer requirements
CET1 ratio	**4.5 %**	**2.5 %**	**1.0 %**	**8.0 %**	**1.75 %**	**9.75 %**
Tier 1 capital ratio	**6.0 %**	**2.5 %**	**1.0 %**	**9.5 %**	**1.75 %**	**11.25 %**
Total capital ratio	**8.0 %**	**2.5 %**	**1.0 %**	**11.5 %**	**1.75 %**	**13.25 %**

(1) The countercyclical capital buffer applicable to CIBC is insignificant as at April 30, 2019.
(2) The Domestic Stability Buffer was increased to 1.75% effective April 30, 2019. See the "Continuous enhancement to regulatory capital requirements" section for additional details.

Capital adequacy requirements are applied on a consolidated basis consistent with our financial statements, except for our insurance subsidiaries (CIBC Reinsurance Company Limited and CIBC Life Insurance Company Limited), which are excluded from the regulatory scope of consolidation. The basis of consolidation applied to our financial statements is described in Note 1 to the consolidated financial statements in our 2018 Annual Report. CIBC Life Insurance Company Limited is subject to OSFI's Life Insurance Capital Adequacy Test.

Regulatory capital

Our regulatory capital levels and ratios are summarized below:

$ millions, as at	**2019 Apr. 30**	2018 Oct. 31
CET1 capital	**$ 26,304**	$ 24,641
Tier 1 capital	**29,648**	27,908
Total capital	**34,097**	32,230
Total RWA (1)	**234,816**	n/a
CET1 capital RWA (1)	**n/a**	216,144
Tier 1 capital RWA (1)	**n/a**	216,303
Total capital RWA (1)	**n/a**	216,462
Total RWA (2018: CET1 capital RWA) consists of:		
Credit risk	**199,226**	183,135
Market risk	**7,912**	6,383
Operational risk	**27,678**	26,626
	234,816	216,144
CET1 ratio	**11.2 %**	11.4 %
Tier 1 capital ratio	**12.6 %**	12.9 %
Total capital ratio	**14.5 %**	14.9 %

(1) During 2018, before any capital floor requirement, there were three different levels of RWAs for the calculation of CIBC's CET1, Tier 1 and Total capital ratios as CIBC elected in 2014 to phase-in the CVA capital charge as permitted under OSFI's guideline. Beginning in the first quarter of 2019 the ratios are calculated by reference to the same level of RWAs as the phase-in of the CVA capital charge has been completed.

n/a Not applicable.

The CET1 ratio at April 30, 2019 decreased 0.2% from October 31, 2018, mainly driven by an increase in RWAs, partially offset by an increase in CET1 capital. The increase in CET1 capital was the result of internal capital generation (net income less dividends) and common share issuance. The increase in RWAs was primarily due to organic growth, portfolio movements, changes in regulatory requirements, foreign exchange movements, and model updates. In the first quarter of 2019, CIBC implemented revisions to the Capital Adequacy Requirements (CAR) Guideline including the revised standardized approach to counterparty credit risk and central counterparties, the revised securitization framework, and the removal of the CVA phase-in transitional arrangement.

The Tier 1 capital ratio at April 30, 2019 decreased 0.3% from October 31, 2018 primarily for the reasons noted above for the CET1 ratio, as well as an increase in the phase-out of the Innovative Tier 1 Notes from additional Tier 1 capital, partially offset by the issuance of NVCC preferred shares during the first quarter of 2019.

The Total capital ratio at April 30, 2019 decreased 0.4% from October 31, 2018 for the reasons noted above for the Tier 1 capital ratio.

Leverage ratio

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

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

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

OSFI expects federally regulated deposit-taking institutions to have leverage ratios that meet or exceed 3.0%. This minimum may be higher for certain institutions at OSFI's discretion.

$ millions, as at		**2019 Apr. 30**	2018 Oct. 31
Tier 1 capital	A	**$ 29,648**	$ 27,908
Leverage ratio exposure	B	**696,026**	653,946
Leverage ratio	A/B	**4.3 %**	4.3 %

The leverage ratio at April 30, 2019 was comparable with October 31, 2018, as an increase in Tier 1 capital was offset by an increase in leverage ratio exposure. The increase in leverage ratio exposure was primarily driven by increases in on- and off-balance sheet assets.

Continuous enhancement to regulatory capital requirements

The BCBS and OSFI have published a number of proposals for changes to the existing regulatory capital requirements to strengthen the regulation, supervision, and practices of banks with the overall objective of enhancing financial stability (see pages 34 to 36 of the 2018 Annual Report). The discussion below provides a summary of BCBS and OSFI publications that have been issued since the issuance of our 2018 Annual Report.

In December 2018, OSFI announced an increase in the Domestic Stability Buffer requirement from 1.5% to 1.75% effective April 30, 2019. This increased OSFI's target capital ratios, including all buffers, for CET1, Tier 1 and Total capital to 9.75%, 11.25% and 13.25%, respectively.

In January 2019, the BCBS published the final standard "Revisions to the minimum capital requirements for market risk", which aims to address issues related to the implementation of the market risk standard published in January 2016. The BCBS implementation date for the market risk standard is January 1, 2022.

In April 2019, OSFI released the final guideline "Large Exposure Limits for Domestic Systemically Important Banks". The guideline is intended to limit maximum losses a lender could incur as a result of the default of an individual obligor or set of connected obligors, and is not expected to have a significant impact on our operations. The implementation date is November 1, 2019.

Revised Pillar 3 disclosure requirements

The BCBS and OSFI have published a number of proposals for changes to existing Pillar 3 disclosure requirements (see page 36 of the 2018 Annual Report for additional details) that continue to evolve.

In December 2018, the BCBS issued "Pillar 3 disclosure requirements – updated framework", a standard establishing the third phase of an initiative to replace existing Pillar 3 requirements for the various types of risk. This standard includes enhancements to the first and second phases of the BCBS initiative, for which standards were issued in January 2015 and March 2017, respectively, the introduction of several new disclosure requirements, and the consolidation of all existing BCBS disclosure requirements into the Pillar 3 framework. OSFI has not yet released its requirements for the third phase of the Pillar 3 framework.

CIBC will continue to monitor and prepare for developments impacting regulatory capital requirements and disclosures.

Significant capital management activity

Normal course issuer bid

On May 31, 2018, we announced that the Toronto Stock Exchange had accepted the notice of CIBC's intention to commence a normal course issuer bid. Purchases under this bid will terminate upon the earlier of: (i) CIBC purchasing up to a maximum of 9 million common shares; (ii) CIBC providing a notice of termination; or (iii) June 3, 2019. No common shares have been purchased during the quarter.

We intend to seek Toronto Stock Exchange approval for a new normal course issuer bid that would permit us to purchase for cancellation up to a maximum of 9 million, or approximately 2% of our outstanding common shares, over a 12-month period commencing after June 3, 2019.

Shareholder investment plan (the plan)

Effective with the October 28, 2016 dividend, CIBC has elected to issue shares from Treasury to fulfill the requirements of the plan. Pursuant to the plan, we issued 423,837 common shares for consideration of $47 million for the quarter and 948,020 common shares for consideration of $104 million for the six months ended April 30, 2019.

Dividends

Our quarterly common share dividend was increased from $1.36 per share to $1.40 per share for the quarter ended April 30, 2019.

Preferred shares

Non-cumulative Rate Reset Class A Preferred Shares Series 49 (NVCC)

On January 22, 2019, we issued 13 million Non-cumulative Rate Reset Class A Preferred Shares Series 49 (NVCC) (Series 49 shares) with a par value of $25.00 per share, for gross proceeds of $325 million. For the initial five-year period to the earliest redemption date of April 30, 2024, the Series 49 shares pay quarterly cash dividends, if declared, at a rate of 5.20%. On April 30, 2024, and on April 30 every five years thereafter, the dividend rate will reset to be equal to the then current five-year Government of Canada bond yield plus 3.31%.

Holders of the Series 49 shares will have the right to convert their shares on a one-for-one basis into Non-cumulative Floating Rate Class A Preferred Shares Series 50 (NVCC) (Series 50 shares), subject to certain conditions, on April 30, 2024 and on April 30 every five years thereafter. Holders of the Series 50 shares will be entitled to receive a quarterly floating rate dividend, if declared, equal to the three-month Government of Canada Treasury Bill yield plus 3.31%. Holders of the Series 50 shares may convert their shares on a one-for-one basis into Series 49 shares, subject to certain conditions, on April 30, 2029 and on April 30 every five years thereafter.

Subject to regulatory approval and certain provisions of the shares, we may redeem all or any part of the then outstanding Series 49 shares at par on April 30, 2024 and on April 30 every five years thereafter; we may redeem all or any part of the then outstanding Series 50 shares at par on April 30, 2029 and on April 30 every five years thereafter.

Convertible instruments

NVCC instruments

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

$ millions, except number of shares and per share amounts, as at April 30, 2019	Shares outstanding: Number of shares	Shares outstanding: Par value	Minimum conversion price per common share	Maximum number of common shares issuable on conversion
Preferred shares (1)(2)				
Series 39 (NVCC)	**16,000,000**	**$ 400**	**$ 5.00**	**80,000,000**
Series 41 (NVCC)	**12,000,000**	**300**	**5.00**	**60,000,000**
Series 43 (NVCC)	**12,000,000**	**300**	**5.00**	**60,000,000**
Series 45 (NVCC)	**32,000,000**	**800**	**5.00**	**160,000,000**
Series 47 (NVCC)	**18,000,000**	**450**	**5.00**	**90,000,000**
Series 49 (NVCC)	**13,000,000**	**325**	**5.00**	**65,000,000**
Subordinated indebtedness (2)(3)				
3.00% Debentures due October 28, 2024 (NVCC)	**n/a**	**1,000**	**5.00**	**300,000,000**
3.42% Debentures due January 26, 2026 (NVCC)	**n/a**	**1,000**	**5.00**	**300,000,000**
3.45% Debentures due April 4, 2028 (NVCC)	**n/a**	**1,500**	**5.00**	**450,000,000**
Total		**$ 6,075**		**1,565,000,000**

(1) Upon the occurrence of a Trigger Event, each share is convertible into a number of common shares, determined by dividing the par value of $25.00 plus declared and unpaid dividends by the average common share price (as defined in the relevant prospectus supplement) subject to a minimum price per share (subject to adjustment in certain events as defined in the relevant prospectus supplement). Preferred shareholders do not have the right to convert their shares into common shares.
(2) The maximum number of common shares issuable on conversion excludes the impact of declared but unpaid dividends and accrued interest.
(3) Upon the occurrence of a Trigger Event, the Debentures are convertible into a number of common shares, determined by dividing 150% of the par value plus accrued and unpaid interest by the average common share price (as defined in the relevant prospectus supplement) subject to a minimum price per common share (subject to adjustment in certain events as defined in the relevant prospectus supplement).
n/a Not applicable.

The occurrence of a “Trigger Event” would result in conversion of all of the outstanding NVCC instruments described above, which would represent a dilution impact of 78% based on the number of CIBC common shares outstanding as at April 30, 2019. As described in the CAR Guideline, a Trigger Event occurs when OSFI determines the bank is or is about to become non-viable and, if after conversion of all contingent instruments and consideration of any other relevant factors or circumstances, it is reasonably likely that its viability will be restored or maintained; or if the bank has accepted or agreed to accept a capital injection or equivalent support from a federal or provincial government, without which OSFI would have determined the bank to be non-viable.

Bank recapitalization (Bail-in) conversion regulations

The Department of Finance’s final bail-in regulations became effective September 23, 2018. These regulations provide certain statutory powers to the Canada Deposit Insurance Corporation (CDIC) to enact the bail-in regime, including the ability to convert specified eligible shares and liabilities of D-SIBs into common shares in the event such a bank becomes non-viable.

The Superintendent of Financial Institutions (the Superintendent) is responsible for designating D-SIBs, setting minimum Total Loss Absorbing Capacity (TLAC) requirements, and determining whether a bank is non-viable. Senior debt issued by CIBC on or after September 23, 2018, with an original term to maturity of more than 400 days (including explicit or embedded options) that is unsecured or partially secured is subject to bail-in. Consumer deposits, certain derivatives, covered bonds, and certain structured notes would not be eligible for bail-in.

Under the bail-in regime there is no fixed and pre-determined contractual conversion ratio for the conversion of the specified eligible shares and liabilities of CIBC that are subject to a bail-in conversion into common shares, nor are there specific requirements regarding whether liabilities subject to a bail-in conversion are converted into common shares. CDIC determines the timing of the bail-in conversion, the portion of the specified eligible shares and liabilities to be converted and the terms and conditions of the conversion, subject to parameters set out in the bail-in regime.

As at April 30, 2019, $3,017 million (October 31, 2018: $190 million) of our outstanding liabilities were subject to conversion under the bail-in regime.

Off-balance sheet arrangements

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

Details of our off-balance sheet arrangements are provided on page 40 of the 2018 Annual Report and also in Note 6 and Note 21 to the consolidated financial statements in the 2018 Annual Report.

Management of risk

Our approach to management of risk has not changed significantly from that described on pages 41 to 78 of the 2018 Annual Report.

Risk overview

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

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

Our risk management framework includes:

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

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

(i) CIBC's SBUs and functional groups own the risk and are responsible for identifying, assessing, mitigating and reporting all risks associated with their business activities – this is the first line of defence;

(ii) As the second line of defence, CIBC's Risk Management, including Compliance, and other oversight groups are responsible for providing guidance and effective independent oversight and challenge of the risks inherent in first line of defence activities; and

(iii) As the third line of defence, CIBC's internal audit function provides an independent assessment and reasonable assurance of the design and operating effectiveness of CIBC's internal control environment to senior management and the Board of Directors (the Board).

A strong risk culture and communication between the three lines of defence are important characteristics of effective risk management.

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

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

Top and emerging risks

We monitor and review top and emerging risks that may affect our future results, and take action to mitigate potential risks if required. We perform in-depth analyses, which can include stress testing our exposures relative to the risks, and provide updates and related developments to the Board on a regular basis. Top and emerging risks are those that we consider to have potential negative implications that are material for CIBC. See pages 47 to 49 in our 2018 Annual Report for details regarding the following top and emerging risks:

- Technology, information and cyber security risk
- Disintermediation risk
- Canadian consumer debt and the housing market
- Acquisition risk
- Anti-money laundering
- Environmental and social governance

The remainder of this section describes top and emerging risks which have been updated for developments that have occurred since the issuance of our 2018 Annual Report, as well as regulatory and accounting developments that are material for CIBC.

Geo-political risk

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

Current areas of concern include the ongoing trade dispute between the U.S. and China after the countries failed to reach an agreement and tariffs were increased by both parties; relations between the U.S. and Iran; diplomatic tensions and the trade dispute between Canada and China; ongoing uncertainty regarding the outcome of Brexit negotiations with the deadline extension from the European Union to October 31, 2019; and the existence of a number of potential outcomes on North American trade policy as the United States Congress' ratification of the U.S.-Mexico-Canada deal that is intended to replace the North American Free Trade Agreement remains uncertain.

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

Commodity prices

The spread between Canada's heavy oil benchmark, Western Canada Select (WCS), and Western Texas Intermediate (WTI) hit crisis levels in the fall of 2018. While crude oil prices have rebounded from late December lows, global economic growth is projected to decelerate in 2019, though still provide some support to industrial demand for commodities. Specifically, Chinese growth is expected to rebound as the effects of prior stimulus pass through the economy, although this could be affected by the ongoing U.S. trade tensions. As a result of disruptions in oil supply in countries such as Venezuela, Libya and Nigeria, and combined with the U.S. refusal to extend sanction waivers for oil imports from Iran, oil prices have rallied further following a strong first quarter. While there has been significant improvement in the price of Canada's heavy oil benchmark, WCS, and a significant narrowing of the spread between WCS and WTI following the production cut imposed by the former Premier of Alberta, a return to somewhat wider differentials for Canadian heavy crude oil remains possible as production increases after easing of the mandated curtailments.

CIBC's overall commodity exposure continues to perform within our risk appetite, with losses in our oil and gas portfolio down significantly from peak levels. Clients in our oil and gas portfolio are currently being assessed on the basis of our enhanced risk metrics, and our portfolio is being monitored in a prudent manner.

U.S. banking regulation

In conjunction with our acquisition of The PrivateBank (subsequently rebranded as CIBC Bank USA), completed on June 23, 2017, our wholly owned subsidiary, CIBC Bancorp USA Inc. (CIBC Bancorp), became a bank holding company registered under the U.S. Bank Holding Company Act of 1956, as amended, and is subject to regulation as a bank holding company by the U.S. Board of Governors of the Federal Reserve System (Federal Reserve). CIBC Bank USA, as a state-chartered bank with greater than US$10 billion of total assets, is subject to regulation by the U.S. Federal Deposit Insurance Corporation (FDIC), the U.S. Consumer Financial Protection Bureau (CFPB), and the Illinois Department of Financial and Professional Regulation.

The scope of these regulations could impact our business in a number of ways. For example, both CIBC Bancorp and CIBC Bank USA are required to maintain minimum capital ratios in accordance with Basel III rules adopted by the U.S. bank regulatory agencies, which differ in some respects from Canada's Basel III rules. Under the U.S. bank regulatory framework, both CIBC and CIBC Bancorp are expected to provide a source of strength to the subsidiary bank and may be required to commit additional capital and other resources to CIBC Bank USA in the event that its financial condition were to deteriorate, whether due to overall challenging economic conditions in the U.S., or because of business-specific issues. The Federal Reserve (in the case of CIBC Bancorp) and the FDIC (in the case of CIBC Bank USA) also have the ability to restrict dividends paid by CIBC Bancorp or CIBC Bank USA, which could limit our ability to receive distributions on our capital investment in our U.S. banking operations.

Furthermore, the Federal Reserve and the FDIC could also restrict our ability to grow our U.S. banking operations, whether through acquisitions or organically, if, among other things, they have supervisory concerns about risk management, anti-money laundering or compliance programs and practices, governance and controls, and/or capital and liquidity adequacy at CIBC Bancorp or CIBC Bank USA.

In April 2019, the Federal Reserve issued a notice of proposed rulemaking that would establish a revised framework for applying enhanced prudential standards to the U.S. operations of foreign banking organizations based on their risk profile and asset size. As proposed, certain enhanced capital, liquidity and risk management requirements would not apply until CIBC's U.S. operations exceed increased asset size thresholds or certain risk-based thresholds. Until the proposal is finalized, the level of enhanced prudential standards applicable to CIBC's U.S. operations going forward will remain uncertain.

Regulatory developments

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

Accounting developments

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

Risks arising from business activities

The chart below shows our business activities and related risk measures based upon regulatory RWAs and economic capital as at April 30, 2019:

CIBC

SBUs	**Canadian Personal and Small Business Banking**	**Canadian Commercial Banking and Wealth Management**	**U.S. Commercial Banking and Wealth Management**	**Capital Markets**	**Corporate and Other**
Business activities	• Deposits • Residential mortgages • Personal loans • Credit cards • Small business lending • Insurance	• Commercial banking • Full service brokerage • Asset management • Private wealth management	• Commercial banking • Asset management • Private wealth management • Personal and small business banking	• Credit products • Global markets • Investment banking • Investment portfolios	• International banking • Investment portfolios • Joint ventures • Functional and support groups (see page 14)
Balance sheet ($ millions)	Average assets 258,272 Average deposits 178,119	Average assets 61,779 Average deposits 58,609	Average assets 47,939 Average deposits 26,696	Average assets 182,980 Average deposits 31,828	Average assets 82,586 Average deposits 178,404
CET1 RWA ($ millions)	Credit risk 48,057 Market risk – Operational risk 11,665	Credit risk 43,144 Market risk – Operational risk 5,854	Credit risk (1) 40,255 Market risk 26 Operational risk 2,894	Credit risk (2) 48,704 Market risk 7,519 Operational risk 6,172	Credit risk (3) 19,066 Market risk 367 Operational risk 1,093
Economic capital (4) (%)	Proportion of total CIBC 18 Comprising: Credit risk (5) 58 Market risk 31 Operational/Strategic risks 11	Proportion of total CIBC 16 Comprising: Credit risk (5) 63 Market risk 3 Operational/Strategic risks 34	Proportion of total CIBC 33 Comprising: Credit risk (5) 38 Market risk 2 Operational/Strategic risks 60	Proportion of total CIBC 14 Comprising: Credit risk (5) 73 Market risk 15 Operational/Strategic risks 12	Proportion of total CIBC 19 Comprising: Credit risk (5) 24 Market risk 15 Operational/Strategic risks 61

Risk profile

We are exposed to credit, market, liquidity, operational, and other risks, which primarily include strategic, insurance, technology, information and cyber security, reputation and legal, regulatory compliance, and environmental and social risks.

(1) Includes counterparty credit risk of $392 million, which comprises derivatives and repo-style transactions.
(2) Includes counterparty credit risk of $16,227 million, which comprises derivatives and repo-style transactions.
(3) Includes counterparty credit risk of $385 million, which comprises derivatives and repo-style transactions.
(4) For additional information, see the "Non-GAAP measures" section.
(5) Includes investment risk.

Credit risk

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

Credit risk arises out of the lending businesses in each of our SBUs. Other sources of credit risk consist of our trading activities, which include our over-the-counter (OTC) derivatives, debt securities, and our repo-style transaction activity. In addition to losses on the default of a borrower or counterparty, unrealized gains or losses may occur due to changes in the credit spread of the counterparty, which could impact the carrying or fair value of our assets.

Exposure to credit risk

$ millions, as at	2019 Apr. 30	2018 Oct. 31
Business and government portfolios – advanced internal ratings-based approach		
Drawn	**$ 172,889**	$ 151,299
Undrawn commitments	**51,380**	50,797
Repo-style transactions	**154,188**	137,759
Other off-balance sheet	**80,694**	80,502
OTC derivatives	**26,113**	21,621
Gross exposure at default (EAD) on business and government portfolios	**485,264**	441,978
Less: Collateral held for repo-style transactions	**142,287**	125,368
Net EAD on business and government portfolios	**342,977**	316,610
Retail portfolios – advanced internal ratings-based approach		
Drawn	**254,904**	259,128
Undrawn commitments	**75,378**	73,954
Other off-balance sheet	**313**	286
Gross EAD on retail portfolios	**330,595**	333,368
Standardized portfolios	**61,247**	51,983
Securitization exposures	**10,968**	13,661
Gross EAD	**$ 888,074**	$ 840,990
Net EAD	**$ 745,787**	$ 715,622

Forbearance policy

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

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

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

Real estate secured personal lending

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

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

	Residential mortgages				HELOC [1]		Total			
$ billions, as at April 30, 2019	Insured		Uninsured		Uninsured		Insured		Uninsured	
Ontario [2]	**$ 31.9**	**31 %**	**$ 71.0**	**69 %**	**$ 11.6**	**100 %**	**$ 31.9**	**28 %**	**$ 82.6**	**72 %**
British Columbia and territories [3]	**11.3**	**27**	**30.8**	**73**	**4.5**	**100**	**11.3**	**24**	**35.3**	**76**
Alberta	**14.1**	**55**	**11.3**	**45**	**2.7**	**100**	**14.1**	**50**	**14.0**	**50**
Quebec	**6.1**	**42**	**8.6**	**58**	**1.4**	**100**	**6.1**	**38**	**10.0**	**62**
Central prairie provinces	**3.9**	**54**	**3.4**	**46**	**0.8**	**100**	**3.9**	**48**	**4.2**	**52**
Atlantic provinces	**4.4**	**54**	**3.8**	**46**	**0.8**	**100**	**4.4**	**49**	**4.6**	**51**
Canadian portfolio [4][5]	**71.7**	**36**	**128.9**	**64**	**21.8**	**100**	**71.7**	**32**	**150.7**	**68**
U.S. portfolio [4]	**–**	**–**	**1.3**	**100**	**0.1**	**100**	**–**	**–**	**1.4**	**100**
Other international portfolio [4]	**–**	**–**	**2.2**	**100**	**–**	**–**	**–**	**–**	**2.2**	**100**
Total portfolio	**$ 71.7**	**35 %**	**$ 132.4**	**65 %**	**$ 21.9**	**100 %**	**$ 71.7**	**32 %**	**$ 154.3**	**68 %**
October 31, 2018	$ 77.0	37 %	$ 129.0	63 %	$ 22.2	100 %	$ 77.0	34 %	$ 151.2	66 %

(1) We did not have any insured HELOCs as at April 30, 2019 and October 31, 2018.
(2) Includes $15.6 billion (October 31, 2018: $17.0 billion) of insured residential mortgages, $47.0 billion (October 31, 2018: $45.9 billion) of uninsured residential mortgages, and $6.8 billion (October 31, 2018: $6.9 billion) of HELOCs in the Greater Toronto Area (GTA).
(3) Includes $5.2 billion (October 31, 2018: $5.6 billion) of insured residential mortgages, $21.9 billion (October 31, 2018: $22.0 billion) of uninsured residential mortgages, and $2.8 billion (October 31, 2018: $2.8 billion) of HELOCs in the Greater Vancouver Area (GVA).
(4) Geographic location is based on the address of the property.
(5) 72% (October 31, 2018: 73%) of insurance on Canadian residential mortgages is provided by Canada Mortgage and Housing Corporation and the remaining by two private Canadian insurers, both rated at least AA (low) by DBRS Limited (DBRS).

The average loan-to-value (LTV) ratios[1] for our uninsured residential mortgages and HELOCs originated during the quarter and six months ended April 30, 2019 are provided in the following table. We did not acquire uninsured residential mortgages or HELOCs from a third party for the periods presented in the table below.

