



REMARKS FOR VICTOR G. DODIG, PRESIDENT AND CHIEF EXECUTIVE OFFICER
CIBC ANNUAL MEETING, HALIFAX, NOVA SCOTIA
APRIL 5, 2018

Check Against Delivery

- Thank you Mr. Chairman. Good morning everyone!
- As we look back on the stories of our company, we must first honour Canada's Indigenous Peoples, and acknowledge that Canada would not be the country it is today, flourishing from coast-to-coast-to-coast without the contributions of our first peoples.
- Today, the meeting place of Halifax is still home to many Indigenous Peoples from across Turtle Island and we are grateful for the opportunity to work in this community.
- I would like to acknowledge that we are here today on unceded Mi'kmaq [mik-mah] territory.
- Halifax is a special place of pride for CIBC. We have a rich history here, dating back to 1825, when the Halifax Banking Company was founded.
- It was later acquired by The Canadian Bank of Commerce in 1903, and merged with the Imperial Bank of Canada in 1961 to create the CIBC you know today.

- Speaking from the beautiful new Nova Centre in downtown Halifax - the city's latest urban development - it's hard to imagine that this city is home to our oldest banking centre.
- At an astounding 193 years old, our Barrington and Duke Banking Centre actually predates our bank's establishment.
- Our community focus in the province of Nova Scotia runs deep. Over the last 5 years, we've invested more than \$3 million in community organizations, education and healthcare, to improve the well-being of Nova Scotians.
- Last year, CIBC proudly celebrated its 150th birthday alongside Canada's Confederation: one hundred and fifty years of helping families, businesses and communities in Canada and around the world, prosper and grow.
- 2017 was a momentous year for our bank. It was a year where we celebrated our rich history, but also a year where we laid the foundation for our future to ensure we are positioned to serve the needs of our clients for the next 150 years.
- Several years ago, we set out on a journey to unlock CIBC's full potential by transforming into a relationship-oriented bank for a modern world. We've made tremendous progress - by sharpening our focus on our clients, innovating for the future, and simplifying our bank.

- Last year, we maintained a strong focus on executing on our priorities to transform our bank, strengthen our client-first culture, and enhance shareholder value.
- With record adjusted revenue of \$16.0 billion and record adjusted net income of \$4.7 billion - up 10% over last year - our results reflect our strong performance and continued progress on our client-focused strategy.
- For the year, our adjusted earnings per share were \$11.11, up 9% over the prior year.
- And by continuing to focus on managing expenses and increasing our efficiency, we ended the year at a 56.6% adjusted efficiency ratio, which is a 170 basis points improvement over the same quarter in 2016. For the full year, the ratio of 57.2% was an 80 basis points improvement over fiscal 2016 of 58.0%.
- By simplifying our bank and making it easier for our clients to bank with us, we have seen run rate cost savings of approximately \$300 million per year.
- The focus continues to be on reinvesting these cost savings into our bank to better serve our clients, and deliver growth for CIBC.
- With our transformation well underway, our top priority has remained building relationships with our clients, and we continue to look for ways to serve them better.

- Last year, we welcomed The PrivateBank and Geneva Advisors to the CIBC family. The PrivateBank was a significant acquisition that has allowed us to establish a cross-border platform to serve our clients on both sides of the border.
- With these acquisitions complete, and fully integrated as CIBC Bank USA, we have established a North American platform for growth and diversified earnings.
- And we're off to a great start. Our expanded US region showed strong first quarter results that exceeded our expectations. Most importantly, our clients are realizing the benefits of ONE team coming together to serve their needs.
- Another great example of this is our recent introduction of CIBC Innovation Banking. It's an exciting new venture that was strengthened by the addition of Wellington Financial to the CIBC team.
- This business brings together the power of our Commercial Banking and Wealth Management teams on both sides of the border, to deliver strategic advice and funding to North American technology and innovation clients, at each stage of their business cycle.
- We're looking to the future as ONE team, united in our shared purpose to enable our clients' financial needs. To bring the best of CIBC to our clients, we announced a bold step forward with our new global headquarters, CIBC Square.

