

# CIBC Investor Presentation

Fourth Quarter, 2016

December 1<sup>st</sup>, 2016

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# 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 - Outlook for calendar year 2017”, “Financial condition - Capital resources”, “Management of risk - Risk overview”, “Management of risk - Credit risk”, “Management of risk - Market risk”, “Management of risk - Liquidity risk”, “Accounting and control matters - Critical accounting policies and estimates”, and “Accounting and control matters - 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 2017 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 - Outlook for calendar year 2017” 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 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; the possible effect on our business of international conflicts and the war on terror; 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 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 the acquisition of PrivateBancorp, Inc. will not be realized within the expected time frame or at all or the possibility that the acquisition does not close when expected or at all because required regulatory, stockholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis 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.

#### Investor Relations contacts:

John Ferren, Senior Vice-President 416 980-2088

Investor Relations Fax Number 416 980-5028

Visit the Investor Relations section at [www.cibc.com](http://www.cibc.com)

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# CIBC Overview

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Victor Dodig

President and Chief Executive Officer

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# Fourth Quarter, 2016 Financial Review

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Kevin Glass

Senior Executive Vice-President and Chief Financial Officer

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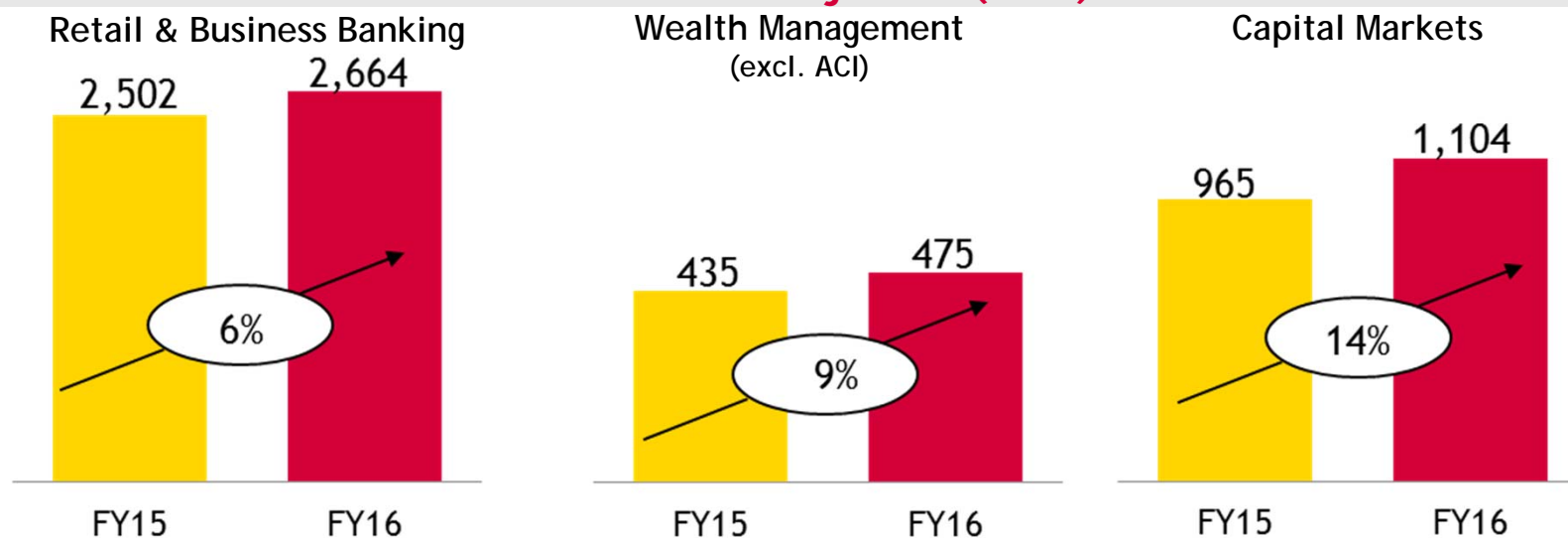


# 2016 Summary

	FY15	FY16
Net Income (\$MM) - Reported	3,590	4,295
Net Income (\$MM) - Adjusted <sup>(1)</sup>	3,822	4,104
Diluted EPS - Reported	\$8.87	\$10.70
Diluted EPS - Adjusted <sup>(1)</sup>	\$9.45	\$10.22
Efficiency Ratio - Adjusted TEB <sup>(1)</sup>	59.6%	58.0%
ROE - Adjusted <sup>(1)</sup>	19.9%	19.0%
CET1 Ratio	10.8%	11.3%

- Adjusted<sup>(1)</sup> EPS of \$10.22, up 8% YoY
  - Broad-based revenue<sup>(1)</sup> growth of 5%
  - ROE<sup>(1)</sup> of 19.0%
- Record adjusted net income<sup>(1)</sup> of \$4.1B
- Positive operating leverage driving 160bps improvement in efficiency ratio<sup>(1)</sup>
- Strong CET1 ratio of 11.3%

## Net Income - Adjusted (\$MM) <sup>(1)</sup>



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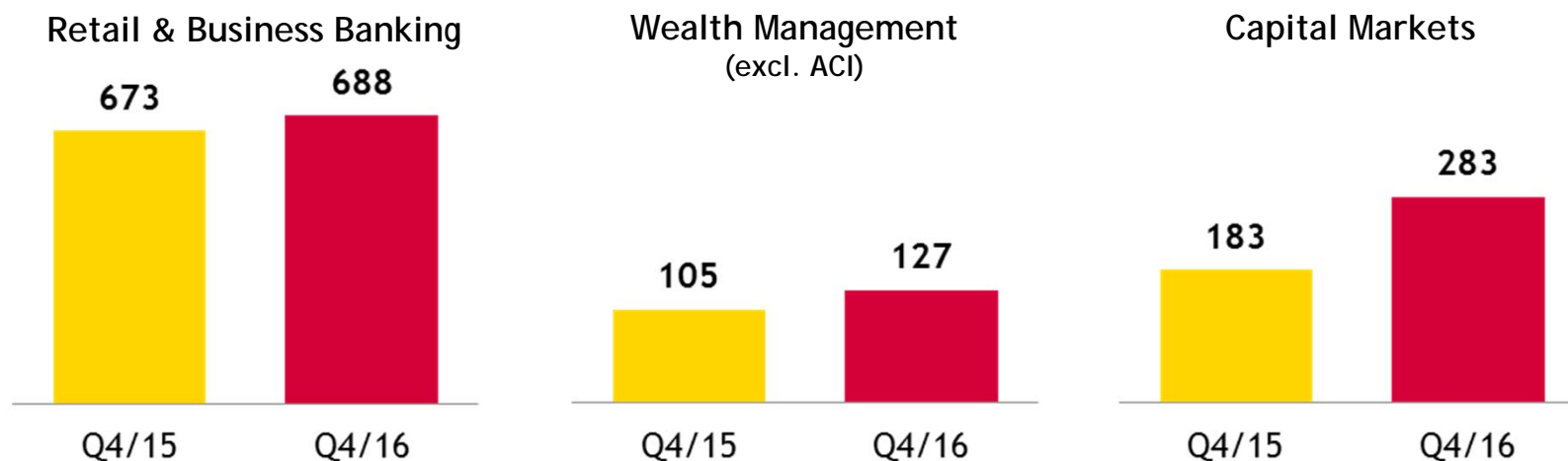
<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

# Fourth Quarter, 2016 Summary

	Q4/15	Q3/16	Q4/16
Net Income (\$MM) - Reported <sup>(1)</sup>	778	1,441	931
Net Income (\$MM) - Adjusted <sup>(2)</sup>	952	1,072	1,041
Diluted EPS - Reported	\$1.93	\$3.61	\$2.32
Diluted EPS - Adjusted <sup>(2)</sup>	\$2.36	\$2.67	\$2.60
Efficiency Ratio - Adjusted TEB <sup>(2)</sup>	60.4%	57.8%	58.2%
ROE - Adjusted <sup>(2)</sup>	18.5%	19.8%	18.8%
CET1 Ratio	10.8%	10.9%	11.3%

