

CIBC Announces First Quarter 2002 Results

First Quarter 2002 Financial Highlights:

- Reported Earnings were \$355 million, or \$0.87 per share, diluted, up 47% from the previous quarter, and down 31% from the same period a year ago.
- Adjusted Earnings (which exclude unusual items) were \$386 million, or \$0.95 per share, diluted, up 9% from the previous quarter, and down 31% from the same period a year ago.
- Operating Earnings (which exclude unusual items and the net impact of Amicus) were \$453 million, or \$1.13 per share, diluted, up 8% from the previous quarter, and down 26% from the same period a year ago.
- Return on Equity was 13.2% (Reported); 14.5% (Adjusted); and 17.2% (Operating).
- Tier 1 Capital Ratio was 9.1% and total capital ratio was 12.1%.
- Loan Loss Provisions were \$540 million for the first quarter, up from \$403 million in the prior quarter. Based on anticipated future trends, the total loan loss provision for fiscal 2002 is expected to be in the range of \$1.25 billion to \$1.35 billion, as announced on January 29, 2002.
- Gross Impaired Loans were \$2.07 billion, compared to \$1.70 billion the previous quarter.
- Total Allowance for Credit Losses remained strong, exceeding gross impaired loans by \$284 million.
- Net Unrealized Gains on CIBC's investment portfolio stood at \$1.2 billion.
- Proactive Balance Sheet Management: Repurchased 951,000 common shares during the quarter. CIBC sold \$272 million of non-strategic performing loans during the quarter. The EPS impact of these sales was \$(0.04).

(Operating Earnings and Adjusted Earnings exclude items that management believes are unusual or relate to substantial strategic investments, thereby allowing analysis of business trends and the performance of CIBC's business lines. These measures do not have a standardized meaning under GAAP and may not be comparable to similar measures used by other companies. Refer to Management's Discussion and Analysis, Consolidated Overview section, for further explanation).

(Toronto, ON – February 28, 2002) – CIBC announced first quarter Reported Earnings of \$355 million, or \$0.87 per share, diluted, compared to \$242 million, or \$0.56 per share, diluted, the previous quarter and \$515 million, or \$1.27 per share, diluted, a year ago. Adjusted Earnings (which exclude unusual items) were \$386 million, or \$0.95 per share, diluted, compared to \$353 million, or \$0.86 per share, diluted, the previous quarter and \$560 million, or \$1.39 per share, diluted, a year ago. Operating Earnings (which exclude unusual items and the net impact of Amicus) were \$453 million, or \$1.13 per share, diluted, compared to \$421 million, or \$1.04 per share, diluted, in the fourth quarter of 2001, and \$610 million, or \$1.52 per share, diluted, in the first quarter of 2001.

“CIBC delivered strong performance during the quarter in several businesses, including cards, mortgages and Wealth Management, demonstrating that our focus in these key areas is delivering the expected results,” said John S. Hunkin, Chairman and Chief Executive Officer. “CIBC's strong retail performance was offset by higher loan loss provisions, in particular to Enron and Global Crossing. We took action during the quarter to address our exposures and build loan loss provisions to appropriate levels. We are actively managing our balance sheet resources and continue to take a prudent approach as it relates to our credit book.”

Hunkin said the steps CIBC has taken over the past two years to increase measurement and accountability and impose greater discipline on capital and balance sheet management have helped CIBC weather the current market downturn. Moving forward, Hunkin said that the company's focus is to further instill a strong investor mindset throughout the organization and drive growth across all of its businesses.

"We are very pleased with the progress we have made in strengthening our balance sheet, better utilizing our capital and actively managing our risk – all of which have improved the value we deliver to our shareholders," added Hunkin. "Our focus now is to grow our retail and World Markets businesses and maximize the value of our investment in Wealth Management, particularly our recent acquisitions of TAL and Merrill Lynch's Canadian retail operations.

We remain confident that we are well-positioned for growth as market conditions improve."

Strong Focus on Retail Growth

During the quarter, CIBC continued to shift its mix of businesses in favour of retail-related operations. To further sharpen its focus on retail banking, CIBC realigned its operations, placing all lending products and all marketing channels into separate business groups. CIBC also reported separate financial information on Amicus to provide better transparency to its shareholders. Retail banking at CIBC comprises Retail Products (formerly Electronic Commerce), Retail Markets (formerly Retail and Small Business Banking) and Wealth Management. These businesses generated 77% of CIBC's operating earnings during the first quarter of 2002.