	For the three months ended						For the six months ended			
	2019 Apr. 30		2019 Jan. 31		2018 Apr. 30		**2019 Apr. 30**		2018 Apr. 30	
	Residential mortgages	**HELOC**	Residential mortgages	HELOC	Residential mortgages	HELOC	**Residential mortgages**	**HELOC**	Residential mortgages	HELOC
Ontario [2]	**64 %**	**67 %**	63 %	67 %	64 %	67 %	**64 %**	**67 %**	64 %	67 %
British Columbia and territories [3]	**61**	**64**	60	64	60	63	**61**	**64**	60	63
Alberta	**68**	**71**	67	71	68	72	**67**	**71**	68	72
Quebec	**70**	**74**	67	72	68	72	**69**	**73**	68	72
Central prairie provinces	**70**	**73**	68	73	69	74	**69**	**73**	69	73
Atlantic provinces	**72**	**74**	72	74	72	73	**72**	**74**	72	73
Canadian portfolio [4]	**65 %**	**67 %**	64 %	67 %	64 %	67 %	**64 %**	**67 %**	64 %	67 %
U.S. portfolio [4]	**74 %**	**60 %**	68 %	58 %	69 %	66 %	**72 %**	**59 %**	68 %	66 %
Other international portfolio [4]	**71 %**	**n/m**	73 %	n/m	73 %	n/m	**72 %**	**n/m**	73 %	n/m

(1) LTV ratios for newly originated residential mortgages and HELOCs are calculated based on weighted average.
(2) Average LTV ratios for our uninsured GTA residential mortgages originated during the quarter were 62% (January 31, 2019: 61%; April 30, 2018: 62%) and 62% for the six months ended April 30, 2019 (April 30, 2018: 62%).
(3) Average LTV ratios for our uninsured GVA residential mortgages originated during the quarter were 58% (January 31, 2019: 56%; April 30, 2018: 57%) and 57% for the six months ended April 30, 2019 (April 30, 2018: 57%).
(4) Geographic location is based on the address of the property.
n/m Not meaningful.

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

	Insured	Uninsured
April 30, 2019 [1][2]	**55 %**	**54 %**
October 31, 2018 [1][2]	54 %	53 %

(1) LTV ratios for residential mortgages are calculated based on weighted average. The house price estimates for April 30, 2019 and October 31, 2018 are based on the Forward Sortation Area (FSA) level indices from the Teranet – National Bank National Composite House Price Index (Teranet) as of March 31, 2019 (except for certain areas in Vancouver, Montreal and Edmonton which are as of December 31, 2018) and September 30, 2018, respectively. Teranet is an independent estimate of the rate of change in Canadian home prices.
(2) Average LTV ratio on our uninsured GTA residential mortgage portfolio was 51% (October 31, 2018: 51%). Average LTV ratio on our uninsured GVA residential mortgage portfolio was 45% (October 31, 2018: 43%).

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

Contractual payment basis

	Less than 5 years	5 – 10 years	10 – 15 years	15 – 20 years	20 – 25 years	25 – 30 years	30 – 35 years	35 years and above
Canadian portfolio								
April 30, 2019	**– %**	**– %**	**2 %**	**5 %**	**46 %**	**46 %**	**1 %**	**– %**
October 31, 2018	– %	1 %	2 %	4 %	44 %	48 %	1 %	– %
U.S. portfolio								
April 30, 2019	**1 %**	**1 %**	**3 %**	**2 %**	**10 %**	**80 %**	**3 %**	**– %**
October 31, 2018	1 %	1 %	4 %	2 %	10 %	80 %	2 %	– %
Other international portfolio								
April 30, 2019	**7 %**	**13 %**	**24 %**	**24 %**	**19 %**	**13 %**	**– %**	**– %**
October 31, 2018	8 %	16 %	26 %	22 %	17 %	11 %	– %	– %

Current customer payment basis

	Less than 5 years	5 – 10 years	10 – 15 years	15 – 20 years	20 – 25 years	25 – 30 years	30 – 35 years	35 years and above
Canadian portfolio								
April 30, 2019	**2 %**	**4 %**	**6 %**	**12 %**	**37 %**	**31 %**	**5 %**	**3 %**
October 31, 2018	2 %	4 %	6 %	11 %	36 %	33 %	5 %	3 %
U.S. portfolio								
April 30, 2019	**2 %**	**4 %**	**12 %**	**10 %**	**13 %**	**54 %**	**4 %**	**1 %**
October 31, 2018	2 %	4 %	13 %	12 %	13 %	53 %	2 %	1 %
Other international portfolio								
April 30, 2019	**7 %**	**14 %**	**24 %**	**24 %**	**18 %**	**12 %**	**1 %**	**– %**
October 31, 2018	7 %	16 %	25 %	22 %	17 %	11 %	1 %	1 %

We have two types of condominium exposures in Canada: mortgages and developer loans. Both are primarily concentrated in the Toronto and Vancouver areas. As at April 30, 2019, our Canadian condominium mortgages were $24.5 billion (October 31, 2018: $24.1 billion) of which 35% (October 31, 2018: 38%) were insured. Our drawn developer loans were $1.5 billion (October 31, 2018: $1.6 billion) or 1.1% (October 31, 2018: 1.3%) of our business and government portfolio, and our related undrawn exposure was $3.8 billion (October 31, 2018: $3.0 billion). The condominium developer exposure is diversified across 113 projects.

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

Trading credit exposures

We have trading credit exposure (also called counterparty credit exposure) that arises from our OTC derivatives and our repo-style transactions. The nature of our derivatives exposure and how it is mitigated is described in Note 12 to the consolidated financial statements in our 2018 Annual Report. Our repo-style transactions consist of our securities bought or sold under repurchase agreements, and our securities borrowing and lending activity.

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

$ billions, as at	**2019 Apr. 30**		2018 Oct. 31	
	Exposure (1)			
Investment grade	**$ 7.16**	**85.8 %**	$ 6.78	87.3 %
Non-investment grade	**1.16**	**13.9**	0.97	12.5
Watch list	**0.02**	**0.2**	0.01	0.1
Default	**0.01**	**0.1**	0.01	0.1
	$ 8.35	**100.0 %**	$ 7.77	100.0 %

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

Impaired loans

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

$ millions	As at or for the three months ended									As at or for the six months ended					
	2019 Apr. 30			2019 Jan. 31			2018 Apr. 30			**2019 Apr. 30**			2018 Apr. 30		
	Business and government loans	**Consumer loans**	**Total**	Business and government loans	Consumer loans	Total	Business and government loans	Consumer loans	Total	**Business and government loans**	**Consumer loans**	**Total**	Business and government loans	Consumer loans	Total
Gross impaired loans (1)															
Balance at beginning of period under IAS 39	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**	$ 626	$ 684	$ 1,310
Impact of adopting IFRS 9 at November 1, 2017	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**	27	195	222
Balance at beginning of period under IFRS 9	**$ 877**	**$ 917**	**$ 1,794**	$ 621	$ 859	$ 1,480	$ 629	$ 845	$ 1,474	**$ 621**	**$ 859**	**$ 1,480**	653	879	1,532
Classified as impaired during the period	**351** (2)	**488**	**839**	428	494	922	126	498	624	**779**	**982**	**1,761**	170	957	1,127
Transferred to performing during the period	**(29)**	**(105)**	**(134)**	(21)	(87)	(108)	(27)	(115)	(142)	**(50)**	**(192)**	**(242)**	(27)	(212)	(239)
Net repayments	**(26)**	**(160)**	**(186)**	(93)	(122)	(215)	(25)	(121)	(146)	**(119)**	**(282)**	**(401)**	(58)	(280)	(338)
Amounts written off	**(50)**	**(237)**	**(287)**	(48)	(226)	(274)	(44)	(233)	(277)	**(98)**	**(463)**	**(561)**	(55)	(457)	(512)
Recoveries of loans and advances previously written off	**–**	**–**	**–**	–	–	–	–	–	–	**–**	**–**	**–**	–	–	–
Disposals of loans	**(7)**	**–**	**(7)**	(9)	–	(9)	(38)	–	(38)	**(16)**	**–**	**(16)**	(38)	–	(38)
Purchased credit-impaired loans	**–**	**–**	**–**	–	–	–	–	–	–	**–**	**–**	**–**	–	–	–
Foreign exchange and other	**19**	**5**	**24**	(1)	(1)	(2)	19	9	28	**18**	**4**	**22**	(5)	(4)	(9)
Balance at end of period	**$ 1,135**	**$ 908**	**$ 2,043**	$ 877	$ 917	$ 1,794	$ 640	$ 883	$ 1,523	**$ 1,135**	**$ 908**	**$ 2,043**	$ 640	$ 883	$ 1,523
Allowance for credit losses – impaired loans															
Balance at beginning of period under IAS 39	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**	$ 191	$ 286	$ 477
Impact of adopting IFRS 9 at November 1, 2017	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**	13	(25)	(12)
Balance at beginning of period under IFRS 9	**$ 258**	**$ 266**	**$ 524**	$ 230	$ 252	$ 482	$ 208	$ 249	$ 457	**$ 230**	**$ 252**	**$ 482**	204	261	465
Amounts written off	**(50)**	**(237)**	**(287)**	(48)	(226)	(274)	(44)	(233)	(277)	**(98)**	**(463)**	**(561)**	(55)	(457)	(512)
Recoveries of amounts written off in previous periods	**5**	**43**	**48**	1	49	50	3	44	47	**6**	**92**	**98**	6	89	95
Charge to income statement	**52**	**198**	**250**	81 (3)	194	275	25	192	217	**133**	**392**	**525**	51	368	419
Interest accrued on impaired loans	**(7)**	**(4)**	**(11)**	(2)	(4)	(6)	(3)	(3)	(6)	**(9)**	**(8)**	**(17)**	(6)	(5)	(11)
Disposals of loans	**–**	**–**	**–**	–	–	–	–	–	–	**–**	**–**	**–**	–	–	–
Transfers	**–**	**–**	**–**	–	–	–	–	–	–	**–**	**–**	**–**	–	–	–
Foreign exchange and other	**25** (4)	**(1)**	**24**	(4)	1	(3)	8	3	11	**21**	**–**	**21**	(3)	(4)	(7)
Balance at end of period	**$ 283**	**$ 265**	**$ 548**	$ 258	$ 266	$ 524	$ 197	$ 252	$ 449	**$ 283**	**$ 265**	**$ 548**	$ 197	$ 252	$ 449
Net impaired loans (5)															
Balance at beginning of period under IAS 39	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**	$ 435	$ 398	$ 833
Impact of adopting IFRS 9 at November 1, 2017	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**	14	220	234
Balance at beginning of period under IFRS 9	**$ 619**	**$ 651**	**$ 1,270**	$ 391	$ 607	$ 998	$ 421	$ 596	$ 1,017	**$ 391**	**$ 607**	**$ 998**	449	618	1,067
Net change in gross impaired	**258**	**(9)**	**249**	256	58	314	11	38	49	**514**	**49**	**563**	(13)	4	(9)
Net change in allowance	**(25)**	**1**	**(24)**	(28)	(14)	(42)	11	(3)	8	**(53)**	**(13)**	**(66)**	7	9	16
Balance at end of period	**$ 852**	**$ 643**	**$ 1,495**	$ 619	$ 651	$ 1,270	$ 443	$ 631	$ 1,074	**$ 852**	**$ 643**	**$ 1,495**	$ 443	$ 631	$ 1,074
Net impaired loans as a percentage of net loans and acceptances			**0.38 %**			0.33 %			0.29 %			**0.38 %**			0.29 %

(1) Effective November 1, 2017, all loans that are contractually 90 days in arrears are automatically classified as impaired and as stage 3 under IFRS 9, except for credit card loans which are classified as impaired and are fully written off when payments are contractually 180 days in arrears or at the earlier of the notice of bankruptcy, settlement proposal, or enlistment of credit counselling services. The determination of impairment was generally the same under IAS 39, except (i) residential mortgages guaranteed or insured by a Canadian government (federal or provincial) or a Canadian government agency were not classified as impaired until payments were contractually 365 days in arrears, and (ii) residential mortgages guaranteed or insured by a private insurer, or loans that were fully secured and in the process of collection were not classified as impaired until payments were contractually 180 days in arrears.

(2) Includes an undrawn business and government exposure that was impaired in the prior quarter and funded in the current quarter.

(3) Excludes $20 million of provision for credit losses on impaired business and government undrawn credit facilities and other off-balance sheet exposures.

(4) Includes $20 million allowance for credit losses on an impaired undrawn business and government exposure in the prior quarter which was funded in the current quarter with no additional impact to provision for credit losses.

(5) Effective November 1, 2017, net impaired loans are gross impaired loans net of stage 3 allowance for credit losses. In prior periods, net impaired loans was calculated by deducting the individual allowance and the portion of the collective allowance relating to impaired loans, which were generally loans that were past 90 days in arrears, from gross impaired loans.

n/a Not applicable.

Gross impaired loans

As at April 30, 2019, gross impaired loans were $2,043 million, up $520 million from the same quarter last year, primarily due to increases in the utilities, retail and wholesale, Canadian business services, financial institutions, and real estate and construction sectors, an increase in Canadian residential mortgages, and the impact of U.S. dollar appreciation on our existing portfolio. These factors were partially offset by reductions in CIBC FirstCaribbean, and a repayment in the oil and gas sector.

Gross impaired loans were up $249 million from the prior quarter, primarily due to increases in the utilities, real estate and construction, oil and gas, manufacturing, and business services sectors, as well as the impact of U.S. dollar appreciation on our existing portfolio. The increase in the utility sector was largely due to the funding of a previously impaired undrawn commitment with no impact to provision for credit losses in the current quarter. These factors were partially offset by reductions in the education, health and social services sector, and CIBC FirstCaribbean.

46% of gross impaired loans related to Canada, of which the residential mortgages and personal lending portfolios, and business services and retail and wholesale sectors accounted for the majority.

37% of gross impaired loans related to the U.S., of which utilities, real estate and construction, oil and gas, and financial institutions sectors accounted for the majority.

The remaining gross impaired loans related to CIBC FirstCaribbean, of which the residential mortgages and personal lending portfolios, and the real estate and construction sector accounted for the majority.

Allowance for credit losses – impaired loans

Allowance for credit losses on impaired loans was $548 million, up $99 million from the same quarter last year, primarily due to increases in the business services, retail and wholesale, and financial institutions sectors, an increase in the Canadian consumer lending portfolio, and the impact of U.S. dollar appreciation on our existing portfolio.

Allowance for credit losses on impaired loans was up $24 million from the prior quarter, primarily due to increases in the business services, oil and gas, and U.S. real estate and construction sectors and the impact of U.S. dollar appreciation on our existing portfolio. These factors were partially offset by a decrease in the utilities sector resulting from the write-off of an allowance on an existing impaired loan that has been sold with settlement expected in the second half of 2019, as well as a decrease relating to CIBC FirstCaribbean.

Exposure to certain countries and regions

Europe

The following table provides our exposure to European countries, both within and outside the Eurozone.

Our direct exposures presented in the table below comprise (A) funded – on-balance sheet loans (stated at amortized cost net of stage 3 allowance for credit losses, if any), deposits with banks (stated at amortized cost net of stage 3 allowance for credit losses, if any) and securities (stated at carrying value); (B) unfunded – unutilized credit commitments, letters of credit, and guarantees (stated at notional amount net of stage 3 allowance for credit losses, if any); and (C) derivative MTM receivables (stated at fair value) and repo-style transactions (stated at fair value).

Of our total direct exposures to Europe, approximately 45% (October 31, 2018: 46%) is to entities in countries with Aaa/AAA ratings from at least one of Moody's Investors Service, Inc. (Moody's) or Standard & Poor's (S&P).

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

	Direct exposures						
	Funded				Unfunded		
$ millions, as at April 30, 2019	Corporate	Sovereign	Bank	Total funded (A)	Corporate	Bank	Total unfunded (B)
Austria	**$ –**	**$ 550**	**$ 160**	**$ 710**	**$ –**	**$ 1**	**$ 1**
Belgium	**18**	**–**	**7**	**25**	**–**	**–**	**–**
Finland	**–**	**–**	**542**	**542**	**82**	**–**	**82**
France	**84**	**30**	**156**	**270**	**134**	**14**	**148**
Germany	**186**	**1,025**	**841**	**2,052**	**154**	**33**	**187**
Greece	**1**	**–**	**–**	**1**	**–**	**–**	**–**
Hungary	**–**	**–**	**1**	**1**	**–**	**–**	**–**
Ireland	**63**	**–**	**154**	**217**	**–**	**–**	**–**
Italy	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Luxembourg	**6**	**–**	**1,573**	**1,579**	**–**	**–**	**–**
Netherlands	**376**	**451**	**260**	**1,087**	**146**	**75**	**221**
Spain	**1**	**–**	**9**	**10**	**–**	**11**	**11**
Total Eurozone	**$ 735**	**$ 2,056**	**$ 3,703**	**$ 6,494**	**$ 516**	**$ 134**	**$ 650**
Czech Republic	**$ –**	**$ –**	**$ 8**	**$ 8**	**$ –**	**$ –**	**$ –**
Denmark	**5**	**–**	**56**	**61**	**–**	**77**	**77**
Guernsey	**11**	**–**	**–**	**11**	**–**	**–**	**–**
Norway	**–**	**215**	**459**	**674**	**619**	**–**	**619**
Poland	**–**	**–**	**1**	**1**	**83**	**–**	**83**
Sweden	**35**	**427**	**180**	**642**	**163**	**–**	**163**
Switzerland	**304**	**–**	**58**	**362**	**1**	**–**	**1**
Turkey	**–**	**–**	**32**	**32**	**–**	**–**	**–**
United Kingdom	**1,033**	**611**	**1,374**	**3,018**	**3,508**	**286**	**3,794**
Total non-Eurozone	**$ 1,388**	**$ 1,253**	**$ 2,168**	**$ 4,809**	**$ 4,374**	**$ 363**	**$ 4,737**
Total Europe	**$ 2,123**	**$ 3,309**	**$ 5,871**	**$ 11,303**	**$ 4,890**	**$ 497**	**$ 5,387**
October 31, 2018	$ 1,821	$ 2,686	$ 3,649	$ 8,156	$ 4,472	$ 482	$ 4,954

	Direct exposures (continued)						
	Derivative MTM receivables and repo-style transactions						Total direct
$ millions, as at April 30, 2019	Corporate	Sovereign	Bank	Gross exposure [1]	Collateral held [2]	Net exposure (C)	exposure (A)+(B)+(C)
Austria	**$ –**	**$ 1**	**$ –**	**$ 1**	**$ –**	**$ 1**	**$ 712**
Belgium	**–**	**–**	**5**	**5**	**5**	**–**	**25**
Finland	**–**	**–**	**60**	**60**	**50**	**10**	**634**
France	**23**	**–**	**2,468**	**2,491**	**2,463**	**28**	**446**
Germany	**17**	**–**	**915**	**932**	**878**	**54**	**2,293**
Greece	**–**	**–**	**–**	**–**	**–**	**–**	**1**
Hungary	**–**	**–**	**–**	**–**	**–**	**–**	**1**
Ireland	**–**	**–**	**6,342**	**6,342**	**6,259**	**83**	**300**
Italy	**–**	**–**	**1**	**1**	**1**	**–**	**–**
Luxembourg	**–**	**–**	**611**	**611**	**560**	**51**	**1,630**
Netherlands	**49**	**–**	**68**	**117**	**66**	**51**	**1,359**
Spain	**–**	**–**	**15**	**15**	**15**	**–**	**21**
Total Eurozone	**$ 89**	**$ 1**	**$ 10,485**	**$ 10,575**	**$ 10,297**	**$ 278**	**$ 7,422**
Czech Republic	**$ –**	**$ 1,256**	**$ –**	**$ 1,256**	**$ 1,197**	**$ 59**	**$ 67**
Denmark	**–**	**–**	**–**	**–**	**–**	**–**	**138**
Guernsey	**–**	**–**	**–**	**–**	**–**	**–**	**11**
Norway	**–**	**480**	**–**	**480**	**480**	**–**	**1,293**
Poland	**–**	**–**	**–**	**–**	**–**	**–**	**84**
Sweden	**9**	**–**	**115**	**124**	**115**	**9**	**814**
Switzerland	**4**	**–**	**4,127**	**4,131**	**4,046**	**85**	**448**
Turkey	**–**	**–**	**–**	**–**	**–**	**–**	**32**
United Kingdom	**660**	**162**	**7,687**	**8,509**	**7,779**	**730**	**7,542**
Total non-Eurozone	**$ 673**	**$ 1,898**	**$ 11,929**	**$ 14,500**	**$ 13,617**	**$ 883**	**$ 10,429**
Total Europe	**$ 762**	**$ 1,899**	**$ 22,414**	**$ 25,075**	**$ 23,914**	**$ 1,161**	**$ 17,851**
October 31, 2018	$ 686	$ 1,568	$ 20,762	$ 23,016	$ 21,270	$ 1,746	$ 14,856

(1) The amounts are shown net of CVA.
(2) Collateral on derivative MTM receivables was $0.8 billion (October 31, 2018: $0.8 billion), collateral on repo-style transactions was $23.1 billion (October 31, 2018: $20.5 billion), and both are comprised of cash and investment grade debt securities.

We have $573 million (October 31, 2018: $465 million) of indirect exposure to European entities, as we hold debt or equity securities issued by European entities as collateral for our derivatives trades, or securities borrowing and lending activity, from counterparties that are not in Europe.

Selected exposure in certain activities

In response to the recommendations of the Financial Stability Board, this section provides information on a selected activity within our continuing and exited businesses that may be of particular interest to investors based on the risk characteristics and the current market environment. For additional information on selected exposures, refer to page 63 of the 2018 Annual Report.

U.S. real estate lending

In our U.S. Commercial Banking and Wealth Management SBU, we operate a full-service real estate platform which offers credit to mid-market clients. Once construction is complete, and the property is income producing, we may occasionally offer fixed-rate financing within a permanent financing program (typically with average terms of up to 10 years). This portfolio of permanent financing exposures, which is a small subset of our total U.S. real estate lending portfolio, serves as a warehouse for inclusion in future commercial mortgage-backed securities (CMBS) programs. We retain no exposure to those CMBS programs. As at April 30, 2019, the portfolio of permanent financing exposures was $82 million (October 31, 2018: $41 million).

Market risk

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

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

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

Risk measurement

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

$ millions, as at	**2019 Apr. 30**				2018 Oct. 31				
		Subject to market risk				Subject to market risk			
	Consolidated balance sheet	**Trading**	**Non-trading**	**Not subject to market risk**	Consolidated balance sheet	Trading	Non-trading	Not subject to market risk	Non-traded risk primary risk sensitivity
Cash and non-interest-bearing deposits with banks	**$ 4,178**	**$ –**	**$ 1,985**	**$ 2,193**	$ 4,380	$ –	$ 2,340	$ 2,040	Foreign exchange
Interest-bearing deposits with banks	**10,229**	**395**	**9,834**	**–**	13,311	96	13,215	–	Interest rate
Securities	**121,547**	**48,041**	**73,506**	**–**	101,664	49,784	51,880	–	Equity, interest rate
Cash collateral on securities borrowed	**5,279**	**–**	**5,279**	**–**	5,488	–	5,488	–	Interest rate
Securities purchased under resale agreements	**48,806**	**–**	**48,806**	**–**	43,450	–	43,450	–	Interest rate
Loans									
Residential mortgages	**207,396**	**–**	**207,396**	**–**	207,749	–	207,749	–	Interest rate
Personal	**43,113**	**–**	**43,113**	**–**	43,058	–	43,058	–	Interest rate
Credit card	**12,645**	**–**	**12,645**	**–**	12,673	–	12,673	–	Interest rate
Business and government	**121,815**	**19,065** (1)	**102,750**	**–**	109,555	15,730 (1)	93,825	–	Interest rate
Allowance for credit losses	**(1,751)**	**–**	**(1,751)**	**–**	(1,639)	–	(1,639)	–	Interest rate
Derivative instruments	**22,103**	**20,199** (2)	**1,904**	**–**	21,431	19,132 (2)	2,299	–	Interest rate, foreign exchange
Customers' liability under acceptances	**9,727**	**–**	**9,727**	**–**	10,265	–	10,265	–	Interest rate
Other assets	**29,022**	**1,149**	**16,826**	**11,047**	25,714	561	15,474	9,679	Interest rate, equity, foreign exchange
	$ 634,109	**$ 88,849**	**$ 532,020**	**$ 13,240**	$ 597,099	$ 85,303	$ 500,077	$ 11,719	
Deposits	**$ 477,540**	**$ 457** (3)	**$ 431,446**	**$ 45,637**	$ 461,015	$ 507 (3)	$ 414,051	$ 46,457	Interest rate
Obligations related to securities sold short	**14,188**	**13,561**	**627**	**–**	13,782	13,731	51	–	Interest rate
Cash collateral on securities lent	**1,888**	**–**	**1,888**	**–**	2,731	–	2,731	–	Interest rate
Obligations related to securities sold under repurchase agreements	**49,508**	**–**	**49,508**	**–**	30,840	–	30,840	–	Interest rate
Derivative instruments	**22,839**	**20,784** (2)	**2,055**	**–**	20,973	19,013 (2)	1,960	–	Interest rate, foreign exchange
Acceptances	**9,745**	**–**	**9,745**	**–**	10,296	–	10,296	–	Interest rate
Other liabilities	**17,017**	**1,690**	**7,724**	**7,603**	18,266	2,051	8,527	7,688	Interest rate
Subordinated indebtedness	**4,171**	**–**	**4,171**	**–**	4,080	–	4,080	–	Interest rate
	$ 596,896	**$ 36,492**	**$ 507,164**	**$ 53,240**	$ 561,983	$ 35,302	$ 472,536	$ 54,145	

(1) Excludes $80 million (October 31, 2018: $39 million) of loans that are warehoused for future securitization purposes. These are considered non-trading for market risk purposes.
(2) Excludes derivatives relating to run-off businesses which are considered non-trading for market risk purposes.
(3) Comprises FVO deposits which are considered trading for market risk purposes.