- Reported EPS of \$2.32, up 20% YoY
- Adjusted<sup>(2)</sup> EPS of \$2.60, up 10% YoY
  - Items of note include restructuring charge of \$0.25 per share
- Solid earnings growth in all businesses
- Quarterly dividend increase of \$0.03 to \$1.24 per share

## Net Income - Adjusted (\$MM) <sup>(2)</sup>



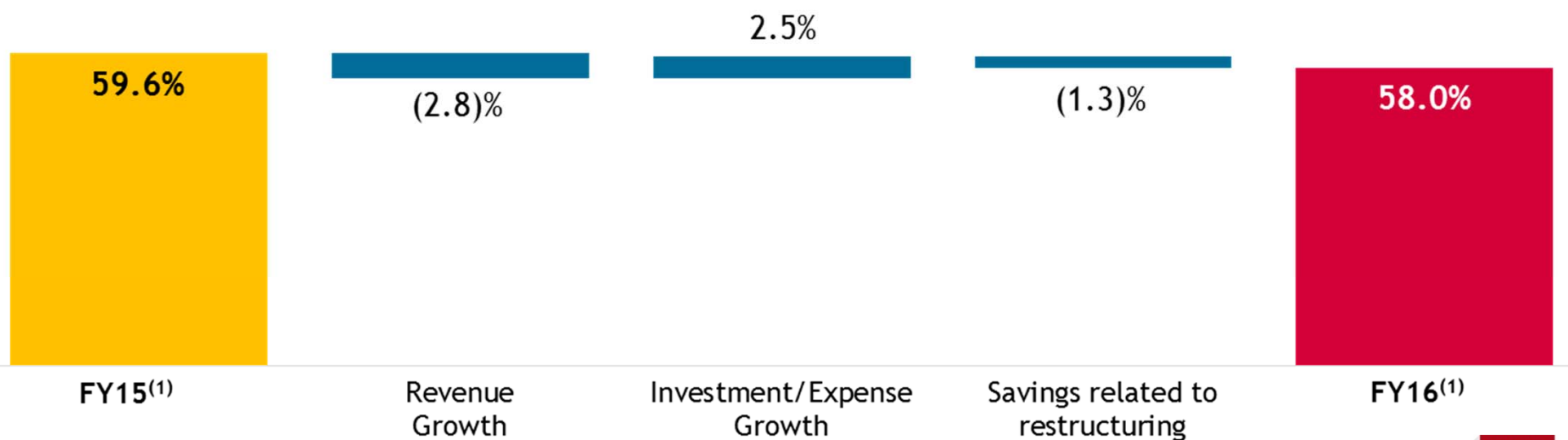
<sup>1</sup> Reported results are on slides 23 to 26.

<sup>2</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

# Restructuring

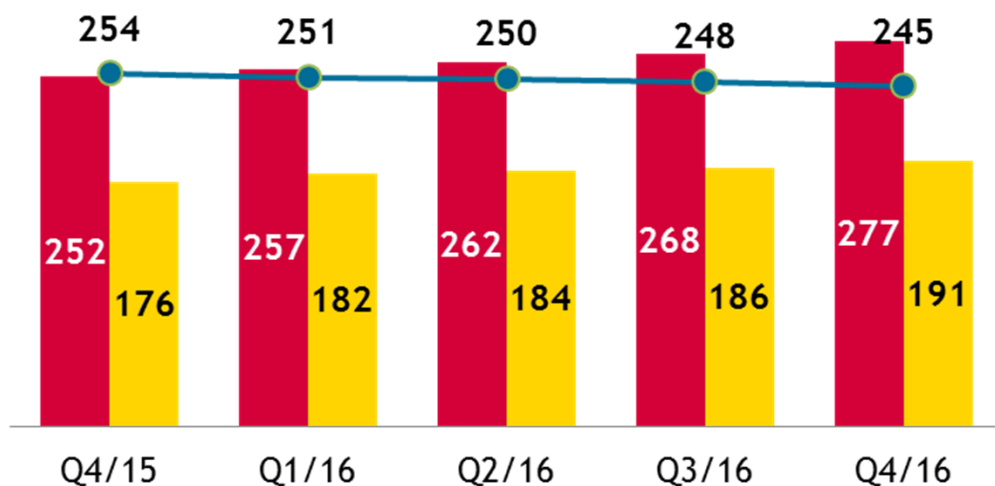
- Provisions
  - Q4/16: \$134MM pre-tax/\$98MM after-tax
  - FY15 + FY16: \$430MM pre-tax/\$321MM after-tax
- Cumulative Savings
  - Realized in FY16: ~\$200MM
  - Expected: ~\$350MM by FY17 and ~\$500MM by FY19

## Efficiency Ratio Adjusted TEB <sup>(1)</sup>



# Retail & Business Banking

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q4/15	Q3/16	Q4/16
Personal Banking	1,743	1,779	1,825
Business Banking	414	435	443
Other	19	11	22
Revenue	2,176	2,225	2,290
Provision for Credit Losses	163	197	206
Non-Interest Expenses	1,098	1,120	1,148
Net Income - Adjusted <sup>(1)</sup>	673	667	688
Net Income - Reported <sup>(2)</sup>	672	666	687



■ Loans & Acceptances (\$B)    ■ Deposits (\$B)  
● Net Interest Margin (bps)<sup>(1)</sup>

- Strong and broad-based volume growth
  - Mortgages up 11%
  - Personal deposits up 8%
  - Business deposits up 10%
  - Business lending up 13%
- PCLs up 5% QoQ, mainly due to Business Banking
- Operating Leverage of 0.7%
  - Good revenue growth
  - Focused investments
  - Continued expense discipline

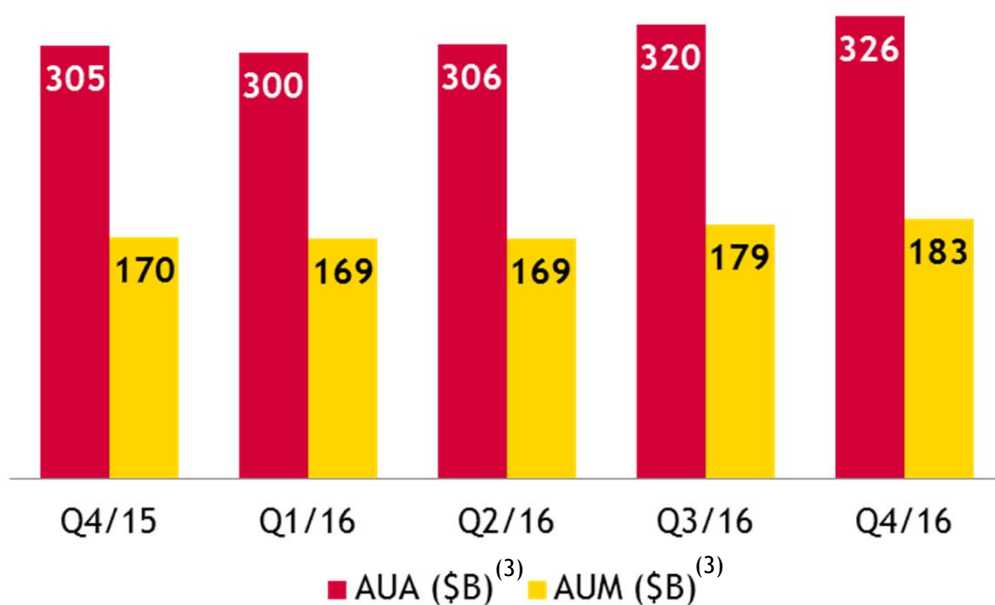
<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

<sup>2</sup> Reported results are on slide 23.



