

CONSOLIDATED STATEMENT OF FINANCIAL
CONDITION

CIBC World Markets Corp. and Subsidiaries
Period Ended April 30, 2010

(Unaudited)

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CIBC World Markets Corp. and Subsidiaries

Consolidated Statement of Financial Condition

April 30, 2010

(Unaudited)

(000's omitted, except for share and par value information)

Assets

Cash	\$ 39,784
Securities purchased under resale agreements	3,302,696
Securities borrowed	3,488,559
Receivable from broker-dealers and clearing organizations	63,262
Receivable from customers	246,882
Trading assets, at fair value, including \$49,986 of securities pledged	82,665
Due from affiliates – income taxes	58,452
Securities received as collateral, at fair value	1,212,105
Other assets	61,148
Total assets	<u>\$ 8,555,553</u>

Liabilities and shareholders' equity

Liabilities:

Short-term loans	\$ 954
Securities sold under repurchase agreements	3,326,415
Securities loaned	2,142,697
Payable to broker-dealers and clearing organizations	75,099
Payable to customers	7,354
Accrued employee compensation and benefits	43,293
Obligation to return securities received as collateral, at fair value	1,212,105
Other liabilities and accrued expenses	43,883
	<u>6,851,800</u>

Commitments and contingencies:

Liabilities subordinated to claims of general creditors	<u>1,045,500</u>
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Shareholders' equity

Common stock, par value \$0.25 per share; 6,800 shares authorized; 6,758 shares issued and outstanding	1,690
Additional paid-in capital	911,360
Accumulated deficit	(238,995)
Accumulated other comprehensive loss	(15,802)
	<u>658,253</u>

Total liabilities and shareholders' equity	<u>\$ 8,555,553</u>
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See notes to consolidated statement of financial condition.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition

April 30, 2010
(000's omitted)

1. Organization and Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of CIBC World Markets Corp., a registered broker-dealer, and its wholly owned subsidiaries (collectively, the "Company"). The Company is a subsidiary of CIBC World Markets Holdings, Inc. ("Holdings"). Holdings is a wholly owned subsidiary of CIBC Delaware Holdings, Inc. ("DHI"). DHI is a wholly owned subsidiary of CIBC World Markets Inc. ("WMI"). WMI is ultimately a wholly owned subsidiary of the Canadian Imperial Bank of Commerce ("CIBC" or the "Parent"), Toronto, Canada.

All intercompany balances have been eliminated upon consolidation. Certain financial information for prior periods has been reclassified to conform to the current period presentation.

The following paragraphs describe our significant accounting policies, including the changes to our accounting policies effective since November 1, 2009.

Nature of Business

The Company provides its clients and counterparties with a full range of services in connection with securities transactions, investment banking, and acting as a dealer in securities.

Securities and Commodities Transactions

Customers' securities and commodities transactions are recorded on a settlement date basis. Proprietary transactions are recorded on a trade-date basis.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

1. Organization and Significant Accounting Policies (continued)

Securities and Commodities Transactions (continued)

Effective February 22, 2010, the Company began clearing commodities on behalf of an affiliate customer.

Securities Purchased Under Agreements to Resell and Securities Sold Under Agreements to Repurchase

Securities purchased under agreements to resell and securities sold under agreements to repurchase are treated as collateralized financing transactions. The agreements provide that the transferor will receive substantially the same securities in return at the maturity of the agreement and the transferor will obtain from the transferee sufficient cash or collateral to purchase such securities during the term of the agreement. These agreements are recorded at the amounts at which they will be subsequently resold or repurchased plus accrued interest.

The Company's policy is to take possession of securities purchased under agreements to resell. As these transactions are short-term in nature, their carrying amounts are a reasonable estimate of fair value.

Securities sold under agreements to repurchase and securities purchased under agreements to resell with the same counterparty are reported on a net basis on the Consolidated Statement of Financial Condition if the conditions of Accounting Standards Codification ("ASC") ASC 860, *Transfers and Servicing*, are met.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

1. Organization and Significant Accounting Policies (continued)

Securities Borrowed/Loaned

Securities borrowed and securities loaned transactions are generally reported as collateralized financings. In a non-cash securities lending transaction, the securities received as collateral in the form of cash or other collateral are generally in excess of the market value of the securities loaned. Securities borrowed transactions require the Company to deposit cash, letters of credit, or other collateral with the lender. The Company monitors the market value of securities borrowed and securities loaned on a daily basis, with additional collateral obtained or refunded as necessary. Securities loaned and borrowed are recorded at contract value on the Consolidated Statement of Financial Condition.

