

# CIBC Investor Presentation

Third Quarter, 2016

August 25, 2016

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# 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 report, in other filings with Canadian securities regulators or the SEC and in other communications. All such statements are made pursuant to the “safe harbour” provisions of, and are intended to be forward-looking statements under applicable Canadian and U.S. securities legislation, including the U.S. Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements made in the “Overview - Financial results”, “Overview - Significant events”, “Overview - Outlook for calendar year 2016”, “Financial condition - Capital resources”, “Management of risk - Risk overview”, “Management of risk - Credit risk”, “Management of risk - Market risk”, “Management of risk - Liquidity risk”, “Accounting and control matters - Critical accounting policies and estimates”, and “Accounting and control matters - Regulatory developments” sections of this report and other statements about our operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies, the regulatory environment in which we operate and outlook for calendar year 2016 and subsequent periods. Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “forecast”, “target”, “objective” 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, including the economic assumptions set out in the “Overview - Outlook for calendar year 2016” section of this report, 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, insurance, operational, reputation and legal, regulatory and environmental risk; the effectiveness and adequacy of our risk management and valuation models and processes; legislative or regulatory developments in the jurisdictions where we operate, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations issued and to be issued thereunder, the Organisation for Economic Co-operation and Development Common Reporting Standard, and regulatory reforms in the United Kingdom and Europe, the Basel Committee on Banking Supervision’s global standards for capital and liquidity reform, and those relating to the payments system in Canada; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions, and interest rate and liquidity regulatory guidance; the resolution of legal and regulatory 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; potential disruptions to our information technology systems and services; increasing cyber security risks which may include theft of assets, unauthorized access to sensitive information, or operational disruption; social media risk; losses incurred as a result of internal or external fraud; anti-money laundering; the accuracy and completeness of information provided to us concerning clients and counterparties; the failure of third parties to comply with their obligations to us and our affiliates or associates; intensifying competition from established competitors and new entrants in the financial services industry including through internet and mobile banking; technological change; global capital market activity; changes in monetary and economic policy; currency value and interest rate fluctuations, including as a result of market and oil price volatility; general business and economic conditions worldwide, as well as in Canada, the U.S. and other countries where we have operations, including increasing Canadian household debt levels and global credit risks; 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; the risk that expected synergies and benefits of the acquisition of PrivateBancorp, Inc. will not be realized within the expected time frame or at all or the possibility that the acquisition does not close when expected or at all because required regulatory, stockholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all; 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. Any forward-looking statements contained in this report represent the views of management only as of the date hereof and are presented for the purpose of assisting our shareholders and financial analysts in understanding our financial position, objectives and priorities and anticipated financial performance as at and for the periods ended on the dates presented, and may not be appropriate for other purposes. We do not undertake to update any forward-looking statement that is contained in this report or in other communications except as required by law.

#### Investor Relations contacts:

John Ferren, Senior Vice-President 416 980-2088

Investor Relations Fax Number 416 980-5028

Visit the Investor Relations section at [www.cibc.com](http://www.cibc.com)

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# CIBC Overview

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Victor Dodig

President and Chief Executive Officer

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# Third Quarter, 2016 Financial Review

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Kevin Glass

Senior Executive Vice-President and Chief Financial Officer

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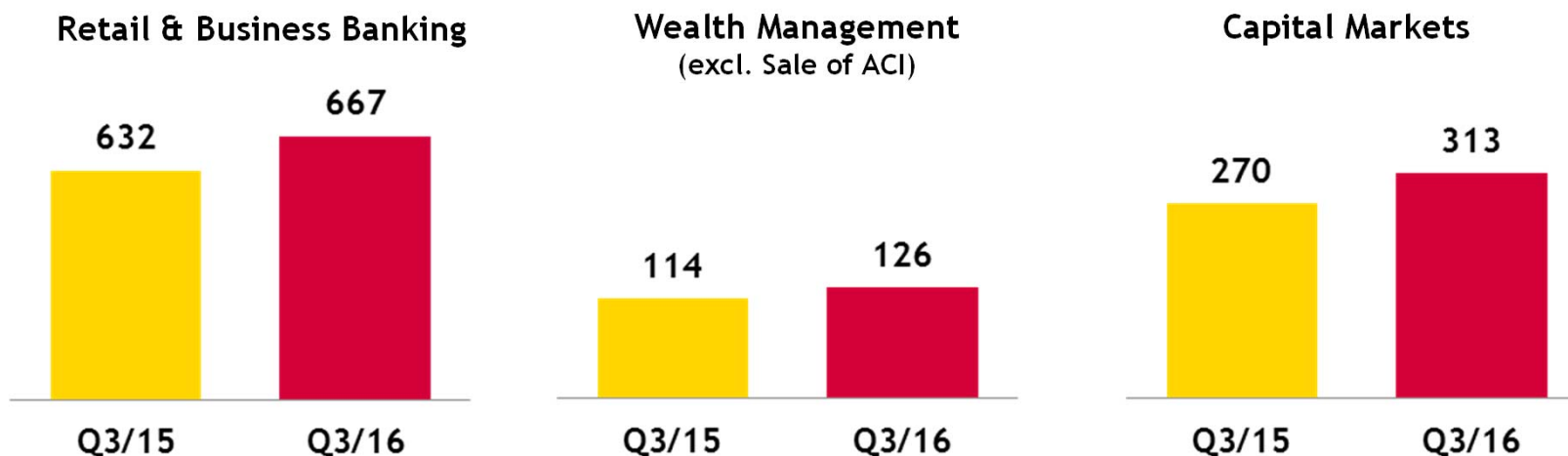


# Third Quarter, 2016 Summary

	Q3/15	Q2/16	Q3/16
Net Income (\$MM) - Reported <sup>(1)</sup>	978	941	1,441
Net Income (\$MM) - Adjusted <sup>(2)</sup>	990	962	1,072
Diluted EPS - Reported	\$2.42	\$2.35	\$3.61
Diluted EPS - Adjusted <sup>(2)</sup>	\$2.45	\$2.40	\$2.67
Efficiency Ratio - Adjusted TEB <sup>(2)</sup>	59.3%	58.0%	57.8%
ROE - Adjusted <sup>(2)</sup>	20.6%	18.4%	19.8%
Common Equity Tier 1 Ratio	10.8%	10.4%	10.9%

- Record Net Income
- Strong YoY EPS growth
- Continued improvement in efficiency ratio<sup>(2)</sup>
- Strong ROE and CET1 Ratio