Trading activities

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

Value-at-risk

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

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

Average total VaR for the three months ended April 30, 2019 was down $0.2 million from the prior quarter, as a decrease in equity risk was partially offset by an increase in commodity, debt-specific, interest rate and foreign exchange risks.

Average stressed total VaR for the three months ended April 30, 2019 was down $6.9 million from the prior quarter, driven by decreases in equity, debt-specific and credit spread risks and partially offset by an increase in foreign exchange, interest rate and commodity risks. Positioning in the trading book is the primary cause of the decrease in risk. During the current stressed VaR period from September 2, 2008 to August 31, 2009, the market exhibited not only increased volatility in interest rates but also increased volatility in equity prices, combined with a reduction in the level of interest rates, and an increase in credit spreads.

Average IRC for the three months ended April 30, 2019 was up $12.8 million from the prior quarter, mainly due to model enhancements implemented in the current quarter.

VaR by risk type – trading portfolio

$ millions										
					As at or for the three months ended				As at or for the six months ended	
	2019 Apr. 30				2019 Jan. 31		2018 Apr. 30		**2019 Apr. 30**	2018 Apr. 30
	High	**Low**	**As at**	**Average**	As at	Average	As at	Average	**Average**	Average
Interest rate risk	**$ 6.5**	**$ 2.8**	**$ 4.6**	**$ 4.2**	$ 4.5	$ 4.1	$ 5.3	$ 4.1	**$ 4.1**	$ 4.3
Credit spread risk	**1.7**	**0.9**	**1.4**	**1.3**	1.1	1.3	1.4	1.0	**1.3**	0.9
Equity risk	**7.3**	**1.7**	**1.8**	**3.2**	2.7	3.5	2.4	3.3	**3.4**	2.9
Foreign exchange risk	**2.5**	**0.7**	**1.2**	**1.4**	1.5	1.3	2.7	2.0	**1.4**	2.2
Commodity risk	**2.4**	**1.1**	**2.1**	**1.8**	1.3	1.4	1.5	1.7	**1.6**	2.1
Debt specific risk	**2.1**	**1.4**	**1.6**	**1.7**	1.6	1.5	1.6	1.5	**1.6**	1.4
Diversification effect (1)	**n/m**	**n/m**	**(8.8)**	**(8.5)**	(7.7)	(7.8)	(9.1)	(7.9)	**(8.2)**	(8.3)
Total VaR (one-day measure)	**$ 8.2**	**$ 3.6**	**$ 3.9**	**$ 5.1**	$ 5.0	$ 5.3	$ 5.8	$ 5.7	**$ 5.2**	$ 5.5

(1) Total VaR is less than the sum of the VaR of the different market risk types due to risk offsets resulting from a portfolio diversification effect.
n/m Not meaningful. It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

Stressed VaR by risk type – trading portfolio

$ millions										
					As at or for the three months ended				As at or for the six months ended	
	2019 Apr. 30				2019 Jan. 31		2018 Apr. 30		**2019 Apr. 30**	2018 Apr. 30
	High	**Low**	**As at**	**Average**	As at	Average	As at	Average	**Average**	Average
Interest rate risk	**$ 37.0**	**$ 8.9**	**$ 15.8**	**$ 18.5**	$ 17.6	$ 15.8	$ 16.3	$ 14.8	**$ 17.1**	$ 18.2
Credit spread risk	**17.1**	**10.7**	**13.5**	**13.5**	10.0	13.6	13.4	9.7	**13.5**	8.0
Equity risk	**6.7**	**1.4**	**1.5**	**2.9**	3.4	5.2	3.5	4.0	**4.0**	3.0
Foreign exchange risk	**26.8**	**0.6**	**16.7**	**10.3**	8.2	7.3	5.0	7.0	**8.8**	6.8
Commodity risk	**4.1**	**1.7**	**3.5**	**2.7**	2.3	2.6	1.9	2.8	**2.7**	2.9
Debt specific risk	**7.2**	**4.5**	**5.3**	**5.4**	5.9	6.0	5.0	4.4	**5.7**	3.8
Diversification effect (1)	**n/m**	**n/m**	**(46.8)**	**(42.1)**	(36.7)	(32.4)	(30.0)	(26.3)	**(37.1)**	(29.8)
Stressed total VaR (one-day measure)	**$ 22.4**	**$ 3.5**	**$ 9.5**	**$ 11.2**	$ 10.7	$ 18.1	$ 15.1	$ 16.4	**$ 14.7**	$ 12.9

(1) Stressed total VaR is less than the sum of the VaR of the different market risk types due to risk offsets resulting from a portfolio diversification effect.
n/m Not meaningful. It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

Incremental risk charge – trading portfolio

$ millions										
					As at or for the three months ended				As at or for the six months ended	
	2019 Apr. 30				2019 Jan. 31		2018 Apr. 30		**2019 Apr. 30**	2018 Apr. 30
	High	**Low**	**As at**	**Average**	As at	Average	As at	Average	**Average**	Average
Default risk	**$ 214.8**	**$ 175.9**	**$ 200.2**	**$ 194.9**	$ 180.9	$ 193.8	$ 137.0	$ 147.9	**$ 194.4**	$ 131.8
Migration risk	**88.8**	**55.8**	**80.5**	**69.0**	67.2	57.3	69.5	56.8	**63.1**	61.3
IRC (one-year measure) (1)	**$ 301.5**	**$ 236.3**	**$ 280.7**	**$ 263.9**	$ 248.1	$ 251.1	$ 206.5	$ 204.7	**$ 257.5**	$ 193.1

(1) High and low IRC are not equal to the sum of the constituent parts, because the highs and lows of the constituent parts may occur on different days.

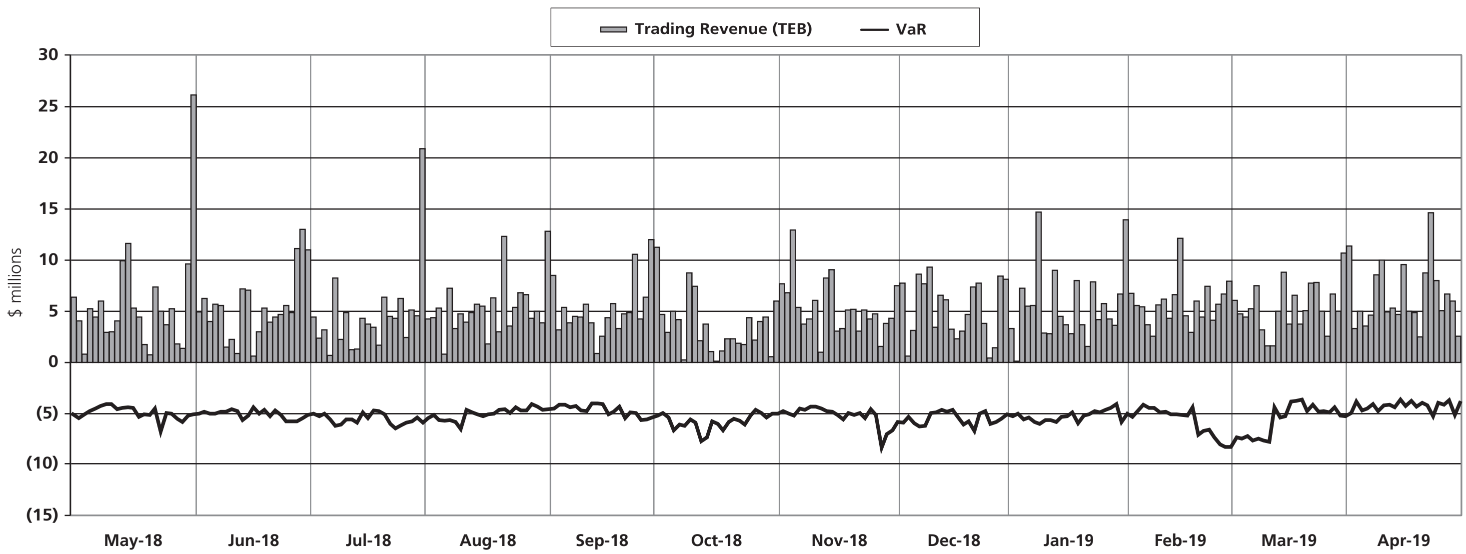
Trading revenue

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

The trading revenue (TEB) versus VaR graph below shows the current quarter and the three previous quarters' daily trading revenue (TEB) against the close of business day VaR measures.

During the quarter, trading revenue (TEB) was positive for 100% of the days. The largest gain of $14.6 million occurred on April 23, 2019. It was attributable to the normal course of business within our global markets line of business, notably in interest rate derivatives. Average daily trading revenue (TEB) was $5.9 million during the quarter, and the average daily TEB was $0.7 million.

Trading revenue (TEB)[(1)] versus VaR



(1) Excludes certain month-end transfer pricing and other miscellaneous adjustments.

Non-trading activities

Structural interest rate risk

Structural interest rate risk primarily consists of the risk arising due to mismatches in assets and liabilities, which do not arise from trading and trading-related businesses. Interest rate risk results from differences in the maturities or repricing dates of assets and liabilities, both on- and off-balance sheet, as well as from embedded optionality in retail products. This optionality arises predominantly from the commitment and prepayment exposures of mortgage products, non-maturity deposits and some guaranteed investment certificates products with early redemption features. A variety of cash instruments and derivatives, primarily interest rate swaps, are used to manage these risks.

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

Structural interest rate sensitivity – measures

$ millions (pre-tax), as at	**2019 Apr. 30**		2019 Jan. 31		2018 Apr. 30	
	CAD (1)	**USD**	CAD (1)	USD	CAD (1)	USD
100 basis point increase in interest rates						
Increase (decrease) in net interest income	**$ 289**	**$ 18**	$ 241	$ 50	$ 200	$ 17
Increase (decrease) in present value of shareholders' equity	**(455)**	**(215)**	(418)	(286)	(346)	(250)
100 basis point decrease in interest rates						
Increase (decrease) in net interest income	**(346)**	**(30)**	(301)	(64)	(277)	(52)
Increase (decrease) in present value of shareholders' equity	**348**	**72**	333	78	270	263

(1) Includes CAD and other currency exposures.

Liquidity risk

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

CIBC's approach to liquidity risk management supports our business strategy, aligns with our risk appetite and adheres to regulatory expectations.

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

Governance and management

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

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

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

Liquid assets

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

Encumbered and unencumbered liquid assets from on- and off-balance sheet sources are summarized as follows:

$ millions, as at		Bank owned liquid assets	Securities received as collateral	Total liquid assets	Encumbered liquid assets	Unencumbered liquid assets (1)
2019	**Cash and deposits with banks**	**$ 14,407**	**$ –**	**$ 14,407**	**$ 781**	**$ 13,626**
Apr. 30	**Securities issued or guaranteed by sovereigns, central banks, and multilateral development banks**	**84,063**	**78,598**	**162,661**	**90,102**	**72,559**
	Other debt securities	**6,242**	**2,394**	**8,636**	**1,965**	**6,671**
	Equities	**28,136**	**20,921**	**49,057**	**24,898**	**24,159**
	Canadian government guaranteed National Housing Act mortgage-backed securities	**45,129**	**662**	**45,791**	**12,390**	**33,401**
	Other liquid assets (2)	**8,595**	**433**	**9,028**	**8,176**	**852**
		$ 186,572	**$ 103,008**	**$ 289,580**	**$ 138,312**	**$ 151,268**
2018	Cash and deposits with banks	$ 17,691	$ –	$ 17,691	$ 686	$ 17,005
Oct. 31	Securities issued or guaranteed by sovereigns, central banks, and multilateral development banks	67,478	74,933	142,411	75,431	66,980
	Other debt securities	6,684	2,092	8,776	1,240	7,536
	Equities	25,018	20,641	45,659	27,859	17,800
	Canadian government guaranteed National Housing Act mortgage-backed securities	39,465	834	40,299	10,182	30,117
	Other liquid assets (2)	6,500	1,598	8,098	6,621	1,477
		$ 162,836	$ 100,098	$ 262,934	$ 122,019	$ 140,915

(1) Unencumbered liquid assets are defined as on-balance sheet assets, assets borrowed or purchased under resale agreements, and other off-balance sheet collateral received less encumbered liquid assets.
(2) Includes cash pledged as collateral for derivatives transactions, select asset-backed securities and precious metals.

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

$ millions, as at	**2019 Apr. 30**	2018 Oct. 31
CIBC (parent)	**$ 115,315**	$ 99,486
Domestic subsidiaries	**8,107**	15,988
Foreign subsidiaries	**27,846**	25,441
	$ 151,268	$ 140,915

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

Our unencumbered liquid assets increased by $10.4 billion since October 31, 2018, primarily due to regular business activities, including deposit growth.

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

Asset encumbrance

In the course of CIBC's day-to-day operations, securities and other assets are pledged to secure obligations, participate in clearing and settlement systems and other collateral management purposes.

The following table provides a summary of our total on- and off-balance sheet encumbered and unencumbered assets:

$ millions, as at		Encumbered: Pledged as collateral	Encumbered: Other (1)	Unencumbered: Available as collateral	Unencumbered: Other (2)	Total assets
2019	**Cash and deposits with banks**	**$ –**	**$ 781**	**$ 13,626**	**$ –**	**$ 14,407**
Apr. 30	**Securities**	**115,759**	**276**	**106,045**	**–**	**222,080**
	Loans, net of allowance (3)	**2,000**	**39,465**	**36,379**	**303,862**	**381,706**
	Other assets	**5,971**	**–**	**1,147**	**53,734**	**60,852**
		$ 123,730	**$ 40,522**	**$ 157,197**	**$ 357,596**	**$ 679,045**
2018	Cash and deposits with banks	$ –	$ 686	$ 17,005	$ –	$ 17,691
Oct. 31	Securities	104,039	130	96,021	–	200,190
	Loans, net of allowance (3)	1,600	44,553	33,499	292,507	372,159
	Other assets	5,071	–	251	52,088	57,410
		$ 110,710	$ 45,369	$ 146,776	$ 344,595	$ 647,450

(1) Includes assets supporting CIBC's long-term funding activities and assets restricted for legal or other reasons, such as restricted cash.
(2) Other unencumbered assets are not subject to any restrictions on their use to secure funding or as collateral, however they are not considered immediately available to existing borrowing programs.
(3) Loans included as available as collateral represent the loans underlying National Housing Act mortgage-backed securities and Federal Home Loan Banks eligible loans.

Restrictions on the flow of funds

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

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

Liquidity coverage ratio

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

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

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

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

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

The LCR is disclosed using a standard OSFI-prescribed disclosure template.

	$ millions, average of the three months ended April 30, 2019	Total unweighted value (1)	Total weighted value (2)
HQLA			
1	HQLA	**n/a**	**$ 115,562**
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	**$ 156,104**	**10,455**
3	Stable deposits	**73,652**	**2,210**
4	Less stable deposits	**82,452**	**8,245**
5	Unsecured wholesale funding, of which:	**133,236**	**62,471**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**48,938**	**11,746**
7	Non-operational deposits (all counterparties)	**65,730**	**32,157**
8	Unsecured debt	**18,568**	**18,568**
9	Secured wholesale funding	**n/a**	**6,844**
10	Additional requirements, of which:	**93,586**	**24,603**
11	Outflows related to derivative exposures and other collateral requirements	**10,195**	**6,253**
12	Outflows related to loss of funding on debt products	**3,714**	**3,714**
13	Credit and liquidity facilities	**79,677**	**14,636**
14	Other contractual funding obligations	**2,824**	**2,824**
15	Other contingent funding obligations	**283,164**	**5,179**
16	Total cash outflows	**668,914**	**112,376**
Cash inflows			
17	Secured lending (e.g. reverse repos)	**64,524**	**9,196**
18	Inflows from fully performing exposures	**16,917**	**9,125**
19	Other cash inflows	**7,820**	**7,820**
20	Total cash inflows	**$ 89,261**	**$ 26,141**
			Total adjusted value
21	Total HQLA	**n/a**	**$ 115,562**
22	Total net cash outflows	**n/a**	**$ 86,235**
23	LCR	**n/a**	**134 %**
	$ millions, average of the three months ended January 31, 2019		Total adjusted value
24	Total HQLA	n/a	$ 111,928
25	Total net cash outflows	n/a	$ 85,601
26	LCR	n/a	131 %

(1) Unweighted inflow and outflow values are calculated as outstanding balances maturing or callable within 30 days of various categories or types of liabilities, off-balance sheet items or contractual receivables.
(2) Weighted values are calculated after the application of haircuts (for HQLA) and inflow and outflow rates prescribed by OSFI.
n/a Not applicable as per the LCR common disclosure template.

Our average LCR as at April 30, 2019 increased to 134% from 131% in the prior quarter, mainly due to an increase in HQLA.

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

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

Funding

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

CIBC's principal approach aims to fund the balance sheet with deposits primarily raised from personal and commercial banking channels. Personal deposits accounted for $174.7 billion as at April 30, 2019 (October 31, 2018: $163.9 billion). CIBC maintains a foundation of relationship-based core deposits, whose stability is regularly evaluated through internally developed statistical assessments.

We routinely access a range of short-term and long-term secured and unsecured funding sources diversified by geography, depositor type, instrument, currency and maturity. We raise long-term funding from existing programs including covered bonds, asset securitizations and unsecured debt.

CIBC continuously evaluates opportunities to diversify into new funding products and investor segments in an effort to maximize funding flexibility and minimize concentration and financing costs. We regularly monitor wholesale funding levels and concentrations to internal limits consistent with our desired liquidity risk profile.

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

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

$ millions, as at April 30, 2019	Less than 1 month	1 – 3 months	3 – 6 months	6 – 12 months	Less than 1 year total	1 – 2 years	Over 2 years	Total
Deposits from banks (1)	**$ 3,504**	**$ 89**	**$ 120**	**$ 58**	**$ 3,771**	**$ –**	**$ –**	**$ 3,771**
Certificates of deposit and commercial paper	**8,852**	**11,479**	**17,736**	**14,534**	**52,601**	**612**	**406**	**53,619**
Bearer deposit notes and bankers' acceptances	**861**	**1,766**	**2,716**	**700**	**6,043**	**–**	**–**	**6,043**
Asset-backed commercial paper	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Senior unsecured medium-term notes (2)	**1,175**	**3,536**	**2,214**	**6,335**	**13,260**	**8,897**	**22,343**	**44,500**
Senior unsecured structured notes	**–**	**–**	**288**	**–**	**288**	**–**	**–**	**288**
Covered bonds/asset-backed securities								
Mortgage securitization	**–**	**510**	**584**	**1,310**	**2,404**	**2,124**	**12,386**	**16,914**
Covered bonds	**–**	**–**	**1,504**	**1,502**	**3,006**	**2,913**	**11,391**	**17,310**
Cards securitization	**–**	**–**	**737**	**1,340**	**2,077**	**796**	**–**	**2,873**
Subordinated liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**4,171**	**4,171**
Other	**4**	**804**	**40**	**20**	**868**	**–**	**5**	**873**
	$ 14,396	**$ 18,184**	**$ 25,939**	**$ 25,799**	**$ 84,318**	**$ 15,342**	**$ 50,702**	**$ 150,362**
Of which:								
Secured	**$ –**	**$ 510**	**$ 2,825**	**$ 4,152**	**$ 7,487**	**$ 5,833**	**$ 23,777**	**$ 37,097**
Unsecured	**14,396**	**17,674**	**23,114**	**21,647**	**76,831**	**9,509**	**26,925**	**113,265**
	$ 14,396	**$ 18,184**	**$ 25,939**	**$ 25,799**	**$ 84,318**	**$ 15,342**	**$ 50,702**	**$ 150,362**
October 31, 2018	$ 12,815	$ 18,208	$ 20,495	$ 29,167	$ 80,685	$ 17,421	$ 52,711	$ 150,817

(1) Includes non-negotiable term deposits from banks.
(2) Includes wholesale funding liabilities which are subject to conversion under bail-in regulations. See the "Capital resources" section for additional details.

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

$ billions, as at		**2019 Apr. 30**		2018 Oct. 31
CAD	**$ 51.5**	**34 %**	$ 49.6	33 %
USD	**77.9**	**52**	80.8	54
Other	**21.0**	**14**	20.4	13
	$ 150.4	**100 %**	$ 150.8	100 %

We manage liquidity risk in a manner that enables us to withstand severe liquidity stress events. Wholesale funding may present a higher risk of run-off in stress situations, and we maintain significant portfolios of unencumbered liquid assets to mitigate this risk. See the "Liquid assets" section for additional details.

Credit ratings

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

Our credit ratings are summarized in the following table:

As at April 30, 2019	**DBRS**	**Fitch**	**Moody's**	**S&P**
Deposit/Counterparty (1)	**AA**	**AA-**	**Aa2**	**A+**
Legacy senior debt (2)	**AA**	**AA-**	**Aa2**	**A+**
Senior debt (3)	**AA(L)**	**AA-**	**A2**	**BBB+**
Subordinated indebtedness	**A(H)**	**A+**	**Baa1**	**BBB+**
Subordinated indebtedness – NVCC (4)	**A(L)**	**A+**	**Baa1**	**BBB**
Preferred shares – NVCC (4)	**Pfd-2**	**n/a**	**Baa3**	**P-3(H)**
Short-term debt	**R-1(H)**	**F1+**	**P-1**	**A-1**
Outlook	**Stable**	**Stable**	**Stable**	**Stable**

(1) DBRS Long-Term Issuer Rating; Moody's Long-Term Deposit and Counterparty Risk Assessment Rating; S&P's Issuer Credit Rating; Fitch Long-Term Issuer Default and Derivative Counterparty Rating.
(2) Includes senior debt issued prior to September 23, 2018 as well as senior debt issued on or after September 23, 2018 which is not subject to bail-in regulations.
(3) Comprises liabilities which are subject to conversion under bail-in regulations. See the "Capital resources" section for additional details.
(4) Comprises instruments which are treated as NVCC in accordance with OSFI's capital adequacy guidelines.

Additional collateral requirements for rating downgrades

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

$ billions, as at	**2019 Apr. 30**	2018 Oct. 31
One-notch downgrade	**$ 0.1**	$ 0.1
Two-notch downgrade	**0.2**	0.2 (1)
Three-notch downgrade	**0.3**	0.3 (1)

(1) Restated.

Regulatory developments concerning liquidity

OSFI's LAR guideline became effective in 2015. It is shaped by the BCBS' liquidity standards, and includes the LCR, net stable funding ratio (NSFR) and other liquidity monitoring tools, including the OSFI-designed Net Cumulative Cash Flow (NCCF). OSFI uses the LAR and associated metrics to assess individual banks' liquidity adequacy.

On October 31, 2014, the BCBS published its final NSFR guideline. In April 2019, OSFI issued updated NSFR guidelines following industry and public consultation, clarifying details of the NSFR implementation and its application to the Canadian financial industry. D-SIBs will implement the updated NSFR guidelines beginning January 2020, with public disclosures required to be produced beginning in the first quarter of 2021.

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

Contractual obligations

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

Assets and liabilities

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

$ millions, as at April 30, 2019	Less than 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	1 – 2 years	2 – 5 years	Over 5 years	No specified maturity	Total
Assets										
Cash and non-interest-bearing deposits with banks	**$ 4,178**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ 4,178**
Interest-bearing deposits with banks	**10,229**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**10,229**
Securities	**3,812**	**3,199**	**2,681**	**2,234**	**3,577**	**8,901**	**39,037**	**29,421**	**28,685**	**121,547**
Cash collateral on securities borrowed	**5,279**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,279**
Securities purchased under resale agreements	**26,457**	**15,231**	**4,189**	**826**	**102**	**2,001**	**–**	**–**	**–**	**48,806**
Loans										
Residential mortgages	**2,813**	**6,814**	**10,961**	**10,456**	**11,465**	**52,362**	**103,466**	**8,620**	**439**	**207,396**
Personal	**561**	**623**	**787**	**945**	**1,216**	**208**	**1,985**	**2,494**	**34,294**	**43,113**
Credit card	**266**	**531**	**797**	**796**	**797**	**3,186**	**6,272**	**–**	**–**	**12,645**
Business and government	**14,166**	**3,970**	**3,930**	**4,583**	**4,624**	**17,580**	**39,579**	**14,441**	**18,942**	**121,815**
Allowance for credit losses	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,751)**	**(1,751)**
Derivative instruments	**1,542**	**1,897**	**1,350**	**2,180**	**932**	**2,241**	**4,409**	**7,552**	**–**	**22,103**
Customers' liability under acceptances	**8,874**	**784**	**67**	**2**	**–**	**–**	**–**	**–**	**–**	**9,727**
Other assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**29,022**	**29,022**
	$ 78,177	**$ 33,049**	**$ 24,762**	**$ 22,022**	**$ 22,713**	**$ 86,479**	**$ 194,748**	**$ 62,528**	**$ 109,631**	**$ 634,109**
October 31, 2018	$ 71,919	$ 28,094	$ 22,273	$ 28,495	$ 19,833	$ 83,405	$ 187,178	$ 53,821	$ 102,081	$ 597,099
Liabilities										
Deposits (1)	**$ 26,488**	**$ 30,142**	**$ 40,371**	**$ 33,914**	**$ 26,055**	**$ 25,999**	**$ 50,986**	**$ 9,234**	**$ 234,351**	**$ 477,540**
Obligations related to securities sold short	**14,188**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**14,188**
Cash collateral on securities lent	**1,888**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,888**
Obligations related to securities sold under repurchase agreements	**47,027**	**2,315**	**161**	**5**	**–**	**–**	**–**	**–**	**–**	**49,508**
Derivative instruments	**1,400**	**1,967**	**1,609**	**1,681**	**1,045**	**2,893**	**3,841**	**8,403**	**–**	**22,839**
Acceptances	**8,892**	**784**	**67**	**2**	**–**	**–**	**–**	**–**	**–**	**9,745**
Other liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**17,017**	**17,017**
Subordinated indebtedness	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,171**	**–**	**4,171**
Equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**37,213**	**37,213**
	$ 99,883	**$ 35,208**	**$ 42,208**	**$ 35,602**	**$ 27,100**	**$ 28,892**	**$ 54,827**	**$ 21,808**	**$ 288,581**	**$ 634,109**
October 31, 2018	$ 78,258	$ 33,933	$ 36,399	$ 32,776	$ 27,726	$ 29,779	$ 56,793	$ 19,607	$ 281,828	$ 597,099

(1) Comprises $174.7 billion (October 31, 2018: $163.9 billion) of personal deposits of which $162.9 billion (October 31, 2018: $153.2 billion) are in Canada and $11.8 billion (October 31, 2018: $10.7 billion) are in other countries; $288.0 billion (October 31, 2018: $282.7 billion) of business and government deposits and secured borrowings of which $210.3 billion (October 31, 2018: $211.9 billion) are in Canada and $77.7 billion (October 31, 2018: $70.8 billion) are in other countries; and $14.8 billion (October 31, 2018: $14.4 billion) of bank deposits of which $6.1 billion (October 31, 2018: $5.9 billion) are in Canada and $8.7 billion (October 31, 2018: $8.5 billion) are in other countries.