Collateral

The Company accepts and pledges collateral in connection with secured financing and securities borrowing and lending transactions. Agreements covering these transactions may permit the secured party to sell or repledge the collateral. The Company monitors the risk of loss by assessing the fair value of the collateral accepted or pledged as compared with the related receivable, payable or other collateral exchanged, and requests additional collateral where deemed appropriate.

Collateral accepted under reverse repurchase agreements, securities borrowing agreements and margin lending agreements is used to cover short positions, to enter into secured financing transactions and to satisfy reserve requirements under SEC Customer Reserve Computation ("Rule 15c3-3") and deposit requirements with clearing organizations.

Furniture, Fixtures and Leasehold Improvements

Furniture, fixtures and leasehold improvements are carried at cost, less accumulated depreciation and amortization and are included in other assets in the Consolidated Statement of Financial Condition. Depreciation of furniture and fixtures is provided on a straight-line basis over a period of 4 to 15 years. Depreciation of computer equipment and software is provided on a straight-line basis over a period of 2 to 7 years. Amortization of leasehold improvements is provided on a straight-line basis over the lesser of the economic useful lives of the improvements or the terms of the leases.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

1. Organization and Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net income and related disclosures. Estimates and assumptions are primarily made in the area of accounting for financial instruments, income taxes, contingent liabilities and employee pension and post-retirement benefits. Actual results could differ from these estimates and assumptions.

Currency Translation

Assets and liabilities denominated in foreign currencies are translated at exchange rates at the Consolidated Statement of Financial Condition date.

Income Taxes

The Company uses the asset and liability method to provide for income taxes. The asset and liability method requires that income taxes reflect the expected future tax effect of temporary differences between the carrying amounts of assets or liabilities and their tax bases. Future income tax assets and liabilities are determined for each temporary difference and for unused losses for tax purposes, as applicable, at rates expected to be in effect when the asset is realized or the liability is settled. A valuation allowance is established, if necessary, to reduce the future income tax asset to an amount that is more likely than not to be realized.

Share-Based Payments

The Company provides compensation to certain employees in the form of stock options and/or restricted share-based awards (“RSAs”) in the stock of CIBC. In addition,

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

1. Organization and Significant Accounting Policies (continued)

Share-Based Payments (continued)

forfeitures are required to be estimated upfront in the year an award is granted and are periodically reassessed and adjusted to reflect actual forfeitures. The holders of RSAs are entitled to receive a cash dividend based on the dividends declared on the common stock of CIBC.

The 2007 RSAs settle in CIBC common shares. The 2008 and 2009 RSAs settle in the cash equivalent of CIBC common shares.

Limited Partnerships

According to ASC 810, *Consolidation* ("ASC 810"), variable interest entities ("VIEs") lack one or more of the characteristics of a voting interest entity. ASC 810 provides that a controlling financial interest in an entity is present when an entity has one or more variable interests that are expected to absorb a majority of the entity's expected losses, receive a majority of the entity's residual returns, or both. The entity that is determined to be the primary beneficiary holds the controlling financial interest and is required to consolidate the VIE. Accordingly, the Company consolidates VIEs in which the Company is deemed to be the primary beneficiary.

When the Company does not have a controlling financial interest in an entity but exerts significant influence over the entity's operating and financial policies, the Company accounts for its investment in accordance with the equity method of accounting prescribed by ASC 323, *Investments – Equity Method and Joint Ventures*. This generally applies to cases in which the Company owns a voting or economic interest of between 20 and 50 percent.

