



Gerry McCaughey
President and Chief Executive Officer
Annual General Meeting
March 1, 2007 – Calgary, Alberta

Check against delivery

Good morning...

Thank you for joining us in Calgary for CIBC's Annual General meeting.

This year marks CIBC's 140th Anniversary.

As part of our history, I am proud to say that CIBC has been in Calgary longer than any other Canadian bank.

The Imperial Bank of Canada opened a branch on Centre Street and 8th Avenue in 1886.

Today, we have 112 branches in Alberta including 26 here in Calgary.

In 1950, we became the first Canadian bank to establish a dedicated Petroleum and Natural Gas Department in the city.

Our investment banking team continues to be very much an important part of the city and the province.

We are joined here today by a number of our more than 3,000 employees who represent CIBC in Alberta.

Thank you for joining us this morning.

Today, I am going to report on CIBC's performance in 2006 and our focus moving forward.

- Earnings were a record \$2.6 billion, with a return on equity of 27.9%;
- Our shareholders received a return of 25.6%, best among the major Canadian banks, and we raised our common share dividend for the 9th time in 10 years;
- Our tier 1 capital ratio grew from our target number of 8.5% to 10.4% at year-end; and,
- We invested a portion of that capital to acquire majority control of FirstCaribbean International Bank, the largest regionally listed bank in the English-speaking Caribbean.

Net income in our retail businesses was \$1.9 billion, up 18% from 2005.

We continued to strengthen our retail franchise, with particular attention to improving credit quality, enhancing our product offerings and investing in our branches and ABMs.

CIBC World Markets also had a solid year, generating net income of \$646 million while maintaining a disciplined risk position.

CIBC World Markets again led the Canadian industry in equity underwriting and mergers & acquisitions, advising on a record number of transactions.

Our U.S operations made a significant contribution to our performance, led by real estate finance and merchant banking.

Overall, our businesses made steady progress in 2006.

I want to thank all of our employees for their efforts on behalf of our clients.

I am also proud of the role our employees continue to play in demonstrating CIBC's values in our communities.

- 10,000 CIBC employees joined Canadians from coast to coast to raise millions of dollars in the fight against breast cancer.
- Millions more were raised to benefit children through the CIBC World Markets Foundation Miracle Day, and,
- CIBC and our employees donated almost \$8 million to the United Way across Canada.
- Here in Calgary, CIBC contributed to more than 75 organizations including hospitals, educational institutions and local community groups.

So, when we look back at 2006, we see it as a year of solid progress.

It was an important step towards our long-term goal of delivering consistent, sustainable performance for all of our stakeholders.

2007 Priorities

Our focus in 2007 is to build on our progress.

To do this, we will stay focused on our priorities of business strength, productivity as well as balance sheet strength and capital usage.

Business Strength

Let me talk briefly about our priorities, beginning with business strength.

Our strategy in retail and wealth management is to become the primary financial institution for our clients.

Over the past five years, CIBC has made important choices aligned with this strategy.

The first choice relates to our view of where the market is going.

We believe that changing demographics will continue to create increased demand for financial advice. Therefore, we have made significant investments in advice.

We acquired Merrill Lynch's retail business in 2002.

We also invested significantly in our branch-based network of fully licensed Imperial Service advisors,

These two investments have allowed CIBC to establish the largest team of fully licensed investment advisors in Canada, with well over 2,000 advisors helping our clients meet their investment and financial planning needs.

Our objective in 2007 is to bring our industry leading advice to more of our clients. To this end, we will have expanded Imperial Service to an additional 10 new markets by the end of this year.

Another good example of this is our recently launched Financial HealthCheck, which enables our Personal Banking Clients to identify and achieve their financial goals.

To date, more than 800,000 clients have completed the Financial HealthCheck and it is proving to be a powerful tool in helping our clients identify their financial planning needs.

The second choice we've made is in the area of access.

We believe one of the foundations of our retail franchise lies in providing clients with the highest level of access to banking services.

Today, we have one of the largest branch networks in Canada and we have invested heavily in our ABM, on-line and telephone banking capabilities. In all of these areas, we hold leading positions in the marketplace.

For example, we have just invested \$120 million to upgrade our 3,800 bank machines to allow clients to complete transactions more quickly and to improve access for the visually impaired.

We will also open, expand or relocate 70 branches over the next 5 years in high growth, high potential markets across Canada, including 15 here in Alberta.

And we will continue to focus on other areas that are important to our clients – such as branch hours, line-ups and welcome programs.

The third choice we've made is in developing solutions to meet our clients' financial needs.

For example, today, we have the #1 Credit Cards business in Canada.

In 2007, we will continue to invest in our Cards business.

- We have introduced CIBC CreditSmart after research showed that our clients wanted to better manage their credit and spending to achieve their financial goals.
- CreditSmart gives clients a series of no-cost management tools to track and organize credit card spending, as well as to receive alerts when they reach pre-set budget amounts.
- It also provides clients with enhanced security and protection benefits such as credit reports and fraud alerts.

