



# Scotiabank GBM Financials Summit

For what matters.

**Gerry McCaughey**  
President and Chief Executive Officer

September 5, 2012



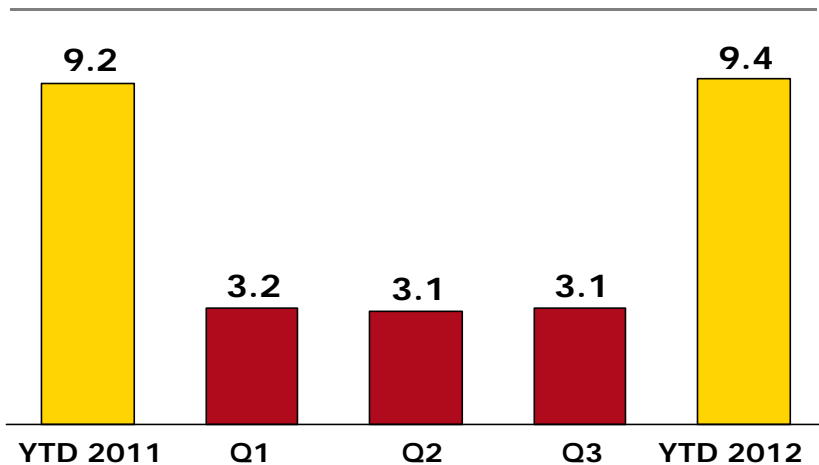
## Forward Looking Statements

From time to time, we make written or oral forward-looking statements within the meaning of certain securities laws, including in this presentation, in other 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 2012 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 credit, market, liquidity, strategic, operational, reputation and legal, regulatory and environmental risk; 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 changes to accounting standards, rules and interpretations; changes in our estimates of reserves and allowances; changes in tax laws; changes to our credit ratings; political conditions and developments; the possible effect on our business of international conflicts and the war on terror; natural disasters, public health emergencies, disruptions to public infrastructure 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; the failure of third parties to comply with their obligations to us and our affiliates; intensifying competition from established competitors and new entrants in the financial services industry; technological change; global capital market activity; changes in monetary and economic policy; currency value fluctuations; general business and 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; our ability to attract and retain key employees and executives; our ability to successfully execute our strategies and complete and integrate acquisitions and joint ventures; 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 in other communications except as required by law.

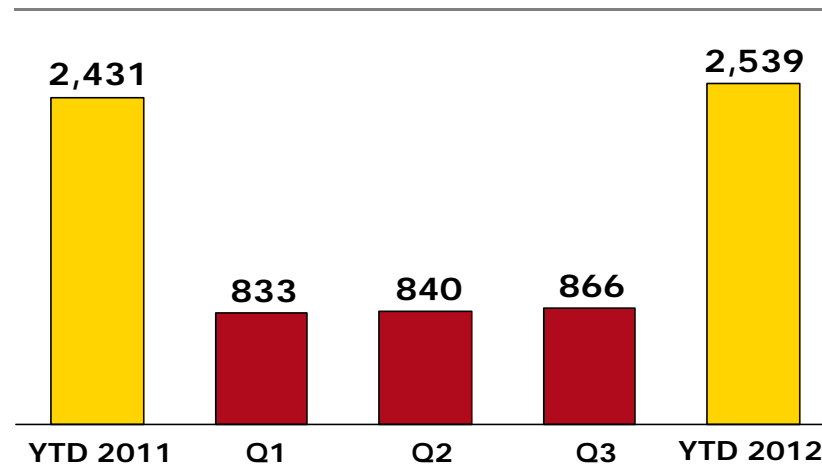
Investor Relations contacts:  
Geoff Weiss, Vice-President 416 980-5093  
Investor Relations Fax Number 416 980-5028  
Visit the Investor Relations section at [www.cibc.com](http://www.cibc.com)