The Company uses the accounting guidance issued by ASC 810 when determining whether a general partner controls a limited partnership. ASC 810 guidance is based on the fundamental principle that a general partner in a limited partnership is presumed to control the limited partnership, regardless of the extent of its ownership interest. Consequently, a general partner is required to consolidate the partnership unless the presumption of control can be overcome. The Company invests as a general partner in partnership structures that have another unrelated general partner. They work jointly to manage the partnership. Neither general partner can individually control or direct the actions of the partnership, therefore the Company's interest in these partnerships are accounted for under the equity method.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

1. Organization and Significant Accounting Policies (continued)

Accounting for Uncertainty in Income Taxes

ASC 740, *Income Taxes* ("ASC 740"), requires that an entity recognize in the financial statements, the impact of a tax position, if that position is more likely than not to be sustained on examination by the taxing authorities, based on technical merits of the position. Tax benefits resulting from such a position should be measured as the amount that has at least fifty percent likelihood on a cumulative basis to be sustained on examination. ASC 740 also provides guidance on de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. The Company continues to evaluate the impact of ASC 740 on its financial statements.

Accounting for Defined Benefit Pension and Other Post Retirement Plans

ASC 715, *Compensation – Retirement Benefits* ("ASC 715"), requires an entity to recognize the over-funded or under-funded status of a defined benefit post-retirement plan as an asset or liability in its balance sheet and to recognize changes in that funded status in the year in which the changes occur as a component of comprehensive income or loss. The statement also requires an entity to measure the funded status of a plan at the balance sheet date.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), provides a single definition of fair value, together with a framework for measurement, and requires additional disclosure about the use of fair value techniques to measure assets and liabilities. ASC 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Under ASC 820, fair value measurements are disclosed by level within that hierarchy. While ASC 820 does not add any new fair value measurements, it does change current practice.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

1. Organization and Significant Accounting Policies (continued)

Fair Value Option for Financial Assets and Financial Liabilities

ASC 825, *Financial Instruments*, permits entities to choose to measure many financial instruments and certain other items at fair value. The Company has not exercised the option to adopt fair value for the current fiscal year.

Subsequent Events

ASC 855, *Subsequent Events* ("ASC 855"), establishes general standards of accounting and disclosure of events that occur after the balance sheet date but before the financial statements are issued or available to be issued. ASC 855 requires the disclosure of the dates through which the Company has evaluated subsequent events when determining whether adjustments to disclosure in the financial statements is required. ASC 855 became effective for the Company for the year ending of October 31, 2009 and the Company has evaluated subsequent events through June 25, 2010. These amended principles did not have a material effect on the consolidated financial statements.

New Accounting Pronouncements

Fair Value Measurements

In January 2010, the FASB issued ASU 2010-6, *Improving Disclosures about Fair Value Measurements*, which amends ASC 820, *Fair Value Measurements and Disclosures*, to require entities to disclose separately the amounts of significant transfers between Level I and Level II of the fair value hierarchy and the reasons for these transfers, the reasons for any transfers in or out of Level III, and information in the reconciliation of recurring Level III measurements about purchases, sales, issuances and settlements on a gross basis. In addition, ASU 2010-06 amends ASC 820 to clarify that reporting entities are required to provide fair value measurement disclosures for each "class" of assets and liabilities. ASU 2010-06 is effective for the beginning of an entity's first annual reporting period that begins after December 15, 2009 with the exception of the requirement to separately disclose purchases, sales, issuances, and settlements of recurring Level III measurements on a gross basis, which becomes effective for fiscal years beginning after December 15, 2010. The Company does not believe the adoption of ASU 2010-6 will materially impact the financial statements.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

1. Organization and Significant Accounting Policies (continued)

Interests in Variable Interest Entities

In June 2009, ASC 810 was amended to change the determination of when a VIE should be consolidated. Under ASC 810, the determination of whether to consolidate a VIE is based on the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, together with either the obligation to absorb losses or the right to receive benefits that could be significant to the VIE, as well as the VIE's purpose and design. The Company is currently evaluating the impact of adopting ASC 810 and does not expect adoption to have a material effect on the consolidated financial statements.

2. Cash

Cash represents funds deposited with financial institutions that can be withdrawn without restriction. All cash is on deposit with major money center banks and the Parent.