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

Credit-related commitments

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

$ millions, as at April 30, 2019	Less than 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	1 – 2 years	2 – 5 years	Over 5 years	No specified maturity (1)	Total
Securities lending (2)	**$ 37,033**	**$ 5,275**	**$ 4,559**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ 46,867**
Unutilized credit commitments	**1,123**	**5,982**	**2,730**	**1,892**	**2,878**	**14,026**	**48,802**	**2,451**	**154,559**	**234,443**
Backstop liquidity facilities	**440**	**332**	**741**	**8,645**	**186**	**443**	**–**	**13**	**–**	**10,800**
Standby and performance letters of credit	**2,458**	**2,042**	**1,751**	**4,086**	**1,830**	**555**	**963**	**113**	**–**	**13,798**
Documentary and commercial letters of credit	**76**	**55**	**72**	**22**	**25**	**–**	**1**	**–**	**–**	**251**
	$ 41,130	**$ 13,686**	**$ 9,853**	**$ 14,645**	**$ 4,919**	**$ 15,024**	**$ 49,766**	**$ 2,577**	**$ 154,559**	**$ 306,159**
October 31, 2018	$ 43,053	$ 22,587	$ 11,367	$ 6,716	$ 4,879	$ 11,622	$ 47,445	$ 2,449	$ 150,139	$ 300,257

(1) Includes $119.8 billion (October 31, 2018: $116.5 billion) of personal, home equity and credit card lines, which are unconditionally cancellable at our discretion.
(2) Excludes securities lending of $1.9 billion (October 31, 2018: $2.7 billion) for cash because it is reported on the interim consolidated balance sheet.

Other contractual obligations

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

$ millions, as at April 30, 2019	Less than 1 month	1 – 3 months	3 – 6 months	6 – 9 months	9 – 12 months	1 – 2 years	2 – 5 years	Over 5 years	Total
Operating leases	**$ 42**	**$ 85**	**$ 126**	**$ 126**	**$ 125**	**$ 511**	**$ 1,303**	**$ 3,333**	**$ 5,651**
Purchase obligations (1)	**125**	**226**	**217**	**165**	**168**	**453**	**637**	**104**	**2,095**
Pension contributions (2)	**100**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**100**
Underwriting commitments	**251**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**251**
Investment commitments	**–**	**–**	**4**	**1**	**4**	**2**	**4**	**204**	**219**
	$ 518	**$ 311**	**$ 347**	**$ 292**	**$ 297**	**$ 966**	**$ 1,944**	**$ 3,641**	**$ 8,316**
October 31, 2018	$ 331	$ 304	$ 370	$ 347	$ 342	$ 970	$ 1,964	$ 3,751	$ 8,379

(1) Obligations that are legally binding agreements whereby we agree to purchase products or services with specific minimum or baseline quantities defined at fixed, minimum or variable prices over a specified period of time are defined as purchase obligations. Purchase obligations are included through to the termination date specified in the respective agreements, even if the contract is renewable. Many of the purchase agreements for goods and services include clauses that would allow us to cancel the agreement prior to expiration of the contract within a specific notice period. However, the amount above includes our obligations without regard to such termination clauses (unless actual notice of our intention to terminate the agreement has been communicated to the counterparty). The table excludes purchases of debt and equity instruments that settle within standard market time frames.
(2) Includes estimated minimum funding contributions for our funded defined benefit pension plans in Canada, the U.S., the U.K., and the Caribbean. Estimated minimum funding contributions are included only for the next annual period as the minimum contributions are affected by various factors, such as market performance and regulatory requirements, and therefore are subject to significant variability.

Other risks

We also have policies and processes to measure, monitor and control other risks, including strategic, insurance, operational, technology, information and cyber security, reputation and legal, regulatory compliance, and environmental and social risks. These risks and related policies and processes have not changed significantly from those described on pages 76 to 78 of the 2018 Annual Report.

Accounting and control matters

Critical accounting policies and estimates

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" using IFRS as issued by the International Accounting Standards Board. A summary of significant accounting policies is presented in Note 1 to our consolidated financial statements of our 2018 Annual Report. The interim consolidated financial statements have been prepared using the same accounting policies as CIBC's consolidated financial statements as at and for the year ended October 31, 2018, except that CIBC adopted IFRS 15 "Revenue from Contracts with Customers" effective November 1, 2018 as described in Note 1 to our interim consolidated financial statements. The application of IFRS 15 has not had a material impact on our interim consolidated financial statements.

Certain accounting policies require us to make judgments and estimates, some of which may relate to matters that are uncertain. Changes in the judgments and estimates in the critical accounting policies discussed on pages 79 to 84 of our 2018 Annual Report could have a material impact on our financial results. No significant changes have occurred with respect to our critical accounting estimates since our 2018 Annual Report.

Accounting developments

For details on future accounting policy changes, refer to Note 1 to our interim consolidated financial statements and Note 31 to the consolidated financial statements included in our 2018 Annual Report.

Other regulatory developments

Reforms to interest rate benchmarks

Various interest rate and other indices that are deemed to be "benchmarks" (including the London Interbank Offered Rate (LIBOR)) are the subject of international regulatory guidance and proposals for reform. The U.K.'s Financial Conduct Authority announced in July 2017 that it would not compel banks to submit LIBOR rates after December 2021 and, therefore, this benchmark and others may be discontinued beyond that date. These reform pressures may cause current benchmarks to disappear entirely, perform differently than in the past, create disincentives for market participants to continue to administer and contribute to certain benchmarks, or have other consequences which cannot be predicted. Accordingly, this uncertainty in respect of relevant benchmarks may adversely affect the value of, return on, or trading market for contracts linked to any such benchmark. CIBC will continue to monitor developments in this area.

Controls and procedures

Disclosure controls and procedures

CIBC's management, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of CIBC's disclosure controls and procedures as at April 30, 2019 (as defined in the rules of the SEC and the Canadian Securities Administrators). Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that such disclosure controls and procedures were effective.

Changes in internal control over financial reporting

There have been no changes in CIBC's internal control over financial reporting during the quarter ended April 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Related-party transactions

There have been no significant changes to CIBC's procedures and policies regarding related-party transactions since October 31, 2018. For additional information, refer to pages 85 and 171 of the 2018 Annual Report.

Interim consolidated financial statements
(Unaudited)

Contents

Consolidated balance sheet

Unaudited, millions of Canadian dollars, as at	2019 Apr. 30	2018 Oct. 31
ASSETS		
Cash and non-interest-bearing deposits with banks	**$ 4,178**	$ 4,380
Interest-bearing deposits with banks	**10,229**	13,311
Securities (Note 4)	**121,547**	101,664
Cash collateral on securities borrowed	**5,279**	5,488
Securities purchased under resale agreements	**48,806**	43,450
Loans (Note 5)		
Residential mortgages	**207,396**	207,749
Personal	**43,113**	43,058
Credit card	**12,645**	12,673
Business and government	**121,815**	109,555
Allowance for credit losses	**(1,751)**	(1,639)
	383,218	371,396
Other		
Derivative instruments	**22,103**	21,431
Customers' liability under acceptances	**9,727**	10,265
Land, buildings and equipment	**1,786**	1,795
Goodwill	**5,643**	5,564
Software and other intangible assets	**1,929**	1,945
Investments in equity-accounted associates and joint ventures	**553**	526
Deferred tax assets	**534**	601
Other assets	**18,577**	15,283
	60,852	57,410
	$ 634,109	$ 597,099
LIABILITIES AND EQUITY		
Deposits (Note 6)		
Personal	**$ 174,662**	$ 163,879
Business and government	**250,986**	240,149
Bank	**14,795**	14,380
Secured borrowings	**37,097**	42,607
	477,540	461,015
Obligations related to securities sold short	**14,188**	13,782
Cash collateral on securities lent	**1,888**	2,731
Obligations related to securities sold under repurchase agreements	**49,508**	30,840
Other		
Derivative instruments	**22,839**	20,973
Acceptances	**9,745**	10,296
Deferred tax liabilities	**40**	43
Other liabilities	**16,977**	18,223
	49,601	49,535
Subordinated indebtedness	**4,171**	4,080
Equity		
Preferred shares (Note 7)	**2,575**	2,250
Common shares (Note 7)	**13,443**	13,243
Contributed surplus	**125**	136
Retained earnings	**19,793**	18,537
Accumulated other comprehensive income (AOCI)	**1,094**	777
Total shareholders' equity	**37,030**	34,943
Non-controlling interests	**183**	173
Total equity	**37,213**	35,116
	$ 634,109	$ 597,099

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

Consolidated statement of income

Unaudited, millions of Canadian dollars, except as noted	For the three months ended 2019 Apr. 30 (1)	2019 Jan. 31 (1)	2018 Apr. 30 (1)	For the six months ended 2019 Apr. 30 (1)	2018 Apr. 30 (1)
Interest income (Note 12)					
Loans	**$ 3,875**	$ 4,013	$ 3,314	**$ 7,888**	$ 6,539
Securities	**697**	655	591	**1,352**	1,074
Securities borrowed or purchased under resale agreements	**357**	364	260	**721**	470
Deposits with banks	**96**	92	64	**188**	130
	5,025	5,124	4,229	**10,149**	8,213
Interest expense (Note 12)					
Deposits	**2,123**	2,142	1,451	**4,265**	2,729
Securities sold short	**76**	71	64	**147**	130
Securities lent or sold under repurchase agreements	**312**	258	191	**570**	312
Subordinated indebtedness	**45**	47	44	**92**	82
Other	**9**	10	3	**19**	11
	2,565	2,528	1,753	**5,093**	3,264
Net interest income	**2,460**	2,596	2,476	**5,056**	4,949
Non-interest income					
Underwriting and advisory fees	**155**	103	90	**258**	191
Deposit and payment fees	**221**	227	215	**448**	437
Credit fees	**232**	229	210	**461**	420
Card fees	**114**	117	127	**231**	257
Investment management and custodial fees	**314**	315	304	**629**	605
Mutual fund fees	**396**	393	399	**789**	808
Insurance fees, net of claims	**109**	112	107	**221**	217
Commissions on securities transactions	**75**	83	87	**158**	183
Gains (losses) from financial instruments measured/designated at fair value through profit or loss (FVTPL), net	**237**	176	122	**413**	260
Gains (losses) from debt securities measured at fair value through other comprehensive income (FVOCI) and amortized cost, net	**19**	4	24	**23**	32
Foreign exchange other than trading	**70**	91	79	**161**	180
Income from equity-accounted associates and joint ventures	**23**	22	29	**45**	58
Other	**117**	97	107	**214**	238
	2,082	1,969	1,900	**4,051**	3,886
Total revenue	**4,542**	4,565	4,376	**9,107**	8,835
Provision for credit losses (Note 5)	**255**	338	212	**593**	365
Non-interest expenses					
Employee compensation and benefits	**1,421**	1,400	1,414	**2,821**	2,875
Occupancy costs	**222**	220	212	**442**	429
Computer, software and office equipment	**461**	444	418	**905**	834
Communications	**81**	75	82	**156**	160
Advertising and business development	**90**	81	77	**171**	149
Professional fees	**51**	49	47	**100**	100
Business and capital taxes	**24**	32	22	**56**	50
Other (Note 3)	**238**	459	245	**697**	498
	2,588	2,760	2,517	**5,348**	5,095
Income before income taxes	**1,699**	1,467	1,647	**3,166**	3,375
Income taxes (Note 9)	**351**	285	328	**636**	728
Net income	**$ 1,348**	$ 1,182	$ 1,319	**$ 2,530**	$ 2,647
Net income attributable to non-controlling interests	**$ 7**	$ 4	$ 6	**$ 11**	$ 11
Preferred shareholders	**$ 28**	$ 23	$ 24	**$ 51**	$ 42
Common shareholders	**1,313**	1,155	1,289	**2,468**	2,594
Net income attributable to equity shareholders	**$ 1,341**	$ 1,178	$ 1,313	**$ 2,519**	$ 2,636
Earnings per share (in dollars) (Note 10)					
Basic	**$ 2.96**	$ 2.61	$ 2.90	**$ 5.56**	$ 5.86
Diluted	**2.95**	2.60	2.89	**5.55**	5.84
Dividends per common share (in dollars)	**1.40**	1.36	1.33	**2.76**	2.63

(1) Interest income included $4.6 billion for the quarter ended April 30, 2019 (January 31, 2019: $4.7 billion; April 30, 2018: $3.9 billion) and $9.2 billion for the six months ended April 30, 2019 (April 30, 2018: $7.5 billion) calculated based on the effective interest rate method.

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

Consolidated statement of comprehensive income

Unaudited, millions of Canadian dollars	For the three months ended 2019 Apr. 30	2019 Jan. 31	2018 Apr. 30	For the six months ended 2019 Apr. 30	2018 Apr. 30
Net income	**$ 1,348**	$ 1,182	$ 1,319	**$ 2,530**	$ 2,647
Other comprehensive income (loss) (OCI), net of income tax, that is subject to subsequent reclassification to net income					
Net foreign currency translation adjustments					
Net gains (losses) on investments in foreign operations	**616**	(66)	1,422	**550**	(140)
Net gains (losses) on hedges of investments in foreign operations	**(333)**	38	(886)	**(295)**	94
	283	(28)	536	**255**	(46)
Net change in debt securities measured at FVOCI					
Net gains (losses) on securities measured at FVOCI	**50**	98	(43)	**148**	(87)
Net (gains) losses reclassified to net income	**(14)**	(6)	(18)	**(20)**	(25)
	36	92	(61)	**128**	(112)
Net change in cash flow hedges					
Net gains (losses) on derivatives designated as cash flow hedges	**55**	44	(75)	**99**	(21)
Net (gains) losses reclassified to net income	**(13)**	(1)	36	**(14)**	(12)
	42	43	(39)	**85**	(33)
OCI, net of income tax, that is not subject to subsequent reclassification to net income					
Net gains (losses) on post-employment defined benefit plans	**(8)**	(135)	(5)	**(143)**	102
Net gains (losses) due to fair value change of FVO liabilities attributable to changes in credit risk	**(6)**	10	1	**4**	(2)
Net gains (losses) on equity securities designated at FVOCI	**(3)**	2	4	**(1)**	18
Total OCI [(1)]	**344**	(16)	436	**328**	(73)
Comprehensive income	**$ 1,692**	$ 1,166	$ 1,755	**$ 2,858**	$ 2,574
Comprehensive income attributable to non-controlling interests	**$ 7**	$ 4	$ 6	**$ 11**	$ 11
Preferred shareholders	**$ 28**	$ 23	$ 24	**$ 51**	$ 42
Common shareholders	**1,657**	1,139	1,725	**2,796**	2,521
Comprehensive income attributable to equity shareholders	**$ 1,685**	$ 1,162	$ 1,749	**$ 2,847**	$ 2,563

(1) Includes $18 million of gains for the quarter ended April 30, 2019 (January 31, 2019: $13 million of gains; April 30, 2018: $10 million of losses) and $31 million of gains for the six months ended April 30, 2019 (April 30, 2018: $12 million of losses), relating to our investments in equity-accounted associates and joint ventures.

Unaudited, millions of Canadian dollars	For the three months ended 2019 Apr. 30	2019 Jan. 31	2018 Apr. 30	For the six months ended 2019 Apr. 30	2018 Apr. 30
Income tax (expense) benefit allocated to each component of OCI					
Subject to subsequent reclassification to net income					
Net foreign currency translation adjustments					
Net gains (losses) on investments in foreign operations	**$ (4)**	$ –	$ (44)	**$ (4)**	$ 4
Net gains (losses) on hedges of investments in foreign operations	**4**	(2)	117	**2**	(3)
	–	(2)	73	**(2)**	1
Net change in debt securities measured at FVOCI					
Net gains (losses) on securities measured at FVOCI	**(2)**	(18)	8	**(20)**	12
Net (gains) losses reclassified to net income	**5**	2	6	**7**	7
	3	(16)	14	**(13)**	19
Net change in cash flow hedges					
Net gains (losses) on derivatives designated as cash flow hedges	**(20)**	(16)	27	**(36)**	7
Net (gains) losses reclassified to net income	**5**	1	(13)	**6**	5
	(15)	(15)	14	**(30)**	12
Not subject to subsequent reclassification to net income					
Net gains (losses) on post-employment defined benefit plans	**3**	42	2	**45**	(38)
Net gains (losses) due to fair value change of FVO liabilities attributable to changes in credit risk	**2**	(4)	–	**(2)**	1
Net gains (losses) on equity securities designated at FVOCI	**1**	–	(2)	**1**	(6)
	$ (6)	$ 5	$ 101	**$ (1)**	$ (11)

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

Consolidated statement of changes in equity

Unaudited, millions of Canadian dollars	For the three months ended 2019 Apr. 30	2019 Jan. 31	2018 Apr. 30	For the six months ended 2019 Apr. 30	2018 Apr. 30
Preferred shares (Note 7)					
Balance at beginning of period	**$ 2,575**	$ 2,250	$ 2,246	**$ 2,250**	$ 1,797
Issue of preferred shares	**–**	325	–	**325**	450
Treasury shares	**–**	–	2	**–**	1
Balance at end of period	**$ 2,575**	$ 2,575	$ 2,248	**$ 2,575**	$ 2,248
Common shares (Note 7)					
Balance at beginning of period	**$ 13,350**	$ 13,243	$ 13,070	**$ 13,243**	$ 12,548
Issued pursuant to the acquisition of The PrivateBank	**–**	–	–	**–**	194
Issued pursuant to the acquisition of Wellington Financial	**–**	–	–	**–**	47
Other issue of common shares	**96**	104	89	**200**	367
Treasury shares	**(3)**	3	7	**–**	10
Balance at end of period	**$ 13,443**	$ 13,350	$ 13,166	**$ 13,443**	$ 13,166
Contributed surplus					
Balance at beginning of period	**$ 131**	$ 136	$ 135	**$ 136**	$ 137
Compensation expense arising from equity-settled share-based awards	**5**	4	9	**9**	14
Exercise of stock options and settlement of other equity-settled share-based awards	**(11)**	(9)	(4)	**(20)**	(14)
Other	**–**	–	(3)	**–**	–
Balance at end of period	**$ 125**	$ 131	$ 137	**$ 125**	$ 137
Retained earnings					
Balance at beginning of period before accounting policy changes	**n/a**	$ 18,537	n/a	**$ 18,537**	$ 16,101
Impact of adopting IFRS 9 at November 1, 2017	**n/a**	n/a	n/a	**n/a**	(144)
Impact of adopting IFRS 15 at November 1, 2018 (Note 1)	**n/a**	6	n/a	**6**	n/a
Balance at beginning of period after accounting policy changes	**$ 19,101**	$ 18,543	$ 16,701	**$ 18,543**	$ 15,957
Net income attributable to equity shareholders	**1,341**	1,178	1,313	**2,519**	2,636
Dividends					
Preferred	**(28)**	(23)	(24)	**(51)**	(42)
Common	**(621)**	(603)	(591)	**(1,224)**	(1,165)
Realized gains (losses) on equity securities designated at FVOCI reclassified from AOCI	**2**	9	16	**11**	33
Other [1]	**(2)**	(3)	(3)	**(5)** [1]	(7)
Balance at end of period	**$ 19,793**	$ 19,101	$ 17,412	**$ 19,793**	$ 17,412
AOCI, net of income tax					
AOCI, net of income tax, that is subject to subsequent reclassification to net income					
Net foreign currency translation adjustments					
Balance at beginning of period	**$ 996**	$ 1,024	$ 156	**$ 1,024**	$ 738
Net change in foreign currency translation adjustments	**283**	(28)	536	**255**	(46)
Balance at end of period	**$ 1,279**	$ 996	$ 692	**$ 1,279**	$ 692
Net gains (losses) on debt securities measured at FVOCI					
Balance at beginning of period under IAS 39	**n/a**	n/a	n/a	**n/a**	$ 60
Impact of adopting IFRS 9 at November 1, 2017	**n/a**	n/a	n/a	**n/a**	(28)
Balance at beginning of period under IFRS 9	**$ (47)**	$ (139)	$ (19)	**$ (139)**	32
Net change in securities measured at FVOCI	**36**	92	(61)	**128**	(112)
Balance at end of period	**$ (11)**	$ (47)	$ (80)	**$ (11)**	$ (80)
Net gains (losses) on cash flow hedges					
Balance at beginning of period	**$ 25**	$ (18)	$ 39	**$ (18)**	$ 33
Net change in cash flow hedges	**42**	43	(39)	**85**	(33)
Balance at end of period	**$ 67**	$ 25	$ –	**$ 67**	$ –
AOCI, net of income tax, that is not subject to subsequent reclassification to net income					
Net gains (losses) on post-employment defined benefit plans					
Balance at beginning of period	**$ (278)**	$ (143)	$ (262)	**$ (143)**	$ (369)
Net change in post-employment defined benefit plans	**(8)**	(135)	(5)	**(143)**	102
Balance at end of period	**$ (286)**	$ (278)	$ (267)	**$ (286)**	$ (267)
Net gains (losses) due to fair value change of FVO liabilities attributable to changes in credit risk					
Balance at beginning of period	**$ (2)**	$ (12)	$ (13)	**$ (12)**	$ (10)
Net change attributable to changes in credit risk	**(6)**	10	1	**4**	(2)
Balance at end of period	**$ (8)**	$ (2)	$ (12)	**$ (8)**	$ (12)
Net gains (losses) on equity securities designated at FVOCI					
Impact of adopting IFRS 9 at November 1, 2017	**n/a**	n/a	n/a	**n/a**	$ 85
Balance at beginning of period under IFRS 9	**$ 58**	$ 65	$ 82	**$ 65**	85
Net gains (losses) on equity securities designated at FVOCI	**(3)**	2	4	**(1)**	18
Realized (gains) losses on equity securities designated at FVOCI reclassified to retained earnings [2]	**(2)**	(9)	(16)	**(11)**	(33)
Balance at end of period	**$ 53**	$ 58	$ 70	**$ 53**	$ 70
Total AOCI, net of income tax	**$ 1,094**	$ 752	$ 403	**$ 1,094**	$ 403
Non-controlling interests					
Balance at beginning of period under IAS 39	**n/a**	n/a	n/a	**n/a**	$ 202
Impact of adopting IFRS 9 at November 1, 2017	**n/a**	n/a	n/a	**n/a**	(4)
Balance at beginning of period under IFRS 9	**$ 174**	$ 173	$ 187	**$ 173**	198
Net income attributable to non-controlling interests	**7**	4	6	**11**	11
Dividends	**(2)**	(2)	(21)	**(4)**	(25)
Other	**4**	(1)	8	**3**	(4)
Balance at end of period	**$ 183**	$ 174	$ 180	**$ 183**	$ 180
Equity at end of period	**$ 37,213**	$ 36,083	$ 33,546	**$ 37,213**	$ 33,546

(1) Includes the recognition of loss carryforwards relating to foreign exchange translation amounts on CIBC's net investment in foreign operations that were previously reclassified to retained earnings as part of our transition to IFRS in 2012.
(2) Includes nil reclassified to retained earnings for the quarter ended April 30, 2019 (January 31, 2019: nil; April 30, 2018: $8 million of gains), and nil for the six months ended April 30, 2019 (April 30, 2018: $18 million) relating to our investments in equity-accounted associates and joint ventures.
n/a Not applicable.