# Wealth Management

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q4/15	Q3/16	Q4/16
Retail Brokerage	317	317	332
Asset Management	178	196	190
Private Wealth Management	91	94	98
Other	24	-	-
Revenue	610	607	620
Non-Interest Expenses	443	434	441
Net Income - Adjusted <sup>(1)</sup>	128	126	127
Net Income - Reported <sup>(2)</sup>	122	506	126



- Higher fee-based assets in Retail Brokerage
- Strong AUM growth in Asset Management
- Higher average assets and strong volume growth in Private Wealth Management
- Strong expense management
- Excluding ACI, Net Income<sup>(1)</sup> up 21% YoY

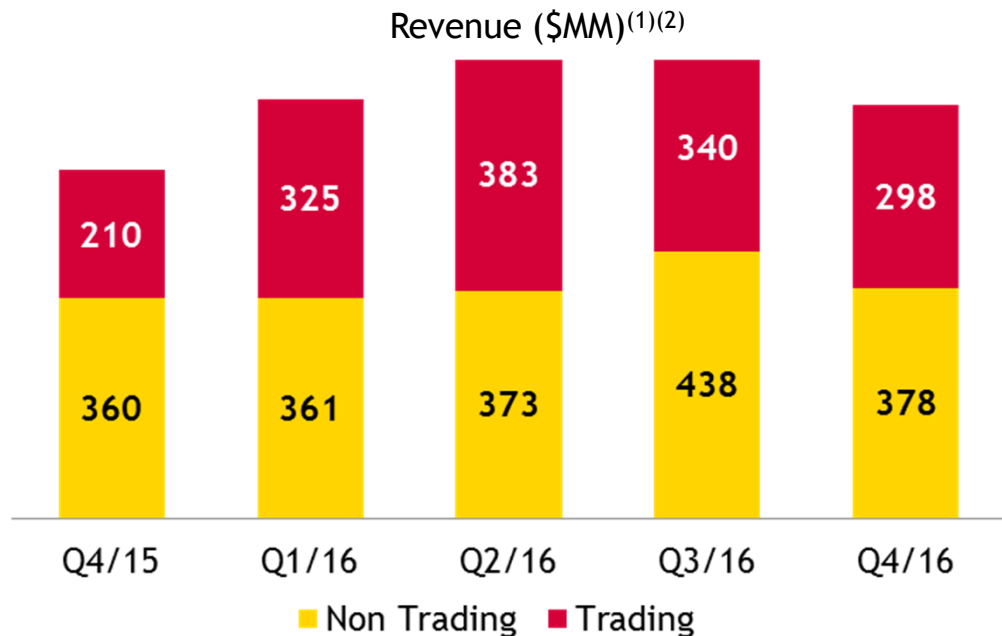
<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

<sup>2</sup> Reported results are on slide 24.

<sup>3</sup> Assets under management (AUM) are included in assets under administration (AUA).

# Capital Markets

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q4/15	Q3/16	Q4/16
Global Markets	271	415	365
Corporate & Investment Banking	302	364	313
Other	(3)	(1)	(2)
Revenue <sup>(2)</sup>	570	778	676
Provision for Credit Losses	22	7	-
Non-Interest Expenses	322	367	327
Net Income - Adjusted <sup>(1)</sup>	183	313	283
Net Income - Reported <sup>(3)</sup>	181	304	276



- Revenue up 19% YoY
  - Higher trading, corporate lending and underwriting revenue
  - Lower advisory fees
- Strong lending and deposits growth
- Lower PCLs
- Continued expense discipline

<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

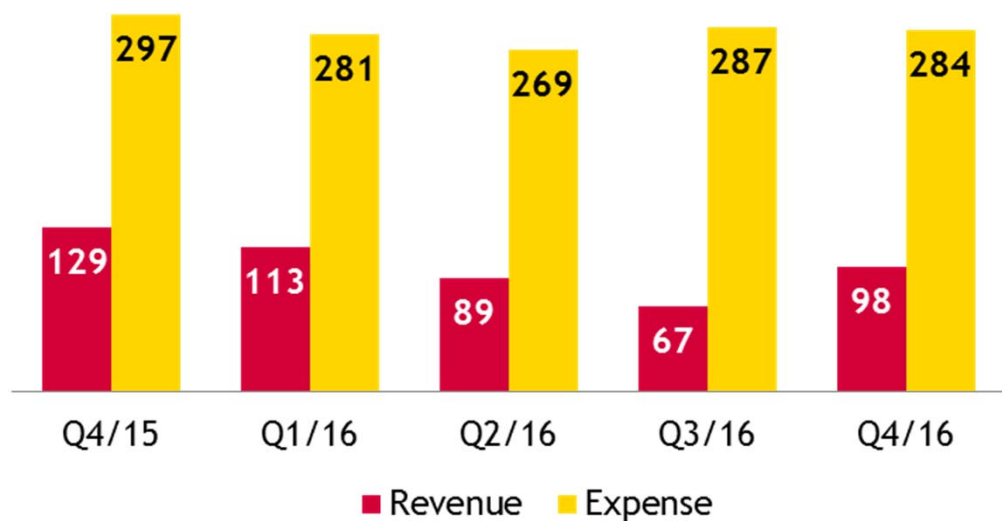
<sup>2</sup> Revenue is reported on a taxable equivalent basis (TEB).

<sup>3</sup> Reported results are on slide 25.

# Corporate & Other

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q4/15	Q3/16	Q4/16
International Banking	180	176	176
Other	(51)	(109)	(78)
Revenue <sup>(2)</sup>	129	67	98
Provision for (Reversal of) Credit Losses	13	(1)	16
Non-Interest Expenses	297	287	284
Net Loss - Adjusted <sup>(1)</sup>	(32)	(34)	(57)
Net Loss - Reported <sup>(3)</sup>	(197)	(35)	(158)

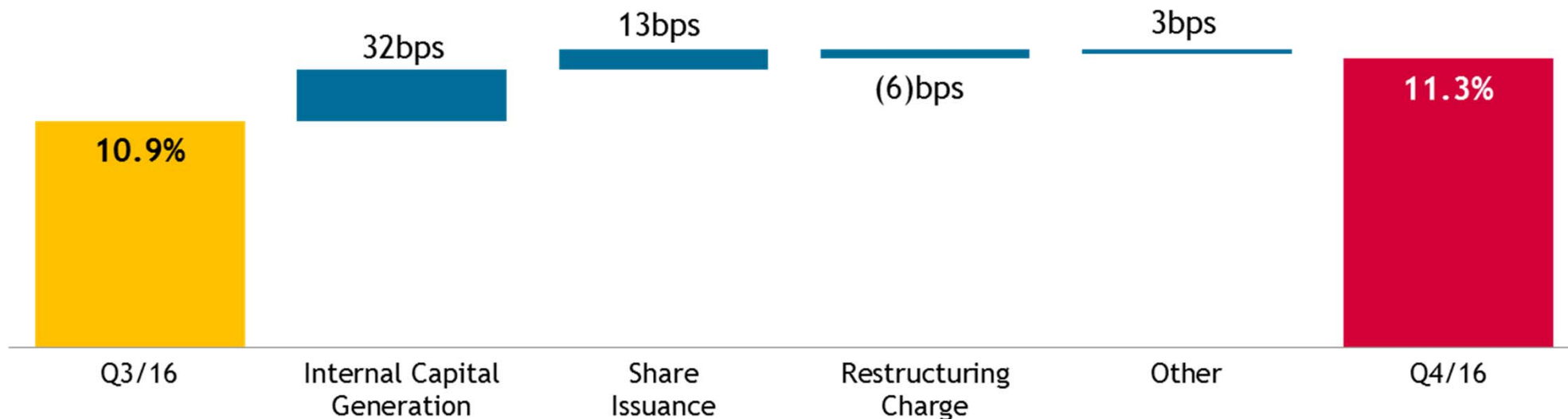
- Revenue down 24% YoY
  - Lower Treasury revenue
  - Higher TEB revenue offset



<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.  
<sup>2</sup> Revenue is reported on a taxable equivalent basis (TEB).  
<sup>3</sup> Reported results are on slide 26.