3. Receivable from Broker-Dealers and Clearing Organizations and Payable to Broker-Dealers and Clearing Organizations

The components of receivable from broker-dealers and clearing organizations and payable to broker-dealers and clearing organizations as of April 30, 2010 are as follows:

Receivable from broker-dealers and clearing organizations:	
Clearing organizations	\$ 22,500
Dividends and interest receivable	332
Investment banking receivable	1,885
Receivable from Oppenheimer	35,647
Receivable from brokers - affiliate	2,891
Other	7
	<hr/>
	\$ 63,262
	<hr/>
Payable to broker-dealers and clearing organizations:	
Clearing organizations	\$ 2,235
Securities failed to receive	66,136
Dividends and interest payable	6,144
Other	584
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	\$ 75,099
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CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

3. Receivable from Broker-Dealers and Clearing Organizations and Payable to Broker-Dealers and Clearing Organizations (continued)

Securities borrowed, securities loaned, securities failed to deliver and securities failed to receive are substantially short-term in nature, and accordingly, their carrying amounts are a reasonable estimate of fair value

Effective January 1, 2008, the Parent sold the Company's U.S.-based investment banking, leverage finance, equities, and related debt capital markets businesses and its Israeli investment banking and equities business (the "transferred business") to Oppenheimer. The sale to Oppenheimer of certain other U.S. capital markets-related business located in the U.K. and Asia closed in the fourth quarter of 2008. In consideration, Oppenheimer provided the Parent warrants for one million shares exercisable at the end of five years. In addition, Oppenheimer will pay the Company a minimum deferred purchase price of \$25,000 at the end of five years based on the earnings of the transferred businesses. Included in receivable from broker-dealers and clearing organizations on the Consolidated Statement of Financial Condition is \$20,647 which represents the current present value of the deferred purchase price and \$15,000 which represents a note receivable from Oppenheimer related to RSAs that vested in 2008. The note receivable maturing in October 2010 bears interest at the three-month LIBOR rate plus six hundred basis points per annum.

The RSAs issued by the Parent and held by employees transferred to Oppenheimer will continue to vest in accordance with their original terms. To support these compensation arrangements, Oppenheimer will reimburse the Company for the cost of these RSAs to the extent they vest. For the period ended April 30, 2010, Oppenheimer reimbursed the Company \$170 for RSAs that vested.

4. Receivable from and Payable to Customers

Accounts receivable and payable to customers include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables.

5. Secured Financing Transactions

At April 30, 2010, the fair value of collateral accepted under reverse repurchase agreements, securities borrow transactions and for customer margin loans was \$6,640,626, all of which was sold or re-pledged.

Securities owned at fair value of \$49,986 have been segregated in a special reserve bank account for the exclusive benefit of customers pursuant to Rule 15c3-3 of the Securities Exchange Act.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

6. Fair Value Measurements of Trading Assets

The Company adopted ASC 820, effective November 1, 2008. ASC 820 establishes a framework for measuring fair value and expands disclosures about fair value measurements in financial statements.

The various inputs that may be used to determine the value of the Company's investments are summarized in three levels. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Level 1 – Quoted prices in active markets for identical securities.

Level 2 – Significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk etc.).

Level 3 – Significant unobservable inputs (including the fund's own assumptions used to determine the fair value of investments).

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Unregistered investment companies: The Company's investments in unregistered investment companies are valued based upon the Company's applicable ownership interest in the net assets. Net assets include realized gains/losses on underlying investments of the unregistered investment company as well as other income/expenses of the unregistered investment company.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010
(000's omitted)

6. Fair Value Measurements of Trading Assets (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Company's investments at fair value at April 30, 2010.

	Assets at Fair Value as of April 30, 2010			
	Level 1	Level 2	Level 3	Total
U.S. government and agency obligation	\$49,989	\$ –	\$ –	\$49,989
Stocks and warrants	8	40	–	48
Unregistered investment companies	–	–	32,628	32,628
Total investments at fair value	<u>\$49,997</u>	<u>\$ 40</u>	<u>\$32,628</u>	<u>\$ 82,665</u>

The following table sets forth a summary of changes in the fair value of the Company's Level 3 investments for the period ended April 30, 2010.