## Net Income - Adjusted (\$MM) <sup>(2)</sup>



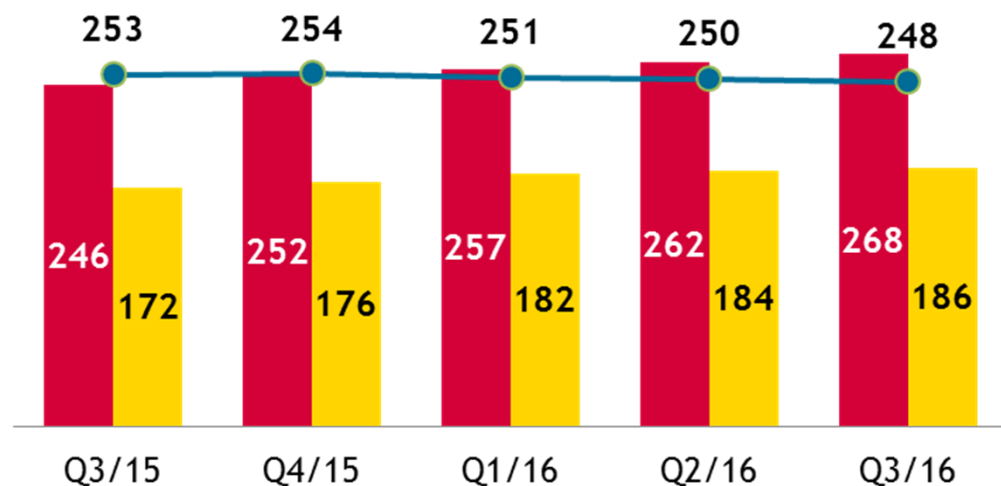
<sup>1</sup> Reported results are on slides 23 to 26.

<sup>2</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

# Retail & Business Banking

Adjusted (\$MM) <sup>(1)</sup>	Q3/15	Q2/16	Q3/16
Personal Banking	1,686	1,713	1,779
Business Banking	410	423	435
Other	22	14	11
Revenue	2,118	2,150	2,225
Provision for Credit Losses	165	199	197
Non-Interest Expenses	1,094	1,103	1,120
Net Income - Adjusted <sup>(1)</sup>	632	623	667
Net Income - Reported <sup>(2)</sup>	630	652	666

- Strong and broad-based YoY volume growth
  - Personal deposits up 7%
  - Mortgages up 9%
  - Business deposits up 9%
  - Business lending up 14%



- Operating Leverage of 2.9%
- PCLs up 19% YoY

■ Loans & Acceptances (\$B)    ■ Deposits (\$B)  
● Net Interest Margin (bps)<sup>(1)</sup>

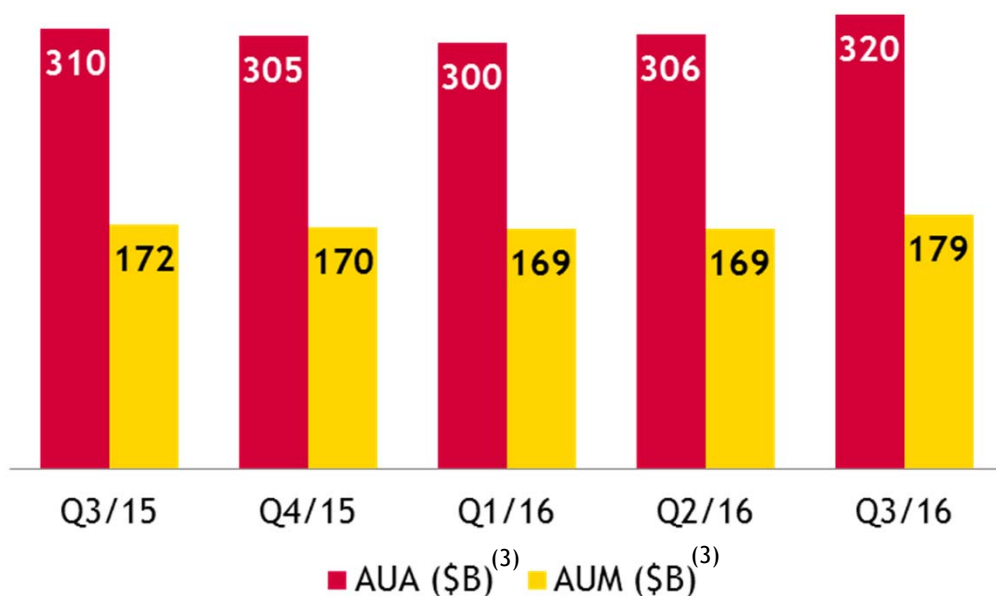
<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

<sup>2</sup> Reported results are on slide 23.

# Wealth Management

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q3/15	Q2/16	Q3/16
Retail Brokerage	326	312	317
Asset Management	180	179	196
Private Wealth Management	93	91	94
Other	31	1	-
Revenue	630	583	607
Non-Interest Expenses	440	429	434
Net Income - Adjusted <sup>(1)</sup>	143	115	126
Net Income - Reported <sup>(2)</sup>	140	113	506

- Lower transactional volumes in Retail Brokerage
- Strong revenue growth in Asset Management driven by higher AUM and seed capital gains
- ‘Other’ reflects sale of ACI
- Excluding ACI, Net Income<sup>(1)</sup> up 10% YoY



<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

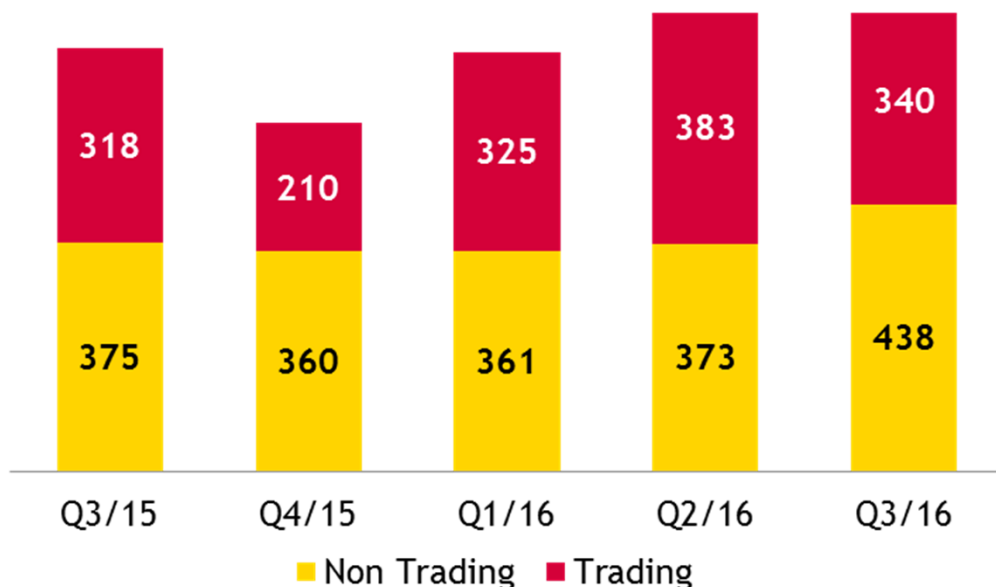
<sup>2</sup> Reported results are on slide 24.

<sup>3</sup> Assets under management (AUM) are included in assets under administration (AUA).