Earnings by Business Unit				
	Reported Earnings		Operating Earnings	
	2002	2001	2002	2001
<i>Unaudited, \$ millions, for the three months ended</i>	Jan. 31	Oct. 31	Jan. 31	Oct. 31
Retail Products	\$ 220	\$ 170	\$ 220	\$ 187
Retail Markets	44	28	44	45
Wealth Management	53	36	84	56
CIBC World Markets	141	113	141	134
Amicus	(67)	(94)	–	–
Corporate & Other	(36)	(11)	(36)	(1)
CIBC Total	\$ 355	\$ 242	\$ 453	\$ 421

2002 First Quarter Operational Highlights

➤ Retail Products (formerly reported as Electronic Commerce)

- *Strong performance in mortgages and cards:* Market share in residential mortgages and cards purchase volumes increased to 13.3% and 32.1%, respectively.
- *Building on #1 position in cards:* CIBC reached an agreement with American Express Limited to issue American Express-branded credit cards in Canada, becoming the first bank in Canada to offer both American Express and VISA credit cards. More than 10,000 applications were received in the initial weeks following the announcement.

➤ Retail Markets (formerly reported as Retail and Small Business Banking)

- *Customer acquisition:* The number of registered Internet banking customers grew by 217,000 or 17% during the quarter, bringing the total number of registered CIBC online banking customers to 1.52 million. Approximately 200,000 new telephone banking customers were added during the quarter, an increase of 6%, bringing the total number of registered customers to 3.31 million.
- *Rolling out Smart, Simple Solutions:* CIBC's strategy is resulting in the offering of fewer but more targeted products with clear and distinctive value propositions. The Waive Account and the Premium Growth Account are two examples

of innovative solutions that are a success with customers. Consumer deposit balances grew by 32% quarter over quarter in the Waive Account and by 38% in the Premium Growth Account.

- *Increased productivity and sales efficiency:* During the quarter, 5,224 new or upgraded workstations were installed in 439 branches as part of an ongoing technology upgrade to provide employees and customers with access to faster account information.
- *Commitment to training:* 3,000 additional branch banking employees completed internal training courses, primarily sales training and accreditation.

➤ **Wealth Management**

A number of key actions were completed during the quarter in support of Wealth Management's strategy to strengthen its distribution platform through the largest relationship-based advisory salesforce among Canadian banks, backed by an extensive range of wealth management products.

- *Building distribution strength:* On December 28, 2001, CIBC completed the acquisition of the retail brokerage and securities services businesses of Merrill Lynch Canada Inc. To date, CIBC has retained over 90% of the retail brokerage salesforce. The combined entity operates under the CIBC Wood Gundy name and has a team of more than 1,600 financial consultants, managing over \$90 billion in assets for clients across Canada.
- *Expanding product offerings:* On January 31, 2002, CIBC completed the purchase of the shares of Merrill Lynch's asset management business in Canada, operated by Merrill Lynch Investment Managers Canada Inc. which managed the 29 Merrill Lynch mutual funds, Frontiers pools and separately managed accounts.
- *Relationship advisory expertise:* CIBC now has 555 registered financial advisers in its branches, building on its success of being the first Canadian bank to obtain regulatory approval to allow its branch-based adviser network to sell a full range of non-proprietary and proprietary securities and investments in addition to credit products.
- *Online services:* CIBC Investor's Edge website continues to be recognized for improvements to its discount brokerage offer. In the annual Gomez ranking of Canadian online brokerages,

CIBC Investor's Edge ranked 5th of the 13 online brokerages surveyed, securing 2nd place in the ease-of-use category and 3rd overall, ahead of all bank competitors, in the cost category.

➤ **CIBC World Markets**

Although financial markets were weaker than in the first quarter of 2001, they were somewhat stronger than conditions experienced in the fourth quarter of 2001. The improving conditions helped CIBC World Markets record a number of significant achievements during the quarter, including:

- *Revenue growth:* Quarter over quarter revenue improvements were realized in equity structured products, fixed income, and North American institutional equity businesses. In Canada, equity new issues contributed one of its strongest quarters ever.
- *New business:* CIBC World Markets participated in a number of significant transactions including:
 - Acting as co-lead manager and underwriter in a commercial real estate securitization offering of US\$867 million.
 - Acting as financial adviser to Canadian Hunter on its \$3.3 billion sale to Burlington Resources Inc.
 - Acting as sole lead arranger and underwriter for a US\$450 million senior secured credit facility and initially committed and underwrote bridge notes in conjunction with International Multifoods Corporation's acquisition of the Pillsbury Desserts and Specialty Products business from The Pillsbury Company.
- *Operational update:* Following the events of September 11, 2001, CIBC World Markets secured additional premises in midtown Manhattan and resumed full operational functionality across all U.S. lines of business.