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

Consolidated statement of cash flows

Unaudited, millions of Canadian dollars	For the three months ended 2019 Apr. 30	2019 Jan. 31	2018 Apr. 30	For the six months ended 2019 Apr. 30	2018 Apr. 30
Cash flows provided by (used in) operating activities					
Net income	**$ 1,348**	$ 1,182	$ 1,319	**$ 2,530**	$ 2,647
Adjustments to reconcile net income to cash flows provided by (used in) operating activities:					
Provision for credit losses	**255**	338	212	**593**	365
Amortization and impairment [(1)]	**178**	171	162	**349**	328
Stock options and restricted shares expense	**5**	4	9	**9**	14
Deferred income taxes	**85**	–	22	**85**	110
Losses (gains) from debt securities measured at FVOCI and amortized cost	**(19)**	(4)	(24)	**(23)**	(32)
Net losses (gains) on disposal of land, buildings and equipment	**(1)**	–	(3)	**(1)**	(12)
Other non-cash items, net	**(181)**	(184)	(136)	**(365)**	(223)
Net changes in operating assets and liabilities					
Interest-bearing deposits with banks	**2,255**	827	16	**3,082**	(1,211)
Loans, net of repayments	**(8,051)**	(3,301)	(8,229)	**(11,352)**	(9,185)
Deposits, net of withdrawals	**11,433**	2,350	1,728	**13,783**	9,117
Obligations related to securities sold short	**(1,247)**	1,653	(1,522)	**406**	12
Accrued interest receivable	**(171)**	65	(197)	**(106)**	(202)
Accrued interest payable	**199**	(58)	167	**141**	90
Derivative assets	**(935)**	242	5,377	**(693)**	266
Derivative liabilities	**(531)**	2,328	(6,818)	**1,797**	(758)
Securities measured at FVTPL	**(8,865)**	(1,418)	(1,190)	**(10,283)**	(552)
Other assets and liabilities measured/designated at FVTPL	**860**	(138)	275	**722**	(949)
Current income taxes	**(135)**	(152)	(83)	**(287)**	(384)
Cash collateral on securities lent	**(772)**	(71)	492	**(843)**	(33)
Obligations related to securities sold under repurchase agreements	**7,027**	11,641	4,644	**18,668**	10,402
Cash collateral on securities borrowed	**(317)**	526	649	**209**	(1,305)
Securities purchased under resale agreements	**3,201**	(7,883)	5,620	**(4,682)**	(1,364)
Other, net	**(1,320)**	(2,302)	4,124	**(3,622)**	2,066
	4,301	5,816	6,614	**10,117**	9,207
Cash flows provided by (used in) financing activities					
Issue of subordinated indebtedness	**–**	–	1,500	**–**	1,500
Redemption/repurchase/maturity of subordinated indebtedness	**–**	–	–	**–**	–
Issue of preferred shares, net of issuance cost	**–**	321	–	**321**	445
Issue of common shares for cash	**38**	38	39	**76**	109
Purchase of common shares for cancellation	**–**	–	–	**–**	–
Net sale (purchase) of treasury shares	**(3)**	3	9	**–**	11
Dividends paid	**(602)**	(569)	(569)	**(1,171)**	(964)
	(567)	(207)	979	**(774)**	1,101
Cash flows provided by (used in) investing activities					
Purchase of securities measured/designated at FVOCI and amortized cost	**(9,067)**	(11,224)	(9,578)	**(20,291)**	(15,538)
Proceeds from sale of securities measured/designated at FVOCI and amortized cost	**3,665**	3,755	2,168	**7,420**	2,850
Proceeds from maturity of debt securities measured at FVOCI and amortized cost	**1,777**	1,627	1,530	**3,404**	4,316
Cash used in acquisitions, net of cash acquired	**–**	–	–	**–**	(315)
Net cash provided by dispositions of investments in equity-accounted associates and joint ventures	**–**	–	66	**–**	149
Net sale (purchase) of land, buildings and equipment	**(57)**	(55)	(45)	**(112)**	(85)
	(3,682)	(5,897)	(5,859)	**(9,579)**	(8,623)
Effect of exchange rate changes on cash and non-interest-bearing deposits with banks	**38**	(4)	77	**34**	(13)
Net increase (decrease) in cash and non-interest-bearing deposits with banks during the period	**90**	(292)	1,811	**(202)**	1,672
Cash and non-interest-bearing deposits with banks at beginning of period	**4,088**	4,380	3,301	**4,380**	3,440
Cash and non-interest-bearing deposits with banks at end of period [(2)]	**$ 4,178**	$ 4,088	$ 5,112	**$ 4,178**	$ 5,112
Cash interest paid	**$ 2,366**	$ 2,586	$ 1,586	**$ 4,952**	$ 3,174
Cash interest received	**4,681**	5,019	3,840	**9,700**	7,631
Cash dividends received	**173**	170	192	**343**	380
Cash income taxes paid	**401**	437	389	**838**	1,002

(1) Comprises amortization and impairment of buildings, furniture, equipment, leasehold improvements, and software and other intangible assets.
(2) Includes restricted balance of $439 million (January 31, 2019: $497 million; April 30, 2018: $393 million).

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

Notes to the interim consolidated financial statements
(Unaudited)

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

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and do not include all of the information required for full annual consolidated financial statements. Except as indicated below, these interim consolidated financial statements follow the same accounting policies and methods of application as CIBC's consolidated financial statements as at and for the year ended October 31, 2018.

All amounts in these interim consolidated financial statements are presented in Canadian dollars, unless otherwise indicated. These interim consolidated financial statements were authorized for issue by the Board of Directors on May 21, 2019.

Note 1. Changes in accounting policies

(a) Current period changes in accounting policies

IFRS 15 "Revenue From Contracts with Customers" (IFRS 15)

CIBC adopted IFRS 15 "Revenue from Contracts with Customers" (IFRS 15) as at November 1, 2018 in place of prior guidance, including IAS 18 "Revenue" (IAS 18) and IFRIC 13 "Customer Loyalty Programmes" (IFRIC 13). We applied IFRS 15 on a modified retrospective basis by recognizing a cumulative $6 million after-tax credit from the initial application in opening November 1, 2018 retained earnings.

The new guidance includes a five-step, principles-based recognition and measurement approach, as well as requirements for accounting for contract costs, and enhanced quantitative and qualitative disclosure requirements. The application of this guidance involves the use of judgment. IFRS 15 excludes from its scope revenue related to financial instruments, lease contracts and insurance contracts. As a result, the majority of our revenue was not impacted by the adoption of this standard, including net interest income, net gains (losses) from financial instruments measured/designated at FVTPL and net gains (losses) from debt securities measured at FVOCI.

Measurement differences resulting from the adoption of IFRS 15 include the upfront expensing of previously deferred mutual fund sales commissions. In addition, the adoption of IFRS 15 has resulted in the revaluation of our credit card loyalty points liability, which is now subject to both upward and downward remeasurement to reflect the expected cost of redemption as this expectation changes over time. Previously, under IFRIC 13, decreases in the expected cost of redemptions were only recognized as points were redeemed, while increases were recognized immediately.

In addition, the adoption of IFRS 15 has resulted in changes to the presentation of certain revenue and expense items in the consolidated statement of income. Presentation differences include the net presentation of certain expenditures where CIBC is deemed the agent rather than the principal and the gross presentation of certain expenditures where CIBC is deemed the principal rather than the agent. Our prior period comparative consolidated financial statements are reported under the prior guidance, without restatement, however the measurement and presentation differences in the current period are not significant.

Our revised accounting policies in accordance with this adoption are effective November 1, 2018 and are discussed below.

Fee and commission income

The recognition of fee and commission income is determined by the purpose of the fee or commission and the terms specified in the contract with the customer. Revenue is recognized when, or as, a performance obligation is satisfied by transferring control of the service to the customer, in the amount of the consideration to which we expect to be entitled. Revenue may therefore be recognized at a point in time upon completion of the service or over time as the services are provided. When revenue is recognized over time, we are generally required to provide the services each period and we therefore measure our progress towards completion of the service based upon the time elapsed. When another party is involved in providing a service to a customer, we determine whether the nature of our performance obligation is that of a principal or an agent. If we control the service before it is transferred to the customer, we are acting as the principal and present revenue separately from the amount paid to the other party; otherwise we are the agent and present revenue net of the amount paid to the other party. Income which forms an integral part of the effective interest rate of a financial instrument continues to be recognized as an adjustment to the effective interest rate.

Underwriting and advisory fees are earned on debt and equity securities placements and transaction-based advisory services. Underwriting fees are typically recognized at the point in time when the transaction is completed. Advisory fees are generally recognized as revenue over the period of the engagement as the related services are provided or at the point in time when the transaction is completed.

Deposit and payment fees arise from personal and business deposit accounts and cash management services. Monthly and annual fees are recognized over the period that the related services are provided. Transactional fees are recognized at the point in time the related services are provided.

Credit fees consist of loan syndication fees, loan commitment fees, letter of credit fees, banker's acceptance stamping fees, and securitization fees. Credit fees are generally recognized over the period that the related services are provided, except for loan syndication fees, which are typically recognized at the point in time that the financing placement is completed.

Card fees primarily include interchange income, overlimit fees, cash advance fees, and annual fees. Card fees are recognized at the point in time the related services are provided, except for annual fees, which are recognized over the 12-month period to which they relate. The cost of credit card loyalty points is recognized as a reduction of interchange income when the loyalty points are issued for both self-managed and third-party loyalty points programs. Credit card loyalty point liabilities are recognized for self-managed loyalty point programs and are subject to periodic remeasurement to reflect the expected cost of redemption as this expectation changes over time.

Commissions on securities transactions include brokerage commissions for transactions executed on behalf of clients, trailer fees and mutual fund sales commissions. Brokerage commissions and mutual fund sales commissions are generally recognized at the point in time that the related transaction is executed. Trailer fees are typically recognized over time based upon the daily net asset value of the mutual fund units held by clients.

Investment management fees are primarily based on the respective value of the assets under management (AUM) or assets under administration (AUA) and are recognized over the period that the related services are provided. Investment management fees relating to our asset management and private wealth management business are generally calculated based on point-in-time AUM balances, and investment management fees relating to our retail brokerage business are generally calculated based on point-in-time AUM or AUA balances. Custodial fees are recognized as revenue over the applicable service period, which is generally the contract term.

Mutual fund fees are earned on fund management services and are recognized over the period that the mutual funds are managed based upon the daily net asset values of the respective mutual funds.

(b) Future accounting policy changes

Transition to IFRS 16

IFRS 16 "Leases" (IFRS 16) replaces IAS 17 "Leases" (IAS 17), and is effective for annual periods beginning on or after January 1, 2019, which for us will be on November 1, 2019. IFRS 16 will result in on-balance sheet recognition for many leases that are considered operating leases under IAS 17, including our property leases, which will result in the gross-up of the balance sheet through the recognition of a right-of-use asset and a liability for the lease component of the future payments. We will no longer recognize the impacted lease payments through operating expenses; instead, we will recognize depreciation expense on the right-of-use asset and interest expense on the lease liability in the statement of income. We plan to adopt IFRS 16 by adjusting our consolidated balance sheet at November 1, 2019, the date of initial application, with no restatement of comparative periods.

Our centrally managed IFRS 16 transition program that includes stakeholders from our Finance, Corporate Services, and Technology and Operations groups is currently modifying our policies, processes, controls, and systems to comply with the new standard.

For details on other future accounting policy changes, refer to Note 31 to the consolidated financial statements included in our 2018 Annual Report. We are continuing to evaluate the impact of standards that are effective for us after fiscal 2019.

Note 2. Fair value measurement

Fair value of financial instruments

$ millions, as at April 30		Carrying value: Amortized cost	Carrying value: Mandatorily measured at FVTPL	Carrying value: Designated at FVTPL	Carrying value: Fair value through OCI	Carrying value: Total	Fair value	Fair value over (under) carrying value
2019	**Financial assets**							
	Cash and deposits with banks	**$ 14,013**	**$ 394**	**$ –**	**$ –**	**$ 14,407**	**$ 14,407**	**$ –**
	Securities	**17,019**	**62,564**	**297**	**41,667**	**121,547**	**121,516**	**(31)**
	Cash collateral on securities borrowed	**5,279**	**–**	**–**	**–**	**5,279**	**5,279**	**–**
	Securities purchased under resale agreements	**44,810**	**3,996**	**–**	**–**	**48,806**	**48,806**	**–**
	Loans							
	Residential mortgages	**207,159**	**17**	**–**	**–**	**207,176**	**207,218**	**42**
	Personal	**42,609**	**–**	**–**	**–**	**42,609**	**42,626**	**17**
	Credit card	**12,215**	**–**	**–**	**–**	**12,215**	**12,215**	**–**
	Business and government	**101,051**	**20,167**	**–**	**–**	**121,218**	**121,294**	**76**
	Derivative instruments	**–**	**22,103**	**–**	**–**	**22,103**	**22,103**	**–**
	Customers' liability under acceptances	**9,727**	**–**	**–**	**–**	**9,727**	**9,727**	**–**
	Other assets	**12,377**	**–**	**–**	**–**	**12,377**	**12,377**	**–**
	Financial liabilities							
	Deposits							
	Personal	**$ 173,119**	**$ –**	**$ 1,543**	**$ –**	**$ 174,662**	**$ 174,606**	**$ (56)**
	Business and government	**243,219**	**–**	**7,767**	**–**	**250,986**	**251,383**	**397**
	Bank	**14,795**	**–**	**–**	**–**	**14,795**	**14,795**	**–**
	Secured borrowings	**36,949**	**–**	**148**	**–**	**37,097**	**37,433**	**336**
	Derivative instruments	**–**	**22,839**	**–**	**–**	**22,839**	**22,839**	**–**
	Acceptances	**9,745**	**–**	**–**	**–**	**9,745**	**9,745**	**–**
	Obligations related to securities sold short	**–**	**14,188**	**–**	**–**	**14,188**	**14,188**	**–**
	Cash collateral on securities lent	**1,888**	**–**	**–**	**–**	**1,888**	**1,888**	**–**
	Obligations related to securities sold under repurchase agreements	**49,508**	**–**	**–**	**–**	**49,508**	**49,508**	**–**
	Other liabilities	**12,637**	**99**	**3**	**–**	**12,739**	**12,739**	**–**
	Subordinated indebtedness	**4,171**	**–**	**–**	**–**	**4,171**	**4,434**	**263**

$ millions, as at October 31		Carrying value: Amortized cost	Carrying value: Mandatorily measured at FVTPL	Carrying value: Designated at FVTPL	Carrying value: Fair value through OCI	Carrying value: Total	Fair value	Fair value over (under) carrying value
2018	**Financial assets**							
	Cash and deposits with banks	$ 17,637	$ 54	$ –	$ –	$ 17,691	$ 17,691	$ –
	Securities	12,876	52,394	184	36,210	101,664	101,507	(157)
	Cash collateral on securities borrowed	5,488	–	–	–	5,488	5,488	–
	Securities purchased under resale agreements	40,128	3,322	–	–	43,450	43,450	–
	Loans							
	Residential mortgages	207,523	12	–	–	207,535	205,868	(1,667)
	Personal	42,577	–	–	–	42,577	42,559	(18)
	Credit card	12,255	–	–	–	12,255	12,255	–
	Business and government	92,605	16,424	–	–	109,029	108,917	(112)
	Derivative instruments	–	21,431	–	–	21,431	21,431	–
	Customers' liability under acceptances	10,265	–	–	–	10,265	10,265	–
	Other assets	10,230	–	–	–	10,230	10,230	–
	Financial liabilities							
	Deposits							
	Personal	$ 163,113	$ –	$ 766	$ –	$ 163,879	$ 163,642	$ (237)
	Business and government	233,174	–	6,975	–	240,149	240,374	225
	Bank	14,380	–	–	–	14,380	14,380	–
	Secured borrowings	42,481	–	126	–	42,607	42,868	261
	Derivative instruments	–	20,973	–	–	20,973	20,973	–
	Acceptances	10,296	–	–	–	10,296	10,296	–
	Obligations related to securities sold short	–	13,782	–	–	13,782	13,782	–
	Cash collateral on securities lent	2,731	–	–	–	2,731	2,731	–
	Obligations related to securities sold under repurchase agreements	30,840	–	–	–	30,840	30,840	–
	Other liabilities	13,030	95	17	–	13,142	13,142	–
	Subordinated indebtedness	4,080	–	–	–	4,080	4,340	260

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

	Level 1		Level 2		Level 3			
	Quoted market price		Valuation technique – observable market inputs		Valuation technique – non-observable market inputs		**Total**	Total
$ millions, as at	**2019 Apr. 30**	2018 Oct. 31	**2019 Apr. 30**	2018 Oct. 31	**2019 Apr. 30**	2018 Oct. 31	**2019 Apr. 30**	2018 Oct. 31
Financial assets								
Deposits with banks	**$ –**	$ –	**$ 394**	$ 54	**$ –**	$ –	**$ 394**	$ 54
Securities mandatorily measured and designated at FVTPL								
Government issued or guaranteed	**5,319**	4,264	**21,723** (1)	16,328 (1)	**–**	–	**27,042**	20,592
Corporate equity	**27,554**	25,140	**542**	208	**7**	6	**28,103**	25,354
Corporate debt	**–**	–	**4,529**	3,675	**24**	26	**4,553**	3,701
Mortgage- and asset-backed	**–**	–	**2,917** (2)	2,612 (2)	**246**	319	**3,163**	2,931
	32,873	29,404	**29,711**	22,823	**277**	351	**62,861**	52,578
Loans mandatorily measured at FVTPL								
Business and government	**–**	–	**19,233**	15,942	**934**	482	**20,167**	16,424
Residential mortgages	**–**	–	**17**	12	**–**	–	**17**	12
	–	–	**19,250**	15,954	**934**	482	**20,184**	16,436
Debt securities measured at FVOCI								
Government issued or guaranteed	**1,581**	2,844	**30,183**	24,763	**–**	–	**31,764**	27,607
Corporate debt	**–**	–	**5,748**	4,543	**–**	–	**5,748**	4,543
Mortgage- and asset-backed	**–**	–	**3,573**	3,498	**–**	–	**3,573**	3,498
	1,581	2,844	**39,504**	32,804	**–**	–	**41,085**	35,648
Equity securities designated at FVOCI								
Corporate equity	**41**	42	**245**	235	**296**	285	**582**	562
	41	42	**245**	235	**296**	285	**582**	562
Securities purchased under resale agreements measured at FVTPL	**–**	–	**3,996**	3,322	**–**	–	**3,996**	3,322
Derivative instruments								
Interest rate	**5**	–	**8,275**	5,593	**25**	–	**8,305**	5,593
Foreign exchange	**–**	–	**8,122**	9,303	**–**	–	**8,122**	9,303
Credit	**–**	–	**–**	3	**114**	115	**114**	118
Equity	**2,281**	1,727	**1,327**	1,783	**273**	107	**3,881**	3,617
Precious metal	**–**	–	**187**	206	**–**	–	**187**	206
Other commodity	**324**	143	**1,170**	2,451	**–**	–	**1,494**	2,594
	2,610	1,870	**19,081**	19,339	**412**	222	**22,103**	21,431
Total financial assets	**$ 37,105**	$ 34,160	**$ 112,181**	$ 94,531	**$ 1,919**	$ 1,340	**$ 151,205**	$ 130,031
Financial liabilities								
Deposits and other liabilities (3)	**$ –**	$ –	**$ (8,967)**	$ (7,556)	**$ (593)**	$ (423)	**$ (9,560)**	$ (7,979)
Obligations related to securities sold short	**(5,463)**	(4,443)	**(8,725)**	(9,339)	**–**	–	**(14,188)**	(13,782)
	(5,463)	(4,443)	**(17,692)**	(16,895)	**(593)**	(423)	**(23,748)**	(21,761)
Derivative instruments								
Interest rate	**(2)**	–	**(8,348)**	(6,152)	**(17)**	(109)	**(8,367)**	(6,261)
Foreign exchange	**–**	–	**(8,582)**	(9,335)	**–**	–	**(8,582)**	(9,335)
Credit	**–**	–	**(11)**	(16)	**(124)**	(131)	**(135)**	(147)
Equity	**(1,723)**	(1,489)	**(2,562)**	(2,268)	**(167)**	(119)	**(4,452)**	(3,876)
Precious metal	**–**	–	**(174)**	(258)	**–**	–	**(174)**	(258)
Other commodity	**(508)**	(487)	**(621)**	(609)	**–**	–	**(1,129)**	(1,096)
	(2,233)	(1,976)	**(20,298)**	(18,638)	**(308)**	(359)	**(22,839)**	(20,973)
Total financial liabilities	**$ (7,696)**	$ (6,419)	**$ (37,990)**	$ (35,533)	**$ (901)**	$ (782)	**$ (46,587)**	$ (42,734)

(1) Includes $55 million related to securities designated at FVTPL (October 31, 2018: $52 million).
(2) Includes $242 million related to asset-backed securities designated at FVTPL (October 31, 2018: $132 million).
(3) Comprises deposits designated at FVTPL of $8,831 million (October 31, 2018: $7,517 million), net bifurcated embedded derivative liabilities of $627 million (October 31, 2018: $350 million), other liabilities designated at FVTPL of $3 million (October 31, 2018: $17 million), and other financial liabilities measured at fair value of $99 million (October 31, 2018: $95 million).

Transfers between levels in the fair value hierarchy are deemed to have occurred at the beginning of the quarter in which the transfer occurred. Transfers between levels can occur as a result of additional or new information regarding valuation inputs and changes in their observability. During the quarter ended April 30, 2019, we transferred $411 million of securities mandatorily measured at FVTPL and $844 million of securities sold short from Level 1 to Level 2 due to reduced observability in the inputs used to value these securities (for the quarter ended January 31, 2019, nil of securities mandatorily measured at FVTPL and $431 million of securities sold short were transferred from Level 1 to Level 2; for the quarter ended April 30, 2018, $157 million of securities mandatorily measured at FVTPL and $1,284 million of securities sold short were transferred from Level 1 to Level 2). In addition, transfers between Level 2 and Level 3 were made during the quarters ended April 30, 2019, January 31, 2019, and April 30, 2018, primarily due to changes in the observability of certain market volatility inputs that were used in measuring the fair value of our embedded derivatives, as noted in the following table.

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

$ millions, for the three months ended	Opening balance	Net gains (losses) included in income [1] Realized [2]	Unrealized [2][3]	Net unrealized gains (losses) included in OCI [4]	Transfer in to Level 3	Transfer out of Level 3	Purchases	Issuances	Sales	Settlements	Closing balance
Apr. 30, 2019											
Securities mandatorily measured at FVTPL											
Corporate equity	**$ 7**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ 7**
Corporate debt	**24**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**24**
Mortgage- and asset-backed	**239**	**–**	**1**	**–**	**–**	**–**	**74**	**–**	**–**	**(68)**	**246**
Loans mandatorily measured at FVTPL											
Business and government	**793**	**–**	**1**	**15**	**–**	**–**	**313**	**3**	**(47)**	**(144)**	**934**
Equity securities designated at FVOCI											
Corporate equity	**281**	**–**	**–**	**(4)**	**–**	**–**	**27**	**–**	**(8)**	**–**	**296**
Derivative instruments											
Interest rate	**–**	**–**	**24**	**–**	**–**	**–**	**–**	**1**	**–**	**–**	**25**
Credit	**112**	**(1)**	**3**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**114**
Equity	**264**	**–**	**25**	**–**	**–**	**(17)**	**5**	**–**	**–**	**(4)**	**273**
Total assets	**$ 1,720**	**$ (1)**	**$ 54**	**$ 11**	**$ –**	**$ (17)**	**$ 419**	**$ 4**	**$ (55)**	**$ (216)**	**$ 1,919**
Deposits and other liabilities [5]	**$ (461)**	**$ –**	**$ (111)**	**$ –**	**$ (2)**	**$ 15**	**$ –**	**$ (67)**	**$ –**	**$ 33**	**$ (593)**
Derivative instruments											
Interest rate	**(24)**	**–**	**7**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(17)**
Credit	**(128)**	**1**	**(3)**	**–**	**–**	**–**	**–**	**–**	**–**	**6**	**(124)**
Equity	**(141)**	**–**	**(53)**	**–**	**–**	**53**	**–**	**(31)**	**–**	**5**	**(167)**
Total liabilities	**$ (754)**	**$ 1**	**$ (160)**	**$ –**	**$ (2)**	**$ 68**	**$ –**	**$ (98)**	**$ –**	**$ 44**	**$ (901)**
Jan. 31, 2019											
Securities mandatorily measured at FVTPL											
Corporate equity	$ 6	$ –	$ 1	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 7
Corporate debt	26	–	(2)	–	–	–	–	–	–	–	24
Mortgage- and asset-backed	319	–	–	–	–	–	–	–	–	(80)	239
Loans mandatorily measured at FVTPL											
Business and government	482	–	(1)	–	–	–	460	46	(16)	(178)	793
Equity securities designated at FVOCI											
Corporate equity	285	–	–	5	–	–	12	–	(21)	–	281
Derivative instruments											
Credit	115	(1)	(2)	–	–	–	–	–	–	–	112
Equity	107	–	14	–	–	–	–	146	–	(3)	264
Total assets	$ 1,340	$ (1)	$ 10	$ 5	$ –	$ –	$ 472	$ 192	$ (37)	$ (261)	$ 1,720
Deposits and other liabilities [5]	$ (423)	$ –	$ (6)	$ –	$ (19)	$ 19	$ –	$ (45)	$ –	$ 13	$ (461)
Derivative instruments											
Interest rate	(109)	–	102	–	–	–	–	–	–	(17)	(24)
Credit	(131)	1	2	–	–	–	–	–	–	–	(128)
Equity	(119)	–	(22)	–	–	–	–	(22)	–	22	(141)
Total liabilities	$ (782)	$ 1	$ 76	$ –	$ (19)	$ 19	$ –	$ (67)	$ –	$ 18	$ (754)
Apr. 30, 2018											
Securities mandatorily measured at FVTPL											
Corporate debt	$ –	$ –	$ (1)	$ –	$ –	$ –	$ 26	$ –	$ –	$ –	$ 25
Mortgage- and asset-backed	688	2	8	–	–	–	–	–	(20)	(141)	537
Loans mandatorily measured at FVTPL											
Business and government	737	–	–	19	–	–	154	–	(10)	(289)	611
Debt securities measured at FVOCI											
Corporate debt	26	–	–	–	–	–	–	–	(26)	–	–
Equity securities designated at FVOCI											
Corporate equity	285	–	(1)	8	–	–	45	–	(44)	–	293
Derivative instruments											
Interest rate	17	–	(15)	–	–	–	–	–	–	–	2
Credit	119	(4)	5	–	–	–	–	–	–	–	120
Equity	34	–	(15)	–	–	(1)	17	–	–	(9)	26
Total assets	$ 1,906	$ (2)	$ (19)	$ 27	$ –	$ (1)	$ 242	$ –	$ (100)	$ (439)	$ 1,614
Deposits and other liabilities [5]	$ (430)	$ –	$ 63	$ –	$ (1)	$ 1	$ –	$ (27)	$ –	$ 18	$ (376)
Derivative instruments											
Interest rate	(42)	–	(1)	–	–	–	–	–	–	6	(37)
Credit	(134)	4	(6)	–	–	–	–	–	–	–	(136)
Equity	(181)	–	17	–	–	46	–	(44)	–	19	(143)
Total liabilities	$ (787)	$ 4	$ 73	$ –	$ (1)	$ 47	$ –	$ (71)	$ –	$ 43	$ (692)

(1) Cumulative AOCI gains or losses related to equity securities designated at FVOCI are reclassified from AOCI to retained earnings at the time of disposal or derecognition.
(2) Includes foreign currency gains and losses related to debt securities measured at FVOCI.
(3) Comprises unrealized gains and losses relating to these assets and liabilities held at the end of the reporting period.
(4) Foreign exchange translation on loans mandatorily measured at FVTPL held by foreign operations and denominated in the same currency as the foreign operations is included in OCI.
(5) Includes deposits designated at FVTPL of $118 million (January 31, 2019: $116 million; April 30, 2018: $42 million) and net bifurcated embedded derivative liabilities of $475 million (January 31, 2019: $345 million; April 30, 2018: $334 million).