# Capital Markets

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q3/15	Q2/16	Q3/16
Global Markets	363	469	415
Corporate & Investment Banking	324	296	364
Other	6	(9)	(1)
Revenue <sup>(2)</sup>	693	756	778
Provision for Credit Losses	10	81	7
Non-Interest Expenses	335	346	367
Net Income - Adjusted <sup>(1)</sup>	270	260	313
Net Income - Reported <sup>(3)</sup>	265	252	304

Revenue (\$MM)<sup>(1)(2)</sup>



- Strong client-driven revenue growth across interest rate, FX and equity trading
- Higher Corporate Banking, underwriting and advisory revenue
- Lower loan losses
- Higher performance-based compensation

<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

<sup>2</sup> Revenue is reported on a taxable equivalent basis (TEB).

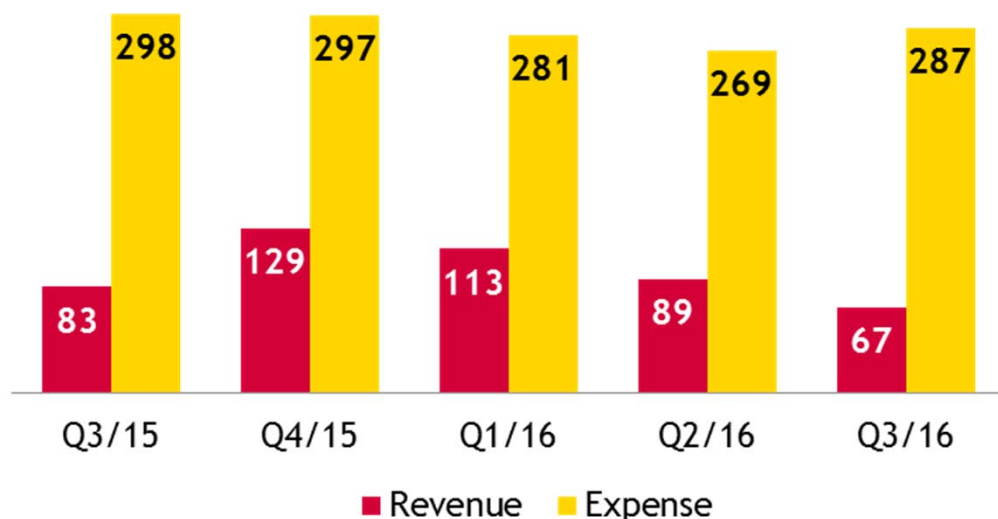
<sup>3</sup> Reported results are on slide 25.



# Corporate & Other

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q3/15	Q2/16	Q3/16
International Banking	174	175	176
Other	(91)	(86)	(109)
Revenue <sup>(2)</sup>	83	89	67
Provision for (Reversal of) Credit Losses	14	4	(1)
Non-Interest Expenses	298	269	287
Net Loss - Adjusted <sup>(1)</sup>	(55)	(36)	(34)
Net Loss - Reported <sup>(3)</sup>	(57)	(76)	(35)

- Higher YoY earnings from CIBC FirstCaribbean driven by improved credit performance



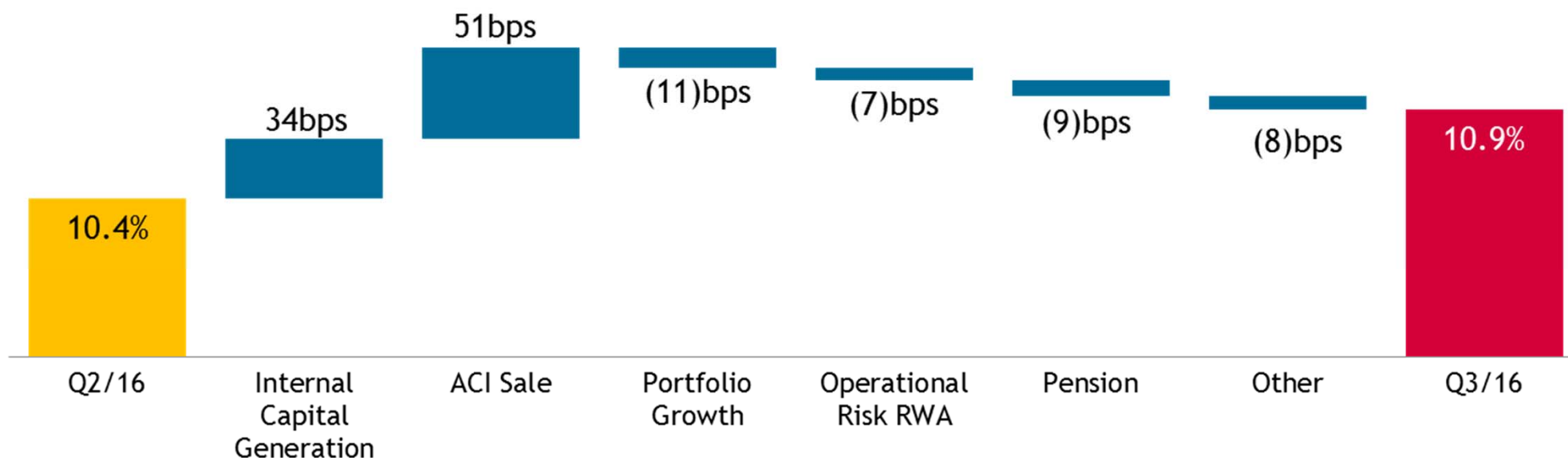
<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

<sup>2</sup> Revenue is reported on a taxable equivalent basis (TEB).

<sup>3</sup> Reported results are on slide 26.

# Capital

## Common Equity Tier 1 (CET1) Ratio (all-in basis)



- Basel III CET1 ratio of 10.9%, up 50bps
  - Reflecting divestiture of our investment in ACI
  - Strong internal capital generation
  - Partly offset by:
    - Business growth, standardized floors applied to our operational risk model and impact of a lower discount rate on pension benefits
- Basel III Leverage ratio of 3.9%, up 10bps QoQ

