



REMARKS FOR VICTOR G. DODIG, PRESIDENT AND CHIEF EXECUTIVE OFFICER
CIBC ANNUAL MEETING
OTTAWA, ONTARIO
APRIL 6, 2017

Check Against Delivery

- Thank you Mr. Chairman. Good morning everyone!
- We are proud to be here in Ottawa to mark this exciting milestone of CIBC's 150th annual general meeting, alongside our nation's 150th anniversary.
- *Nous sommes fiers d'être présents à Ottawa pour marquer ces étapes importantes que sont la 150e Assemblée générale annuelle des actionnaires de la Banque CIBC et le 150e anniversaire de notre pays.*
- We're also proud to be in Ottawa on the eve of the 100th anniversary of the Battle of Vimy Ridge, where a number of commemorative events will be taking place. We are humbly reminded of the sacrifices made by the servicemen and women to build our great nation.
- We have a deep history in Canada, and our history in Ottawa dates back to 1874, when we opened our first branch on Sparks Street. It came at the request of Canada's newly-elected Prime Minister - Sir Alexander Mackenzie. Nearly 150 years later, our Sparks Street banking centre continues to operate proudly in its community.

- We remain committed to our nation's capital region, having invested more than \$3.3 million in local community organizations over the past three years.
- We're proud of our heritage in Ottawa - so proud, in fact, that we've partnered with Ottawa2017 to bring an exciting roster of events to Canadians from coast-to-coast-to coast to celebrate Canada's 150th birthday. As a proud Canadian company, it's a great opportunity to mark our shared anniversary.
- For 150 years, we've helped our clients, businesses and communities in Canada, and around the world, prosper and grow.
- While much has changed over the years, what hasn't changed is our ongoing commitment to our clients and shareholders: a commitment to meet the evolving needs of our clients and deliver future growth for our shareholders.
- Our results for fiscal 2016 show our significant progress to transform CIBC into a strong, innovative, and relationship-oriented bank for all of our stakeholders.

Fiscal 2016 Results

- In 2016 we reported record earnings, industry-leading capital strength, and the highest return on equity of the major North American banks.

- We delivered record adjusted net income of \$4.1 billion with earnings per share up 8% from 2015, near the top end of our target range.
- We achieved earnings growth through a combination of strong revenue growth of 5%, while holding expense growth to just 2%.
- This positive operating leverage reduced our adjusted NIX ratio by 160 basis points to 58% as we made progress towards our goal of reaching 55% by 2019.
- And for the 8th time in 9 quarters, we announced a 3 cent increase to our common share dividend, further enhancing shareholder value.
- Each of our core business units made strong contributions to our overall results.

Strategic Business Units

- Our **Retail and Business Banking** team made considerable progress to enhance the client experience by deepening relationships, developing innovative products and services, and making it easier to bank where and how our clients choose to bank.
- By listening to our clients' needs and delivering on their expectations, Retail and Business Banking accelerated profitable revenue growth, delivering adjusted net income of \$2.7 billion, up 6% from last year.

- We delivered banking that truly fits our clients' lives with the launch of the CIBC Smart account. This revolutionary chequing account, which launched last April, has helped to deepen relationships with our clients on both sides of the balance sheet.
- CIBC has always been the leader when it comes to innovative ways to improve the client experience, and last year was no exception.
- We launched Apple Pay, Samsung Pay, and partnered with the fintech Borrowell to offer "one-click" online lending for our clients. This first-in-Canada service has allowed us to adjudicate loans for our existing clients in real time, with funds typically issued the next business day.
- We also formed a unique strategic alliance with National Australia Bank and Israel's Bank Leumi - to further strengthen our leadership in innovation.
- Because we don't compete directly with one another, we're able to collaborate to co-develop products and services, open up doors to new fintech connections, and encourage the exchange of talent and ideas.
- We've also continued to modernize our banking centres to focus on relationships and advice, and keep pace with our clients' changing banking behaviours.
- I see Kathleen Woodard, who heads up our Retail Distribution & Channel Strategy in Ontario, here today. Through Kathleen and her team's leadership, we have continued to modernize our banking centres in the province.

- 2016 was also an excellent year for our **Wealth Management** businesses, which delivered solid results by putting their focus squarely on our clients.
- The Wealth Management business reported adjusted net income of \$490 million in F16. Excluding the gain on the sale of our investment in American Century Investments in 2016, adjusted net income was \$475 million, up \$40 million or 9% from 2015.
- To enhance our high net worth client experience, we aligned our Canadian private wealth management and CIBC Wood Gundy businesses under one leadership structure.
- Steve Gallant is here and can certainly speak to how the integration is helping to deepen client relationships right here in Ottawa.
- We introduced new products, like the Renaissance Flexible Yield Fund, Renaissance Private Investment Program, and PPS Income Generation Portfolios to meet the changing needs of investors.
- In 2017 we will continue to deliver an integrated wealth management experience that meets the complex needs of the high net worth clients we are privileged to serve.
- Turning to **Capital Markets**, we executed on our client-led growth strategy to deliver an impressive adjusted net income of \$1.1 billion, up 14% from 2015.
- Through strong leadership we have helped our clients navigate market uncertainty and volatility.

- We continued our leadership positions in trading and sales, origination and advisory, as well as corporate lending.
- With a keen focus on enhancing the client experience, we launched specialized advisory teams in Investment Banking, focused on technology and innovation, private capital and corporate finance solutions, while expanding our product capabilities to meet client needs at home and abroad.
- As the leader in foreign exchange, we collaborated within CIBC to deliver innovative financial solutions that lower costs and improve the experience for clients across CIBC in both foreign exchange and precious metals.
- A great example is our Global Money Transfer service, where clients can now send money to 46 countries around the world from the convenience of their Smart phone or computer. We recently expanded the service to China through a partnership with UnionPay International. Clients can send money to China within 24 hours with no remittance fees.
- We believe taking a cooperative ‘one team’ approach within CIBC will get us closer to achieving our vision of being #1 in client experience over the medium term, and building the bank of the future.