# Capital

## CET1 Ratio (all-in basis)



- Strong internal capital generation
- Higher share issuance driven by DRIP
- Excluding FX, RWAs comparable to Q3

# Fourth Quarter, 2016 Risk Review

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Laura Dottori-Attanasio

Senior Executive Vice-President and Chief Risk Officer

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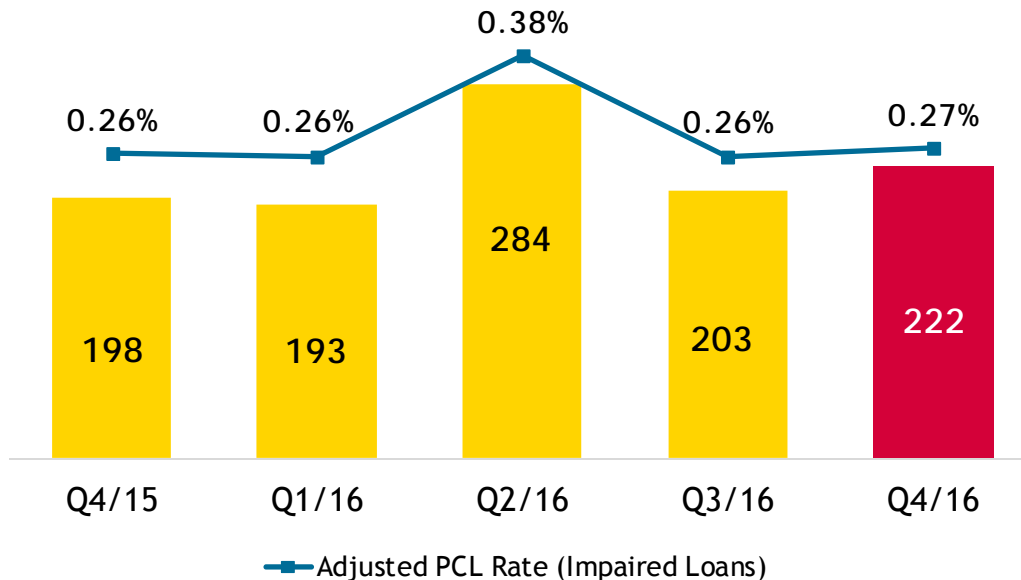


# Provision for Credit Losses

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q4/15	Q3/16	Q4/16
Retail and Business Banking	163	197	206
Wealth Management	-	-	-
Capital Markets	22	7	-
CIBC FirstCaribbean	7	3	10
Collective Provision for Non-Impaired	6	(4)	6
Corporate and Other	13	(1)	16
<b>Total Provision for Credit Losses</b>	<b>198</b>	<b>203</b>	<b>222</b>
<b>Total Provision for Credit Losses - Reported</b>	<b>198</b>	<b>243</b>	<b>222</b>

vs. Q3/16:

- Higher losses in Business Banking



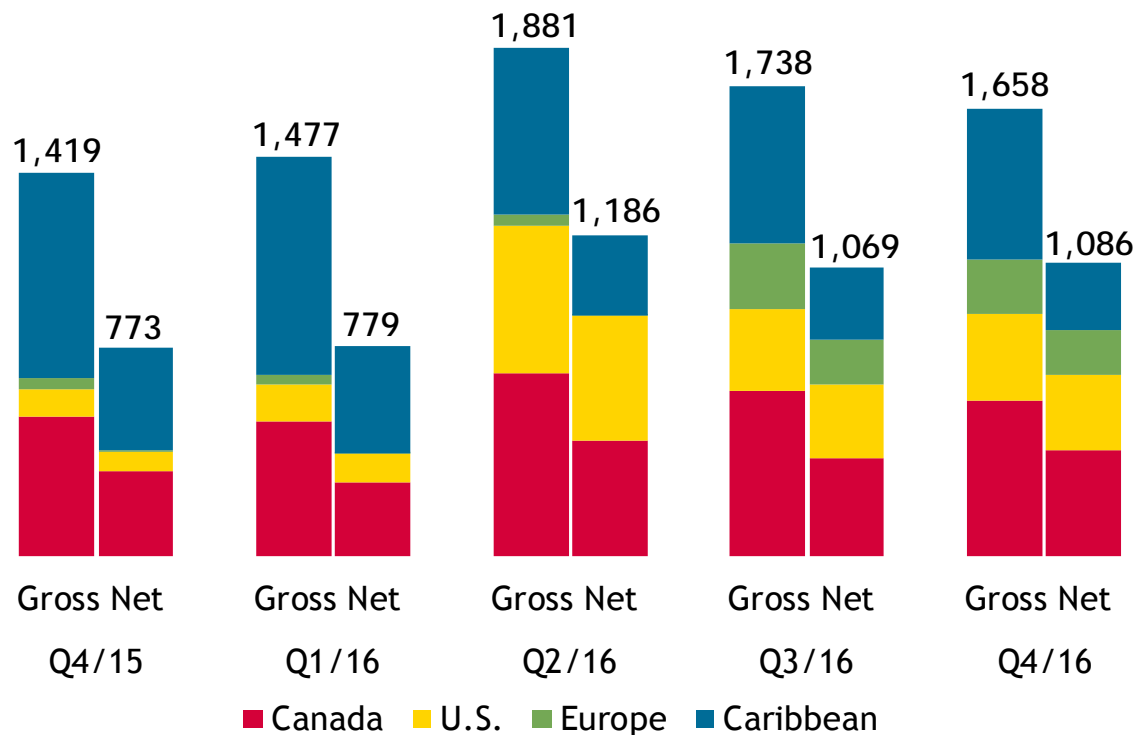
<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

# Impaired Loans and Formations

<i>Reported (\$MM)</i>	Q4/15	Q3/16	Q4/16
Consumer	275	291	326
Business and Government	106	283	68
Total New Formations	381	574	394

- New formations down QoQ
- Gross impaired loans down QoQ, largely due to improvements in the oil & gas sector

## Gross and Net Impaired Loans (\$MM)



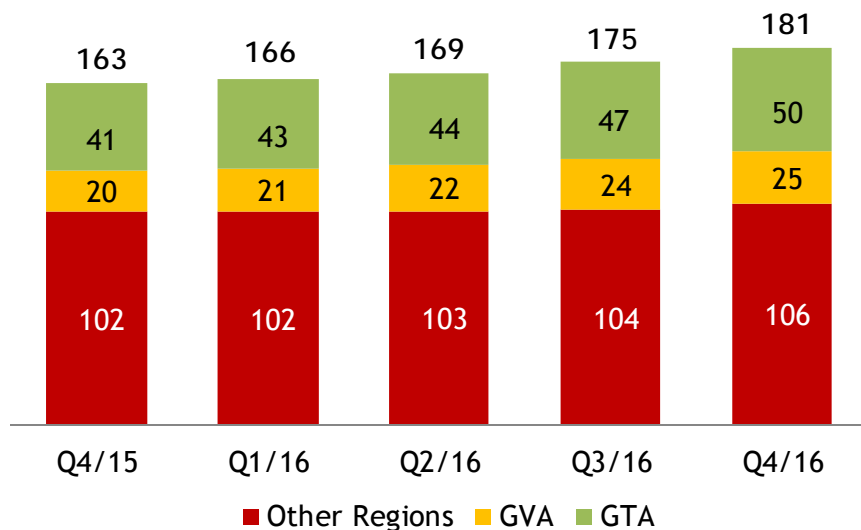
# Canadian Real Estate Secured Personal Lending

## 90+ Days Delinquency Rates

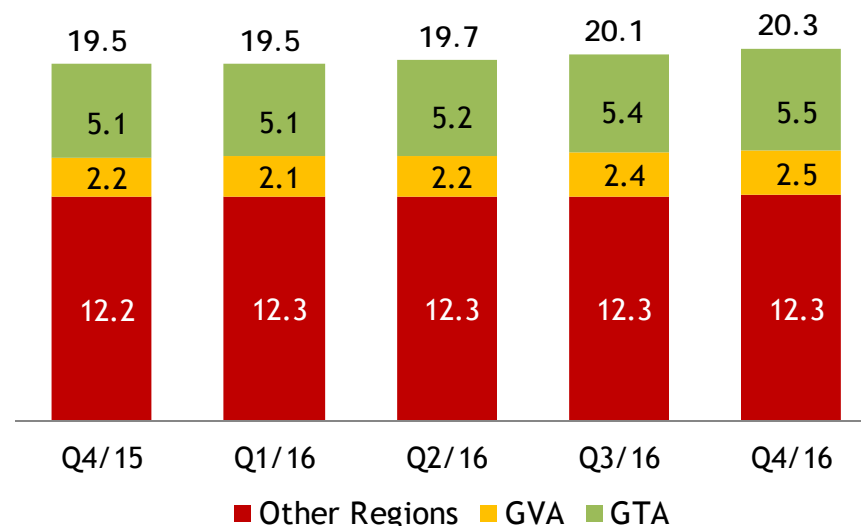
	Q4/15	Q3/16	Q4/16
Total Mortgages	0.26%	0.26%	0.25%
Uninsured Mortgages	0.20%	0.19%	0.19%
Uninsured Mortgages in GVA	0.09%	0.04%	0.06%
Uninsured Mortgages in GTA	0.08%	0.07%	0.07%