# Third Quarter, 2016 Risk Review

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Laura Dottori-Attanasio

Senior Executive Vice-President and Chief Risk Officer

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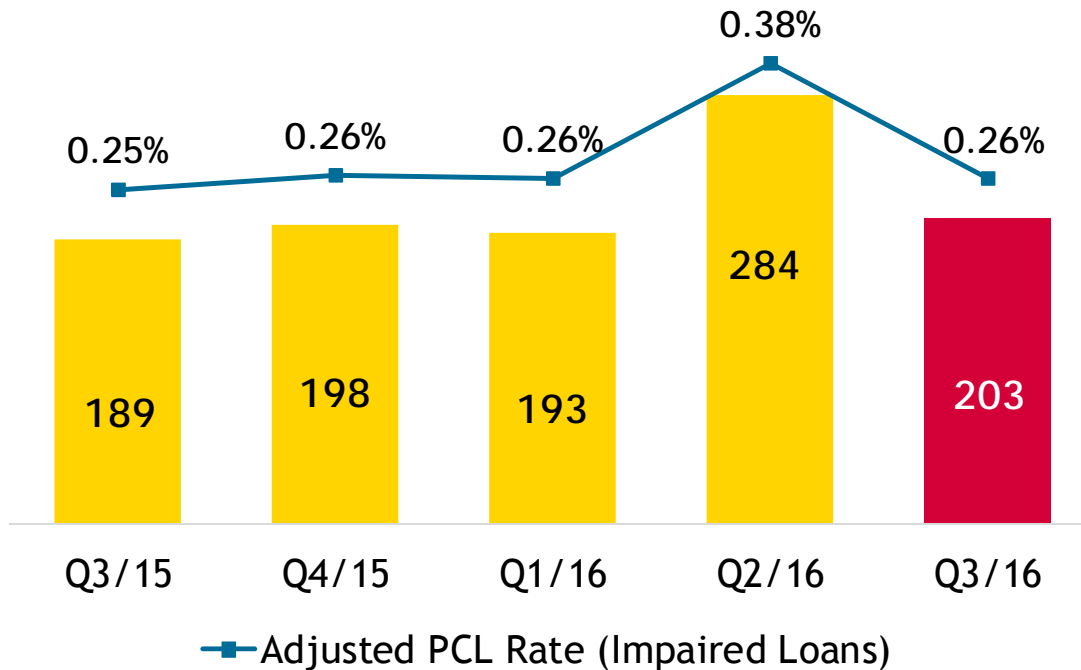


# Provision for Credit Losses

<i>Adjusted (\$MM)</i> <sup>(1)</sup>	Q3/15	Q2/16	Q3/16
Retail and Business Banking	165	199	197
Wealth Management	-	-	-
Capital Markets	10	81	7
CIBC FirstCaribbean	10	4	3
Collective Provision for Non-Impaired	4	-	(4)
Corporate and Other	14	4	(1)
<b>Total Provision for Credit Losses</b>	<b>189</b>	<b>284</b>	<b>203</b>

## vs. Q2/16:

- Lower loan losses in the oil & gas portfolio
- Loan losses in Retail and Business Banking and CIBC FirstCaribbean remained stable

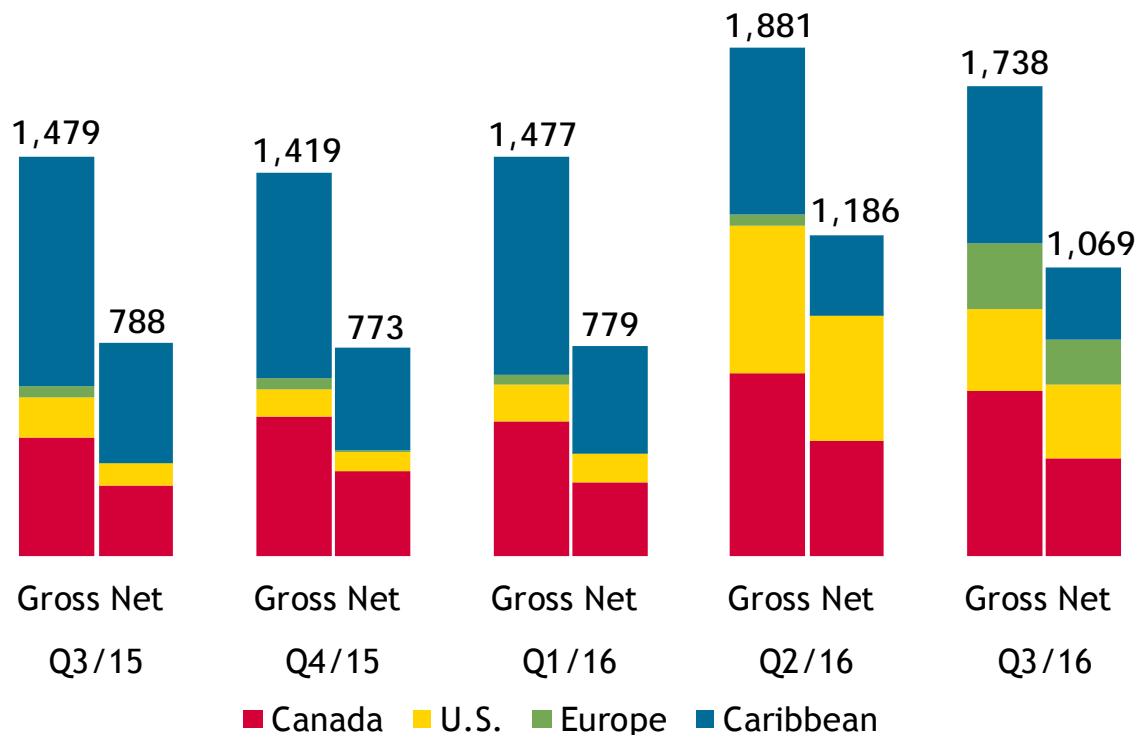


<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

# Impaired Loans and Formations

Reported (\$MM)	Q3/15	Q2/16	Q3/16
Consumer	293	334	291
Business and Government	24	691	283
Total New Formations	317	1,025	574