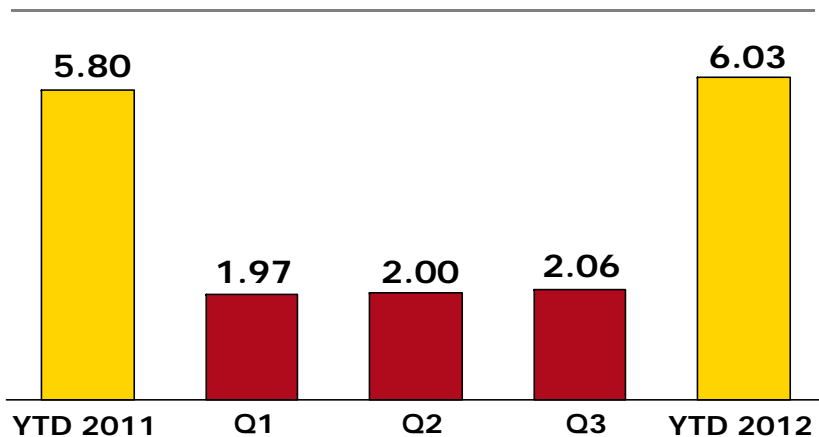
**Revenue**  
(\$ billions)



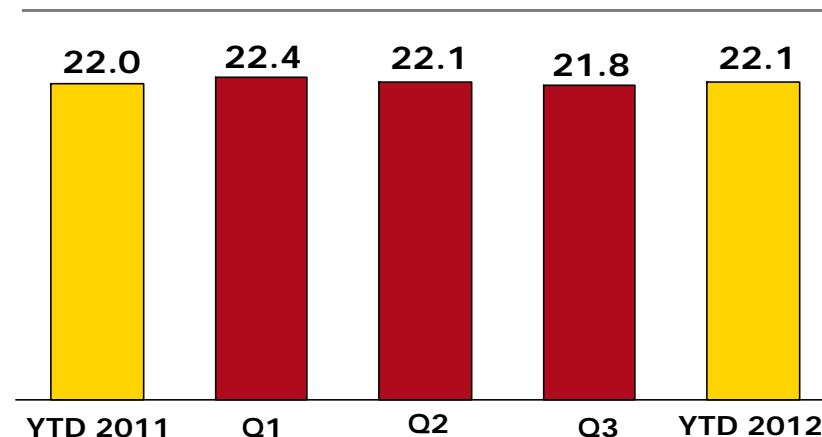
**Net Income<sup>(1)</sup>**  
(\$ millions)



**Earnings per Share<sup>(1)</sup>**  
(\$)



**Return on Equity**  
(%)



<sup>1</sup> Adjusted for items of note.

