Gerry McCaughey
President and Chief Executive Officer
Annual General Meeting
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Check against delivery

Good morning…

Thank you for joining us here in Toronto for CIBC's 141st Annual General Meeting.

And, special thanks to the CIBC employees who are here with us today.

Our employees are the heart of our organization and for the second year in a row they delivered record results by providing exceptional value to our clients.

I want to thank you for all you did this past year and for your dedication to CIBC.

One of our primary goals in 2008 will be to continue to invest in training and support of our employees and provide them the tools they need to serve our clients and grow CIBC for the future.

This focus, in combination with our strategic plans in our Retail and World Markets businesses, will enhance the value we provide our clients and shareholders.

Most of our businesses had strong performances in 2007. I would like to comment on that performance, then review CIBC's priorities for 2008.

U.S. Residential Real Estate

But first, I will address the issues related to our structured credit activities and the actions we have taken.

As you know, the past eight months have been a turbulent and difficult period for global credit markets.

This has resulted in many banks around the world, including CIBC, having to take significant writedowns.

I want to make clear at the outset that the prime objective of CIBC has been – and is - to deliver consistent and sustainable performance over the long term.

It's important, then, to understand how this occurred given our strategic imperative.

The fact of the matter is that this issue arose in a small area of the bank and in the least expected of all places – that being highly rated securities, many of which were Triple AAA, that were hedged with insurance from investment-grade financial counterparties.

This is not where we, or other banks involved in this business, anticipated having an issue.

At the business level, we believed that Triple AAA with hedged counterparties meant very low risk. And, because of the perception of low risk, the portfolio grew too large for a bank of our size.

In hindsight, we – like many participants in this market – relied on the triple-A-ratings of these securities as well as the high ratings of the insurance we purchased.

These securities, as well as our hedged counterparties, have not performed in line with expectations based on those ratings.

As a result, we have had to take significant writedowns related to this portfolio through the latter half of 2007 and the first quarter of 2008, which we announced this morning

This is a significant disappointment to our management, our board and, we know, to you our shareholders.

We take seriously any issue that affects shareholder value and we recognize that this issue has impacted all of our shareholders, including you in this room.

CIBC's prime objective has been to reduce our risk profile and deliver consistent and sustainable performance over the long term.

We have made real progress against that goal over the past two years, but clearly our experience with structured credit is inconsistent with that objective.

My focus, and the focus of our management team, is to get CIBC back on the strategic track we set for the organization and which had, for the past two years, resulted in significant value for our shareholders.

In support of this, we have taken a number of actions over the last several months.

- We restricted activities in structured credit and we are gradually reducing our existing positions.
- We placed some additional hedges where the cost and risk were appropriate.
- We have undertaken a full examination of our risk management practices in light of this issue.
- We sold our U.S. domestic investment banking businesses to Oppenheimer, and, we are exiting our European Leveraged Finance Business as a way to reduce future risk.

At the same time, we are re-enforcing our commitment to our core World Markets franchise and we are working to position it for strength over the mid- to long-term.

Our core operations in World Markets, particularly our franchise in Canada as well as our targeted businesses in New York, London and Asia, are solid.

They have proven expertise and a history of profitability as well as strong client relationships. As such, they are very important to CIBC and to our future.

At a broader CIBC level, we took two significant actions in January to strengthen our organization – for now and for the long term.

First, we made three senior executive appointments.

- Tom Woods, our former Chief Financial Officer, is now Chief Risk Officer.

  Tom is a 30-year veteran of our business, who understands CIBC's targeted risk profile and is committed to our strategy for consistent and sustainable growth.

  Tom's focus will be to strengthen our overall risk management practices as well as adding talent to our team.

- Succeeding Tom in the CFO role is David Williamson, formerly President and CEO of two public companies and Chief Financial Officer of Clarica Life Insurance.

  David has broad financial experience as a CFO and has worked extensively with banks in Europe, the U.K. and Canada.

- We are also pleased that Richard Nesbitt, CEO of the Toronto Stock Exchange, will be officially joining our senior leadership team as head of CIBC World Markets.

  Richard has spent over 20 years in the securities industry. He believes in our people and our strategy and brings a wealth of knowledge and insight to CIBC.

  He officially starts in his new role tomorrow and I know he is excited by the opportunities at CIBC World Markets.

Our second action was to further build our capital position.

In January, we raised $2.94 billion through a well-subscribed private and public share offering.

The funds raised, combined with our existing capital position, have provided us with one of the strongest capital bases of any North American bank.

At the end of the first quarter, even after accounting for our writedowns, we have a Tier 1 capital ratio of 11.4 per cent.

The capital raised through the share offering provides our shareholders with greater certainty that CIBC's capital levels will remain strong should additional write-downs become necessary.

It also places us in a solid position to continue building our Retail and Wholesale businesses and to move forward with confidence to compete in the marketplace and maintain our commitment to our clients.

It sends a strong signal to our employees that we will maintain our staffing levels in support of our clients and continue to reward employee performance in support of our core strategy.

2007 financial performance

The potential of this strategy was again evident in our core business performance in 2007.

Let me provide a brief overview of the highlights.

- Earnings of $3.3 billion, or $9.21 per share, were the highest in our history and 24 percent higher than 2006.

- These results are all the more impressive considering that they included writedowns of $777 million.
- This shows two points. First, the power of our core franchise, and second, that our core results can be even more powerful if we avoid costly errors.

Looking toward the future

While I recognize that our performance in 2007 has been overshadowed by our writedowns, the fact remains that our ongoing core businesses are strong and provide a great foundation for future growth in 2008 and beyond.

Our largest business, Retail Markets, has performed well over the past two years.

This business accounts for 75% of our overall earnings and has more than 8 million clients who turn to CIBC for a full range of financial services.

As evidenced by our results throughout 2007, and again this quarter, our Retail franchise continues to be very well positioned.

Our objective in our Retail Bank is to be the primary financial institution for our clients.

This past year, we made considerable investment in support of this objective.

This includes:

- Expanding our advisory capabilities across all channels for our clients.
- Investing in, and expanding, our branch network as well as our online, telephone banking and ABM capabilities.
- Becoming the first bank in Canada to introduce Sunday hours for our clients in targeted locations, and
- Introducing innovative products such as Credit Smart and our Aeroplan Mileage Multiplier that add value for our clients.

These are just some of the investments we have made, and will continue to make, across our Retail franchise to build stronger relationships with our clients.

In 2008, we will continue to provide further training and support for our employees and enhance our advice, service and product offerings for our clients.

On the wholesale side of our business, most of CIBC World Markets delivered solid performance in 2007. This was particularly true in the core areas of equity underwriting, M&A advisory services, real estate finance and merchant banking.

We believe that a focused strategy on our core areas of expertise in Canada and our linked capabilities in London, New York and Asia will, over time, result in enhanced shareholder value.

Outside of Canada, we expanded our growth platform internationally this past year, completing the acquisition of FirstCaribbean International Bank.

FirstCaribbean is a good fit with our geographic presence, our retail focus and our wholesale capabilities.

The performance of our core retail and wholesale businesses, combined with FirstCaribbean, shows the potential of CIBC.

Our focus will be to align all of our activities in support of fully realizing this potential and creating sustained value for our shareholders, at the right risk point.

Conclusion

In closing, I want to again thank all CIBC employees for their efforts.

I know the last few months have been challenging and I appreciate your ongoing dedication to our clients during this period.

I also want to thank our shareholders for your support.

We are taking the steps necessary to manage through the current environment and get CIBC back to creating the level of value that we have delivered in the past and will again deliver in the future.

Thank you.