- Uninsured mortgages in the Greater Vancouver Area (GVA) and Greater Toronto Area (GTA) have lower 90+ days delinquency rates than the Canadian average

## Mortgage Balances (\$B; spot)



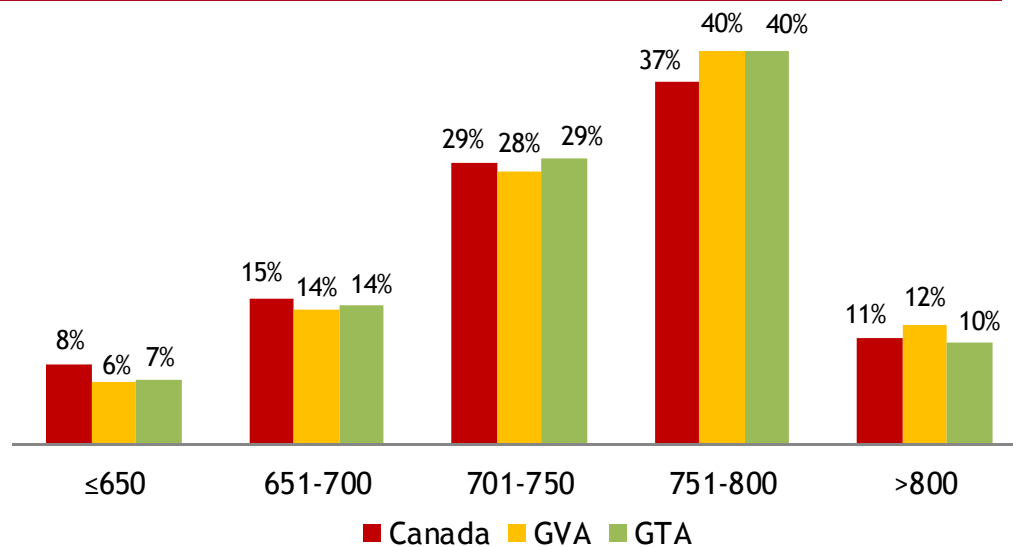
## HELOC Balances (\$B; spot)





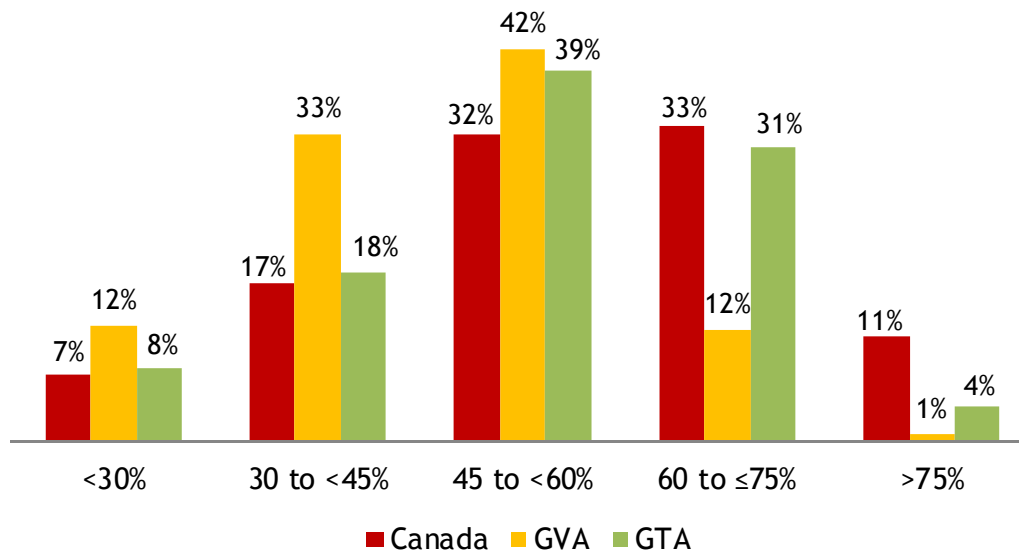
# Canadian Uninsured Residential Mortgages

## Beacon Distribution



- Better current Beacon and LTV<sup>(1)</sup> distributions in GVA and GTA than the Canadian average
- Less than 1% of this portfolio has a Beacon score of 650 or lower and an LTV<sup>(1)</sup> over 75%
- Average LTV<sup>(1)</sup> in Canada: 56%
  - GVA: 46%
  - GTA: 53%

## Loan-to-Value (LTV)<sup>(1)</sup> Distribution



<sup>1</sup> LTV ratios for residential mortgages are calculated based on weighted average. See page 56 of the Management's Discussion and Analysis for further details.

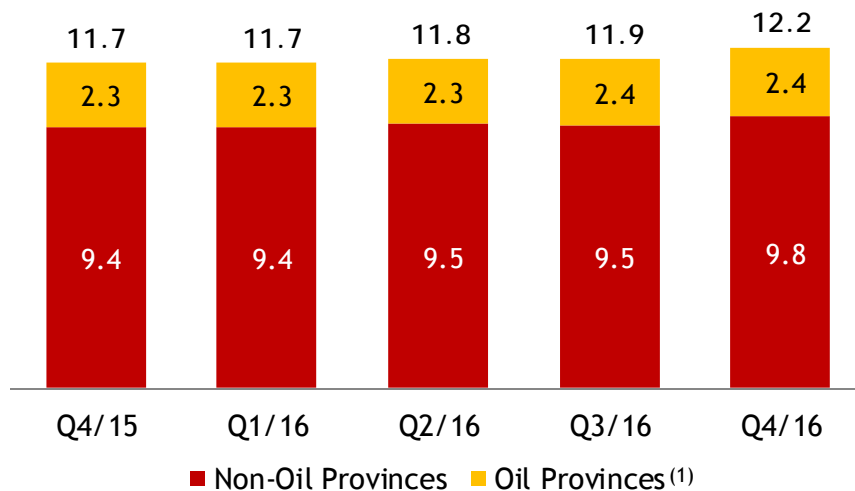
# Canadian Credit Cards and Unsecured Personal Lending

## 90+ Days Delinquency Rates

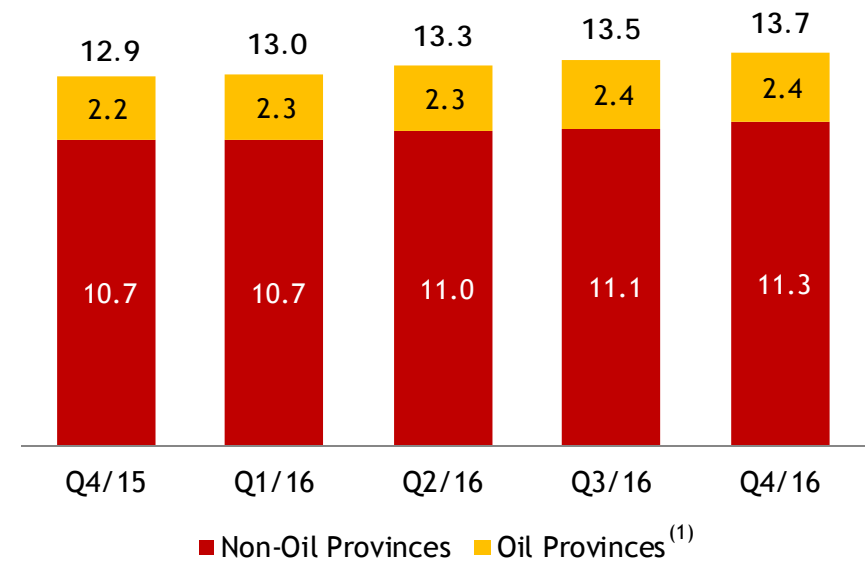
	Q4/15	Q3/16	Q4/16
Total Credit Cards	0.64%	0.77%	0.82%
Credit Cards in Oil Provinces <sup>(1)</sup>	0.62%	0.90%	0.95%
Total Unsecured Personal Lending	0.48%	0.51%	0.50%
Unsecured Personal Lending in Oil Provinces <sup>(1)</sup>	0.53%	0.65%	0.66%