**UNCERTAINTY**

**DELEVERAGING**

**RE-REGULATION**

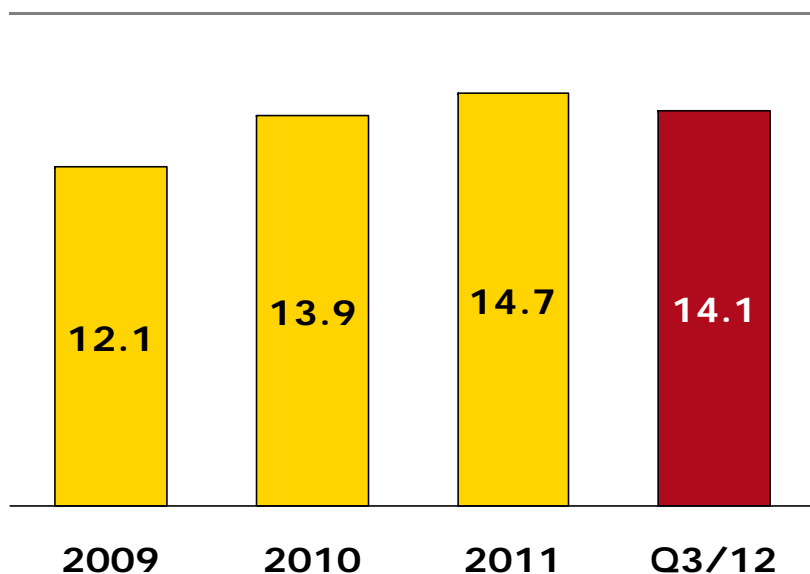
CIBC's Strategy



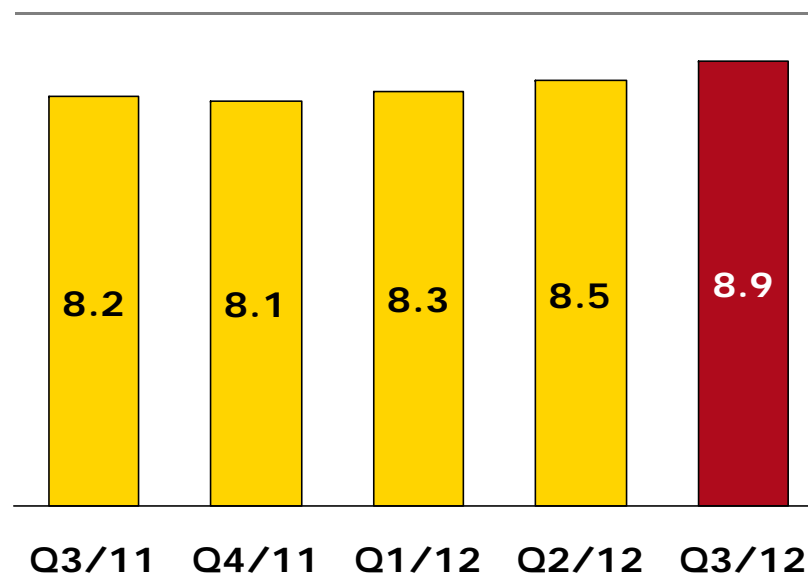


## Lower Risk Bank - Continuing Balance Sheet and Capital Strength

**Tier 1 Capital Ratio<sup>1</sup>**  
(%)



**Basel III Common Equity Ratio<sup>2</sup>**  
(%)



- ▲ CIBC strengthened its capital position throughout the crisis and currently has the leading Tier 1 ratio among our peer group
- ▲ CIBC currently exceeds the Basel III minimum requirement, with a Common Equity Ratio of 8.9% as at July 2012<sup>2</sup>

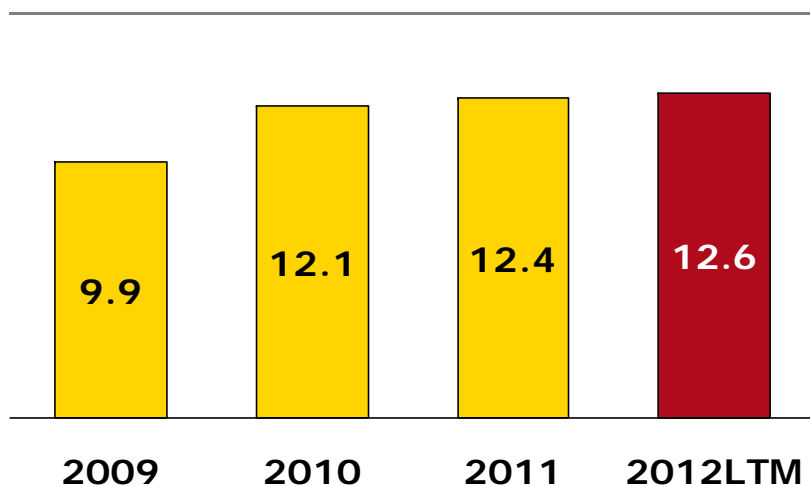
<sup>1</sup> 2009-2011 presented under Canadian GAAP, 2012 presented under IFRS.

<sup>2</sup> Calculated based on 2019 rules and deductions; all periods are pro forma the transition to IFRS.