➤ **Amicus**

During the quarter, CIBC continued to expand Amicus, its co-branded retail electronic banking business, in both the U.S. and Canada.

- *Customer acquisition:* The total number of Amicus customers grew to 1,003,000 during the quarter, an 11% increase over the 901,000 registered customers at October 31, 2001. The total number of pavilions operating increased to 481 at quarter end.

Balance Sheet Strength

The effective management of balance sheet and risk resources underpins all of CIBC's strategic decisions.

CIBC engaged in a number of activities during the quarter which continued to reallocate the balance sheet resources to businesses with strong earnings, high strategic performance and long-term growth potential. Included in these activities was the sale of \$272 million of non-strategic performing loans during the quarter.

As at January 31, 2002 CIBC's Tier 1 and total regulatory capital were \$11.7 billion and \$15.6 billion, respectively, both unchanged from the corresponding amounts at October 31, 2001. The Tier 1 and the total regulatory capital ratios stood at 9.1% and 12.1%, respectively, compared with 9.0% and 12.0% at October

31, 2001. CIBC also continued with its share repurchase program, acquiring 951,000 common shares at an average price of \$55.84 during the quarter. The share repurchase is part of a normal course issuer bid that CIBC began on January 9, 2002 to purchase up to 18 million common shares. The bid ends January 8, 2003.

Overall Performance and Accountability

CIBC continued to deliver strong performance against its key financial targets, including the best total return of all major Canadian banks from November 1, 1999. CIBC's total return was 83.6% from November 1, 1999 to January 31, 2002. Operating Return on Equity for the quarter was 17.2% compared to 15.8% the previous quarter.

Financial Targets	Measurement	Performance
Share Price	Best total return to shareholders, among the major Canadian banks, beginning November 1, 1999	Best total return of 83.6% as at January 31, 2002
ROE ⁽¹⁾	18% ⁽¹⁾ by 2002	17.2% ⁽¹⁾
Earnings Growth ⁽¹⁾	Diluted EPS growth rate of 15% ⁽¹⁾ per year	\$1.13 ⁽¹⁾ , down 26% from \$1.52 ⁽¹⁾ in Q1, 2001
Efficiency ⁽¹⁾	Non-interest expenses to revenue ratio of 60% ⁽¹⁾ by 2002	63.8% ⁽¹⁾
Capital Strength	8.5% – 9.5% (Tier 1)	9.1%
	11.0% – 12.5% (Total Capital)	12.1%

(1) Based on Operating Earnings – Refer to Management's Discussion and Analysis, Consolidated Overview section, for more explanation.

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A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements about the operations, priorities, targets, plans, objectives and strategies of CIBC for 2002 and subsequent years, including the forward-looking statements of CIBC's business lines (Retail Products, formerly known as Electronic Commerce, Technology and Operations; Retail Markets, formerly known as Retail and Small Business Banking; Wealth Management; CIBC World Markets and Amicus). Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate" and other similar expressions or future or conditional verbs such as "will", "should", "would" and "could". A forward-looking statement is subject to risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond CIBC's control, affect the operations, performance and results of CIBC, and could cause actual results to differ materially from the expectations expressed in any of CIBC's forward-looking statements. These factors include current, pending and proposed legislative or regulatory developments; intensifying competition from established competitors and new entrants in the financial services industry; technological change; global capital market activity, including interest rate fluctuation, currency value fluctuation and general economic conditions worldwide, as well as in Canada, the United States and other countries where CIBC has business operations; the impact of the events of September 11, 2001; changes in market rates and prices which may adversely affect the value of financial products; and CIBC's success in managing the costs associated with the expansion of existing distribution channels, developing new ones and realizing increased revenue from these channels, including electronic commerce-based efforts. This list is not exhaustive of the factors that may affect any of CIBC's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on CIBC's forward-looking statements. CIBC does not undertake to update any forward-looking statement that is contained in this news release.