	Unregistered Investment Companies	Total
Balance as of November 1, 2009	\$ 33,652	\$ 33,652
Purchases, sales, issuances and settlements (net)	(3,806)	(3,806)
Realized and unrealized gains	2,782	2,782
Balance, as of April 30, 2010	<u>\$ 32,628</u>	<u>\$ 32,628</u>
Net change in unrealized appreciation/depreciation from investments still held as of April 30, 2010	<u>\$ 2,782</u>	<u>\$ 2,782</u>

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

7. Related Party Transactions

In the normal course of business, the Company engages in various transactions with CIBC and affiliates. These transactions include, but are not limited to, repurchase and reverse repurchase agreements, securities borrowed and loaned, trade execution and custodial services, and services related to investment banking and financial products activities.

The Company and its affiliates participate in transactions to arrange financing for third parties.

The Company and its affiliates purchase goods and services from unaffiliated entities under contracts where each company in the affiliated group pays their pro-rata share of the external invoice. The Company does not consider payments made under these contracts to be related party transactions.

The following amounts related to transactions with CIBC and affiliates are included in the accompanying consolidated financial statements:

Assets

Cash	\$ 19,641
Securities purchased under resale agreements	240,876
Securities borrowed	2,173,977
Receivable from broker-dealers and clearing organizations	2,891
Receivable from customers	214,727
Due from affiliates – income taxes	58,452
Due from affiliates – service fees	23,390
Other assets	12,719

Liabilities

Securities sold under repurchase agreements	1,431,912
Securities loaned	132,684
Other liabilities and accrued expenses	871
Liabilities subordinated to claims of general creditors	1,045,500

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

7. Related Party Transactions (continued)

Included in receivable from customers is an affiliate customer receivable that does not meet the definition of customer under Rule 15c3-3. Effective July 31, 2009, the Company changed the status of an affiliate customer to affiliate noncustomer for Rule 15c3-3 purposes, with prior approval from the Financial Industry Regulatory Authority ("FINRA").

The Company has pledged securities with a fair value of \$23,226 to an affiliate against securities borrowed from an affiliate with a fair value of \$16,216.

Additionally, the Company made loans to employees in the amount of \$414.

8. Liability Subordinated to Claims of General Creditors

Liability subordinated to claims of general creditors as of April 30, 2010, is recorded on the Consolidated Statement of Financial Condition and consists of the following:

Subordinated loan due July 2011	<u>\$ 1,045,500</u>
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The subordinated loan maturing in July 2011 bears interest at the three-month LIBOR rate plus seventy-five basis points per annum. The fair market rate for a similar funded loan would be approximately three-month LIBOR rate plus one hundred and fifty basis points.

The liability subordinated to claims of general creditors is subordinated to all existing and future claims of all non-subordinated creditors of the Company. It has been approved as regulatory capital and constitutes part of the Company's net capital under the SEC's Uniform Net Capital Rule 15c3-1 (the "Uniform Net Capital Rule") and Commodity Futures Trading Commission ("CFTC") Regulation 1.17(d) and 1.17(h). The liability may be repaid only if, after giving effect to such repayment, the Company meets the specified requirements of the SEC and CFTC.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

9. Income Taxes

The Company is part of the consolidated U.S. federal income tax return filed by DHI. In addition, the Company is part of a general corporation combined group with various affiliates for New York State (“NYS”) and New York City (“NYC”) income tax purposes.

Pursuant to an intercompany tax allocation agreement, the Company’s current tax liability or benefit does not reflect amounts that would be computed as if a separate tax return had been filed for federal, NYS and NYC income tax purposes. The Company’s loss and credit utilization are calculated to the extent the consolidated group has capacity to utilize such loss and credit carryovers.

Under ASC 740, temporary differences between recorded amounts and the tax bases of assets and liabilities are accounted for at future income tax rates. Under certain circumstances, estimates are used in determination of temporary differences.

As of April 30, 2010, the amount due from DHI that pertains to income taxes was \$58,452, recorded as due from affiliates – income taxes in the Consolidated Statement of Financial Condition. Included in such amounts due from DHI are net deferred tax assets of \$53,722. The principal temporary differences that give rise to the Company’s deferred tax assets are net operating losses, restructuring expenses, depreciation and charitable contribution carryovers.