- 90+ days delinquency rates in both portfolios up YoY

## Credit Cards Balances (\$B; spot)



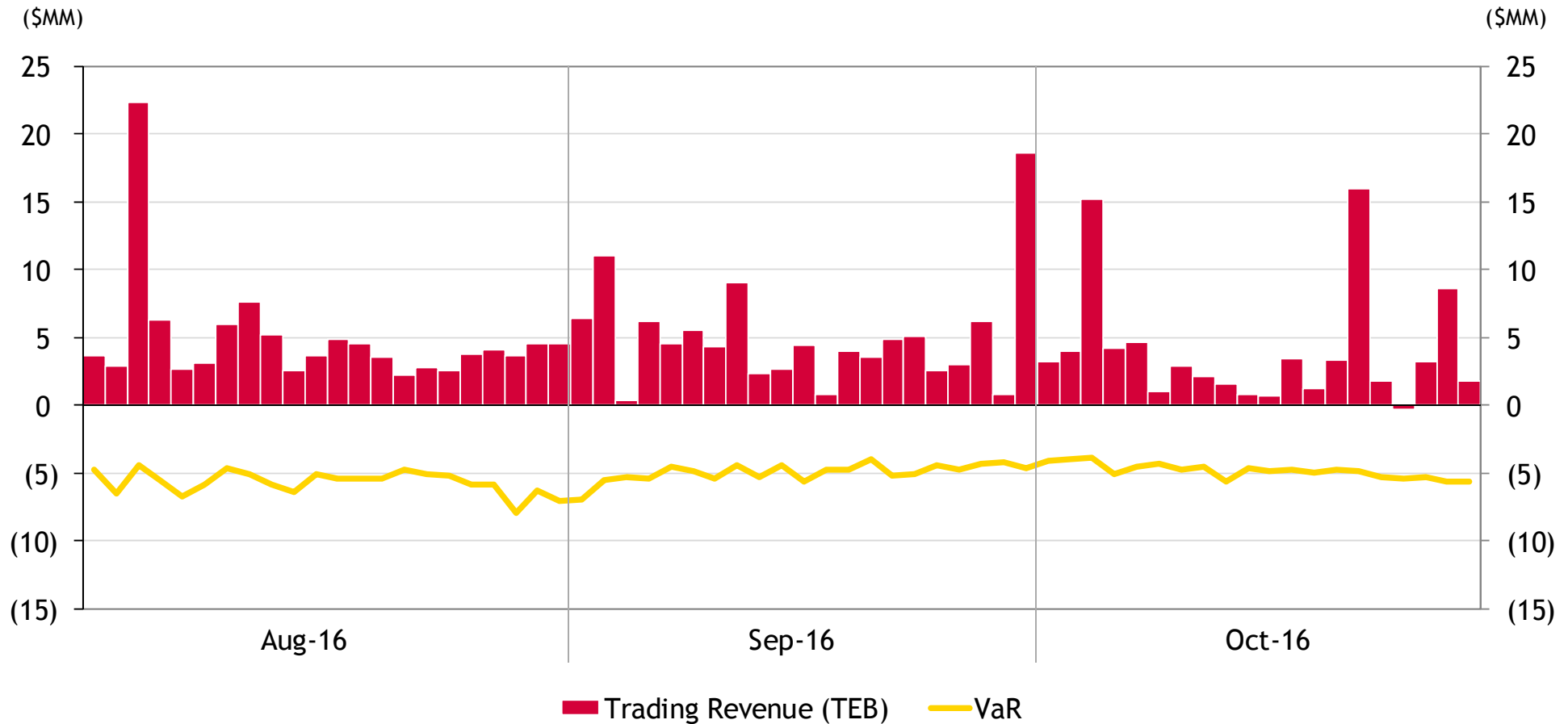
## Unsecured Personal Lending<sup>(2)</sup> Balances (\$B; spot)



<sup>1</sup> Alberta, Saskatchewan and Newfoundland.

<sup>2</sup> Includes unsecured personal lines of credit, loans and overdraft.

# Trading Revenue (TEB)<sup>(1)</sup> Distribution<sup>(2)</sup>



<sup>1</sup> Non-GAAP financial measure. See slide 30 for further details.

<sup>2</sup> Trading revenue distribution on which VaR is calculated is not on a TEB basis. Trading revenue (TEB) comprises both trading net interest income and non-interest income and excludes underwriting fees and commissions. Trading revenue (TEB) excludes positions described in the “Structured credit run-off business” section of the Management’s Discussion and Analysis and certain other exited portfolios.

# Appendix

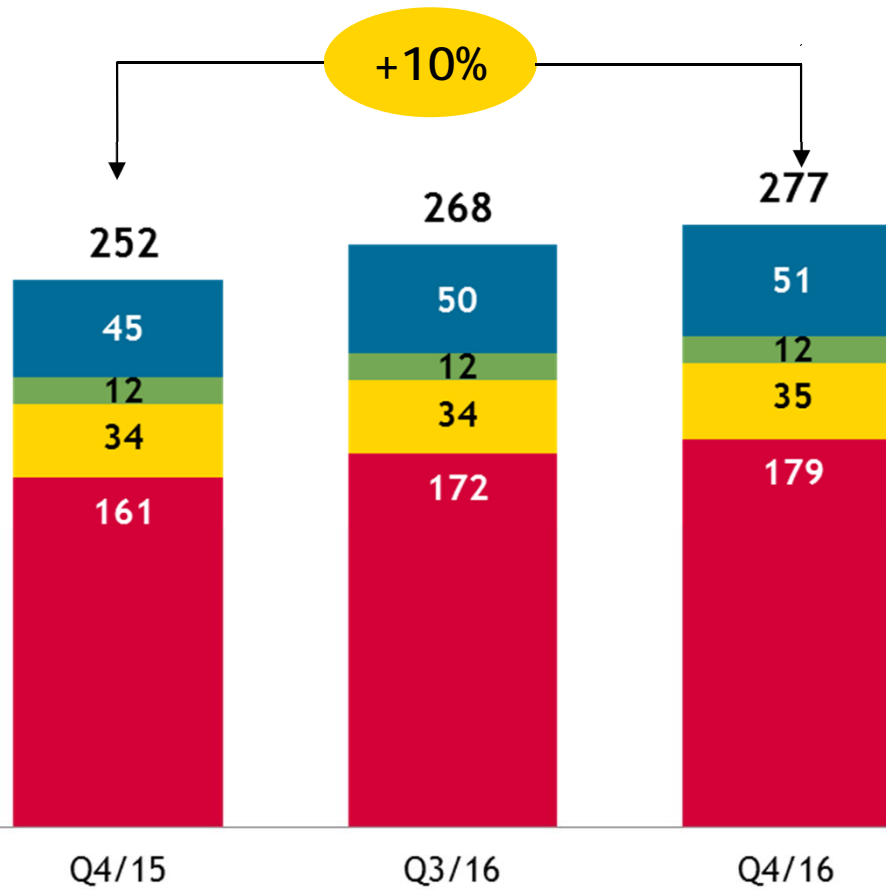
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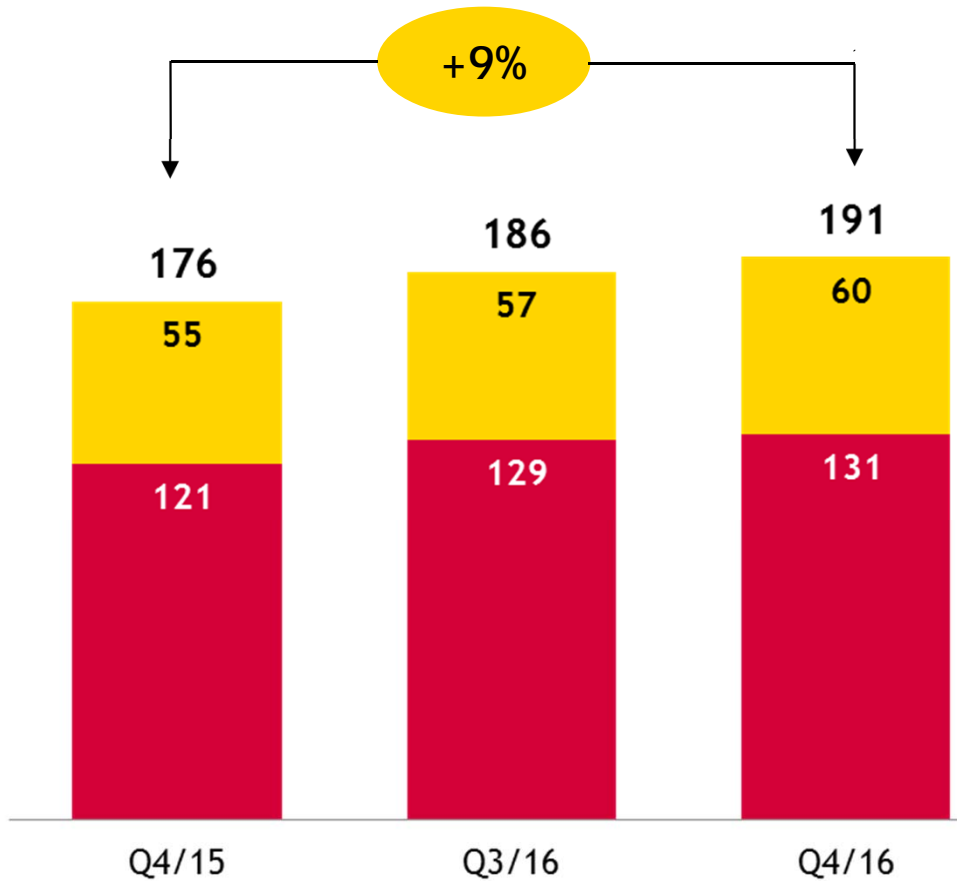
# Retail & Business Banking - Loans & Deposits

