CANADIAN IMPERIAL BANK OF COMMERCE /CAN/
Form 11-K
June 28, 2013
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT

x **ANNUAL REPORT PURSUANT TO SECTION 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transaction period from _________ to _________

COMMISSION FILE NUMBER 333-130283

A. Full title of the plan: CIBC World Markets Incentive Savings Plan for United States Employees

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Canadian Imperial Bank of Commerce

Commerce Court

Toronto, Ontario

Canada, M5L 1A2

(416) 980-2211

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FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

CIBC World Markets Incentive Savings Plan for United States Employees

December 31, 2012 and 2011 and Year Ended December 31, 2012

With Report of Independent Registered Public Accounting Firm

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CIBC World Markets Incentive Savings Plan for United States Employees

Financial Statements

and Supplemental Schedule

December 31, 2012 and 2011 and Year Ended December 31, 2012

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Report of Independent Registered Public Accounting Firm

To the Participants and Plan Administrator

Of the CIBC World Markets Incentive Savings Plan for United States Employees

We have audited the accompanying statements of net assets available for benefits of CIBC World Markets Incentive Savings Plan for United States Employees as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of CIBC World Markets Incentive Savings Plan for United States Employees at December 31, 2012 and 2011, and the changes in its net assets available for benefits for the year ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2012 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

New York, New York

June 27, 2013

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CIBC World Markets Incentive Savings Plan for United States Employees

Statements of Net Assets Available for Benefits

	December 31	
	2012	**2011**
Assets		
Investments:		
Registered investment companies	**$ 152,049,417**	$ 139,828,031
CIBC stock fund	**15,896,638**	14,074,045
Common/collective trust fund	**4,100,063**	4,003,761
Total investments	**172,046,118**	157,905,837
Receivables:		
Notes receivable from participants	**930,723**	923,617
Employer and participant contributions	**121,412**	114,734
Net assets reflecting investments at fair value	**173,098,253**	158,944,188
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**(294,610)**	(201,944)
Net assets available for benefits	**$ 172,803,643**	$ 158,742,244

See notes to financial statements.

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CIBC World Markets Incentive Savings Plan for United States Employees

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2012

Additions	
Investment Income:	
Net appreciation in fair value of investments	$ 17,123,225
Interest and dividends	4,363,800
	21,487,025
Interest income on notes receivable from participants	42,293
Contributions:	
Employer	1,262,473
Participants	3,942,255
Total additions	26,734,046
Deductions	
Benefits paid to participants	12,606,772
Administrative expenses	65,875
Total deductions	12,672,647
Net increase in net assets available for benefits	14,061,399
Net assets available for benefits:	
Beginning of year	158,742,244
End of year	$ 172,803,643

See notes to financial statements.

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements

1. Description of the Plan

The following description of the CIBC World Markets Incentive Savings Plan for United States Employees (the Plan) is provided for general information purposes only. Participants should refer to the plan document for more complete information. Terms used in this description have the same meaning as in the Plan.

General

The Plan is a defined contribution plan covering substantially all United States employees of Canadian Imperial Bank of Commerce (CIBC), the Plan s sponsor. Employees are eligible to participate in the Plan on the later of attainment of age 18 or his/her date of hire. The U.S. Benefits Committee administers the Plan. Vanguard Fiduciary Trust Company (the Trustee) serves as the trustee of the Plan, and together with several investment managers, manages the Plan s investments. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year, plan participants may contribute between 2% and 50% of their base salary on a before tax or after tax basis, subject to Internal Revenue Service limitations. CIBC matches up to 50% of a participant s contribution up to 6% of the participant s base salary. A discretionary bonus contribution may be determined by CIBC as a fixed percentage of a participant s base salary for the portion of the year a participant was eligible to participate in the Plan. Management paid a discretionary bonus contribution to the participants of the Plan as of December 31, 2011 of $210,330, which is included as a portion of the employer contributions on the statement of changes in net assets available for benefits. At the date of this report, management has not approved any discretionary bonus contribution for the year ended December 31, 2012. All contributions are subject to certain limitations of the Internal Revenue Code (the Code).

Participants direct their elective contributions into various investment options offered by the Plan and can change their investment options on a daily basis. If a participant is automatically enrolled, their contributions are invested in the applicable lifecycle fund based on the participant s age until the participant changes their election. CIBC s contributions are allocated in the same manner as that of the participant s elective contributions.

Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant s account is credited with the Plan earnings and contributions made by the participant and CIBC, and charged with an allocation of Plan losses and any benefit distributions. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Vesting

Participants employed by CIBC prior to January 2, 1998, who were still employed on January 1, 1999, are fully vested in their accounts including all future contributions to the Plan. Each other participant will have a fully vested non-forfeitable interest in the CIBC matching and discretionary bonus contributions after completing three years of service. Amounts forfeited by participants may be used to reduce CIBC matching or bonus contributions.