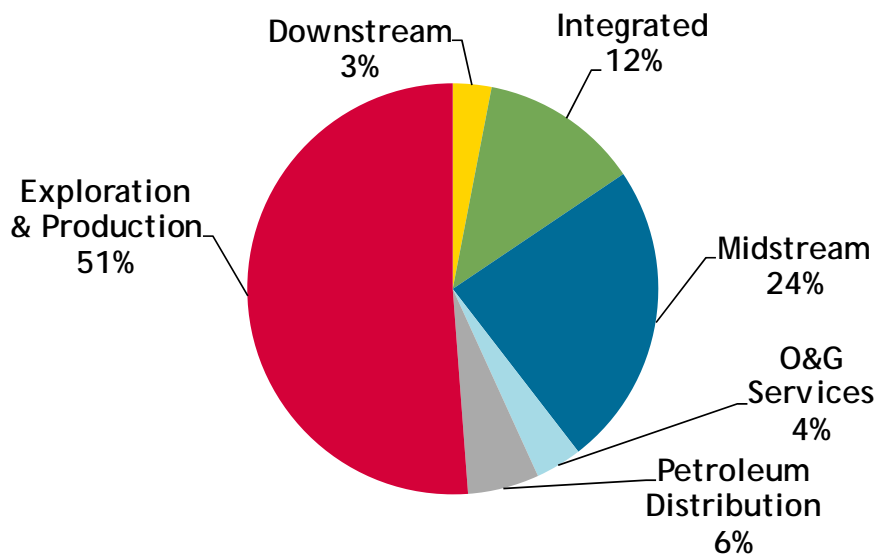
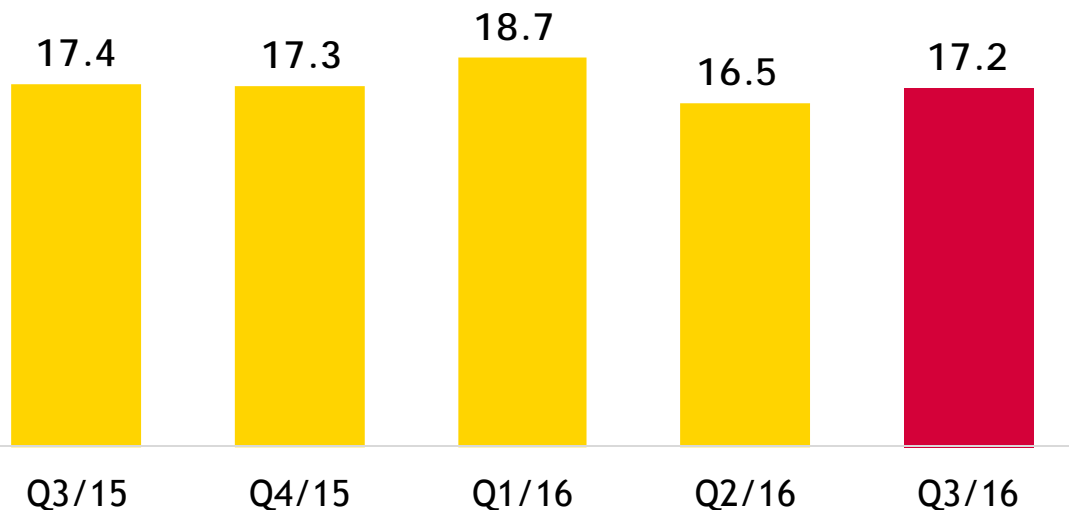
## Gross and Net Impaired Loans (\$MM)



- New formations down QoQ
- Gross impaired loans down QoQ, largely due to:
  - Improvement in the oil & gas sector, including a sale of a large exposure;
  - Write-offs and lower new classifications in CIBC FirstCaribbean;
  - Partially offset by new impairment in exited European leveraged finance portfolio and U.S. dollar appreciation

# Oil & Gas Corporate & Business Banking Exposure

## Direct Exposure<sup>(1)</sup> (\$B)



- \$17.2B of direct exposure<sup>(1)</sup>, up from \$16.5B last quarter
  - 68% of this is investment grade
- \$7.1B drawn exposure<sup>(1)</sup>, up from \$6.6B last quarter
  - 57% of this is investment grade
- 76% of undrawn exposure<sup>(1)</sup> is investment grade

<sup>1</sup> Based on business and government Advanced Internal Rating-Based (AIRB) estimates of exposure at default. See page 23 of the Supplementary Regulatory Capital Disclosure for further details.

# Oil & Gas Retail Exposure

## Outstandings (\$MM)

	Mortgages		HELOC	Other <sup>(1)</sup>
	Insured	Uninsured		
Alberta	16,644	8,150	2,737	3,690
Saskatchewan & Newfoundland	4,282	2,110	707	1,411
Total	20,926	10,260	3,444	5,101

## Loan-to-Value<sup>(2)</sup> (LTV)

	Mortgages		HELOC	Other <sup>(1)</sup>
	Insured	Uninsured		
Alberta	70%	66%	62%	N/A
Saskatchewan & Newfoundland	63%	63%	58%	N/A
Total	68%	66%	62%	N/A

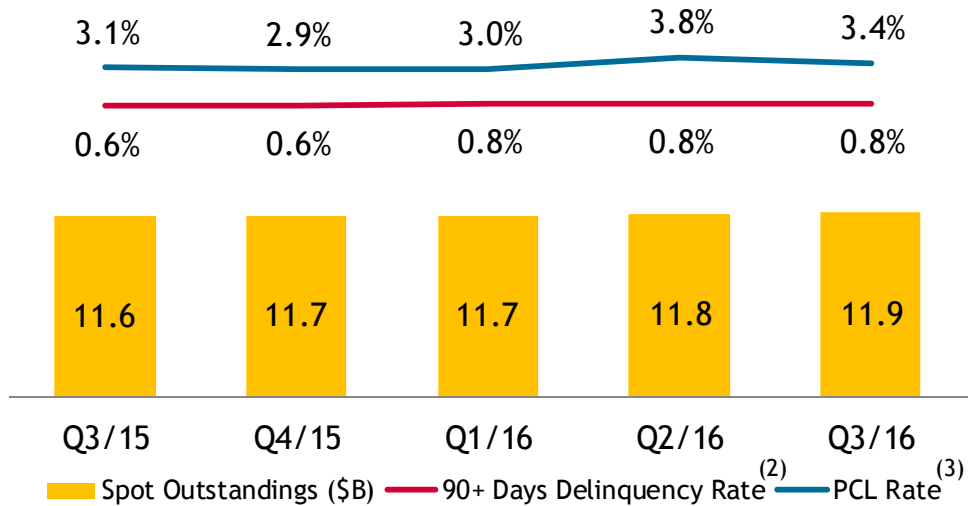
- \$40B of retail exposure to oil provinces (or \$19B excluding insured mortgages)
  - Alberta accounts for \$31B or 79% of the retail exposure, with a Loan-To-Value (LTV) of 66% in the uninsured mortgage portfolio

<sup>1</sup> Comprises unsecured personal lending, credit cards and small business.

<sup>2</sup> LTV ratios for residential mortgages are calculated based on weighted average. The house price estimates for July 31, 2016 are based on the Forward Sortation Area (FSA) level indices from the Teranet - National Bank National Composite House Price Index (Teranet) as of June 30, 2016. Teranet is an independent estimate of the rate of change in Canadian home prices.

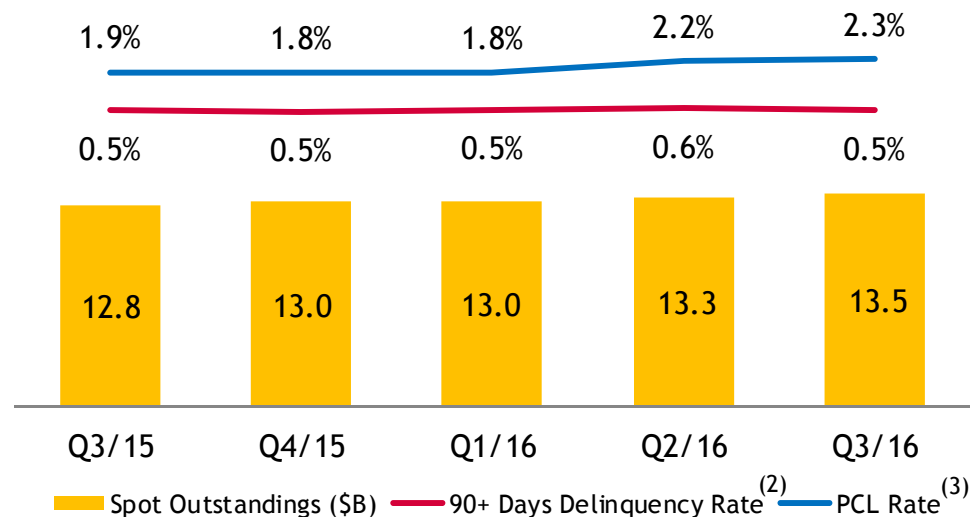
# Canadian Credit Cards and Unsecured Personal Lending

## Credit Cards<sup>(1)</sup>



- Canadian credit cards and unsecured personal lending loss rates up YoY, mainly driven by the oil provinces

## Unsecured Personal Lending<sup>(1)(4)</sup>



- <sup>1</sup> Canada only.
- <sup>2</sup> Based on spot gross outstandings.
- <sup>3</sup> Based on average net outstandings.
- <sup>4</sup> Includes unsecured personal lines of credit, loans and overdrafts.