## Average Loans & Acceptances (\$B)



Growth		YoY	QoQ
Residential Mortgages	■	11%	4%
Personal Loans	■	4%	1%
Credit Cards	■	3%	1%
Business Lending	■	13%	3%

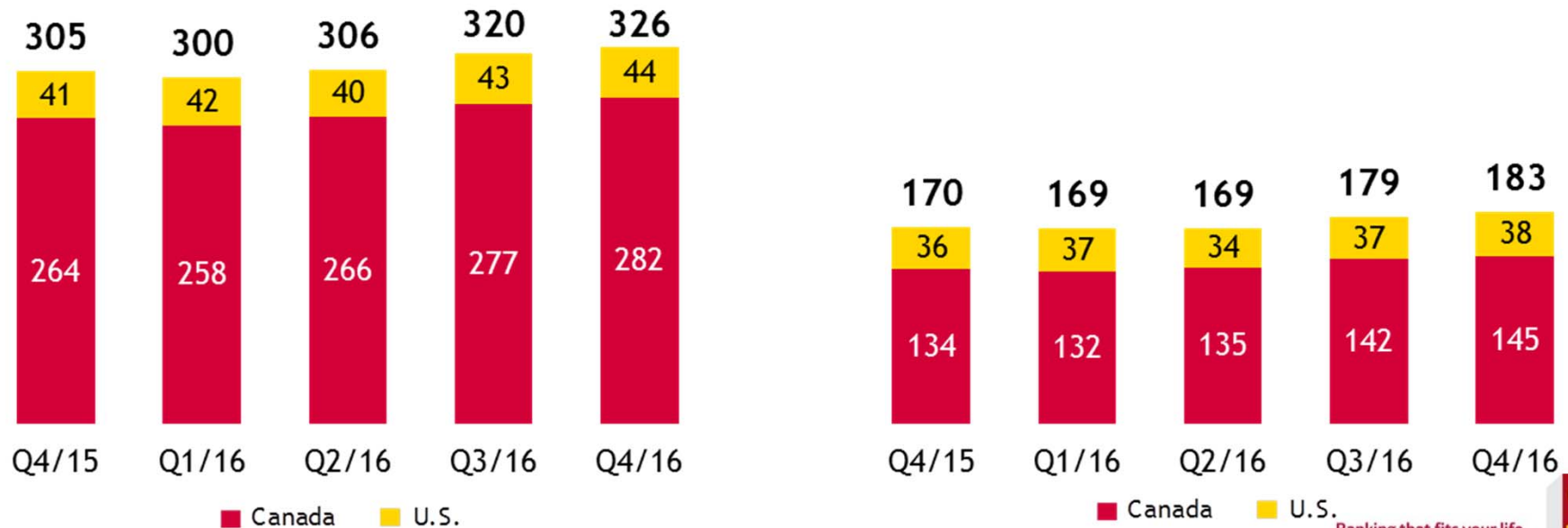
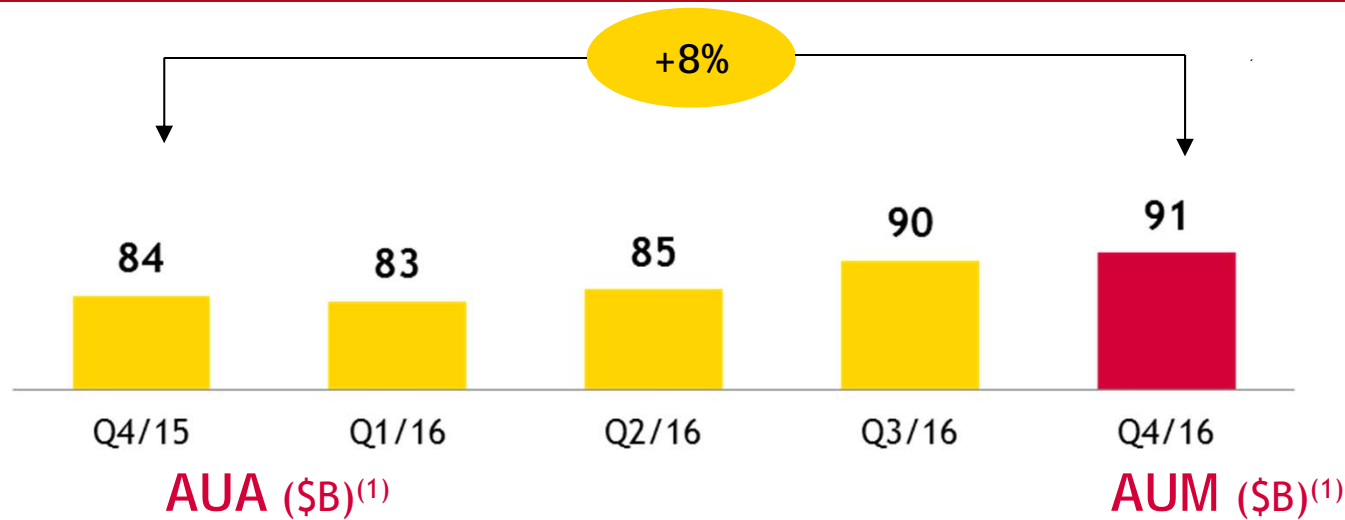
## Average Deposits (\$B)



Growth		YoY	QoQ
Personal Deposits & GICs	■	8%	2%
Business Deposits & GICs	■	10%	4%

# Wealth - Mutual Funds & Client Asset Balances

## Canadian Retail Mutual Funds (\$B)



<sup>1</sup> Assets under management (AUM) are included in assets under administration (AUA).

# Retail & Business Banking

<i>Reported (\$MM)</i>	Q4/15	Q3/16	Q4/16
Personal Banking	1,743	1,779	1,825
Business Banking	414	435	443
Other	19	11	22
Revenue	2,176	2,225	2,290
Provision for Credit Losses	163	197	206
Non-Interest Expenses	1,100	1,121	1,149
Income Before Income Taxes	913	907	935
Income Taxes	241	241	248
Net Income - Reported	672	666	687
Net Income - Adjusted <sup>(1)</sup>	673	667	688

<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

# Wealth Management

<i>Reported (\$MM)</i>	Q4/15	Q3/16	Q4/16
Retail Brokerage	317	317	332
Asset Management	178	196	190
Private Wealth Management	91	94	98
Other	21	428	-
Revenue	607	1,035	620
Non-Interest Expenses	447	438	444
Income Before Income Taxes	160	597	176
Income Taxes	38	91	50
Net Income - Reported	122	506	126
Net Income - Adjusted <sup>(1)</sup>	128	126	127

<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.