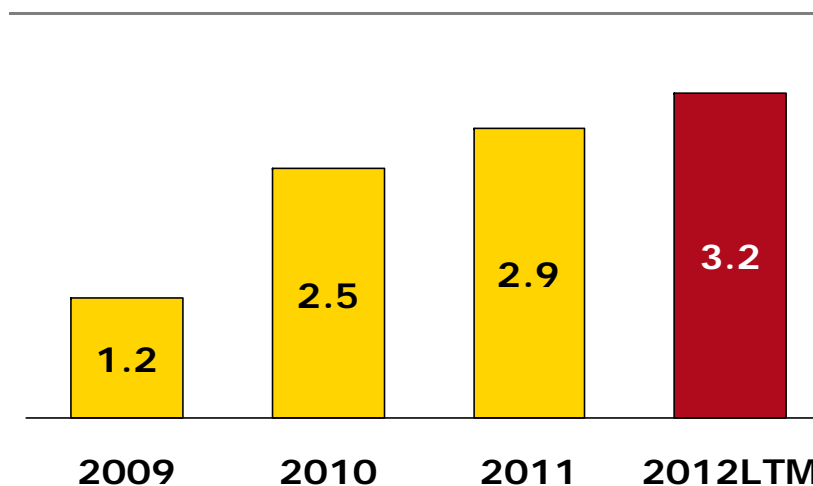


# Consistent Sustainable Earnings<sup>1</sup>

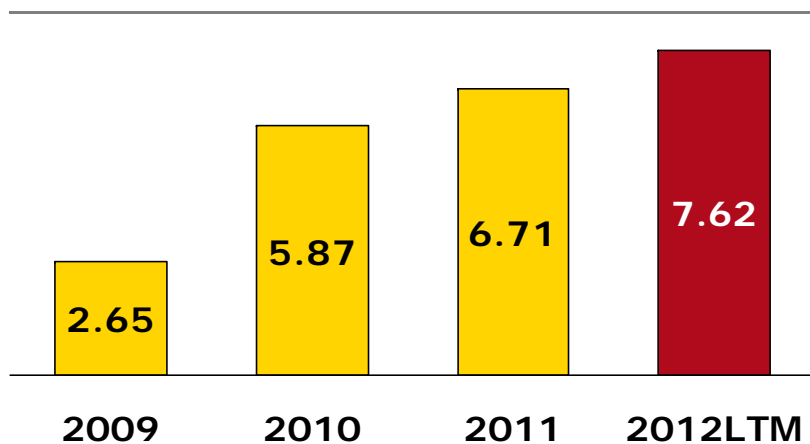
**Revenue**  
*(\$ billions)*



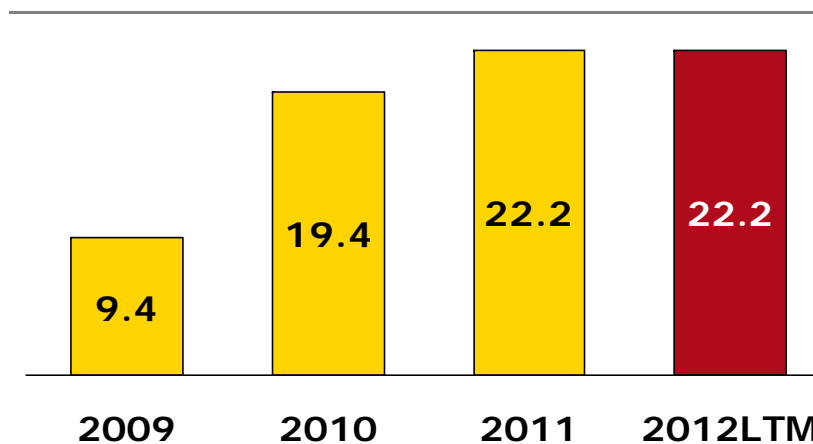
**Net Income**  
*(\$ billions)*



**Diluted Earnings per Share**  
*(\$ per share)*



**Return on Equity**  
*(%)*



<sup>1</sup> 2009-2010 presented under Canadian GAAP, 2011-2012 presented under IFRS.

<sup>2</sup> 12 months ended July 31, 2012.

## Four Work Streams

1. Strengthen our core Canadian Retail & Business Banking franchise
2. Grow our Wealth Management platform in Canada and internationally, particularly in the United States
3. Grow our client-based Wholesale Banking business in targeted industries within our defined risk appetite
4. Strengthen our offshore Caribbean Banking business



# 1. Strengthen our core Canadian Retail and Business Banking franchise

Our strategy in Retail and Business Banking is focused on two objectives:

1. Enhance the client experience
2. Accelerate profitable revenue growth

## Deepen Client Relationships

- ▲ Increased focus on consolidation and acquisition of customers
- ▲ Relationship pricing and offers to drive consolidation
- ▲ Increase emphasis on CIBC branded channels

## Improve Sales and Service Capability

- ▲ Continuous Process Improvement
- ▲ Technology Investment
- ▲ Optimize Pricing and Fees
- ▲ Accelerating branch productivity and alternate sales channels

## Acquire and Retain Clients

- ▲ Expand / Optimize Branch Footprint
- ▲ Expand Mobile Sales Force
- ▲ Internet and Mobile Innovations

**Achieve Sustained Revenue Growth in Line With Market**

## 1. Recent Progress Demonstrates Momentum

### Deepen Client Relationships

- ▲ Launched "Total Banking Rebate" offer, discounting account fees for clients who hold 4 or more products
- ▲ Exited from the FirstLine mortgage broker channel and moving to CIBC-branded mortgages
- ▲ Aligned incentives structure to focus on cross-sell
- ▲ Launched "Home Power Plan" and "Next Best Offer "