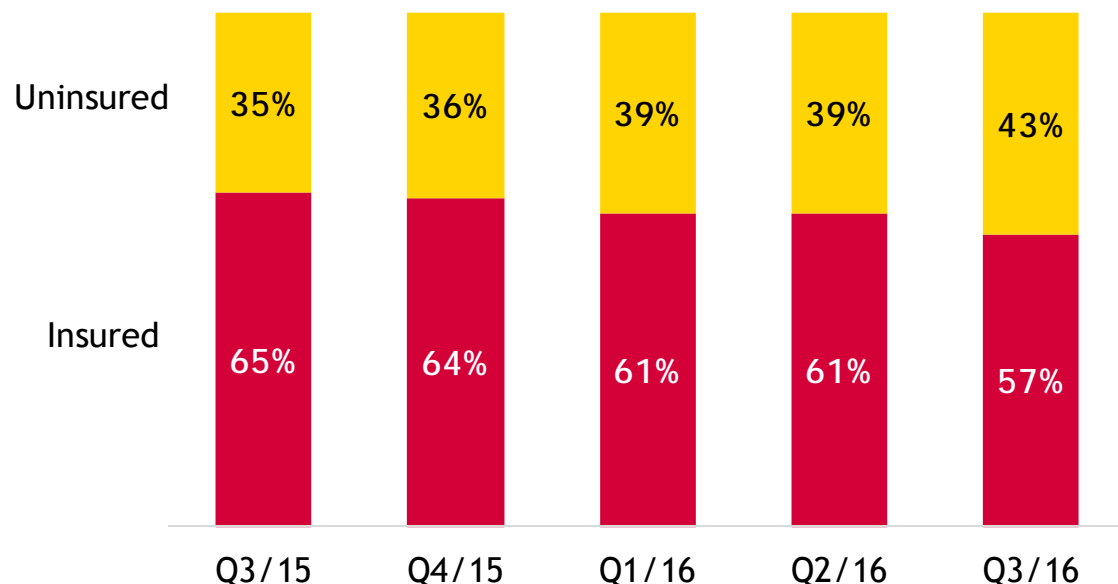


# Canadian Residential and Condo Mortgage Portfolios

(\$B)	Q3/15	Q2/16	Q3/16
Residential Mortgages (excludes Condos)	141	150	155
Condo Mortgages	18	19	20
<b>Total Canadian Residential Mortgages</b>	<b>159</b>	<b>169</b>	<b>175</b>

- Canadian residential mortgage portfolio (includes condos) was \$175B
  - 57% insured; average LTV<sup>(1)</sup> of the uninsured portfolio was 57%
- Condo mortgages was \$20B
  - 57% insured; average LTV<sup>(1)</sup> of the uninsured portfolio was 59%

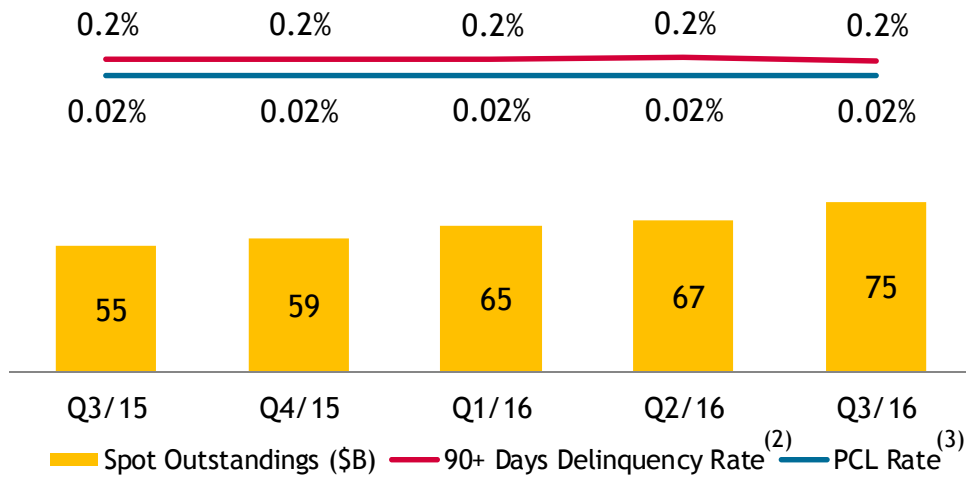
## Total Canadian Residential Mortgages



<sup>1</sup> LTV ratios for residential mortgages are calculated based on weighted average. The house price estimates for July 31, 2016 are based on the Forward Sortation Area (FSA) level indices from the Teranet - National Bank National Composite House Price Index (Teranet) as of June 30, 2016. Teranet is an independent estimate of the rate of change in Canadian home prices.

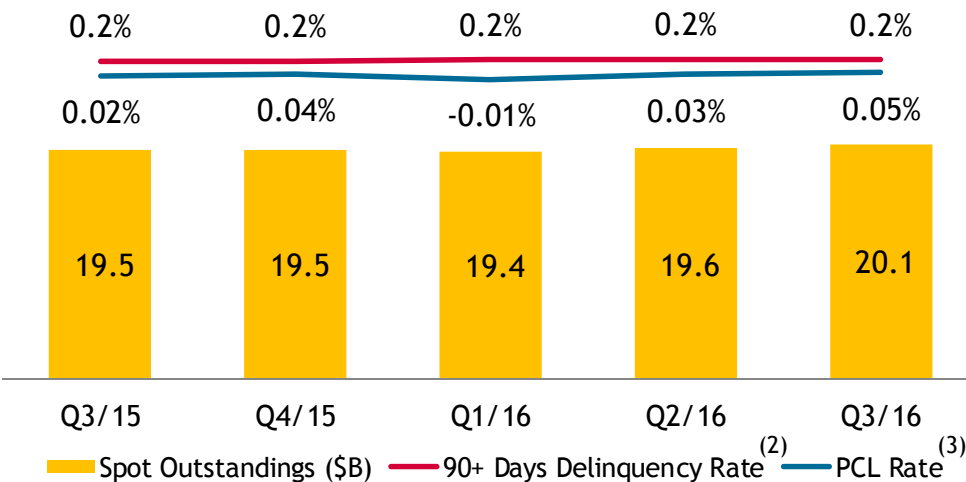
# Canadian Uninsured Mortgages and HELOC

