

CIBC Annual Meeting of Shareholders 2019

Montreal, Quebec

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Address delivered by

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President & CEO, CIBC

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Thank you, Mr. Chairman and good morning, everyone!

I'm pleased to be back in Montreal – a place of great historical importance for our bank.

I'd like to start by acknowledging that the land on which CIBC operates in the Montreal region is the traditional territory of the Kanien'kehá:ka or Mohawk people.

Today, the meeting place of Montreal is still the home to many Indigenous peoples from across Turtle Island. We are grateful for the opportunity to have operated in the Quebec region for the past 160 years.

While the Canadian Bank of Commerce was founded in 1867 with four branches in Ontario, its first branch outside of Ontario was in Montreal. An office was opened at No.10 Place d'Armes in 1870.

But our history in Quebec dates back to 1859 when the Eastern Townships Bank opened its first branch in Sherbrooke. Some years later, Eastern Townships Bank joined the Canadian Bank of Commerce in 1912, which eventually merged with the Imperial Bank of Canada in 1961 to form CIBC.

Like the city of Montreal, our bank is both rich in history, and looking towards the future.

Just as Montreal's economy is evolving to include more high-tech companies, our bank is investing in the new economy, including banking innovative new enterprises, and recognizing that digital is an essential part of our clients' banking relationship with us.

And just as the people of this city make it a special place in Canada, Montreal is home to some incredibly caring people who I am proud to say are part of our team.

Last year, Team CIBC volunteered more than 42,000 hours of their time at local community organizations throughout Quebec.

And in 2018, as they do every year, 100 members of Team CIBC pedaled their way across Quebec raising over \$1 million for pediatric oncology in the Tour CIBC Charles-Bruneau.

Over our 13 years as title sponsor of the ride, we've helped raise more than \$7.6 million to support

children and their families through their cancer journey.

We have an incredibly committed team that's making significant and lasting contributions to the well-being of our communities right here in Quebec and across Canada.

Our employees and retirees are our most passionate ambassadors. Last year, through their generosity, team CIBC raised more than \$15 million dollars and volunteered over 140,000 hours in communities across North America.

It's this same committed team that's helping to build a relationship-oriented bank for a modern world. We're a bank with a common purpose, transforming CIBC around our clients to help them reach their goals.

Last year marked an important year for our bank and our clients. We delivered record financial results, furthered our progress in building a North American growth platform, and invested in the technology our clients demand.

At the same time, we remain committed to providing the advice and personal service our clients need as a foundation for their relationship with us.

We're a stronger bank today because of our investments in meeting the needs of our clients, and we'll be even stronger in the years to come because of the bank we're building.

Our financials speak to our solid performance for our shareholders and our focus on meeting our clients' needs.

In 2018, we reported record net income of \$5.3 billion or \$11.65 per share. Our strong and consistent results reflect the solid momentum that we have established across our four strategic business units.

As a result of our efforts to remove "old economy" costs from our business and invest in the "new economy" to serve our clients, we ended the year at a 55.6% adjusted efficiency ratio – an improvement of 160 basis points from 2017.

Importantly, we made our bank more efficient and improved the experience for our clients. We drove

year-over-year increases in most of our internal Net Promoter Scores and are trending in the right direction on both IPSOS and JD Power. We are seeing positive momentum in working horizontally – across our bank – to bring the best of CIBC to our clients.

Our reported and adjusted diluted EPS growth were 4% and 10%, respectively, reflecting solid earnings from our strategic business units.

We maintained our strong capital position to provide strategic flexibility for our bank and ended the year with a strong Basel III Common Equity Tier 1 ratio of 11.4%.

Put simply, we are delivering on our strategy, supported by a talented and energized team.

In 2018, we celebrated the one-year anniversary of The PrivateBank joining CIBC. This acquisition was a key moment in CIBC's recent history, as it allows us to better serve our clients on both sides of the border.

The early results from this acquisition have been very positive for shareholders. In Q1, we achieved a significant milestone in our US growth strategy with our acquisition becoming accretive to earnings – more than a year ahead of schedule, and this business remains on a very good growth trajectory today.

Our US business now contributes about 15% to our overall earnings.

For clients, we now have expanded capabilities to meet their needs and deepen our relationship with them. This will be important particularly as our clients' ambitions for growth take them across borders.