$ millions, for the six months ended	IAS 39 Opening balance	Reclassification upon adoption of IFRS 9	IFRS 9 Opening balance	Net gains (losses) included in income [1] Realized [2]	Net gains (losses) included in income [1] Unrealized [2][3]	Net unrealized gains (losses) included in OCI [4]	Transfer in to Level 3	Transfer out of Level 3	Purchases	Issuances	Sales	Settlements	Closing balance
Apr. 30, 2019													
Securities mandatorily measured at FVTPL													
Corporate equity	**n/a**	**n/a**	**$ 6**	**$ –**	**$ 1**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ 7**
Corporate debt	**n/a**	**n/a**	**26**	**–**	**(2)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**24**
Mortgage- and asset-backed	**n/a**	**n/a**	**319**	**–**	**1**	**–**	**–**	**–**	**74**	**–**	**–**	**(148)**	**246**
Loans mandatorily measured at FVTPL													
Business and government	**n/a**	**n/a**	**482**	**–**	**–**	**15**	**–**	**–**	**773**	**49**	**(63)**	**(322)**	**934**
Equity securities designated at FVOCI													
Corporate equity	**n/a**	**n/a**	**285**	**–**	**–**	**1**	**–**	**–**	**39**	**–**	**(29)**	**–**	**296**
Derivative instruments													
Interest rate	**n/a**	**n/a**	**–**	**–**	**24**	**–**	**–**	**–**	**–**	**1**	**–**	**–**	**25**
Credit	**n/a**	**n/a**	**115**	**(2)**	**1**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**114**
Equity	**n/a**	**n/a**	**107**	**–**	**39**	**–**	**–**	**(17)**	**5**	**146**	**–**	**(7)**	**273**
Total assets	**n/a**	**n/a**	**$ 1,340**	**$ (2)**	**$ 64**	**$ 16**	**$ –**	**$ (17)**	**$ 891**	**$ 196**	**$ (92)**	**$ (477)**	**$ 1,919**
Deposits and other liabilities [5]	**n/a**	**n/a**	**$ (423)**	**$ –**	**$ (117)**	**$ –**	**$ (21)**	**$ 34**	**$ –**	**$ (112)**	**$ –**	**$ 46**	**$ (593)**
Derivative instruments													
Interest rate	**n/a**	**n/a**	**(109)**	**–**	**109**	**–**	**–**	**–**	**–**	**–**	**–**	**(17)**	**(17)**
Credit	**n/a**	**n/a**	**(131)**	**2**	**(1)**	**–**	**–**	**–**	**–**	**–**	**–**	**6**	**(124)**
Equity	**n/a**	**n/a**	**(119)**	**–**	**(75)**	**–**	**–**	**53**	**–**	**(53)**	**–**	**27**	**(167)**
Total liabilities	**n/a**	**n/a**	**$ (782)**	**$ 2**	**$ (84)**	**$ –**	**$ (21)**	**$ 87**	**$ –**	**$ (165)**	**$ –**	**$ 62**	**$ (901)**
Apr. 30, 2018													
Securities mandatorily measured at FVTPL (2017: Trading securities)													
Corporate equity	$ 32	$ –	$ 32	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ (32)	$ –
Corporate debt	–	–	–	–	(1)	–	–	–	26	–	–	–	25
Mortgage- and asset-backed	3	707	710	2	7	–	12	–	61	–	(20)	(235)	537
Securities designated at FVTPL (2017: FVO securities)													
Asset-backed	94	(94)	–	–	–	–	–	–	–	–	–	–	–
Loans mandatorily measured at FVTPL (2017: Trading loans)													
Business and government	103	363	466	–	(5)	(16)	–	–	559	13	(111)	(295)	611
Debt securities measured at FVOCI (2017: AFS debt securities)													
Corporate debt	4	–	4	(5)	1	–	–	–	26	–	(26)	–	–
Mortgage- and asset-backed	1,674	(1,674)	–	–	–	–	–	–	–	–	–	–	–
Equity securities designated at FVOCI (2017: AFS equity securities)													
Corporate equity	289	–	289	(3)	(2)	4	–	–	52	–	(47)	–	293
Derivative instruments													
Interest rate	28	–	28	–	(18)	–	–	–	–	–	–	(8)	2
Credit	130	–	130	(7)	(3)	–	–	–	–	–	–	–	120
Equity	38	–	38	–	(25)	–	12	(1)	17	–	–	(15)	26
Total assets	$ 2,395	$ (698)	$ 1,697	$ (13)	$ (46)	$ (12)	$ 24	$ (1)	$ 741	$ 13	$ (204)	$ (585)	$ 1,614
Deposits and other liabilities [5]	$ (369)	$ –	$ (369)	$ –	$ 47	$ –	$ (38)	$ 21	$ –	$ (78)	$ –	$ 41	$ (376)
Derivative instruments													
Interest rate	(20)	–	(20)	–	(20)	–	–	–	–	–	–	3	(37)
Credit	(148)	–	(148)	7	3	–	–	–	–	–	–	2	(136)
Equity	(77)	–	(77)	–	(7)	–	(71)	46	–	(72)	–	38	(143)
Total liabilities	$ (614)	$ –	$ (614)	$ 7	$ 23	$ –	$ (109)	$ 67	$ –	$ (150)	$ –	$ 84	$ (692)

(1) Cumulative AOCI gains or losses related to equity securities designated at FVOCI are reclassified from AOCI to retained earnings at the time of disposal or derecognition.
(2) Includes foreign currency gains and losses related to debt securities measured at FVOCI.
(3) Comprises unrealized gains and losses relating to these assets and liabilities held at the end of the reporting period.
(4) Foreign exchange translation on loans mandatorily measured at FVTPL held by foreign operations and denominated in the same currency as the foreign operations is included in OCI.
(5) Includes deposits designated at FVTPL of $118 million (April 30, 2018: $42 million) and net bifurcated embedded derivative liabilities of $475 million (April 30, 2018: $334 million).
n/a Not applicable.

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

During the quarter, there were no significant changes in the valuation techniques and the range of significant non-observable inputs used in measuring our Level 3 financial assets and liabilities. The impact of adjusting one or more of the non-observable inputs within a reasonably possible range on the fair value of our Level 3 financial assets and liabilities as at April 30, 2019 did not change significantly from the impact disclosed in the 2018 Annual Report.

Financial instruments designated at FVTPL (Fair value option)

A net gain of $4 million, net of hedges for the three months ended April 30, 2019 (a net gain of $3 million and $12 million for the three months ended January 31, 2019 and April 30, 2018, respectively), which is included in the interim consolidated statement of income under Gains (losses) from financial instruments measured/designated at FVTPL, net was realized for FVO assets and FVO liabilities. A net gain of $7 million, net of hedges for the six months ended April 30, 2019 was realized for FVO assets and FVO liabilities (a net gain of $21 million for the six months ended April 30, 2018).

The fair value of a FVO liability reflects the credit risk relating to that liability. For those FVO liabilities for which we believe changes in our credit risk would impact the fair value from the note holders' perspective, the related fair value changes were recognized in OCI. The pre-tax impact of changes in CIBC's own credit risk on our FVO liabilities was a loss of $8 million for the three months ended April 30, 2019 (gain of $14 million and gain of $1 million for the three months ended January 31, 2019 and April 30, 2018, respectively), a gain of $6 million for the six months ended April 30, 2019 and a loss of $12 million cumulatively (a loss of $3 million for the six months ended April 30, 2018 and a loss of $17 million cumulatively).

Note 3. Significant transactions

Finalization of arrangement with Air Canada

Following the close of Air Canada's acquisition of the Aeroplan loyalty business from Aimia Inc. on January 10, 2019, we will be offering credit cards under Air Canada's new loyalty program, which is expected to launch in 2020. This program will allow CIBC's Aeroplan cardholders to transfer their Aeroplan Miles to Air Canada's new loyalty program.

To secure our participation in Air Canada's new loyalty program for a period of 10 years, we paid Air Canada $200 million plus applicable sales tax, which we recognized as an expense in the first quarter of 2019. In addition, we made a payment of $92 million plus applicable sales tax in the first quarter of 2019 as a prepayment to be applied towards future monthly payments in respect of Aeroplan Miles over a 10-year period.

Note 4. Securities

Securities

$ millions, as at	**2019 Apr. 30**	2018 Oct. 31
	Carrying amount	
Debt securities measured at FVOCI	**$ 41,085**	$ 35,648
Equity securities designated at FVOCI	**582**	562
Securities measured at amortized cost [(1)]	**17,019**	12,876
Securities mandatorily measured and designated at FVTPL	**62,861**	52,578
	$ 121,547	$ 101,664

(1) There were no sales of securities measured at amortized cost during the quarter.

Fair value of debt securities measured and equity securities designated at FVOCI

$ millions, as at	**2019 Apr. 30**				2018 Oct. 31			
	Amortized cost [(1)]	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Securities issued or guaranteed by:								
Canadian federal government	**$ 7,767**	**$ 12**	**$ (2)**	**$ 7,777**	$ 6,608	$ 15	$ (3)	$ 6,620
Other Canadian governments	**11,784**	**20**	**(3)**	**11,801**	9,220	31	(2)	9,249
U.S. Treasury and agencies	**7,490**	**8**	**(28)**	**7,470**	7,824	7	(89)	7,742
Other foreign governments	**4,704**	**23**	**(11)**	**4,716**	3,997	16	(17)	3,996
Mortgage-backed securities	**3,535**	**5**	**(22)**	**3,518**	3,476	5	(51)	3,430
Asset-backed securities	**56**	**–**	**(1)**	**55**	68	–	–	68
Corporate debt	**5,750**	**5**	**(7)**	**5,748**	4,567	2	(26)	4,543
	41,086	**73**	**(74)**	**41,085**	35,760	76	(188)	35,648
Corporate public equity [(2)]	**35**	**13**	**(6)**	**42**	34	14	(5)	43
Corporate private equity	**470**	**89**	**(19)**	**540**	434	100	(15)	519
	505	**102**	**(25)**	**582**	468	114	(20)	562
	$ 41,591	**$ 175**	**$ (99)**	**$ 41,667**	$ 36,228	$ 190	$ (208)	$ 36,210

(1) Net of allowance for credit losses for debt securities measured at FVOCI of $24 million (October 31, 2018: $23 million).
(2) Includes restricted stock.

Fair value of equity securities designated at FVOCI that were disposed of during the quarter was nil ($1 million and nil for the three months ended January 31, 2019 and April 30, 2018, respectively) and $1 million for the six months ended April 30, 2019 (April 30, 2018: $3 million). Net realized cumulative after-tax gains of $2 million for the three months ended April 30, 2019 ($9 million and $8 million for the three months ended January 31, 2019 and April 30, 2018, respectively) and $11 million for the six months ended April 30, 2019 (April 30, 2018: $15 million) resulting from dispositions of certain equity securities designated at FVOCI and return on capital distributions from limited partnerships designated at FVOCI were reclassified from AOCI to retained earnings.

Dividend income recognized on equity securities designated at FVOCI that were still held as at April 30, 2019 was $2 million ($1 million and $2 million for the three months ended January 31, 2019 and April 30, 2018, respectively) and $3 million for the six months ended April 30, 2019 (April 30, 2018: $3 million). Dividend income recognized on equity securities designated at FVOCI that were disposed of as at April 30, 2019 was nil (nil and nil for the three months ended January 31, 2019 and April 30, 2018, respectively) and nil for the six months ended April 30, 2019 (April 30, 2018: nil).

Allowance for credit losses

The following tables provide a reconciliation of the opening balance to the closing balance of the expected credit loss (ECL) allowance under IFRS 9 "Financial Instruments" (IFRS 9) for debt securities measured at FVOCI:

$ millions, as at or for the three months ended		Stage 1 Collective provision 12-month ECL performing	Stage 2 Collective provision lifetime ECL performing	Stage 3 Collective and individual provision lifetime ECL credit-impaired	Total
2019	**Debt securities measured at FVOCI**				
Apr. 30	Balance at beginning of period	**$ 15**	**$ 3**	**$ 5**	**$ 23**
	Provision for (reversal of) credit losses (1)	**–**	**–**	**–**	**–**
	Write-offs	**–**	**–**	**–**	**–**
	Foreign exchange and other	**–**	**–**	**1**	**1**
	Balance at end of period	**$ 15**	**$ 3**	**$ 6**	**$ 24**
2019	**Debt securities measured at FVOCI**				
Jan. 31	Balance at beginning of period	$ 15	$ 3	$ 5	$ 23
	Provision for (reversal of) credit losses (1)	–	–	4	4
	Write-offs	–	–	(4)	(4)
	Foreign exchange and other	–	–	–	–
	Balance at end of period	$ 15	$ 3	$ 5	$ 23
2018	**Debt securities measured at FVOCI**				
Apr. 30	Balance at beginning of period	$ 14	$ 33	$ –	$ 47
	Provision for (reversal of) credit losses (1)	(1)	–	–	(1)
	Write-offs	–	–	–	–
	Foreign exchange and other	1	1	–	2
	Balance at end of period	$ 14	$ 34	$ –	$ 48

(1) Included in Gains (losses) from debt securities measured at FVOCI and amortized cost, net on our interim consolidated statement of income.

$ millions, as at or for the six months ended		Stage 1 Collective provision 12-month ECL performing	Stage 2 Collective provision lifetime ECL performing	Stage 3 Collective and individual provision lifetime ECL credit-impaired	Total
2019	**Debt securities measured at FVOCI**				
Apr. 30	Balance at beginning of period	**$ 15**	**$ 3**	**$ 5**	**$ 23**
	Provision for (reversal of) credit losses (1)	**–**	**–**	**4**	**4**
	Write-offs	**–**	**–**	**(4)**	**(4)**
	Foreign exchange and other	**–**	**–**	**1**	**1**
	Balance at end of period	**$ 15**	**$ 3**	**$ 6**	**$ 24**
2018	**Debt securities measured at FVOCI**				
Apr. 30	Balance at beginning of period	$ 14	$ 35	$ –	$ 49
	Provision for (reversal of) credit losses (1)	–	(1)	5	4
	Write-offs	–	–	(5)	(5)
	Foreign exchange and other	–	–	–	–
	Balance at end of period	$ 14	$ 34	$ –	$ 48

(1) Included in Gains (losses) from debt securities measured at FVOCI and amortized cost, net on our interim consolidated statement of income.

Note 5. Loans

Allowance for credit losses[1]

The following table provides a reconciliation of the opening balance to the closing balance of the ECL allowance under IFRS 9:

$ millions, as at or for the three months ended	Stage 1	Stage 2	Stage 3	2019 Apr. 30
	Collective provision 12-month ECL performing	Collective provision lifetime ECL performing	Collective and individual provision lifetime ECL credit-impaired [2]	Total
Residential mortgages				
Balance at beginning of period	**$ 29**	**$ 46**	**$ 149**	**$ 224**
Originations net of repayments and other derecognitions	**1**	**(2)**	**(4)**	**(5)**
Changes in model	**(1)**	**(6)**	**–**	**(7)**
Net remeasurement [3]	**(10)**	**9**	**18**	**17**
Transfers [3]				
– to 12-month ECL	**11**	**(9)**	**(2)**	**–**
– to lifetime ECL performing	**(1)**	**5**	**(4)**	**–**
– to lifetime ECL credit-impaired	**–**	**(2)**	**2**	**–**
Provision for (reversal of) credit losses [4]	**–**	**(5)**	**10**	**5**
Write-offs	**–**	**–**	**(8)**	**(8)**
Recoveries	**–**	**–**	**–**	**–**
Interest income on impaired loans	**–**	**–**	**(3)**	**(3)**
Foreign exchange and other	**1**	**1**	**–**	**2**
Balance at end of period	**$ 30**	**$ 42**	**$ 148**	**$ 220**
Personal				
Balance at beginning of period	**$ 182**	**$ 226**	**$ 117**	**$ 525**
Originations net of repayments and other derecognitions	**8**	**(13)**	**–**	**(5)**
Changes in model	**(1)**	**–**	**–**	**(1)**
Net remeasurement [3]	**(46)**	**55**	**79**	**88**
Transfers [3]				
– to 12-month ECL	**54**	**(53)**	**(1)**	**–**
– to lifetime ECL performing	**(11)**	**16**	**(5)**	**–**
– to lifetime ECL credit-impaired	**–**	**(13)**	**13**	**–**
Provision for (reversal of) credit losses [4]	**4**	**(8)**	**86**	**82**
Write-offs	**–**	**–**	**(98)**	**(98)**
Recoveries	**–**	**–**	**14**	**14**
Interest income on impaired loans	**–**	**–**	**(1)**	**(1)**
Foreign exchange and other	**–**	**–**	**(1)**	**(1)**
Balance at end of period	**$ 186**	**$ 218**	**$ 117**	**$ 521**
Credit card				
Balance at beginning of period	**$ 103**	**$ 369**	**$ –**	**$ 472**
Originations net of repayments and other derecognitions	**–**	**(11)**	**–**	**(11)**
Changes in model	**–**	**–**	**–**	**–**
Net remeasurement [3]	**(34)**	**117**	**44**	**127**
Transfers [3]				
– to 12-month ECL	**46**	**(46)**	**–**	**–**
– to lifetime ECL performing	**(8)**	**8**	**–**	**–**
– to lifetime ECL credit-impaired	**–**	**(58)**	**58**	**–**
Provision for (reversal of) credit losses [4]	**4**	**10**	**102**	**116**
Write-offs	**–**	**–**	**(131)**	**(131)**
Recoveries	**–**	**–**	**29**	**29**
Interest income on impaired loans	**–**	**–**	**–**	**–**
Foreign exchange and other	**–**	**–**	**–**	**–**
Balance at end of period	**$ 107**	**$ 379**	**$ –**	**$ 486**
Business and government				
Balance at beginning of period	**$ 212**	**$ 134**	**$ 278**	**$ 624**
Originations net of repayments and other derecognitions	**8**	**(8)**	**(5)**	**(5)**
Changes in model	**6**	**3**	**2**	**11**
Net remeasurement [3]	**(18)**	**17**	**47**	**46**
Transfers [3]				
– to 12-month ECL	**18**	**(17)**	**(1)**	**–**
– to lifetime ECL performing	**(3)**	**4**	**(1)**	**–**
– to lifetime ECL credit-impaired	**(1)**	**(9)**	**10**	**–**
Provision for (reversal of) credit losses [4]	**10**	**(10)**	**52**	**52**
Write-offs	**–**	**–**	**(50)**	**(50)**
Recoveries	**–**	**–**	**5**	**5**
Interest income on impaired loans	**–**	**–**	**(7)**	**(7)**
Foreign exchange and other	**2**	**2**	**5**	**9**
Balance at end of period	**$ 224**	**$ 126**	**$ 283**	**$ 633**
Total ECL allowance [1]	**$ 547**	**$ 765**	**$ 548**	**$ 1,860**
Comprises:				
Loans	**$ 491**	**$ 712**	**$ 548**	**$ 1,751**
Undrawn credit facilities and other off-balance sheet exposures [5]	**56**	**53**	**–**	**109**

(1) See Note 4 for the ECL allowance on debt securities measured at FVOCI. The ECL allowances for other financial assets classified at amortized cost were immaterial as at April 30, 2019 and were excluded from the table above. Other financial assets classified at amortized cost are presented on our interim consolidated balance sheet net of ECL allowances.
(2) Includes the ECL allowance for purchased credit-impaired loans from the acquisition of The PrivateBank.
(3) Transfers represent stage movements of prior period ECL allowances to the current period stage classification. Net remeasurement represents the current period change in ECL allowances for transfers, net write-offs, changes in forecasts of forward-looking information, parameter updates, and partial repayments in the period.
(4) Provision for (reversal of) credit losses for loans and undrawn credit facilities and other off-balance sheet exposures is presented as Provision for (reversal of) credit losses on our interim consolidated statement of income.
(5) Included in Other liabilities on our interim consolidated balance sheet.

$ millions, as at or for the three months ended				2019 Jan. 31				2018 Apr. 30
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	Collective provision 12-month ECL performing	Collective provision lifetime ECL performing	Collective and individual provision lifetime ECL credit-impaired (2)	Total	Collective provision 12-month ECL performing	Collective provision lifetime ECL performing	Collective and individual provision lifetime ECL credit-impaired (2)	Total
Residential mortgages								
Balance at beginning of period	$ 27	$ 44	$ 143	$ 214	$ 25	$ 41	$ 137	$ 203
Originations net of repayments and other derecognitions	1	(4)	(8)	(11)	3	–	(1)	2
Changes in model	–	–	–	–	–	–	–	–
Net remeasurement (3)	(11)	11	29	29	(6)	3	16	13
Transfers (3)								
– to 12-month ECL	11	(7)	(4)	–	6	(5)	(1)	–
– to lifetime ECL performing	–	5	(5)	–	–	2	(2)	–
– to lifetime ECL credit-impaired	–	(1)	1	–	–	(1)	1	–
Provision for (reversal of) credit losses (4)	1	4	13	18	3	(1)	13	15
Write-offs	–	–	(5)	(5)	–	–	(13)	(13)
Recoveries	–	–	1	1	–	–	–	–
Interest income on impaired loans	–	–	(3)	(3)	–	–	(2)	(2)
Foreign exchange and other	1	(2)	–	(1)	–	1	4	5
Balance at end of period	$ 29	$ 46	$ 149	$ 224	$ 28	$ 41	$ 139	$ 208
Personal								
Balance at beginning of period	$ 190	$ 199	$ 109	$ 498	$ 177	$ 189	$ 112	$ 478
Originations net of repayments and other derecognitions	10	(13)	–	(3)	9	(4)	(1)	4
Changes in model	1	–	1	2	–	–	–	–
Net remeasurement (3)	(54)	89	72	107	(29)	42	72	85
Transfers (3)								
– to 12-month ECL	49	(48)	(1)	–	38	(38)	–	–
– to lifetime ECL performing	(14)	18	(4)	–	(12)	15	(3)	–
– to lifetime ECL credit-impaired	–	(19)	19	–	–	(10)	10	–
Provision for (reversal of) credit losses (4)	(8)	27	87	106	6	5	78	89
Write-offs	–	–	(96)	(96)	–	–	(89)	(89)
Recoveries	–	–	17	17	–	–	14	14
Interest income on impaired loans	–	–	(1)	(1)	–	–	(1)	(1)
Foreign exchange and other	–	–	1	1	–	2	(1)	1
Balance at end of period	$ 182	$ 226	$ 117	$ 525	$ 183	$ 196	$ 113	$ 492
Credit card								
Balance at beginning of period	$ 102	$ 370	$ –	$ 472	$ 103	$ 385	$ –	$ 488
Originations net of repayments and other derecognitions	–	(12)	–	(12)	–	(4)	–	(4)
Changes in model	1	–	–	1	–	–	–	–
Net remeasurement (3)	(48)	101	49	102	(39)	98	31	90
Transfers (3)								
– to 12-month ECL	57	(57)	–	–	50	(50)	–	–
– to lifetime ECL performing	(10)	10	–	–	(12)	12	–	–
– to lifetime ECL credit-impaired	–	(45)	45	–	–	(70)	70	–
Provision for (reversal of) credit losses (4)	–	(3)	94	91	(1)	(14)	101	86
Write-offs	–	–	(125)	(125)	–	–	(131)	(131)
Recoveries	–	–	31	31	–	–	30	30
Interest income on impaired loans	–	–	–	–	–	–	–	–
Foreign exchange and other	1	2	–	3	–	1	–	1
Balance at end of period	$ 103	$ 369	$ –	$ 472	$ 102	$ 372	$ –	$ 474
Business and government								
Balance at beginning of period	$ 180	$ 147	$ 230	$ 557	$ 207	$ 143	$ 208	$ 558
Originations net of repayments and other derecognitions	6	(5)	(7)	(6)	5	(1)	(5)	(1)
Changes in model	–	–	1	1	–	–	–	–
Net remeasurement (3)	16	15	97	128	(36)	28	31	23
Transfers (3)								
– to 12-month ECL	15	(14)	(1)	–	13	(11)	(2)	–
– to lifetime ECL performing	(2)	3	(1)	–	(6)	7	(1)	–
– to lifetime ECL credit-impaired	–	(12)	12	–	–	(2)	2	–
Provision for (reversal of) credit losses (4)	35	(13)	101	123	(24)	21	25	22
Write-offs	–	–	(48)	(48)	–	–	(44)	(44)
Recoveries	–	–	1	1	–	–	3	3
Interest income on impaired loans	–	–	(2)	(2)	–	–	(3)	(3)
Foreign exchange and other	(3)	–	(4)	(7)	7	3	8	18
Balance at end of period	$ 212	$ 134	$ 278	$ 624	$ 190	$ 167	$ 197	$ 554
Total ECL allowance (1)	$ 526	$ 775	$ 544	$ 1,845	$ 503	$ 776	$ 449	$ 1,728
Comprises:								
Loans	$ 470	$ 721	$ 524	$ 1,715	$ 451	$ 719	$ 449	$ 1,619
Undrawn credit facilities and other off-balance sheet exposures (5)	56	54	20	130	52	57	–	109

(1) See Note 4 for the ECL allowance on debt securities measured at FVOCI. The ECL allowances for other financial assets classified at amortized cost were immaterial as at January 31, 2019 and April 30, 2018 and were excluded from the table above. Other financial assets classified at amortized cost are presented on our interim consolidated balance sheet net of ECL allowances.
(2) Includes the ECL allowance for purchased credit-impaired loans from the acquisition of The PrivateBank.
(3) Transfers represent stage movements of prior period ECL allowances to the current period stage classification. Net remeasurement represents the current period change in ECL allowances for transfers, net write-offs, changes in forecasts of forward-looking information, parameter updates, and partial repayments in the period.
(4) Provision for (reversal of) credit losses for loans and undrawn credit facilities and other off-balance sheet exposures is presented as Provision for (reversal of) credit losses on our interim consolidated statement of income.
(5) Included in Other liabilities on our interim consolidated balance sheet.