## Uninsured Mortgages<sup>(1)</sup>



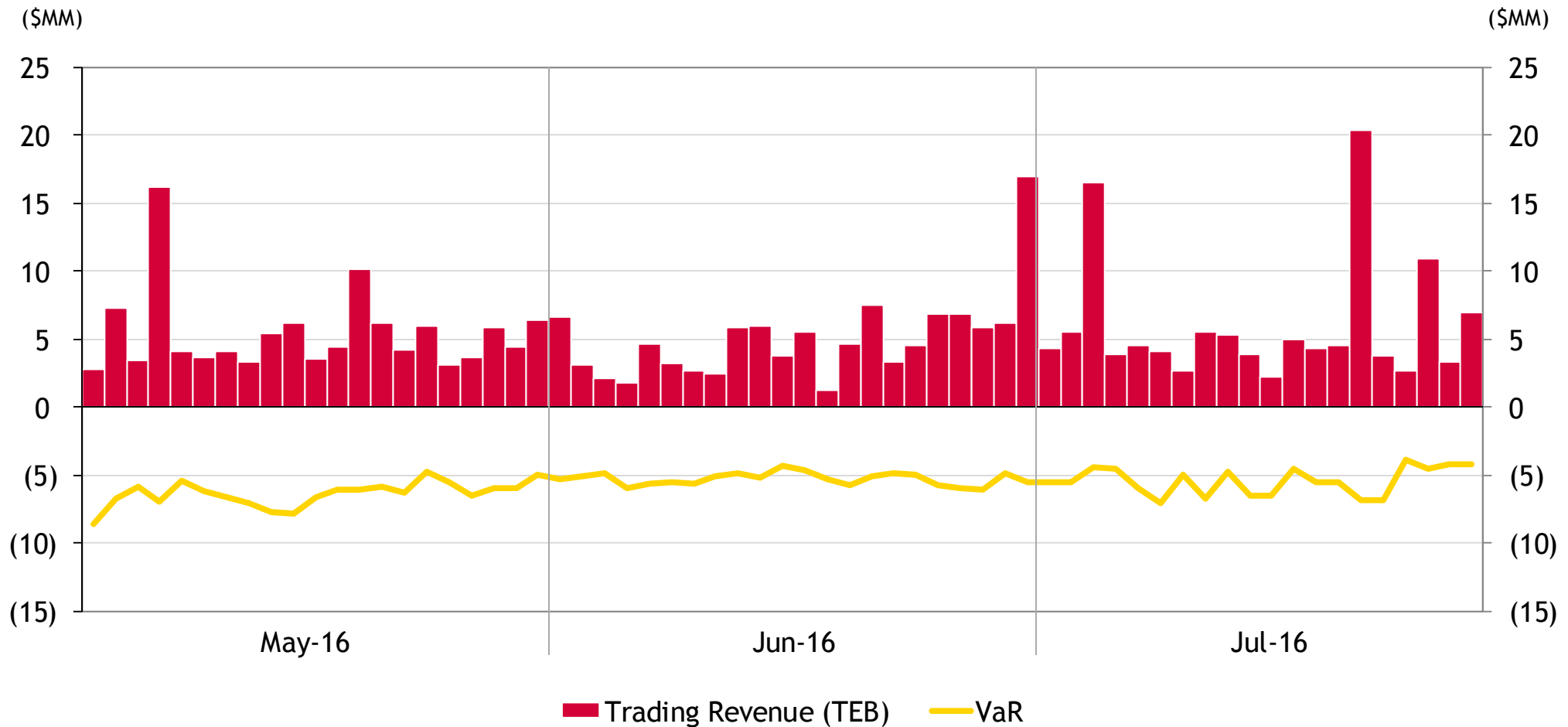
- Loss rates of both Canadian uninsured mortgages and HELOC continue to remain low and stable

## HELOC<sup>(1)</sup>



1 Canada only.  
 2 Based on spot gross outstandings.  
 3 Based on average net outstandings.

# Trading Revenue (TEB)<sup>(1)</sup> Distribution<sup>(2)</sup>



<sup>1</sup> Non-GAAP financial measure. See slide 29 for further details.

<sup>2</sup> Trading revenue (TEB) comprises both trading net interest income and non-interest income and excludes underwriting fees and commissions. Trading revenue (TEB) excludes positions described in the “Structured credit run-off business” section of the Management’s Discussion and Analysis available on [www.cibc.com](http://www.cibc.com) and certain other exited portfolios.