Central to our success in the US has been our client-focused culture and a strong team. I'd like to take a moment to recognize Larry Richman for his leadership during this time of transition and thank him for his continued focus on our clients, as we further our business.

We recently moved forward with the planned transition of the leadership in our US business and have appointed Mike Capatides to lead our US region. Mike will continue to grow our US business, and diversify our earnings across

geographies and markets, which is important given a moderate economic outlook across North America.

Economic Outlook

While many experts have commented that we are late in the credit cycle and some headlines have expressed concerns about where that takes us, they're missing the real story.

It's never a matter of when a credit cycle ends, but rather, how well-positioned we are for the end of the cycle. The good news is – both at an economic level and across our bank – we are very well positioned.

While recent indicators are pointing to a more moderate pace of economic growth in North America, we have to remember that in some sense, that is a signpost of success.

Both the US and Canada are at multi-decade low unemployment rates, a reason why central banks lifted interest rates to ease growth and prevent inflationary overheating. The result is that Canada's real GDP growth is expected to slow to 1.6% this year from 1.8% in 2018.

What's important now is to keep an eye on the resiliency of the economy, our clients and the financial system in terms of how we fare in this more moderately-paced environment.

On that score, there are a number of hopeful signs about where we are headed after a slower patch this fall and winter. Inflation, for example, has stayed moderate, allowing the Bank of Canada to step back from further interest rate hikes.

At least part of the recent slowdown has been due to the temporary effects of oil production curtailments in Alberta, which are now gradually being loosened.

Relative to what we saw when crude prices dropped in late 2014, the oil industry has come a long way in adjusting its costs to align with a more moderate price environment, and has right-sized its capital spending plans.

Canada's energy sector is a vitally important part of our economy. We will continue to stay close to our clients in this industry to provide them with the

ideas and solutions they need during this market volatility.

The other key contributors to the recent slowdown have been debt-financed consumption and housing activity.

Earlier interest rate hikes and regulatory changes aimed at cooling growing household debt, effectively gave up some near term growth in order to build up greater resiliency in the financial system.

Canadian policymakers have a long track-record of maintaining financial stability, creating a resilient system which proved particularly beneficial during the last financial crisis, and will benefit us going forward.

With some of our target markets in Canada expecting more moderate growth, CIBC is benefitting from its increased participation in the commercial banking and wealth management market south of the border.

While the US is also expected to see some deceleration this year, given it's near full employment, its projected growth rate of 2.2% in 2019 should still outpace Canada's.

Like in Canada, even with growth slowing, there's more built-in resiliency in the US economy and its financial system than there was in the prior cycle.

Banks are better capitalized and more closely regulated to ensure they stay that way. A moderate pace to inflation has allowed the Federal Reserve to pause in its rate hike path to ensure that the economy can live with additional rate pressures.

Although momentum from earlier tax cuts and federal government spending is slated to ease, there are still some favourable drivers for private sector capital spending, given the positive trend in corporate profitability.

After hitting a soft patch, growth in aggregate US commercial and industrial loans across the US economy has rebounded sharply since the beginning of 2018.

Our bank's more diversified platform across geographies and lines of business, positions us well to manage through times where economic growth is modest.

Making Focused Investments in Building a Relationship-oriented Bank for a Modern World

Across CIBC, we're investing in transforming our business. What isn't changing is that our business and our success is grounded in client relationships built on trust and guided by purpose. What is changing is how clients engage with us and what they want from their relationship with their bank.

And so, we're investing for growth in fast growing areas of the marketplace. We introduced CIBC Innovation Banking to put our bank at the heart of the growth in the new economy.

Last year, US venture capital investment reached \$130.9 billion, surpassing the Dot-Com era. Here in Canada, venture capital investment totaled \$22.3 billion, supported by a robust ecosystem that funded more new and later stage companies, including some right here in Montreal.

Our focus is to deliver strategic advice and funding to technology and innovation clients at each stage of their business development. We're banking the next wave of young enterprises harnessing technology to change the world.

We're also investing in developing and enhancing digital solutions that allow our clients to bank when and where they want – absolutely essential to client relationships in 2019 and beyond. I'm proud to say that CIBC received the top overall ranking in mobile banking functionality and user experience from Forrester for the fifth straight year.