### Improve Sales and Service Capability

- ▲ Announced investment in client on-boarding and multi product sales and origination technology platform
- ▲ Launched coaching and training programs focused on client experience, sales execution and operational excellence
- ▲ Introduced local client problem resolution

### Acquire and Retain Clients

- ▲ 27 new branch / strategic move projects planned for 2012
- ▲ Expanding branch hours on weekdays and weekends
- ▲ Expanded mobile mortgage sales force
- ▲ Continued to lead in mobile banking and payments

## 2. Grow our Wealth Management platform in Canada and internationally, particularly in the United States



### Deepen Client Relationships

- ▲ Better penetrate CIBC retail client relationships
- ▲ Deepen 3<sup>rd</sup> party advisor relationships
- ▲ Enhance CIBC Wood Gundy discretionary asset mgmt platform
- ▲ Strengthen HNW client relationships

### Attract New Sources of Domestic Assets

- ▲ Grow institutional asset management client base

### Acquisitions / Investments

- ▲ Build scale alongside ACI to strengthen, grow and diversify US platform
- ▲ Enhance global asset management capabilities to meet clients' needs
- ▲ International distribution businesses with recurring, fee-based revenues serving higher net worth clients

Grow to 15%  
of Bank  
Earnings

## 2. Recent Progress: Steady and Building on Our Platform

### Deepen Client Relationships

- ▲ Continued strong sales of long-term mutual funds
- ▲ Working closely with Retail and Business Banking to cross-sell Wealth Management products and services, e.g.
  - Introduced Loyalty Pricing through Investor's Edge
  - Leveraging our Asset Specialists across Wealth Management
  - Aligning incentive compensation
- ▲ First bank in Canada to launch mobile trading application

### Attract New Sources of Domestic Assets

- ▲ CIBC Global Asset Management building its institutional position
  - Continued strong investment performance
  - New head of institutional clients
  - Disseminating thought-leadership in Canadian equities
- ▲ Awarded six new institutional mandates with assets of approximately \$2 billion in Q2

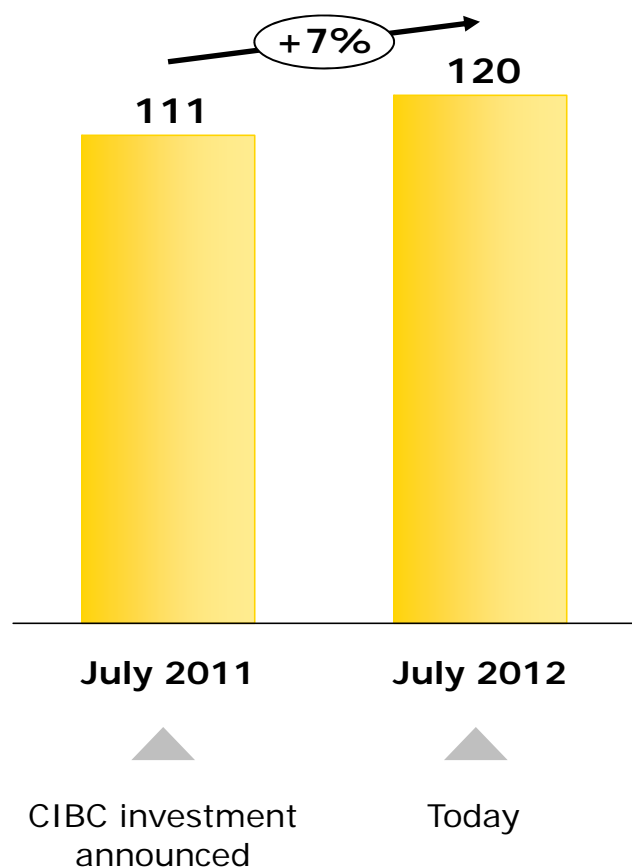
### Acquisitions / Investments

- ▲ Successfully integrated and leveraging equity interest in American Century Investments
- ▲ Recently announced the acquisition of the Canadian private wealth management business of MFS McLean Budden
- ▲ Continuing to review further expansion opportunities



## 2. Investment in American Century Investments is Positive

Assets Under Management (AUM) (\$B)