$ millions, as at or for the six months ended				2019 Apr. 30				2018 Apr. 30
	Stage 1	**Stage 2**	**Stage 3**		Stage 1	Stage 2	Stage 3	
	Collective provision 12-month ECL performing	**Collective provision lifetime ECL performing**	**Collective and individual provision lifetime ECL credit-impaired** (2)	**Total**	Collective provision 12-month ECL performing	Collective provision lifetime ECL performing	Collective and individual provision lifetime ECL credit-impaired (2)	Total
Residential mortgages								
Balance at beginning of period	**$ 27**	**$ 44**	**$ 143**	**$ 214**	$ 28	$ 43	$ 151	$ 222
Originations net of repayments and other derecognitions	**2**	**(6)**	**(12)**	**(16)**	5	(1)	(3)	1
Changes in model	**(1)**	**(6)**	**–**	**(7)**	–	–	–	–
Net remeasurement (3)	**(21)**	**20**	**47**	**46**	(14)	6	28	20
Transfers (3)								
– to 12-month ECL	**22**	**(16)**	**(6)**	**–**	9	(7)	(2)	–
– to lifetime ECL performing	**(1)**	**10**	**(9)**	**–**	–	2	(2)	–
– to lifetime ECL credit-impaired	**–**	**(3)**	**3**	**–**	–	(1)	1	–
Provision for (reversal of) credit losses (4)	**1**	**(1)**	**23**	**23**	–	(1)	22	21
Write-offs	**–**	**–**	**(13)**	**(13)**	–	–	(26)	(26)
Recoveries	**–**	**–**	**1**	**1**	–	–	–	–
Interest income on impaired loans	**–**	**–**	**(6)**	**(6)**	–	–	(4)	(4)
Foreign exchange and other	**2**	**(1)**	**–**	**1**	–	(1)	(4)	(5)
Balance at end of period	**$ 30**	**$ 42**	**$ 148**	**$ 220**	$ 28	$ 41	$ 139	$ 208
Personal								
Balance at beginning of period	**$ 190**	**$ 199**	**$ 109**	**$ 498**	$ 164	$ 202	$ 110	$ 476
Originations net of repayments and other derecognitions	**18**	**(26)**	**–**	**(8)**	16	(10)	(2)	4
Changes in model	**–**	**–**	**1**	**1**	–	–	–	–
Net remeasurement (3)	**(100)**	**144**	**151**	**195**	(45)	66	138	159
Transfers (3)								
– to 12-month ECL	**103**	**(101)**	**(2)**	**–**	64	(64)	–	–
– to lifetime ECL performing	**(25)**	**34**	**(9)**	**–**	(15)	18	(3)	–
– to lifetime ECL credit-impaired	**–**	**(32)**	**32**	**–**	–	(18)	18	–
Provision for (reversal of) credit losses (4)	**(4)**	**19**	**173**	**188**	20	(8)	151	163
Write-offs	**–**	**–**	**(194)**	**(194)**	–	–	(177)	(177)
Recoveries	**–**	**–**	**31**	**31**	–	–	30	30
Interest income on impaired loans	**–**	**–**	**(2)**	**(2)**	–	–	(1)	(1)
Foreign exchange and other	**–**	**–**	**–**	**–**	(1)	2	–	1
Balance at end of period	**$ 186**	**$ 218**	**$ 117**	**$ 521**	$ 183	$ 196	$ 113	$ 492
Credit card								
Balance at beginning of period	**$ 102**	**$ 370**	**$ –**	**$ 472**	$ 101	$ 413	$ –	$ 514
Originations net of repayments and other derecognitions	**–**	**(23)**	**–**	**(23)**	–	(8)	–	(8)
Changes in model	**1**	**–**	**–**	**1**	–	–	–	–
Net remeasurement (3)	**(82)**	**218**	**93**	**229**	(54)	164	53	163
Transfers (3)								
– to 12-month ECL	**103**	**(103)**	**–**	**–**	69	(69)	–	–
– to lifetime ECL performing	**(18)**	**18**	**–**	**–**	(14)	14	–	–
– to lifetime ECL credit-impaired	**–**	**(103)**	**103**	**–**	–	(142)	142	–
Provision for (reversal of) credit losses (4)	**4**	**7**	**196**	**207**	1	(41)	195	155
Write-offs	**–**	**–**	**(256)**	**(256)**	–	–	(254)	(254)
Recoveries	**–**	**–**	**60**	**60**	–	–	59	59
Interest income on impaired loans	**–**	**–**	**–**	**–**	–	–	–	–
Foreign exchange and other	**1**	**2**	**–**	**3**	–	–	–	–
Balance at end of period	**$ 107**	**$ 379**	**$ –**	**$ 486**	$ 102	$ 372	$ –	$ 474
Business and government								
Balance at beginning of period	**$ 180**	**$ 147**	**$ 230**	**$ 557**	$ 234	$ 150	$ 204	$ 588
Originations net of repayments and other derecognitions	**14**	**(13)**	**(12)**	**(11)**	9	(2)	(7)	–
Changes in model	**6**	**3**	**3**	**12**	–	–	–	–
Net remeasurement (3)	**(2)**	**32**	**144**	**174**	(62)	30	58	26
Transfers (3)								
– to 12-month ECL	**33**	**(31)**	**(2)**	**–**	23	(21)	(2)	–
– to lifetime ECL performing	**(5)**	**7**	**(2)**	**–**	(12)	13	(1)	–
– to lifetime ECL credit-impaired	**(1)**	**(21)**	**22**	**–**	–	(3)	3	–
Provision for (reversal of) credit losses (4)	**45**	**(23)**	**153**	**175**	(42)	17	51	26
Write-offs	**–**	**–**	**(98)**	**(98)**	–	–	(55)	(55)
Recoveries	**–**	**–**	**6**	**6**	–	–	6	6
Interest income on impaired loans	**–**	**–**	**(9)**	**(9)**	–	–	(6)	(6)
Foreign exchange and other	**(1)**	**2**	**1**	**2**	(2)	–	(3)	(5)
Balance at end of period	**$ 224**	**$ 126**	**$ 283**	**$ 633**	$ 190	$ 167	$ 197	$ 554
Total ECL allowance (1)	**$ 547**	**$ 765**	**$ 548**	**$ 1,860**	$ 503	$ 776	$ 449	1,728
Comprises:								
Loans	**$ 491**	**$ 712**	**$ 548**	**$ 1,751**	$ 451	$ 719	$ 449	$ 1,619
Undrawn credit facilities and other off-balance sheet exposures (5)	**56**	**53**	**–**	**109**	52	57	–	109

(1) See Note 4 for the ECL allowance on debt securities measured at FVOCI. The ECL allowances for other financial assets classified at amortized cost were immaterial as at April 30, 2019 and April 30, 2018 and were excluded from the table above. Other financial assets classified at amortized cost are presented on our interim consolidated balance sheet net of ECL allowances.
(2) Includes the ECL allowance for purchased credit-impaired loans from the acquisition of The PrivateBank.
(3) Transfers represent stage movements of prior period ECL allowances to the current period stage classification. Net remeasurement represents the current period change in ECL allowances for transfers, net write-offs, changes in forecasts of forward-looking information, parameter updates, and partial repayments in the period.
(4) Provision for (reversal of) credit losses for loans and undrawn credit facilities and other off-balance sheet exposures is presented as Provision for (reversal of) credit losses on our interim consolidated statement of income.
(5) Included in Other liabilities on our interim consolidated balance sheet.

The following tables provide the gross carrying amount of loans, and the contractual amounts of undrawn credit facilities and other off-balance sheet exposures based on the application of our 12-month point-in-time probability of default (PD) under IFRS 9 to our risk management PD bands for retail exposures, and based on our internal risk ratings for business and government exposures. Refer to the "Credit risk" section of the 2018 Annual Report for details on the CIBC risk categories.

Loans(1)

$ millions, as at				**2019 Apr. 30**				2018 Oct. 31
	Stage 1	**Stage 2**	**Stage 3 (2)(3)**	**Total**	Stage 1	Stage 2	Stage 3 (2)(3)	Total
Residential mortgages								
– Exceptionally low	**$ 142,280**	**$ –**	**$ –**	**$ 142,280**	$ 141,556	$ –	$ –	$ 141,556
– Very low	**38,222**	**–**	**–**	**38,222**	40,225	–	–	40,225
– Low	**14,989**	**1,120**	**–**	**16,109**	15,321	798	–	16,119
– Medium	**967**	**5,440**	**–**	**6,407**	859	4,905	–	5,764
– High	**1**	**1,152**	**–**	**1,153**	–	996	–	996
– Default	**–**	**–**	**555**	**555**	–	–	510	510
– Not rated	**2,290**	**215**	**165**	**2,670**	2,163	249	167	2,579
Gross residential mortgages (4)(5)	**198,749**	**7,927**	**720**	**207,396**	200,124	6,948	677	207,749
ECL allowance	**30**	**42**	**148**	**220**	27	44	143	214
Net residential mortgages	**198,719**	**7,885**	**572**	**207,176**	200,097	6,904	534	207,535
Personal								
– Exceptionally low	**23,667**	**–**	**–**	**23,667**	23,808	–	–	23,808
– Very low	**3,807**	**1,367**	**–**	**5,174**	3,813	1,374	–	5,187
– Low	**5,994**	**749**	**–**	**6,743**	5,954	702	–	6,656
– Medium	**4,250**	**1,410**	**–**	**5,660**	4,428	1,151	–	5,579
– High	**194**	**747**	**–**	**941**	245	691	–	936
– Default	**–**	**–**	**147**	**147**	–	–	142	142
– Not rated	**718**	**22**	**41**	**781**	677	33	40	750
Gross personal (5)	**38,630**	**4,295**	**188**	**43,113**	38,925	3,951	182	43,058
ECL allowance	**171**	**216**	**117**	**504**	176	196	109	481
Net personal	**38,459**	**4,079**	**71**	**42,609**	38,749	3,755	73	42,577
Credit card								
– Exceptionally low	**3,035**	**–**	**–**	**3,035**	3,405	–	–	3,405
– Very low	**2,199**	**50**	**–**	**2,249**	1,747	50	–	1,797
– Low	**3,729**	**717**	**–**	**4,446**	3,809	710	–	4,519
– Medium	**939**	**1,272**	**–**	**2,211**	1,011	1,241	–	2,252
– High	**9**	**533**	**–**	**542**	10	528	–	538
– Default	**–**	**–**	**–**	**–**	–	–	–	–
– Not rated	**152**	**10**	**–**	**162**	162	–	–	162
Gross credit card	**10,063**	**2,582**	**–**	**12,645**	10,144	2,529	–	12,673
ECL allowance	**92**	**338**	**–**	**430**	88	330	–	418
Net credit card	**9,971**	**2,244**	**–**	**12,215**	10,056	2,199	–	12,255
Business and government								
– Investment grade	**46,247**	**200**	**–**	**46,447**	42,532	221	–	42,753
– Non-investment grade	**75,866**	**4,385**	**–**	**80,251**	68,798	3,818	–	72,616
– Watchlist	**175**	**1,185**	**–**	**1,360**	145	1,120	–	1,265
– Default	**–**	**–**	**1,027**	**1,027**	–	–	504	504
– Not rated	**2,227**	**122**	**108**	**2,457**	2,397	168	117	2,682
Gross business and government (4)(6)	**124,515**	**5,892**	**1,135**	**131,542**	113,872	5,327	621	119,820
ECL allowance	**198**	**116**	**283**	**597**	159	137	230	526
Net business and government	**124,317**	**5,776**	**852**	**130,945**	113,713	5,190	391	119,294
Total net amount of loans	**$ 371,466**	**$ 19,984**	**$ 1,495**	**$ 392,945**	$ 362,615	$ 18,048	$ 998	$ 381,661

(1) Other financial assets classified at amortized cost were excluded from the table above as their ECL allowances were immaterial as at April 30, 2019 and October 31, 2018. In addition, the table excludes debt securities measured at FVOCI, for which ECL allowances of $24 million were recognized in AOCI (October 31, 2018: $23 million).
(2) Includes purchased credit-impaired loans from the acquisition of The PrivateBank.
(3) Excludes foreclosed assets of $23 million (October 31, 2018: $14 million) which were included in Other assets on our interim consolidated balance sheet.
(4) Includes $17 million (October 31, 2018: $12 million) of residential mortgages and $20,167 million (October 31, 2018: $16,424 million) of business and government loans that are measured at FVTPL.
(5) The internal risk rating grades presented for residential mortgages and certain personal loans do not take into account loan guarantees or insurance issued by the Canadian government (federal or provincial), Canadian government agencies, or private insurers, as the determination of whether a significant increase in credit risk has occurred for these loans is based on relative changes in the loans' lifetime PD without considering collateral or other credit enhancements.
(6) Includes customers' liability under acceptances of $9,727 million (October 31, 2018: $10,265 million).

Undrawn credit facilities and other off-balance sheet exposures

$ millions, as at				**2019 Apr. 30**				2018 Oct. 31
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Retail								
– Exceptionally low	**$ 103,036**	**$ –**	**$ –**	**$ 103,036**	$ 100,772	$ –	$ –	$ 100,772
– Very low	**11,174**	**1,029**	**–**	**12,203**	10,217	1,014	–	11,231
– Low	**7,729**	**1,612**	**–**	**9,341**	7,873	1,612	–	9,485
– Medium	**1,679**	**1,218**	**–**	**2,897**	1,729	1,188	–	2,917
– High	**247**	**444**	**–**	**691**	234	417	–	651
– Default	**–**	**–**	**16**	**16**	–	–	13	13
– Not rated	**361**	**31**	**–**	**392**	348	33	–	381
Gross retail	**124,226**	**4,334**	**16**	**128,576**	121,173	4,264	13	125,450
ECL allowance	**30**	**43**	**–**	**73**	28	43	–	71
Net retail	**124,196**	**4,291**	**16**	**128,503**	121,145	4,221	13	125,379
Business and government								
– Investment grade	**79,191**	**616**	**–**	**79,807**	78,672	390	–	79,062
– Non-investment grade	**47,856**	**1,480**	**–**	**49,336**	41,727	1,198	–	42,925
– Watchlist	**83**	**478**	**–**	**561**	75	402	–	477
– Default	**–**	**–**	**82**	**82**	–	–	7	7
– Not rated	**866**	**64**	**–**	**930**	735	51	–	786
Gross business and government	**127,996**	**2,638**	**82**	**130,716**	121,209	2,041	7	123,257
ECL allowance	**26**	**10**	**–**	**36**	21	10	–	31
Net business and government	**127,970**	**2,628**	**82**	**130,680**	121,188	2,031	7	123,226
Total net undrawn credit facilities and other off-balance sheet exposures	**$ 252,166**	**$ 6,919**	**$ 98**	**$ 259,183**	$ 242,333	$ 6,252	$ 20	$ 248,605

Purchased credit-impaired loans resulting from the acquisition of The PrivateBank include business and government and consumer loans with outstanding unpaid principal balances of $9 million, $20 million and $134 million; and fair values of $7 million, $14 million, and $105 million, respectively, as at April 30, 2019, October 31, 2018, and June 23, 2017 (the acquisition date).

Loans contractually past due but not impaired

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

$ millions, as at				**2019 Apr. 30**	2018 Oct. 31
	Less than 31 days	**31 to 90 days**	**Over 90 days**	**Total**	Total
Residential mortgages	**$ 2,728**	**$ 875**	**$ –**	**$ 3,603**	$ 3,354
Personal	**792**	**195**	**–**	**987**	937
Credit card	**550**	**181**	**102**	**833**	822
Business and government	**849**	**129**	**–**	**978**	683
	$ 4,919	**$ 1,380**	**$ 102**	**$ 6,401**	$ 5,796

Note 6. Deposits[(1)(2)]

$ millions, as at	Payable on demand (3)	Payable after notice (4)	Payable on a fixed date (5)(6)	2019 Apr. 30 Total	2018 Oct. 31 Total
Personal	**$ 11,597**	**$ 107,191**	**$ 55,874**	**$ 174,662**	$ 163,879
Business and government (7)	**57,375**	**53,608**	**140,003**	**250,986**	240,149
Bank	**4,206**	**374**	**10,215**	**14,795**	14,380
Secured borrowings (8)	**–**	**–**	**37,097**	**37,097**	42,607
	$ 73,178	**$ 161,173**	**$ 243,189**	**$ 477,540**	$ 461,015
Comprised of:					
Held at amortized cost				**$ 468,709**	$ 453,498
Designated at fair value				**8,831**	7,517
				$ 477,540	$ 461,015
Total deposits include:					
Non-interest-bearing deposits					
In domestic offices				**$ 48,859**	$ 49,858
In foreign offices				**12,560**	12,115
Interest-bearing deposits					
In domestic offices				**330,449**	321,188
In foreign offices				**85,672**	77,854
				$ 477,540	$ 461,015

(1) Includes deposits of $156.8 billion (October 31, 2018: $155.5 billion) denominated in U.S. dollars and deposits of $24.7 billion (October 31, 2018: $24.3 billion) denominated in other foreign currencies.
(2) Net of purchased notes of $2,893 million (October 31, 2018: $2,689 million).
(3) Includes all deposits for which we do not have the right to require notice of withdrawal. These deposits are generally chequing accounts.
(4) Includes all deposits for which we can legally require notice of withdrawal. These deposits are generally savings accounts.
(5) Includes all deposits that mature on a specified date. These deposits are generally term deposits, guaranteed investment certificates, and similar instruments.
(6) Includes $3,017 million (October 31, 2018: $190 million) of deposits which are subject to the bank recapitalization (bail-in) conversion regulations issued by the Department of Finance (Canada). These regulations provide certain statutory powers to the Canada Deposit Insurance Corporation (CDIC), including the ability to convert specified eligible shares and liabilities of CIBC into common shares in the event that CIBC is determined to be non-viable.
(7) Includes $1,604 million (October 31, 2018: $1,600 million) of Notes issued to CIBC Capital Trust.
(8) Comprises liabilities issued by, or as a result of, activities associated with the securitization of residential mortgages, covered bond programs, and consolidated securitization vehicles.

Note 7. Share capital

Common shares

$ millions, except number of shares	For the three months ended						For the six months ended			
	2019 Apr. 30		2019 Jan. 31		2018 Apr. 30		**2019 Apr. 30**		2018 Apr. 30	
	Number of shares	**Amount**	Number of shares	Amount	Number of shares	Amount	**Number of shares**	**Amount**	Number of shares	Amount
Balance at beginning of period	**443,802,263**	**$ 13,350**	442,826,380	$ 13,243	443,824,991	$ 13,070	**442,826,380**	**$ 13,243**	439,313,303	$ 12,548
Issuance pursuant to:										
Acquisition of The PrivateBank	**–**	**–**	–	–	–	–	**–**	**–**	1,689,450	194
Acquisition of Wellington Financial	**–**	**–**	–	–	–	–	**–**	**–**	378,848	47
Equity-settled share-based compensation plans	**172,074**	**18**	127,790	14	125,837	13	**299,864**	**32**	638,567	62
Shareholder investment plan (1)	**423,837**	**47**	524,183	57	421,321	46	**948,020**	**104**	2,064,486	243
Employee share purchase plan	**280,232**	**31**	299,646	33	261,238	30	**579,878**	**64**	526,243	62
	444,678,406	**13,446**	443,777,999	13,347	444,633,387	13,159	**444,654,142**	**13,443**	444,610,897	13,156
Treasury shares	**(28,098)**	**(3)**	24,264	3	57,610	7	**(3,834)**	**–**	80,100	10
Balance at end of period (2)	**444,650,308**	**$ 13,443**	443,802,263	$ 13,350	444,690,997	$ 13,166	**444,650,308**	**$ 13,443**	444,690,997	$ 13,166

(1) Commencing with the dividends paid on April 27, 2018, the shares for the Dividend Reinvestment Option and Stock Dividend Option of the Shareholder Investment Plan (the Plan) were issued from Treasury without discount. Prior to this, these shares were issued at a 2% discount from average market price. The participants in the Share Purchase Option of the Plan continue to receive shares issued from Treasury with no discount.
(2) Excludes 409 restricted shares as at April 30, 2019 (January 31, 2019: 60,532; April 30, 2018: 190,789).

Normal course issuer bid

On May 31, 2018, we announced that the Toronto Stock Exchange had accepted the notice of CIBC's intention to commence a normal course issuer bid. Purchases under this bid will terminate upon the earlier of: (i) CIBC purchasing up to a maximum of 9 million common shares; (ii) CIBC providing a notice of termination; or (iii) June 3, 2019. No common shares have been purchased during the quarter.

We intend to seek Toronto Stock Exchange approval for a new normal course issuer bid that would permit us to purchase for cancellation up to a maximum of 9 million, or approximately 2% of our outstanding common shares, over a 12-month period commencing after June 3, 2019.

Preferred shares

Non-cumulative Rate Reset Class A Preferred Shares Series 49 (NVCC)

On January 22, 2019, we issued 13 million Non-cumulative Rate Reset Class A Preferred Shares Series 49 (NVCC) (Series 49 shares) with a par value of $25.00 per share, for gross proceeds of $325 million. For the initial five-year period to the earliest redemption date of April 30, 2024, the Series 49 shares pay quarterly cash dividends, if declared, at a rate of 5.20%. On April 30, 2024, and on April 30 every five years thereafter, the dividend rate will reset to be equal to the then current five-year Government of Canada bond yield plus 3.31%.

Holders of the Series 49 shares will have the right to convert their shares on a one-for-one basis into Non-cumulative Floating Rate Class A Preferred Shares Series 50 (NVCC) (Series 50 shares), subject to certain conditions, on April 30, 2024 and on April 30 every five years thereafter. Holders of the Series 50 shares will be entitled to receive a quarterly floating rate dividend, if declared, equal to the three-month Government of Canada Treasury Bill yield plus 3.31%. Holders of the Series 50 shares may convert their shares on a one-for-one basis into Series 49 shares, subject to certain conditions, on April 30, 2029 and on April 30 every five years thereafter.

Subject to regulatory approval and certain provisions of the shares, we may redeem all or any part of the then outstanding Series 49 shares at par on April 30, 2024 and on April 30 every five years thereafter; we may redeem all or any part of the then outstanding Series 50 shares at par on April 30, 2029 and on April 30 every five years thereafter.

Regulatory capital and leverage ratios

Our capital ratios and leverage ratio are presented in the table below:

$ millions, as at		**2019 Apr. 30**	2018 Oct. 31
Common Equity Tier 1 (CET1) capital		**$ 26,304**	$ 24,641
Tier 1 capital	A	**29,648**	27,908
Total capital		**34,097**	32,230
Total risk-weighted assets (RWAs) (1)		**234,816**	n/a
CET1 capital RWA (1)		**n/a**	216,144
Tier 1 capital RWA (1)		**n/a**	216,303
Total capital RWA (1)		**n/a**	216,462
CET1 ratio		**11.2 %**	11.4 %
Tier 1 capital ratio		**12.6 %**	12.9 %
Total capital ratio		**14.5 %**	14.9 %
Leverage ratio exposure	B	**$ 696,026**	$ 653,946
Leverage ratio	A/B	**4.3 %**	4.3 %

(1) During 2018, before any capital floor requirement, there were three different levels of RWAs for the calculation of CIBC's CET1, Tier 1 and Total capital ratios as CIBC elected in 2014 to phase-in the credit valuation adjustment (CVA) capital charge as permitted under OSFI's guideline. Beginning in the first quarter of 2019 the ratios are calculated by reference to the same level of RWAs as the phase-in of the CVA capital charge has been completed.

n/a Not applicable.