- Located in Toronto, the new urban campus is a major investment in Canada and will be a significant construction project over the next four years, helping to create 4,000 construction jobs.
- It will be home to 14,000 of our team members and provide a flexible workplace that fosters collaboration, community and teamwork.
- But CIBC Square is more than a building and a headquarters. It's part of a global workplace transformation that puts our clients at the centre of how we work.
- We are ensuring that our team is connected, and enabled, by the tools they need to best serve our clients.
- The connectivity of our team will be key to our transformation. Across our bank, we are building a strong CIBC franchise where our clients have multiple touch-points.
- It's the power of our team coming together as ONE that will serve our clients best, because we recognize that today, relationships matter more than ever.
- Whether relationships are high-touch and based around advice and ideas, or, whether they are more high-tech in nature, it's about how we bring it all together.
- Given the impact of technology today, all relationships are underpinned by digital platforms. But we must get the balance between high-tech and high-touch right for each client.

- As we continue to simplify the processes that impact our clients' experiences, we'll make targeted investments in sensible innovation - innovations that enhance our clients' lives.
- As a bank, we strive to stay ahead of our clients' expectations. Innovation is in our DNA and we're known as a market leader:
 - Last year, our mobile and online banking platforms were again recognized as Canada's best;
 - Our industry-first CIBC Global Money Transfer service enables clients to send money to over 50 countries around the world with no transfer fees; and
 - Our Integrated Payment and Cash Management Online tool helps our business clients save time and money, while optimizing their cash flow.
- Last November, we launched our direct banking brand, Simplii Financial, to better meet the needs of clients who prefer to bank through online, mobile and telephone banking.
- Already, more than 2 million clients have taken advantage of no-fee daily banking and great rates through these digital and contact centre channels.
- For those who are Simplii clients, if you reach out to our contact centre, you're calling your neighbours in New Brunswick.

- As a relationship-oriented bank, having our own direct banking platform like Simplii makes sense for our clients and our bank. It allows us to look to future growth opportunities by having a strong, alternative offering in the market.
- At the same time, we continued to modernize our banking centre network, and transformed many of our banking centres to foster advice-based conversations with our clients.
- We recognize that our clients' needs are diverse, and we continue to look for ways to serve them better.
- Over the last four years, we've undergone a profound transformation to unlock CIBC's full potential.
- Today, we are a simpler, more straightforward organization, incredibly focused on our clients, and on delivering innovations that enhance the client experience.
- Last December at our Investor Day, we outlined how we are building a relationship-oriented bank for a modern world. A bank that delivers high-quality earnings and growth for our shareholders.
- To accomplish this, we outlined our four objectives:
 - Build a strong client-focused culture, to ensure our clients are at the centre of every decision;
 - Diversify earnings, to drive growth and enhance shareholder value;

- Strategically manage our capital, deploying it to its highest and best use; and
- Optimize operational efficiency, by sensibly managing our cost base and expenses.
- As we focus on building the bank of the future, there are times when we need to make difficult, and sometimes unpopular decisions, to ensure we are adapting to change and remaining competitive.
- One example of this is outsourcing to third parties.
- In order to complement our core team and help us run our bank, we selectively outsource. And when we do, the vast majority is to companies that provide support here in Canada.
- In the small number of cases where employee jobs are affected, we work hard to find new roles within CIBC for our team members and treat them fairly and with respect at all times.
- We continue to be a net creator of jobs in Canada, and are committed to remaining a major employer and contributor to the Canadian economy.
- Another example that we recognize brings challenges for some of our clients, is when we close a banking centre.
- While we continue to operate one of Canada's largest banking centre networks, we do close, or transform our banking centres as our clients' needs - and how they interact with us - continue to evolve.

- I'd like to share with you a hand-written letter that I received from a client in Murray River, PEI. Ms. Dolores O'Reilly, a retiree, wrote to me about the closure of her local banking centre.
- Dolores was concerned for the staff of her local branch - hard working members of her community - and how she would conduct her banking, now that the closest branch was outside of town.
- I wrote to Dolores and reassured her that we were finding new jobs for all of the staff within CIBC, and that I would connect her with a member of our team to help with her remote banking needs.
- For me, Dolores' letter reinforces that as we transform, we must never lose sight of what our mission is - to keep our clients and employees - at the centre of all that we do.
- Our objective is to build enduring relationships with our clients, based on trust, and we model our sales practices around this principle.
- At CIBC, our reputation and culture is grounded in a team that puts our clients first, and upholds the highest standards of ethical behaviour.
- Our team of nearly 45,000 client-focused professionals is committed to delivering the right advice and products to our clients.
- And they're supported through training, tools and our values of Trust, Teamwork and Accountability.
- The tone is set from the top - from our most senior levels, right down to our most junior.