# Capital Markets

<i>Reported (\$MM)</i>	Q4/15	Q3/16	Q4/16
Global Markets	271	415	365
Corporate & Investment Banking	302	364	313
Other	(2)	30	(5)
Revenue <sup>(1)</sup>	571	809	673
Provision for Credit Losses	22	47	-
Non-Interest Expenses	326	370	333
Income Before Income Taxes	223	392	340
Income Taxes <sup>(1)</sup>	42	88	64
Net Income - Reported	181	304	276
Net Income - Adjusted <sup>(2)</sup>	183	313	283

<sup>1</sup> Revenue and income taxes are reported on a taxable equivalent basis (TEB).

<sup>2</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

# Corporate & Other

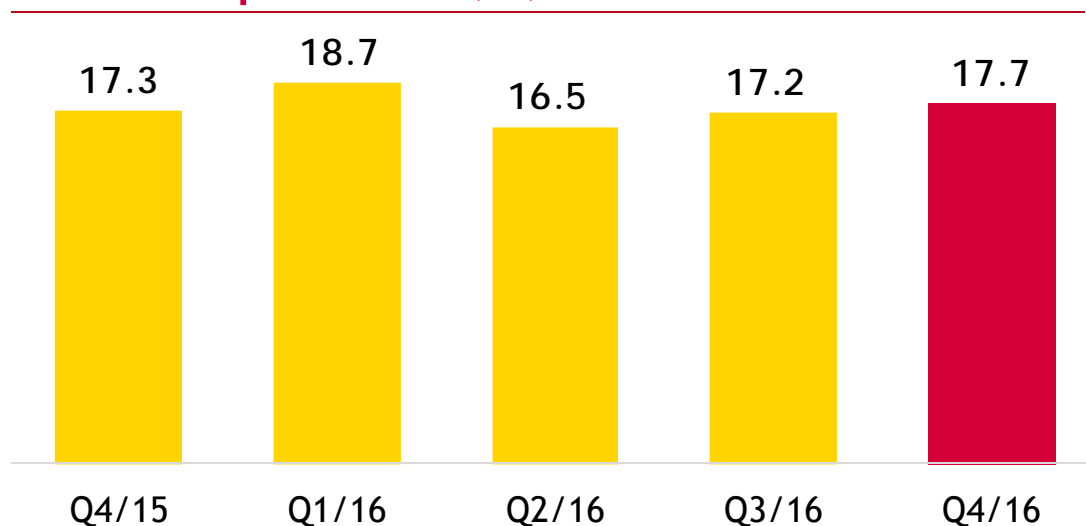
<i>Reported (\$MM)</i>	Q4/15	Q3/16	Q4/16
International Banking	180	176	176
Other	(51)	(109)	(78)
Revenue <sup>(1)</sup>	129	67	98
Provision for (Reversal of) Credit Losses	13	(1)	16
Non-Interest Expenses	510	289	421
Loss Before Income Taxes	(394)	(221)	(339)
Income Taxes <sup>(1)</sup>	(197)	(186)	(181)
Net Loss - Reported	(197)	(35)	(158)
Net Loss - Adjusted <sup>(2)</sup>	(32)	(34)	(57)

<sup>1</sup> Revenue and income taxes are reported on a taxable equivalent basis (TEB).

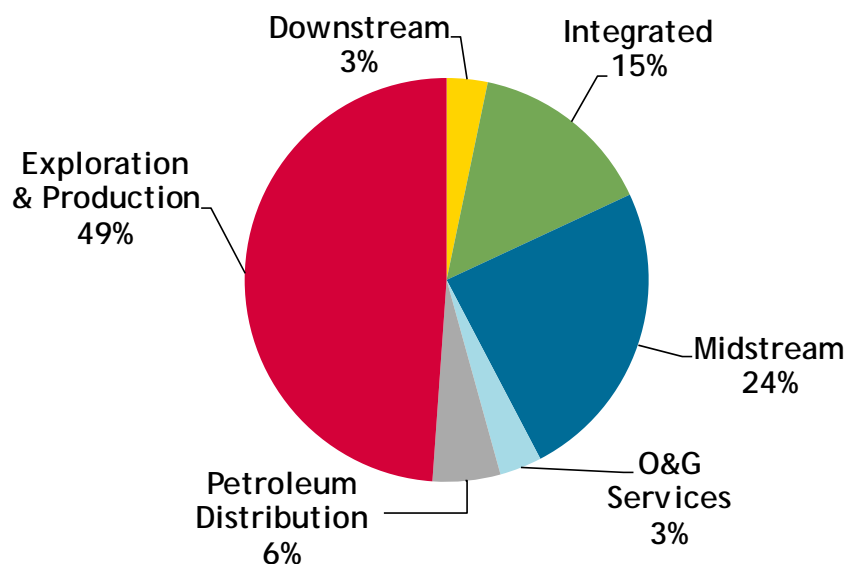
<sup>2</sup> Adjusted results are Non-GAAP financial measures. See slide 30 for further details.

# Oil & Gas Corporate & Business Banking Exposure

## Direct Exposure<sup>(1)</sup> (\$B)



- \$17.7B of direct exposure<sup>(1)</sup>, up from \$17.2B last quarter
  - 70% of this is investment grade
- \$6.9B drawn exposure<sup>(1)</sup>, down from \$7.1B last quarter
  - 57% of this is investment grade
- 77% of undrawn exposure<sup>(1)</sup> is investment grade



<sup>1</sup> Based on business and government Advanced Internal Rating-Based (AIRB) estimates of exposure at default. See page 23 of the Supplementary Regulatory Capital Disclosure for further details.

# Oil & Gas Retail Exposure

## Outstandings (\$MM)

	Mortgages		HELOC	Other <sup>(1)</sup>
	Insured	Uninsured		
Alberta	16,459	8,643	2,750	3,766
Saskatchewan & Newfoundland	4,201	2,236	714	1,442
<b>Total</b>	<b>20,660</b>	<b>10,879</b>	<b>3,464</b>	<b>5,208</b>

## LTV<sup>(2)</sup>

	Mortgages		HELOC	Other <sup>(1)</sup>
	Insured	Uninsured		
Alberta	70%	66%	63%	N/A
Saskatchewan & Newfoundland	62%	62%	57%	N/A
<b>Total</b>	<b>68%</b>	<b>65%</b>	<b>62%</b>	<b>N/A</b>

- \$40B of retail exposure to oil provinces (or \$20B excluding insured mortgages)
  - Alberta accounts for \$32B or 79% of the retail exposure, with a LTV of 66% in the uninsured mortgage portfolio

<sup>1</sup> Comprises unsecured personal lines and loans, credit cards and small business.

<sup>2</sup> LTV ratios for residential mortgages are calculated based on weighted average. See page 56 of the Management's Discussion and Analysis for further details.

# Q4 2016 Items of Note

	Pre-Tax Effect (\$MM)	After-Tax & NCI Effect (\$MM)	EPS Effect (\$/Share)	Reporting Segments
Q4 2016				
Restructuring charge primarily relating to employee severance	134	98	0.25	Corporate & Other
Loss from the structured credit run-off business	9	7	0.02	Capital Markets
Amortization of intangible assets	7	5	0.01	Retail & Business Banking / Wealth Management / Corporate & Other
Adjustment to Net Income attributable to common shareholders and EPS	150	110	0.28	

# Non-GAAP Financial Measures

- Adjusted results are Non-GAAP financial measures that do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.
- For further details on items of note see slide 29 of this presentation; for Non-GAAP measures and reconciliation of Non-GAAP to GAAP measures see pages 1 and 2 of the Q4/16 Supplementary Financial Information and pages 13 and 14 of the 2016 Annual Report available on [www.cibc.com](http://www.cibc.com).