Forfeitures

Upon termination of employment, participants forfeit their nonvested balances. Forfeited balances of terminated participant s nonvested accounts are used to reduce future CIBC contributions. At December 31, 2012, participant forfeitures of $59,003 were used to offset CIBC contributions to the Plan.

Participant Loans

Participants may borrow from their fund accounts up to the lesser of $50,000 or 50% of their vested account balance. The minimum loan amount is $1,000. The loans are secured by the balance in the participant s account and bear interest at rates commensurate with local prevailing rates as prescribed in the Plan document. If a participant terminates employment with CIBC, they may continue to make loan payments through a pre-authorized check agreement. If the loan is not repaid, it will automatically be treated as a distribution to the participant after 60 days.

Payment of Benefits

After attaining 59-1/2 years of age, a participant may withdraw any portion or all of his/her before tax, CIBC matching or discretionary bonus accounts in that order of priority. Prior to attaining age 59-1/2, an employed participant may withdraw any portion or all of his/her after tax savings account plus earnings or rollover account. Prior to attaining age 59-1/2 employed participants may not withdraw any amount from his/her before tax, CIBC matching or discretionary contribution accounts unless he/she can establish that financial hardship exists as defined in the Plan document, in which case, a participant may request a distribution of his/her before tax account. Upon termination of employment, a participant (or his/her beneficiary) may receive a distribution of the vested account balance. Lump sum payment will be made on any distributions if the account balance is less than or equal to $1,000. If the account balance is greater than $1,000, the participant (or his/her beneficiary) may elect to receive a lump sum distribution or installment payments over a period that does not extend beyond the life expectancy of the participant (or his/her beneficiary).

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Administrative Expenses

The Plan s administrative expenses are paid by either the Plan or CIBC, as provided by the Plan s provisions. Administrative expenses paid by the Plan include recordkeeping, trustee fees, and fee relating to notes receivable from participants, if any. Expenses relating to purchases, sales or transfers of the Plan s investments are charged to the particular investment fund to which the expenses relate. All other administrative expenses of the Plan are paid by CIBC.

CIBC Stock Fund

The Plan invests in common stock of CIBC through its CIBC Stock Fund. The CIBC Stock Fund may also hold cash or other short-term securities, although these are expected to be a small percentage of the fund.

Each participant is entitled to exercise voting rights attributable to the shares allocated to their account and is notified by CIBC prior to the time that such rights may be exercised. The trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The trustee votes any unallocated shares in the same proportion as those shares that were allocated, unless the Committee directs the trustee otherwise. Participants have the same voting rights in the event of a tender or exchange offer.

Plan Termination

Although it has not expressed any intent to do so, CIBC has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event the Plan terminates, participants will become 100% vested in their accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented on the accrual basis of accounting.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Notes Receivable from Participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2011 or 2012. If a participant ceases to make loan repayments and the Plan administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein at the date of the financial statements. Actual results could differ from these estimates.

Investment Valuation and Income Recognition

The Plan s investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for discussion of fair value measurements.

The Vanguard Retirement Savings Trust invests in fully benefit-responsive investment contracts. This fund is recorded at fair value (see Note 4); however, since these contracts are fully benefit-responsive, an adjustment is reflected in the statement of net assets available for benefits to present these investments at contract value. Contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The contract value represents contributions plus earnings, less participant withdrawals and administrative expenses.

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In accordance with ASC 820, *Fair Value Measurements* (ASC 820), assets and liabilities measured at fair value are categorized into the following fair value hierarchy:

Level 1 Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market that the Plan has the ability to access at the measurement date.

Level 2 Fair value is based on quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Fair value is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable. These inputs reflect management s judgment about the assumptions that a market participant would use in pricing the investment and are based on the best available information, some of which may be internally developed.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan s gains and losses on investments bought and sold as well as held during the year.

New Accounting Pronouncements

In May 2011, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update 2011-04, *Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs,* (ASU 2011-04). ASU 2011-04 amended ASC 820, *Fair Value Measurement,* to converge the fair value measurement guidance in US generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures are not required for nonpublic entities, as defined in ASC 820. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Adoption of ASU 2011-04 did not have an effect on the Plan s net assets available for benefits or its changes in net assets available for benefits.