Our regulatory capital requirements are determined in accordance with guidelines issued by OSFI, which are based upon the risk-based capital standards developed by the Basel Committee on Banking Supervision.

CIBC has been designated by OSFI as a domestic systemically important bank (D-SIB) in Canada, and is subject to a CET1 surcharge equal to 1.0% of RWAs. OSFI currently expects D-SIBs to hold a 1.75% Domestic Stability Buffer. This results in current targets, including all buffers, for CET1, Tier 1 and Total capital ratios of 9.75%, 11.25%, and 13.25%, respectively. These targets may be higher for certain institutions at OSFI's discretion.

During the quarter ended April 30, 2019, we have complied with OSFI's regulatory capital requirements.

Note 8. Post-employment benefits

The following tables provide details on the post-employment benefit expense recognized in the interim consolidated statement of income and on the remeasurements recognized in the interim consolidated statement of comprehensive income:

Defined benefit plan expense

	For the three months ended						For the six months ended			
$ millions	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30
	Pension plans			Other post-employment plans			Pension plans		Other post-employment plans	
Current service cost	**$ 54**	$ 55	$ 56	**$ 2**	$ 3	$ 4	**$ 109**	$ 112	**$ 5**	$ 7
Net interest (income) expense	**(4)**	(4)	(3)	**6**	6	6	**(8)**	(6)	**12**	12
Plan administration costs	**2**	1	1	**–**	–	–	**3**	3	**–**	–
Net defined benefit plan expense recognized in net income	**$ 52**	$ 52	$ 54	**$ 8**	$ 9	$ 10	**$ 104**	$ 109	**$ 17**	$ 19

Defined contribution plan expense

	For the three months ended			For the six months ended	
$ millions	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30
Defined contribution pension plans	**$ 8**	$ 8	$ 8	**$ 16**	$ 15
Government pension plans (1)	**34**	27	35	**61**	66
Total defined contribution plan expense	**$ 42**	$ 35	$ 43	**$ 77**	$ 81

(1) Includes Canada Pension Plan, Quebec Pension Plan, and U.S. Federal Insurance Contributions Act.

Remeasurement of employee defined benefit plans(1)

	For the three months ended						For the six months ended			
$ millions	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30
	Pension plans			Other post-employment plans			Pension plans		Other post-employment plans	
Net actuarial gains (losses) on defined benefit obligation	**$ (313)**	$ (371)	$ 118	**$ (22)**	$ (26)	$ 9	**$ (684)**	$ 137	**$ (48)**	$ 13
Net actuarial gains (losses) on plan assets	**324**	220	(134)	**–**	–	–	**544**	(12)	**–**	–
Changes in asset ceiling excluding interest income	**–**	–	–	**–**	–	–	**–**	2	**–**	–
Net remeasurement gains (losses) recognized in OCI	**$ 11**	$ (151)	$ (16)	**$ (22)**	$ (26)	$ 9	**$ (140)**	$ 127	**$ (48)**	$ 13

(1) The Canadian post-employment defined benefit plans are remeasured on a quarterly basis for changes in the discount rate and for actual asset returns. All other Canadian plans' actuarial assumptions and foreign plans' actuarial assumptions are updated at least annually.

Note 9. Income taxes

U.S. Tax Reforms

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act (U.S. tax reforms), which reduced the U.S. federal corporate income tax rate to 21% effective January 1, 2018, resulting in a significant decrease in CIBC's U.S. deferred tax assets in the first quarter of 2018. The U.S. tax reforms introduced other important changes to U.S. corporate income tax laws including the creation of a new Base Erosion Anti-abuse Tax (BEAT) that subjects certain payments from a U.S. corporation to foreign related parties to additional taxes. On December 20, 2018, the Internal Revenue Service released proposed regulations to implement certain other aspects of the U.S. tax reforms. CIBC continues to evaluate the impact of these proposed regulations, together with BEAT, on our U.S. operations.

Enron

In prior years, the Canada Revenue Agency (CRA) issued reassessments disallowing the deduction of approximately $3 billion of the 2005 Enron settlement payments and related legal expenses (the "Enron expenses"). In January 2019, we entered into a settlement agreement (the "Agreement") with the CRA that provides certainty with respect to the portion of the Enron expenses that are deductible in Canada. The impact of this Agreement resulted in the recognition of a net $38 million tax recovery in the first quarter of 2019. This recovery was determined after taking into account the portion of the Enron expenses that we expect to deduct in the United States, but which has not yet been agreed to by the Internal Revenue Service, and the taxable refund interest that we expect to collect from the CRA upon the reassessment of certain prior year tax returns in accordance with the Agreement. It is possible that adjustments may be required to the amount of the tax benefits recognized in the United States.

Dividend Received Deduction

In prior years, the CRA reassessed CIBC approximately $527 million of additional income tax by denying the tax deductibility of certain 2011 to 2013 Canadian corporate dividends on the basis that they were part of a "dividend rental arrangement". In March 2018, CIBC filed a Notice of Appeal with the Tax Court of Canada with respect to the 2011 taxation year. The matter is now in litigation. The circumstances of the dividends subject to the reassessments are similar to those prospectively addressed by the rules in the 2015 and 2018 Canadian federal budgets. In May 2019, the CRA reassessed CIBC in respect of the 2014 taxation year for approximately $273 million of additional income tax. It is possible that subsequent years may be reassessed for similar activities. CIBC is confident that its tax filing positions were appropriate and intends to defend itself vigorously. Accordingly, no amounts have been accrued in the interim consolidated financial statements.

Note 10. Earnings per share

	For the three months ended			For the six months ended	
$ millions, except number of shares and per share amounts	**2019 Apr. 30**	2019 Jan. 31	2018 Apr. 30	**2019 Apr. 30**	2018 Apr. 30
Basic earnings per share					
Net income attributable to equity shareholders	**$ 1,341**	$ 1,178	$ 1,313	**$ 2,519**	$ 2,636
Less: Preferred share dividends and premiums	**28**	23	24	**51**	42
Net income attributable to common shareholders	**$ 1,313**	$ 1,155	$ 1,289	**$ 2,468**	$ 2,594
Weighted-average common shares outstanding (thousands)	**444,028**	443,033	444,140	**443,523**	442,607
Basic earnings per share	**$ 2.96**	$ 2.61	$ 2.90	**$ 5.56**	$ 5.86
Diluted earnings per share					
Net income attributable to common shareholders	**$ 1,313**	$ 1,155	$ 1,289	**$ 2,468**	$ 2,594
Weighted-average common shares outstanding (thousands)	**444,028**	443,033	444,140	**443,523**	442,607
Add: Stock options potentially exercisable [(1)] (thousands)	**790**	784	1,040	**787**	1,163
Add: Restricted shares and equity-settled consideration (thousands)	**406**	484	478	**445**	461
Weighted-average diluted common shares outstanding (thousands)	**445,224**	444,301	445,658	**444,755**	444,231
Diluted earnings per share	**$ 2.95**	$ 2.60	$ 2.89	**$ 5.55**	$ 5.84

(1) Excludes average options outstanding of 2,399,088 (January 31, 2019: 2,107,454; April 30, 2018: 751,779) with a weighted-average exercise price of $114.20 (January 31, 2019: $114.58; April 30, 2018: $120.02) for the quarter ended April 30, 2019, and average options of 2,253,271 with a weighted-average price of $114.38 for the six months ended April 30, 2019 (April 30, 2018: average options of 628,061 with a weighted-average price of $120.02), as the options' exercise prices were greater than the average market price of CIBC's common shares.

Note 11. Contingent liabilities and provision

Legal proceedings and other contingencies

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

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

The provisions disclosed in Note 22 to the 2018 annual consolidated financial statements included all of CIBC's accruals for legal matters as at that date, including amounts related to the significant legal proceedings described in that note and to other legal matters.

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

CIBC believes the estimate of the aggregate range of reasonably possible losses, in excess of the amounts accrued, for its significant legal proceedings, where it is possible to make such an estimate, is from nil to approximately $1.2 billion as at April 30, 2019. This estimated aggregate range of reasonably possible losses is based upon currently available information for those significant proceedings in which CIBC is involved, taking into account CIBC's best estimate of such losses for those cases for which an estimate can be made. CIBC's estimate involves significant judgment, given the varying stages of the proceedings and the existence of multiple defendants in many of such proceedings whose share of the liability has yet to be determined. The range does not include potential punitive damages and interest. The matters underlying the estimated range as at April 30, 2019, consist of the significant legal matters disclosed in Note 22 to the 2018 annual consolidated financial statements as updated below. The matters underlying the estimated range will change from time to time, and actual losses may vary significantly from the current estimate. For certain matters, CIBC does not believe that an estimate can currently be made as many of them are in preliminary stages and certain matters have no specific amount claimed. Consequently, these matters are not included in the range.

The following developments related to our significant legal proceedings occurred since the issuance of our 2018 annual consolidated financial statements:
- *York County on Behalf of the County of York Retirement Fund v. Rambo, et al.:* In February 2019, a class action complaint was filed in the Northern District of California against the directors, certain officers and the underwriters of several senior note offerings of the Pacific Gas and Electric Company ("PG&E") that took place between March 2016 and April 2018, the total issuance amount for the series of offerings being approximately US$4 billion. CIBC World Markets Corp. was part of the underwriting syndicate for an offering, whereby CIBC World Markets Corp. underwrote 6% of a US$650 million December 2016 issuance of senior notes. The offering involved the issuance of two tranches of notes: US$400 million of 30-year senior notes maturing in December 2046 and US$250 million of one-year floating rate notes that matured and were repaid in November 2017. The complaint alleges that the disclosure documentation associated with the note offerings contained misrepresentations and/or omissions of material facts, including with respect to PG&E's failure to comply with various safety regulations, vegetation management programs and requirements, as well as understating the extent to which its equipment has allegedly caused multiple fires in California, including before the wildfires that occurred in California in 2017 and 2018.
- *Credit card class actions – Quebec Consumer Protection Act:* A court hearing to approve a renegotiated settlement in the *Lamoureux, St. Pierre*, and *Corriveau* class actions is scheduled for June 2019. The amount of the proposed settlement for these actions remains at $4.25 million. The motion for class certification in *Pilon* was heard in April 2019. The court reserved its decision.
- *Mortgage prepayment class actions:* The appeal in *Sherry* was heard in April 2019. The court reserved its decision. In February 2019, the court certified *Jordan* as a class action. *Haroch* and *Lamarre* have been consolidated. The class certification motion in the consolidated action is scheduled for June 2019.
- *Fire & Police Pension Association of Colorado v. Bank of Montreal, et al.:* In March 2019, the court granted the defendants' motion to dismiss. In April 2019, the plaintiff filed a notice of intent to appeal the decision.
- *Fresco v. Canadian Imperial Bank of Commerce:* The plaintiff's motion for summary judgment has been adjourned to December 2019.
- *Credit card class actions – Interchange fees litigation:* The trial in *Watson* which was scheduled for October 2019, has been adjourned to October 2020.
- *Cerberus Capital Management L.P. v. CIBC:* In December 2018, the appellate court affirmed the lower court's denial of the plaintiffs' motion for summary judgment.

Other than the items described above, there are no significant developments in the matters identified in Note 22 to our 2018 annual consolidated financial statements, and no new significant legal proceedings have arisen since the issuance of our 2018 annual consolidated financial statements.

Note 12. Interest income and expense

The table below provides the consolidated interest income and expense by accounting categories.

$ millions	For the three months ended						For the six months ended			
	2019 Apr. 30		2019 Jan. 31		2018 Apr. 30		**2019 Apr. 30**		2018 Apr. 30	
	Interest income	**Interest expense**	Interest income	Interest expense	Interest income	Interest expense	**Interest income**	**Interest expense**	Interest income	Interest expense
Measured at amortized cost [1]	**$ 4,337**	**$ 2,476**	$ 4,433	$ 2,451	$ 3,678	$ 1,683	**$ 8,770**	**$ 4,927**	$ 7,203	$ 3,120
Debt securities measured at FVOCI [1]	**236**	**n/a**	237	n/a	173	n/a	**473**	**n/a**	318	n/a
Other [2]	**452**	**89**	454	77	378	70	**906**	**166**	692	144
Total	**$ 5,025**	**$ 2,565**	$ 5,124	$ 2,528	$ 4,229	$ 1,753	**$ 10,149**	**$ 5,093**	$ 8,213	$ 3,264

(1) Interest income for financial instruments that are measured at amortized cost and debt securities that are measured at FVOCI is calculated using the effective interest rate method.
(2) Includes interest income and expense and dividend income for financial instruments that are mandatorily measured and designated at FVTPL and equity securities designated at FVOCI.
n/a Not applicable.

Note 13. Segmented information

CIBC has four strategic business units (SBUs) – Canadian Personal and Small Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management, and Capital Markets. These SBUs are supported by Corporate and Other.

Canadian Personal and Small Business Banking provides personal and business clients across Canada with financial advice, products and services through a team in our banking centres, as well as through our direct, mobile and remote channels.

Canadian Commercial Banking and Wealth Management provides high-touch, relationship-oriented banking and wealth management services to middle-market companies, entrepreneurs, high-net-worth individuals and families across Canada. In addition, we provide asset management services to institutional investors.

U.S. Commercial Banking and Wealth Management provides high-touch, relationship-oriented commercial, personal and small business banking, as well as wealth management services to meet the needs of middle-market companies, executives, entrepreneurs, high-net-worth individuals and families in the markets we serve in the U.S.

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

Corporate and Other includes the following functional groups – Client Connectivity and Innovation, Finance, Human Resources and Communications, Risk Management, and Technology and Operations, as well as other support groups. The expenses of these functional and support groups are generally allocated to the business lines within the SBUs. The majority of the functional and support costs of CIBC Bank USA are recognized directly in the U.S. Commercial Banking and Wealth Management SBU. Corporate and Other also includes the results of FirstCaribbean International Bank Limited and other strategic investments, as well as other income statement and balance sheet items not directly attributable to the business lines.

$ millions, for the three months ended		Canadian Personal and Small Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets	Corporate and Other	CIBC Total
2019 Apr. 30	**Net interest income** (1)	**$ 1,540**	**$ 293**	**$ 338**	**$ 255**	**$ 34**	**$ 2,460**
	Non-interest income (2)(3)	**588**	**710**	**137**	**496**	**151**	**2,082**
	Total revenue (1)	**2,128**	**1,003**	**475**	**751**	**185**	**4,542**
	Provision for (reversal of) credit losses	**229**	**23**	**11**	**–**	**(8)**	**255**
	Amortization and impairment (4)	**25**	**2**	**27**	**1**	**123**	**178**
	Other non-interest expenses	**1,097**	**528**	**250**	**371**	**164**	**2,410**
	Income (loss) before income taxes	**777**	**450**	**187**	**379**	**(94)**	**1,699**
	Income taxes (1)	**207**	**122**	**24**	**100**	**(102)**	**351**
	Net income (loss)	**$ 570**	**$ 328**	**$ 163**	**$ 279**	**$ 8**	**$ 1,348**
	Net income (loss) attributable to:						
	Non-controlling interests	**$ –**	**$ –**	**$ –**	**$ –**	**$ 7**	**$ 7**
	Equity shareholders	**570**	**328**	**163**	**279**	**1**	**1,341**
	Average assets (5)	**$ 258,272**	**$ 61,779**	**$ 47,939**	**$ 182,980**	**$ 82,586**	**$ 633,556**
2019 Jan. 31	Net interest income (1)	$ 1,567	$ 320	$ 345	$ 286	$ 78	$ 2,596
	Non-interest income (2)(3)	599	672	134	419	145	1,969
	Total revenue (1)	2,166	992	479	705	223	4,565
	Provision for (reversal of) credit losses	208	43	16	66	5	338
	Amortization and impairment (4)	23	2	27	1	118	171
	Other non-interest expenses	1,304	513	247	367	158	2,589
	Income (loss) before income taxes	631	434	189	271	(58)	1,467
	Income taxes (1)	168	115	21	70	(89)	285
	Net income (loss)	$ 463	$ 319	$ 168	$ 201	$ 31	$ 1,182
	Net income (loss) attributable to:						
	Non-controlling interests	$ –	$ –	$ –	$ –	$ 4	$ 4
	Equity shareholders	463	319	168	201	27	1,178
	Average assets (5)	$ 259,817	$ 60,189	$ 46,710	$ 176,567	$ 77,316	$ 620,599
2018 Apr. 30	Net interest income (1)	$ 1,489	$ 275	$ 303	$ 371	$ 38	$ 2,476
	Non-interest income (2)(3)	601	662	126	339	172	1,900
	Total revenue (1)	2,090	937	429	710	210	4,376
	Provision for (reversal of) credit losses	203	1	11	(9)	6	212
	Amortization and impairment (4)	24	3	25	1	109	162
	Other non-interest expenses	1,068	508	231	375	173	2,355
	Income (loss) before income taxes	795	425	162	343	(78)	1,647
	Income taxes (1)	211	115	24	94	(116)	328
	Net income (loss)	$ 584	$ 310	$ 138	$ 249	$ 38	$ 1,319
	Net income (loss) attributable to:						
	Non-controlling interests	$ –	$ –	$ –	$ –	$ 6	$ 6
	Equity shareholders	584	310	138	249	32	1,313
	Average assets (5)	$ 258,523	$ 55,042	$ 41,283	$ 164,639	$ 74,853	$ 594,340

(1) U.S. Commercial Banking and Wealth Management and Capital Markets net interest income and income taxes include taxable equivalent basis (TEB) adjustments of $1 million and $43 million, respectively, for the three months ended April 30, 2019 (January 31, 2019: nil and $41 million, respectively; April 30, 2018: $1 million and $52 million, respectively) with an equivalent offset in Corporate and Other.

(2) The fee and commission income within non-interest income consists primarily of underwriting and advisory fees, deposit and payment fees, credit fees, card fees, investment management and custodial fees, mutual fund fees and commissions on securities transactions. Underwriting and advisory fees are earned primarily in Capital Markets with the remainder earned in Canadian Commercial Banking and Wealth Management. Deposit and payment fees are earned primarily in Canadian Personal and Small Business Banking, with the remainder earned mainly in Canadian Commercial Banking and Wealth Management and Corporate and Other. Credit fees are earned primarily in Canadian Commercial Banking and Wealth Management, Capital Markets, and U.S. Commercial Banking and Wealth Management. Card fees are earned primarily in Canadian Personal and Small Business Banking, with the remainder earned mainly in Corporate and Other. Investment management and custodial fees are earned primarily in Canadian Commercial Banking and Wealth Management and U.S. Commercial Banking and Wealth Management, with the remainder earned mainly in Corporate and Other. Mutual fund fees are earned primarily in Canadian Commercial Banking and Wealth Management and U.S. Commercial Banking and Wealth Management. Commissions on securities transactions are earned primarily in Capital Markets and Canadian Commercial Banking and Wealth Management.

(3) Includes intersegment revenue, which represents internal sales commissions and revenue allocations under the Manufacturer / Customer Segment / Distributor Management Model. Prior period amounts have been restated to conform to the presentation adopted in the current quarter.

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

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

	$ millions, for the six months ended	Canadian Personal and Small Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets	Corporate and Other	CIBC Total
2019 Apr. 30	**Net interest income** (1)	**$ 3,107**	**$ 613**	**$ 683**	**$ 541**	**$ 112**	**$ 5,056**
	Non-interest income (2)(3)	**1,187**	**1,382**	**271**	**915**	**296**	**4,051**
	Total revenue (1)	**4,294**	**1,995**	**954**	**1,456**	**408**	**9,107**
	Provision for (reversal of) credit losses	**437**	**66**	**27**	**66**	**(3)**	**593**
	Amortization and impairment (4)	**48**	**4**	**54**	**2**	**241**	**349**
	Other non-interest expenses	**2,401**	**1,041**	**497**	**738**	**322**	**4,999**
	Income (loss) before income taxes	**1,408**	**884**	**376**	**650**	**(152)**	**3,166**
	Income taxes (1)	**375**	**237**	**45**	**170**	**(191)**	**636**
	Net income (loss)	**$ 1,033**	**$ 647**	**$ 331**	**$ 480**	**$ 39**	**$ 2,530**
	Net income (loss) attributable to:						
	Non-controlling interests	**$ –**	**$ –**	**$ –**	**$ –**	**$ 11**	**$ 11**
	Equity shareholders	**1,033**	**647**	**331**	**480**	**28**	**2,519**
	Average assets (5)	**$ 259,057**	**$ 60,970**	**$ 47,314**	**$ 179,721**	**$ 79,908**	**$ 626,970**
2018 Apr. 30	Net interest income (1)	$ 3,006	$ 543	$ 596	$ 800	$ 4	$ 4,949
	Non-interest income (2)(3)	1,222	1,348	265	711	340	3,886
	Total revenue (1)	4,228	1,891	861	1,511	344	8,835
	Provision for (reversal of) credit losses	351	2	25	(25)	12	365
	Amortization and impairment (4)	48	5	55	2	218	328
	Other non-interest expenses	2,142	1,029	458	750	388	4,767
	Income (loss) before income taxes	1,687	855	323	784	(274)	3,375
	Income taxes (1)	447	231	51	213	(214)	728
	Net income (loss)	$ 1,240	$ 624	$ 272	$ 571	$ (60)	$ 2,647
	Net income (loss) attributable to:						
	Non-controlling interests	$ –	$ –	$ –	$ –	$ 11	$ 11
	Equity shareholders	1,240	624	272	571	(71)	2,636
	Average assets (5)	$ 258,366	$ 54,147	$ 40,840	$ 165,886	$ 73,070	$ 592,309

(1) U.S. Commercial Banking and Wealth Management and Capital Markets net interest income and income taxes include TEB adjustments of $1 million and $84 million, respectively, for the six months ended April 30, 2019 ($1 million and $205 million, respectively, for the six months ended April 30, 2018) with an equivalent offset in Corporate and Other.

(2) The fee and commission income within non-interest income consists primarily of underwriting and advisory fees, deposit and payment fees, credit fees, card fees, investment management and custodial fees, mutual fund fees and commissions on securities transactions. Underwriting and advisory fees are earned primarily in Capital Markets with the remainder earned in Canadian Commercial Banking and Wealth Management. Deposit and payment fees are earned primarily in Canadian Personal and Small Business Banking, with the remainder earned mainly in Canadian Commercial Banking and Wealth Management and Corporate and Other. Credit fees are earned primarily in Canadian Commercial Banking and Wealth Management, Capital Markets, and U.S. Commercial Banking and Wealth Management. Card fees are earned primarily in Canadian Personal and Small Business Banking, with the remainder earned mainly in Corporate and Other. Investment management and custodial fees are earned primarily in Canadian Commercial Banking and Wealth Management and U.S. Commercial Banking and Wealth Management, with the remainder earned mainly in Corporate and Other. Mutual fund fees are earned primarily in Canadian Commercial Banking and Wealth Management and U.S. Commercial Banking and Wealth Management. Commissions on securities transactions are earned primarily in Capital Markets and Canadian Commercial Banking and Wealth Management.

(3) Includes intersegment revenue, which represents internal sales commissions and revenue allocations under the Manufacturer / Customer Segment / Distributor Management Model. Prior period amounts have been restated to conform to the presentation adopted in the current quarter.

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

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

TO REACH US:

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

Investor Relations: Financial analysts, portfolio managers and other investors requiring financial information may call 416-956-6149, or e-mail: investorrelations@cibc.com

Communications and Public Affairs: Financial, business and trade media may e-mail: corpcommmailbox@cibc.com

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

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

Earnings Conference Call: CIBC's second quarter conference call with analysts and investors will take place on Wednesday, May 22, 2019 at 8:00 a.m. (ET). The call will be available in English (416-340-2217, or toll-free 1-800-806-5484, passcode 8660945#) and French (514-861-2255, or toll-free 1-800-898-3989, passcode 6597336#). A telephone replay of the conference call will be available in English and French until 11:59 p.m. (ET) May 30, 2019. To access the replay in English, call 905-694-9451 or 1-800-408-3053, passcode 6527164#. To access the replay in French, call 514-861-2272 or 1-800-408-3053, passcode 3587047#.

Audio Webcast: A live audio webcast of CIBC's second quarter results conference call will take place on Wednesday, May 22, 2019 at 8:00 a.m. (ET) in English and French. To access the audio webcast, go to www.cibc.com; About CIBC. An archived version of the audio webcast will also be available in English and French following the call on www.cibc.com; About CIBC.

Annual Meeting: CIBC's next Annual Meeting of Shareholders will be held on April 8, 2020 in Edmonton, Alberta.

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

Bail-in Debt: Information on CIBC's bail-in debt and TLAC instruments may be found at www.cibc.com; About CIBC; Investor Relations; Debt Information; Bail-in Debt.

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

DIRECT DIVIDEND DEPOSIT SERVICE

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

SHAREHOLDER INVESTMENT PLAN

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

For a copy of the offering circular, contact AST Trust Company (Canada) at 416-682-3860, toll-free at 1-800-258-0499, or by email at inquiries@astfinancial.com.

PURCHASE PRICE OF COMMON SHARES UNDER THE SHAREHOLDER INVESTMENT PLAN

Date	Share purchase option	Dividend reinvestment & stock dividend options
Feb. 1/19	$ 110.83	
Mar. 1/19	$ 113.45	
Apr. 1/19	$ 107.63	
Apr. 29/19		$111.17

Canadian Imperial Bank of Commerce
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