Last year, we successfully transitioned nearly 2 million clients to Simplii Financial, and earlier this year, we rounded out our offer with the new Simplii Financial credit card. Clients tell us they enjoy Simplii's straightforward, no-fee daily banking and great rates.

South of the border, we launched our first US online banking offer with the new CIBC Agility High Interest Savings Account to attract clients from new markets to our bank.

And as more day-to-day transactions are conducted outside of our banking centres, we continued to transform our Canadian banking centre network to focus on financial advice.

We've transformed more than 200 locations over the past three years, helping our clients achieve their goals with financial planning and advice.

Whether out in our communities, at our banking centres, in our CIBC Private Wealth Management offices, or through our mobile, online or telephone banking channels, our team is at the centre of our bank.

All of these initiatives have a common thread around our clients. We're investing in client relationships that reflect the changing nature of our economy and our society, but as we transform we're staying focused on client relationships – especially person-to-person advice and support where it's needed. We're a stronger bank today because of these investments.

In addition to playing offense to grow our business, we also recognize the critical importance of playing defense. Trust is the foundation of client relationships, and there are more threats than ever to earn this trust in the fast-evolving world of cyber security.

As a financial institution, our clients rely on us to keep their information safe and secure. In this digital age, there is an ever-present threat of cybercrime and it's our responsibility to protect our clients' valuable information.

That is why we continue to invest significant resources in protecting our clients. We are focused on aligning our resources to safeguard their information.

At the centre of it all is our leading cyber team and a strong risk culture protecting our clients, because earning the trust of our clients and building a relationship-oriented bank for a modern world, is what we're all about.

Technology Will Enable the Future, But People Will Create It

While the world around us moves at a rapid pace, there's no doubt that technology will enable the future, but our people will create it.

Our people will remain the driving force behind our bank. While we strive to achieve efficiency, technology will help enable our teams – not replace them.

I can tell you that in my conversations with our clients, they value our relationships with them. Because as the pace of change accelerates, relationships matter more than ever.

But in an era of intense competition, with new entrants in the industry – from small fin-techs to multi-national technology companies – the client relationship is being redefined.

At this critical time, we must focus on winning the hearts and minds of both our clients and our team members and building enduring relationships with them.

What will bring our strategy to life and set us apart from our competitors is how we connect to each other and to our clients through our values of trust, teamwork & accountability, as one team 44,000 strong, aligned to our client-focused purpose.

Throughout our history, we've always operated with purpose. At defining moments for our clients and communities our purpose burned bright. At times when our clients and our communities needed us the most, our bank has done the extraordinary because of a clear sense of purpose in support of our clients.

We've proven who we are – a caring bank with compassionate team members – in communities around the globe. This is who we've been at our best for more than 150 years – a team focused on helping make your ambition a reality.

We help our clients buy homes, put their children through school, enable their businesses to grow and their communities to thrive. These are our clients' ambitions – they can be big or small, short term or long term. Everyone deserves a chance and we are here to help make them real.

I'd like to share with you the story of our client Evelyn and her son Pearse. Evelyn has been a client of our bank for more than 50 years and has an incredible story to tell.

As we invest in the future, we must never lose sight that the decisions we make and the engagements we have with clients like Evelyn, can not only create lifelong relationships – they can literally change lives.

Today, as we compete for talent and for client loyalty and trust, it's more important than ever to operate with purpose. We're investing in our people, so that they can deliver the best of our bank to our clients.

Through our CIBC Leadership Institute and broader development focus, we will ensure that we are instilling an inclusive client-focused culture that delivers results for our stakeholders.

I believe in this team, and I believe in our potential to do remarkable things for our clients. It's an exciting time at CIBC.

On that note, I would like to thank our entire CIBC team from around the world for their dedication to our clients. I believe we have the best team in the industry.

To our Board of Directors, your guidance has helped to build a modern, client-focused bank.

Thank you for your support and encouragement over these last few years. I would like to welcome returning directors and congratulate Ron Tysoe on his retirement.

And thank you to our clients, whose trust we work to earn every day. We are in service to you, as we have been for more than 150 years. Thank you for your business.

To our shareholders, thank you for standing by us as we grow our North American platform. We will continue to provide you with consistent returns and exceptional value.

With our transformation well underway, I'm excited for new opportunities and the year ahead, as we build a relationship-oriented bank for a modern world.

Thank you.