Progress Against Priorities

- How will we build the bank of the future? By concentrating our efforts on our three bank-wide priorities: Focusing on our clients, innovating for the future, and simplifying our bank.
- These key drivers are what's accelerating our transformation, and we're seeing real, concrete progress. 2016 was an exciting year for our bank, as we continued to evolve our culture to **focus on our clients**.

Client Focus

- We know that to become the leader in client relationships we have to continually strive to exceed client expectations. Every day our incredible 43,000 team members come to work to earn the trust and confidence of our 11 million clients.
- Our promise to our clients is to respond quickly, give them our best advice based on their needs, and solve their problems as if they were our own. Three simple actions that will help earn our clients' trust and confidence, and build deep and enduring relationships.
- We put our clients at the centre of everything we do. Since publicly stating our client experience goal nearly two years ago, we've strived to put the focus squarely on our clients, and that includes the way we are compensated. Our team is incentivized to do what's right for our clients.

- Because of this client focus, our client experience ratings have outperformed the competition. Our growth in Net Promoter Score has outpaced our peers over the past three years in the Ipsos Customer Service Index, and our own Employee Net Promoter Score has also improved.
- As part of our client-focused strategy, we are following our clients where they bank. Our proposed merger with The PrivateBank is an important step forward in our strategy to build a truly North American bank.

Update on The PrivateBank

- As you know, The Private Bank announced a special meeting to be held in mid-May for its shareholders to vote on the Merger Agreement.
- Last week, we amended our offer, reflecting our confidence in our ability to deliver on the significant strategic benefits we have within our new U.S. region for our clients, our team, and our shareholders.
- For CIBC shareholders, completing this acquisition accelerates our strategy of building a strong, innovative and client focused bank. The transaction will create opportunities for CIBC to bank across borders for our Canadian clients, offer more services to our existing U.S. clients and expand The PrivateBank's client relationships.
- The PrivateBank is a good bank; we believe it will be an even better bank with CIBC's credit rating, technology and financial strength.

- In the meantime, we continue to work collaboratively on integration planning efforts and expect the deal to close in the second calendar quarter of this year.

Innovation

- To further meet the needs of our clients, we continue to be a leader in **innovation**. We are committed to stay ahead of the curve when it comes to technology that enhances the client experience.
- In fact, we were recently awarded “Financial Institution Innovator of the Year” for our leadership in innovation and supporting fintech development in Canada at the Canadian FinTech Awards.
- CIBC is also recognized as the leader in delivering digital banking capability to our clients. We received the highest scores in both online and mobile banking by Forrester.

Simplification

- Additionally, we have a great deal of focus on **simplifying our bank** to make it easier for our clients to do business with us and easier for our teams to get work done.
- By changing the way we do things and freeing up resources to reinvest back into our businesses, we are strengthening our bank at the core.
- As I mentioned earlier, we were able to reduce our adjusted NIX ratio by 160 basis points to 58% as we made progress towards our goal of reaching 55% by 2019.

- Program Clarity is our path to simplification. Last year, we exceeded our target run-rate cost savings to deliver \$100 million in savings. Since launch, we've freed up \$115 million to reinvest into strategic growth areas and innovation initiatives to support our transformation.

Conclusion

- We kicked off 2017 with a very strong first quarter. We will continue this momentum and accelerate our transformation by staying close to our clients, investing in innovations that meet their needs, and simplifying our bank.
- While the Canadian economy is making progress, challenges remain. Despite the strong run of job creation observed over the past few months, slack in the workforce persists.
- To aid in Canada's economic recovery, CIBC recently joined Canada's leading banks and insurance companies to create the Canadian Business Growth Fund.
- The fund will invest up to \$1 billion in small- and medium-sized Canadian companies over the next decade to bolster growth and innovation.
- This private sector solution was realized after the federal government convened key business leaders to fill a funding gap in the Canadian market for SMEs that are looking to achieve scale.

- It's all part of our commitment to helping families prosper and businesses grow, both as a collaborative participant in this fund, and as trusted advisors to our clients each and every day.
- As the economy improves, we will stay the course on our bank strategy to transform into a strong, innovative, and relationship-oriented bank for our clients and our shareholders.
- I'm confident in our direction, and in our team of 43,000 employees who are driving our transformation: A committed team that is empowered to shape the overall client experience.
- We are dedicated to building an inclusive workforce with diverse talent that will help drive our success: This year we achieved our 2018 goal of at least 30-35% of women in executive roles.
- And in 2017, we're committed to hiring 500 new team members with disabilities.
- Across our banking centres and contact centres, Canadian and international offices, our diverse team embodies our values of Trust, Teamwork and Accountability and I'm incredibly proud to lead them.
- Thanks to the leadership of my executive committee, we are well on our way to becoming the bank of the future.
- I would like to thank the Board of Directors for their continued support over the past two and a half years. I know you are committed to expanding stakeholder engagement with regulators, shareholders and

proxy advisers, and to raising the bar on the gender diversity of your Board.

- I'd like to welcome returning directors and congratulate the Honourable Gordon Giffin on his retirement after 15 years on the board.
- To our clients, you are the reason why we're celebrating our 150th anniversary.
- *À vous, nos clients, c'est grâce à vous que nous célébrons cette année notre 150e anniversaire.*
- We commit to transforming our bank to serve you better for generations to come.
- To our valued shareholders, your support inspires us to embrace the opportunities ahead as ONE team building the CIBC of the future.