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Thank you Kevin. Good morning everyone. It's a pleasure to be here.

Before I begin, let me say that my remarks may include forward-looking information and our actual results could differ materially from what is discussed here today.

This morning, I will focus my comments on 3 areas:

First, I will review our third quarter results.

Second, I will provide an update on our key priorities.

And finally, I will review our performance against our balanced scorecard objectives.

Following the presentation, I do look forward to taking questions.

Let me start by reviewing our financial results we announced on August 31.

For the third quarter, CIBC reported net income of \$662 million, an increase from \$585 million last quarter and a loss of \$1.9 billion for the same quarter in 2005.

Earnings per share were \$1.86, compared with \$1.63 last quarter and a loss of \$5.77 a share a year earlier.

Return on equity for the quarter was strong at 27.2%.

AND

Our Tier 1 capital ratio improved to 9.6%.

Our third quarter results underline our progress towards CIBC's key priorities which are:

- Business strength,
- Productivity,
- And building our balance sheet strength, while balancing capital usage.

Let me now provide an update on these priorities, beginning with business strength, first in our Retail Markets business, and then in our World Markets business.

Our retail business continues to perform well overall, with Q3 profitability up 20.5%.

Volume growth remains in the mid-single digit range, with expenses, loan losses, and taxes also contributing to increased profitability.

On the revenue side, our performance has been consistent with our expectation given our risk posture.

Our revenue has been affected by:

1. CIBC's focus on improving retail credit quality,
2. The shift from variable to fixed rate mortgages; and
3. Competitive pricing in the market place.

I will touch on each of these areas, beginning with retail credit.

As we have said before, our priority in retail is to improve the credit quality of our portfolio.

Our retail loan losses peaked at \$772 million in 2005.

Some of that increase was a natural result of higher volumes – however much of the increase was the result of a deterioration in our loan loss rate.

On recent webcasts, we have discussed the steps we have taken to increase originations of secured loans.

Secured loans now represent about 55% of our personal loan portfolio, up from 45% a year ago.

We are also encouraged by signs of progress in our unsecured portfolio, as we are seeing a shift to higher quality in newly acquired accounts.

While we remain cautious as older loans mature through the portfolio, we are confident that the actions we are taking will achieve the desired results.

A second area affecting retail revenue is the shift to fixed rate mortgages from variable rate, where CIBC has been historically strong.

As short-term rates have increased over the last 18 months, we have seen a steady increase in fixed rate mortgage originations and renewals.

Fixed rate mortgages now represent 47% of our residential mortgage portfolio, up from 34% a year ago.

We have responded with new product offers, and we are confident that the changes we have made will generate improvements in our share over time, and maintain our strong position in this area.

Another area affecting revenue has been competition in the deposits business.

In the third quarter, we experienced some relief from a more stable interest rate environment and better pricing.

Volume growth in deposits and fixed term balances has been steady and remains more or less in line with the market place.

So to summarize Retail Markets, our businesses continue to perform well overall and remain solidly positioned in the market place.

Profitability has been well supported by our loan loss improvements and our productivity targets - we have made substantial progress in these areas.

Dealing with our unsecured lending portfolio issues has reduced our risk in this area and our loan losses.

However, our risk posture has clearly had an impact on our retail revenue growth in the short-term.

Our risk posture is consistent with our strategy to reduce volatility and position CIBC for consistent, sustainable earnings over the long-term.

Over time, we expect the impact on retail revenue will be reduced as a higher quality loan portfolio grows again from a stronger base.

Let me now turn to our wholesale business, CIBC World Markets.

My first message is to remind you of our progress to reposition World Markets for lower earnings volatility.

We set a number of targets to reduce risk in our business and we have achieved those goals.

Our current level of economic capital is \$2.7 billion in this business, down almost 50% from the second quarter of 2002.

In the area of large corporate credit, our current level of capital is \$900 million – down more than 60%.