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

3. Investments

Individual investments that represent 5% or more of the Plan s net assets available for benefits are as follows:

	December 31	
	2012	**2011**
(*) American Funds EuroPacific Growth Fund	**$ 9,892,317**	$ 8,966,150
(*) CIBC stock fund	**15,896,638**	14,074,045
(*) Dodge & Cox Stock Fund	**22,800,475**	19,693,400
(*) PIMCO Total Return	**15,770,237**	14,963,102
(*) T. Rowe Price Blue Chip Growth Fund	**10,508,073**	9,199,100
(*) Vanguard Institutional Index Fund	**30,908,874**	29,200,853
(*) Vanguard Prime Money Market Fund	**20,284,103**	21,067,163
(*) Vanguard Small-Cap Index Fund	**11,526,721**	10,213,914

(*) Permitted party-in-interest

During 2012, the Plan s investments (including investments purchased, sold as well as held during the year) appreciated (depreciated) in fair value as follows:

Registered investment companies	$ 15,531,524
CIBC stock fund	1,591,701
Net appreciation in fair value of investments	$ 17,123,225

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

During 2012, interest and dividend income earned on Plan assets were as follows:

Registered investment companies	$ 3,586,307
CIBC stock fund	696,840
Common/collective trust fund	80,653
Total interest and dividend income on investments	$ 4,363,800

4. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible to the reporting entity at the measurement date for identical assets and liabilities.

Level 2 Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- quoted prices for similar assets and liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- observable inputs other than quoted prices that are used in the valuation of the asset
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

Level 3 Unobservable inputs for the asset or liability (i.e., supported by little or no market activity). Level 3 inputs include management s own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The level in the fair value hierarchy within which the fair value measurement is classified is determined based the lowest level input that is significant to the fair value measure in its entirety.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value by the Plan.

CIBC stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Registered investment companies: Valued at the net asset value (NAV) of shares held by the Plan at year end.

Common/collective trust fund: The underlying trust which contains these investments are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. The Plan determines its pro-rata share of the trust to arrive at the fair value.

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 Plan 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.

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

4. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan s assets at fair value as of December 31, 2012 and 2011:

	Assets at Fair Value as of December 31, 2012			
	Level 1	**Level 2**	**Level 3**	**Total**
CIBC stock	**$ 15,896,638**	**$**	**$**	**$ 15,896,638**
Registered investment companies:				
US	**113,772,487**	**24,785,756**		**138,558,243**
Global	**13,491,174**			**13,491,174**
Common/collective trust fund[(a)]		**4,100,063**		**4,100,063**
Total assets at fair value	**$ 143,160,299**	**$ 28,885,819**	**$**	**$ 172,046,118**

	Assets at Fair Value as of December 31, 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
CIBC stock	$ 14,074,045	$	$	$ 14,074,045
Registered investment companies:				
US	102,948,791	24,991,632		127,940,423
Global	11,887,608			11,887,608
Common/collective trust fund[(a)]		4,003,761		4,003,761
Total assets at fair value	$ 128,910,444	$ 28,995,393	$	157,905,837

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CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

(a) *This category includes a common/collective trust fund that is designed to deliver safety and stability by preserving principal and accumulating earnings. This fund is primarily invested in traditional and synthetic investment contracts. Participant-directed redemptions have no restrictions; however, the Plan is required to provide a one year redemption notice to liquidate its entire share in the fund. The fair value of this fund has been estimated based on the fair value of the underlying investment contracts in the fund as reported by the issuer of the fund. The fair value differs from the contract value. As previously discussed in Note 2, contract value is the relevant measurement attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.*

The Plan determines the timing of transfers between levels as of the beginning of the year. There were no transfers in or out of Level 3 during the year. There were also no transfers between Level 1 or 2 during the year.

CIBC World Markets Incentive Savings Plan for United States Employees

Notes to Financial Statements (continued)

5. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2012 and 2011 to the Form 5500:

	December 31	
	2012	**2011**
Net assets available for benefits per the financial statements	**$ 172,803,643**	$ 158,742,244
Add: Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**294,610**	201,944
Less: Deemed distributions of participant loans	**(12,450)**	(12,450)
Net assets available for benefits per Form 5500	**$ 173,085,803**	$ 158,931,738

The following is a reconciliation of the change in net assets available for benefits per the financial statements for the year ended December 31, 2012 to the Form 5500:

Net increase in net assets available for benefits per the financial statements	$ 14,061,399
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	92,666
Net increase in net assets available for benefits per the Form 5500	$ 14,154,065

The accompanying financial statements present fully benefit-responsive investment contracts at contract value. The Form 5500 requires fully benefit-responsive investment contracts to be reported at fair value. Therefore, the adjustment from fair value to contract value for fully benefit-responsive investment contracts represents a reconciling item.

6. Risks and Uncertainties

The Plan provides for various investment options. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in value of investment securities will occur in the near term and that such changes would materially affect participants account balances and the amounts reported in the statements of net assets available for plan benefits.

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