- CreditSmart is an example of how we are integrating advice into more of our financial solutions.
- We also launched a CIBC Platinum Visa card for our clients who want a credit card with higher spending limits and no annual fee.
- And we responded to clients seeking to accumulate rewards faster on our industry-leading Aerogold Visa card by increasing the points earned on everyday purchases.

These advances in Credit Cards are good examples of the type of financial solutions we are developing in mortgages, deposits and other areas of our retail business.

The strategic choices we have made will further our relationships with our clients and position our retail and wealth management business for continued success.

In the first quarter of 2007, Retail Markets reported net income of \$530 million, up 21% from the same quarter last year.

With our first quarter results, our Retail business has achieved a good start in 2007.

Let me now turn to CIBC World Markets.

Here, too, we have made important strategic choices to position CIBC World Markets in alignment with our objective of consistent and sustainable performance.

Beginning in 2002, we established targets in the areas of risk and the allocation of capital between the various businesses within CIBC.

CIBC World Markets has been successful in achieving the goals we established for this business.

Today, our franchise in Canada remains an industry leader.

With our offices in Vancouver, Calgary, Toronto and Montreal, we have deep levels of expertise to ensure full client coverage across the broad spectrum of the capital markets.

Early in 2007, we opened an office in Winnipeg to provide our institutional and corporate clients with expanded coverage.

Outside of Canada, we provide our clients with access to international markets through our offices in New York and other key U.S. cities, as well as locations in London, Tel Aviv and the Far East.

In the U.S., our business has been profitable, led by strong performances from real estate finance and merchant banking.

The actions we have taken in CIBC World Markets are reflected in our results.

For the first quarter of 2007, CIBC World Markets reported net income of \$210 million, up 64% from the same period in 2006.

This solid performance reflects the strength of our client relationships combined with continued balance and discipline in the area of risk.

As we have stated, our target business mix is to invest 25 to 35 per cent of our capital in our wholesale business.

Based on our first quarter business mix of 26 per cent wholesale, we have room to provide additional capital to our World Markets franchise.

Within this context, during the rest of 2007, we have the capacity to improve productivity in World Markets by allocating financial resources to our core business where we have scale and, therefore, operating leverage available.

In addition, we will identify other growth opportunities in areas such as electronic trading, prime brokerage and structured products.

Productivity

Our second priority is productivity.

We exceeded our cost reduction target of \$250 million in 2006.

While our progress is encouraging, we still have more work to do.

Our strategic objective is to have a median efficiency ratio among the Canadian banks.

We believe that the impact of improved revenue through consistent investment in our core businesses and continued expense discipline is the most balanced way to achieve further productivity improvements.

We made progress in the first quarter towards the balance we are seeking through productivity and revenue growth, with our efficiency ratio improving to 61.5 per cent from 64.4 per cent in the same period a year ago.

Balance Sheet Strength and Capital Usage

Our third priority is balance sheet strength and capital usage.

CIBC is in a strong capital position with a Tier 1 ratio of 9.6% as reported earlier today.

Our first objective is to invest in our core businesses to sustain their strength and market position.

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

Dividends are an important part of our capital management plan.

Our dividend payout ratio for the first quarter was 32.9%, below our target range of 40 to 50%.

This morning, we announced a 10-per-cent increase in our quarterly dividend to 77 cents a share from 70 cents.

We will continue to review dividend increases throughout the year.

I want to thank you, our shareholders, for your investment and continued support of the actions we have underway to deliver consistent and sustainable performance over the long term.

I also want to thank our CIBC employees, many of whom are in the room or are listening to this meeting.

Your contribution and dedication to our clients, our shareholders and our communities gives me confidence about our future.

Thank you for joining us here in Calgary today.

A NOTE ABOUT 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 presentation, in filings with Canadian securities regulators or the U.S. Securities and Exchange Commission and in other communications. These statements include, but are not limited to, statements about our operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook for 2007 and subsequent periods. Forward-looking statements are typically identified by the words “believe,” “expect,” “anticipate,” “intend,” “estimate” and other similar expressions or future or conditional verbs such as “will,” “should,” “would” and “could.” By their nature, these statements require us to make assumptions 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: legislative or regulatory developments in the jurisdictions where we operate; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions; the resolution of legal proceedings and related matters; the effect of applying future accounting changes; changes in our estimates of reserves and allowances; changes in tax laws; that our estimate of our sustainable effective tax rate will not be achieved; political conditions and developments; the possible effect on our business of international conflicts and the war on terror; natural disasters, public health emergencies and other catastrophic events; reliance on third parties to provide components of our business infrastructure; the accuracy and completeness of information provided to us by clients and counterparties; intensifying competition from

established competitors and new entrants in the financial services industry; technological change; global capital market activity; interest rate and currency value fluctuations; general economic conditions worldwide, as well as in Canada, the U.S. and other countries where we have operations; changes in market rates and prices which may adversely affect the value of financial products; 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; 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. We do not undertake to update any forward-looking statement that is contained in this presentation or other communications.