Reductions here are complete.

Our portfolio has stabilized, and continues to perform well in a relatively favourable credit environment.

In Canada, we will allow for some natural growth in our corporate loan portfolio in support of our core client franchise.

We will be prudent about this, and these increases are not expected to be large.

In the highly liquid U.S. market, our approach is to follow an “underwrite to distribute” model which results in much lower hold levels.

In merchant banking, we have also achieved our reduction targets.

Our current book value is \$1.3 billion and unfunded commitments are now only \$400 million, down from a high of over \$2 billion.

As Tom Woods outlined in detail in our third quarter conference call, we have reasonably good visibility in merchant bank at this time and expect revenue to be good.

We have a stated objective to maintain a business mix, as measured by economic capital, of 25-35% wholesale.

Our current usage is 30%, at the midpoint of that range.

Future growth in our wholesale business will be supported within the parameters of our target business mix.

We will continue to invest in our core franchise, particularly in the areas of talent, credit, product innovation and financial resources.

Let us now move to CIBC's second priority, which is improving our productivity.

Last year, we set an objective of \$250 million of annual cost reductions by the end of 2006.

Our third quarter expenses remained below our fourth quarter target

AND

As we said on August 31, we are confident we will achieve our target again in the fourth quarter.

At the end of that quarter, we will review our progress in this area and establish the parameters for further productivity improvements in 2007.

We have a strategic objective to improve our expense-to-revenue ratio to the median of the Canadian banks.

In the area of expenses, we have made good progress reducing costs in areas away from our revenue-generating activities.

Our expense reductions have driven a significant improvement in our NIX ratio from the second quarter of last year when we set our \$250 million target.

We believe that future improvements will be achieved through a combination of expense discipline and improved revenue.

CIBC's third priority is to build our balance sheet strength, while balancing capital usage.

Our objective is to maintain a Tier 1 capital ratio of 8.5%.

Over the last year, we have built our Tier 1 ratio from 7.5% to 9.6% on the strength of our earnings and management of our risk weighted assets.

Our first priority in the area of capital usage is to invest in our core businesses in order to sustain their strength and market position.

After funding our internal needs, we will balance other capital deployment opportunities.

Currently we are building our capital to fund our FirstCaribbean acquisition.

In June, we announced the conclusion of a definitive agreement with Barclay's and we are on track to close this transaction by the end of the year as expected.

FirstCaribbean continues to perform well, reporting net income of US\$86 million for the first half of 2006.

These results are consistent with management's expectation for 2006 earnings growth.

Earlier this year, we had said we would not be buying back shares during the balance of 2006.

The conclusion of our capital build for FirstCaribbean does permit a review of this topic by our Board early in fiscal 2007.

We will also be reviewing our dividends in light of our objective to pay out 40% to 50% of our earnings in dividends.

Based on our 2006 year to date earnings, our current quarterly dividend of 70 cents remains at the low end of our target range.

In our Annual Report scorecard, we have several measures to track our progress over the medium and longer term.

As this slide shows, results are positive through the first three quarters of 2006.

- Earnings per share growth and return on equity are above our medium term targets;
- Our capital ratios are strong;
- Our business mix, loan losses and dividend payout ratios are within their target ranges;
- And we are ahead of our fourth quarter productivity target.

However, in the area of revenue growth, we need to further improve our performance.

As I mentioned earlier, the key issue with our revenue growth is our risk posture in lending, particularly in our unsecured portfolio, the difficulties of which are running their course.

And so in conclusion,

Our third quarter results and year to date performance underline the progress we are making towards our priorities of:

- Business strength;
- Productivity;
- And balance sheet strength, as well as capital usage.

For the balance of this year and 2007, we will be particularly focused on:

- Our FirstCaribbean acquisition;
- The next phase of our productivity initiative;
- And improvements in retail lending.

These actions will position CIBC for consistent, sustainable earnings over the long-term.

Thank you.