As of April 30, 2010, the Company has available federal and state net operating loss (“NOL”) carryforwards of \$5,318 and \$451,889, respectively. The state NOL carryforwards were generated predominantly in NYS and NYC and have a \$53,719 valuation allowance recorded against them. The Company believes that the current level of valuation allowance is sufficient based on all available evidence and that it is more likely than not that the remaining deferred tax assets will not be realized prior to expiration.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

9. Income Taxes (continued)

The federal and state NOL carryforwards may be applied against future taxable income. The federal NOL amount expires in year 2030 while the NOL expires as follows in each respective period ending October 31:

State NOL amount carried forward for the year ending:	
2023	\$ (135,067)
2024	(96,678)
2025	(215,566)
2030	(4,578)
Total	<u><u>\$ (451,889)</u></u>

10. Commitments and Contingencies

Long-Term Lease Commitments

The Company leases office space, under non cancelable operating leases expiring on various dates between 2010 and 2015. At April 30, 2010, aggregate minimum rental commitments for non-cancelable leases are as follows:

	<u>Leased</u>
Period ending April 30:	
2010	\$ 7,539
2011	4,280
2012	1,636
2013	1,607
2014	876
2015 and thereafter	68
	<u><u>\$ 16,006</u></u>

Some of the Company's leases contain escalation provisions for tax and operating expenses. In addition, some of the Company's leases contain provisions for optional renewal, which are at the Company's option with defined terms.

At April 30, 2010, the Company remained primarily liable for minimum rental commitments for leases on premises that have been surrendered to the landlord or subleased to a third-party tenant. The Company's commitments on these leases expire on various dates between 2010 and 2015.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

10. Commitments and Contingencies (continued)

Assigned Lease Commitments

In connection with the sale of its US Wealth Management Division to Oppenheimer in 2003, the Company also remains contingently liable under the terms of the leases that have been assigned to Oppenheimer in the event of an Oppenheimer default. At April 30, 2010, future minimum rental payments for these leases for which the Company is contingently liable are as follows:

Period ending April 30:	
2010	\$ 3,939
2011	3,861
2012	3,624
2013	3,574
2014	2,119
2015 and thereafter	303
	<hr/>
	\$ 17,420
	<hr/>

Other Commitments

At April 30, 2010, the Company had outstanding commitments to resale, repurchase, to fund investments in partnerships, and a letter of credit of approximately \$400,000, \$400,000, \$1,279 and \$30, respectively.

Litigation

The Company is a party to a number of legal proceedings, including regulatory investigations, in the ordinary course of its business. While there exists an inherent difficulty in predicting the outcome of such matters, based on current knowledge and consultation with legal counsel, the Company does not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on our consolidated financial position. However, the outcome of any such matters, individually or in aggregate, may be material to our operating results for a particular year.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

11. Employee Benefit and Other Compensation Plans

The Company participates in a defined contribution plan administered by an affiliate, which meets the requirements of Section 401(k) of the Internal Revenue Code. A plan participant may contribute between 2% and 50% of their base salary on a before tax or after tax basis, subject to

Internal Revenue Service limitations. The Company matches up to 50% of a participant's contribution up to 6% of the participant's base salary.

Under the RSA Plan, certain key employees are granted awards to receive CIBC common shares. Some granted awards are settled in the cash equivalent of CIBC common shares. The 2007 RSAs settle in CIBC common shares. The 2008 and 2009 RSAs settle in the cash equivalent of CIBC common shares. In general, RSAs vest one-third annually beginning in the year after the grant.

Awards are granted to employees by the Parent and are settled by the Parent. The Parent allocates the costs of these awards to the Company. For the period ended April 30, 2010, the Company paid the Parent \$15,492 for RSAs awarded.

12. Post-retirement Benefits

Healthcare

Through a plan administered by an affiliate, the Company currently provides certain health care and life insurance benefits to eligible retired employees. Eligible retirees share in the cost of the healthcare benefits. The Company and its affiliates share in the cost of the plan based on their respective number of active employees.