- Our clients come to us for our expertise and financial advice, and we are focused on understanding and best serving their needs, so they can achieve their financial goals.
- As our stakeholders engage with us on this topic, we welcome their input and opportunities to continue to improve how we serve our clients.
- Looking forward, with Canada's economy expected to moderate, and volatility in world markets, it's important that we stay close to our clients to understand what's important to them, so we can serve them best during these times of uncertainty.
- While real gross domestic product is expected to grow at a rate of roughly 2% in 2018, the Canadian economy will begin to feel the constraints on labour supply, after reaching full employment in some provinces.
- We continue to believe that the NAFTA deal would be beneficial to the North American economy. Coupled with the fact that past rate hikes are still making their way through the system, we believe the Bank of Canada will take a cautious approach to further monetary tightening and raising interest rates this year.
- As it relates to housing, with new mortgage regulations and possibly higher interest rates from the Bank of Canada, we are seeing a softening housing market here in Canada. We continue to watch the market closely, and work with our clients to meet their needs.

- South of the border, the US economy is expected to grow at roughly 2.5% to 3% without inflationary concerns. Ongoing job creation and a modest pickup in wage gains support a consumer-led expansion, while tax cuts will lift business capital spending.
- Although core inflation is expected to start the year below the central bank's target, a very gradual increase over the course of the year should justify 75 basis points in interest rate increases from the US Federal Reserve.
- Across our North American platform, rising interest rates, single digit growth rates, and ongoing geopolitical uncertainty, reinforce the need for us to provide expertise and advice together as ONE team, to help our clients navigate the markets with confidence.
- For CIBC, one of our greatest strengths, as we continue to build a relationship-oriented bank, is our people.
- Banking is a team sport. You can't have a great franchise, or a client-focused growth strategy, without dedicated and passionate team members who make that strategy come to life every single day.
- Valuing the diversity of our people is central to all of this. It's critical to our leadership and our business strategies.
- At CIBC, we believe that our diverse and inclusive team is our greatest competitive advantage.
- We know that workplaces that work for women, people of colour, people with disabilities, people of Indigenous heritage, and people

from the LGBTQ community are more innovative, make better decisions, reduce risk, and deliver stronger financial performance.

- We're committed to building an inclusive workplace for all our team members, and this extends to our Board of Directors.
- To date, 41% of our board is comprised of women and we're working to advance more women to leadership roles across our bank.
- Last June, we announced senior leadership changes to develop our next generation of senior executives and increase diversity in the talent pipeline.
- More than 40 leaders across our bank changed roles to cross-pollinate ideas and further strengthen our talent pool, and 43% of those promoted into senior roles were women. We need an inclusive, gender-diverse team that more accurately represents our client base.
- I'm proud to say that today, women lead three key groups within our bank: our largest business unit, Personal & Small Business Banking; Risk Management; and Human Resources and Communications.
- We've already made solid progress on creating an inclusive workplace, and we continue to be recognized for our efforts. Last year we were named:
 - To Bloomberg's Gender Equality Index for the third straight year;
 - To the Corporate Knights Global 100 Most Sustainable Corporations list as the only Canadian FI and among the top 2% of companies globally; and

- As one of Canada's Best Diversity Employers for the eighth straight year.
- To close, 2017 truly was a year of celebrating our past, cementing new foundations for our future, and strengthening client relationships.
- As we go forward, we're well-positioned to build a relationship-oriented bank for a modern world, that grows with our clients and delivers growth for our shareholders.
- We have a committed team driving our transformation forward, and I'd like to thank them for everything they do for our 11 million clients, day-in and day-out.
- I would like to thank our entire CIBC team for their continued support and leadership. I truly believe our team is the very best in the industry, and I'm privileged to work amongst them.
- And to our Board of Directors, whose governance has proven invaluable - thank you for your unwavering support and forward thinking, as we build the bank of the future.
- I'd like to welcome returning directors and congratulate Gary Colter on his retirement after 15 years on the board.
- Thank you to our clients for entrusting us with your business. We'll continue to work hard to earn your trust, and provide the advice and expertise you need to make important financial decisions.

- And thank you to our shareholders for your continued support. You motivate us to continually evolve.
- I'm very proud of the work our team is doing to put our clients at the centre of all that we do - to deliver value to our shareholders and to give back to our communities.
- Thank you for joining us this morning.