Continued Growth

<b>Deal of the Year</b>	<p>Awarded CIBC with its Deal of the Year Award for our acquisition of an equity stake in American Century Investments</p>
<b>Strong Momentum</b>	<ul style="list-style-type: none"> <li>▲ Record level AUM, surpassing pre-crisis level</li> <li>▲ 15 consecutive quarters of positive net sales</li> <li>▲ 5<sup>th</sup> among top-25 US asset managers as measured by percentage of assets in 4/5-star rated Morningstar funds</li> </ul>
<b>Synergies Ahead of Plan</b>	<ul style="list-style-type: none"> <li>▲ Sub-advisor on \$2.2 billion of CIBC funds, including three new institutional pools</li> <li>▲ Framework in place to build scale and established client referral process</li> </ul>

### 3. Grow our client-based Wholesale Banking business in targeted industries within our defined risk appetite



#### Add the Most Value to Clients in Canada

- ▲ Deliver a comprehensive integrated suite of wholesale banking products and services
- ▲ Strengthen Wholesale Banking client service model



#### Serve our Priority Clients Abroad

- ▲ Grow with Canadian clients as they grow abroad
- ▲ Support non Canadian clients operating in Canada (both in and outside of Canada)



#### Expand Client Relationships in Key Industries

- ▲ Leverage existing core capabilities to expand deep client relationships in Energy, Infrastructure, CRE, and Mining in specific global industry hubs
- ▲ Focus on cross-selling a suite of wholesale banking products and services to clients in Canada and the US in these key industries



**Grow to 25% of Bank earnings**

### 3. Recent Progress: Improved Consistency and Quality of Earnings

#### Realigning Businesses

- ▲ Separating corporate credit from investment banking
- ▲ Exiting non strategic Merchant Banking
- ▲ Greater client-driven business, less proprietary

#### Deepening Client Focus

- ▲ Implementing CRM tools, developing account teams
- ▲ "Stickier", more satisfied clients

#### Expanding Offerings

- ▲ Electronic trading offerings
- ▲ Strengthened offices in London, Montreal, New York and Houston
- ▲ Acquired Griffis & Small Oil & Gas advisory business based in Houston

#### Optimizing Resource Usage

- ▲ Balance sheet, talent, risk
- ▲ Reduced trading VaR
- ▲ Profitability per FTE up

## 4. Strengthen our offshore Caribbean banking business

### Leverage and mirror CIBC's Strengths

- ▲ Mirror CIBC's strong risk management philosophy, framework, and culture
- ▲ Pursue opportunities to leverage CIBC best practices, talent and experience

### Deepen Client Relationships

- ▲ Maintain the primary bank relationship for more clients
- ▲ Deepen relationships through cross sell, leveraging CIBC's broader capabilities
- ▲ Improve productivity and client service to drive client satisfaction and engagement

### Optimize Business Model and Mix

- ▲ Shift asset mix to optimize returns and limit concentrations
- ▲ Increase income from Wholesale Banking services, leveraging CIBC's strengths
- ▲ Diversify business mix, product suite and geographic footprint

**Return to historical profitability levels**



## 4. Recent Progress: Consistent and Aligned

### Leverage and mirror CIBC's Strengths

- ▲ New management team installed under the leadership of Rik Parkhill
- ▲ Changed logo and branding in Caribbean to be more consistent with CIBC
- ▲ Ongoing work to share management knowledge and mirror key CIBC practices in all functions

### Deepen Client Relationships

- ▲ Opened new model branch in Barbados, slated to roll out across the region
- ▲ Rolled out new account opening experience
- ▲ First bank to launch mobile banking in the region

### Optimize Business Model and Mix

- ▲ In 2011 launched domestic business in Curacao and expanded services in Trinidad
- ▲ Consolidated CIBC Bank and Trust Company (Cayman) Limited and CIBC Trust Company (Bahamas) Limited into FCIB

## Today

### Lower Risk Bank

- ▲ Strong capital levels under both current and future regulatory standards
- ▲ Demonstrated consistent and sustainable earnings over past several quarters

## Strategic Plan

### Four Key Work Streams

- ▲ Strengthen core Canadian R&BB franchise
- ▲ Grow our Wealth Management platform in Canada and internationally, particularly in the USA
- ▲ Grow our client-focused Wholesale Banking business in targeted industries within our defined risk appetite
- ▲ Strengthen our Caribbean Banking business

## Targets

### Lower Risk Bank With Enhanced Earnings Base

- ▲ Canadian Retail Banking to achieve sustained revenue growth in line with market
- ▲ Wealth Management income of 15% of total Bank net income
- ▲ Wholesale Banking income of 25% of total Bank net income
- ▲ Caribbean Banking results in line with historical levels

# Questions