Pension Benefits

The Company, other affiliates and U.S. employees of CIBC participate in CIBC's noncontributory defined benefit plan (the "Pension Plan"). This is a single Pension Plan in which multiple CIBC affiliates participate. Under IRS regulations each of the affiliated companies is jointly and severally liable for the Pension Plan. The Pension Plan benefit payment formula is generally based upon a retired employee's length of service and a percentage of qualifying compensation during the final years of employment. The Company and its affiliates share in the cost of the plan based on their respective number of active employees.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

13. Financial Instruments with Off-Balance Sheet Risk and Concentration of Credit Risk

In the normal course of business, the Company enters into securities transactions. If the securities subject to such transactions are not in the possession or control of the Company, the Company is subject to risk of loss if the security is not received and the fair value has increased over the contract amount of the transactions.

The Company enters into various transactions in financial instruments with off-balance sheet risk in order to meet the needs of its clients, to manage its exposure to market risks and in connection with its normal proprietary trading activities. Each of these transactions contains varying degrees of off-balance sheet risk.

As agent, the Company executes securities and commodities transactions on behalf of its customers. If either the customer, or a counterparty fails to perform, the Company may be required to discharge the obligations of the nonperforming party. In such circumstances, the Company may sustain a loss if the fair value of the security or commodity contract is different from the contract value of the transaction.

The Company may deliver securities as collateral in support of various secured financing sources such as bank loans, securities loaned and repurchase agreements. In such circumstances, the Company may incur a loss up to the amount by which the fair value of the securities delivered exceeds the fair value of the loan or other collateral received or in the possession or control of the Company. Additionally, the Company delivers customer securities as collateral to satisfy margin requirements of various exchanges. In the event the counterparty is unable to meet its contractual obligation to return customer securities delivered as collateral, the Company may be obligated to purchase the securities in order to return them to the customer.

As general partner, the Company is liable for the obligations of various limited partnerships engaged primarily in securities investments and real-estate activities. Such liabilities, if any, for the obligations of the partnerships will not in the aggregate have a material adverse effect on the Company's financial position.

The majority of the Company's transactions and, consequently, its credit exposures are with customers, broker-dealers and other financial institutions in the United States. These activities primarily involve collateralized arrangements and may result in credit exposure in the event that the counterparty fails to meet its contractual obligations.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

13. Financial Instruments with Off-Balance Sheet Risk and Concentration of Credit Risk (continued)

The Company's exposure to credit risk can be directly impacted by volatile securities markets, which may impair the ability of counterparties to satisfy their contractual obligations.

The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limits based upon a review of the counterparties' financial condition and credit ratings. In addition, the Company monitors collateral levels on a daily basis for compliance with regulatory and internal guidelines and requests changes in collateral levels as appropriate.

14. Net Capital Requirements

As a registered broker-dealer and member firm of FINRA, the Company is subject to the Uniform Net Capital Rule (the "Rule"). The Company has elected to use the alternative method, permitted by the Rule, which requires that the Company maintain minimum net capital, as defined, equal to the greater of \$1,500 or 2% of aggregate debit items arising from customer transactions, as defined. FINRA may prohibit a member firm from expanding its business and declaring dividends if its net capital is less than 5% of aggregate debit items. As a Futures Commission Merchant regulated by the CFTC, the Company is subject to the risk-based minimum capital requirements adopted and administered by the CFTC and by certain commodity exchanges in the United States and overseas. In the United States, the Company is required to maintain "adjusted net capital" equivalent to \$1,000 or the sum of 8% of customer and 8% of the non-customer risk maintenance margin requirement as defined by the CFTC, whichever is greater.

CIBC World Markets Corp. and Subsidiaries

Notes to Consolidated Statement of Financial Condition (continued)

April 30, 2010

(000's omitted)

14. Net Capital Requirements (continued)

As of April 30, 2010, the Company's net capital under the Uniform Net Capital Rule was \$1,419,436 and the amounts in excess of 2% and 5% of aggregate debit items were \$1,417,936 and \$1,417,636, respectively.

The financial information of the Company's subsidiaries is included in the accompanying consolidated financial statements but not included in the Company's unconsolidated net capital computation.

As of April 30, 2010, these balances consisted of:

	Totals per Unconsolidated Form 17A-5	Subsidiary Balances	Effect of Intercompany Eliminations	Totals per Consolidated Statement of Financial Condition
Assets	\$ 8,556,850	\$ 1,744	\$ (3,041)	\$ 8,555,553
Liabilities	7,898,597	63	(1,360)	7,897,300