# Appendix

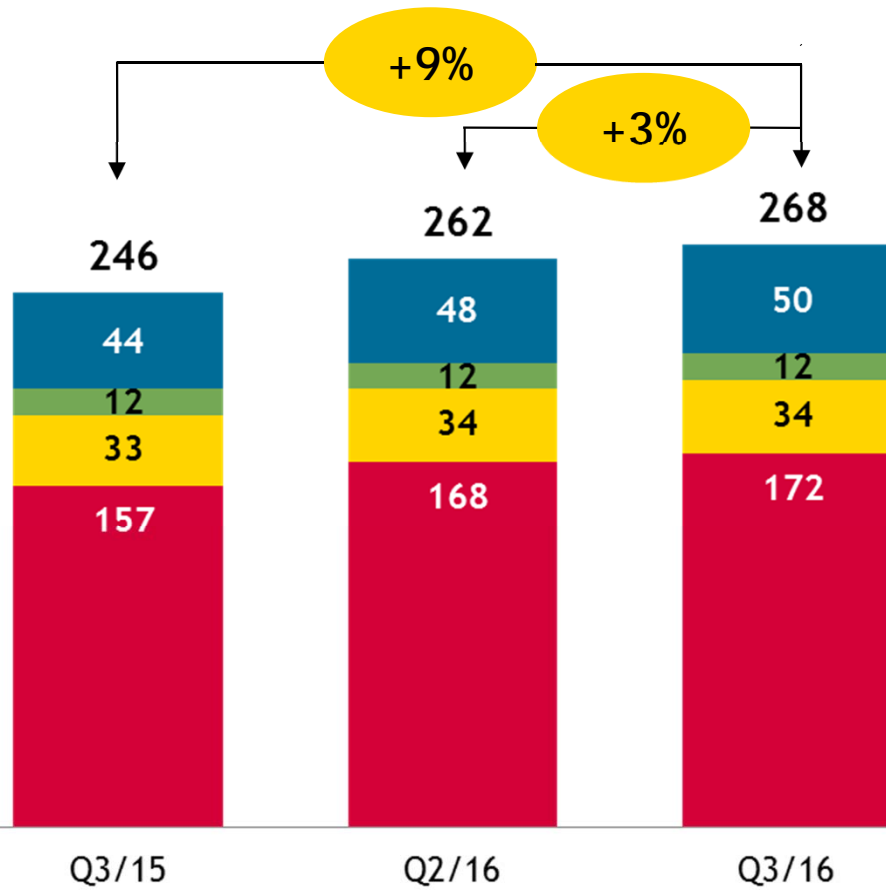
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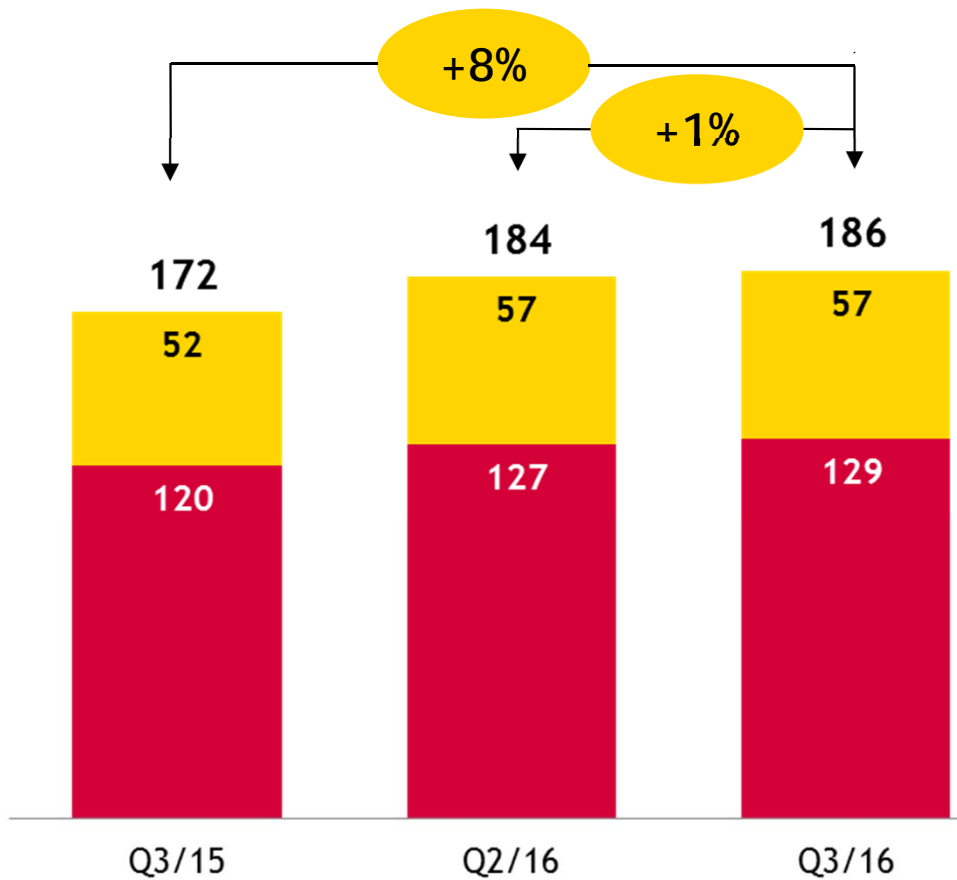
# Retail & Business Banking - Loans & Deposits

## Average Loans & Acceptances (\$B)



Growth		YoY	QoQ
Residential Mortgages	■	9%	2%
Personal Loans	■	3%	2%
Credit Card	■	3%	3%
Business Lending	■	14%	3%

## Average Deposits (\$B)

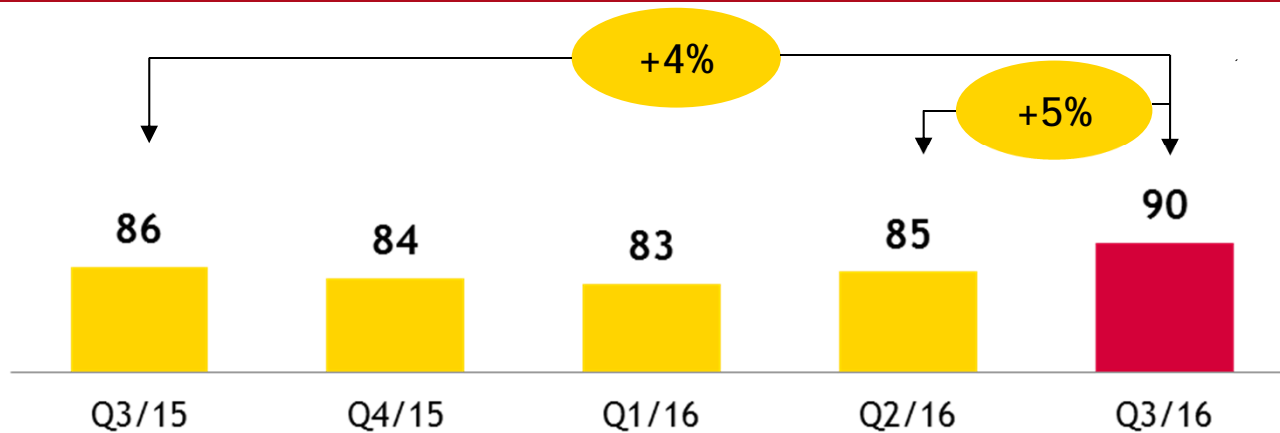


Growth		YoY	QoQ
Personal Deposits & GICs	■	7%	1%
Business Deposits & GICs	■	10%	2%

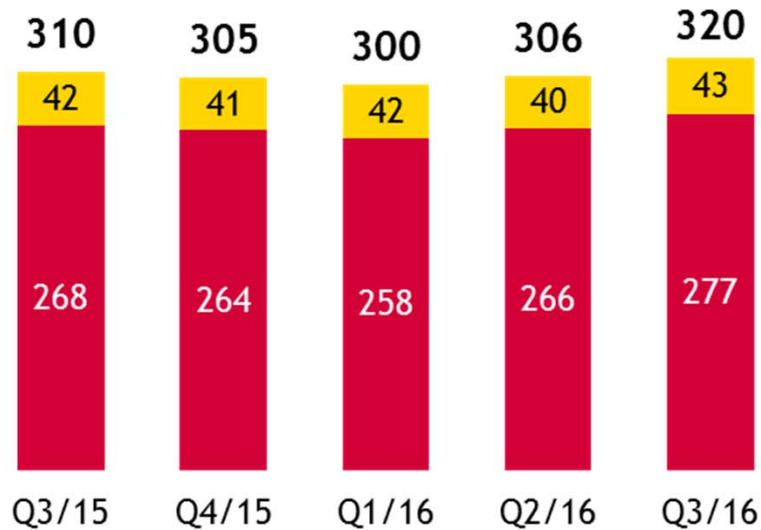


# Wealth - Mutual Funds & Client Asset Balances

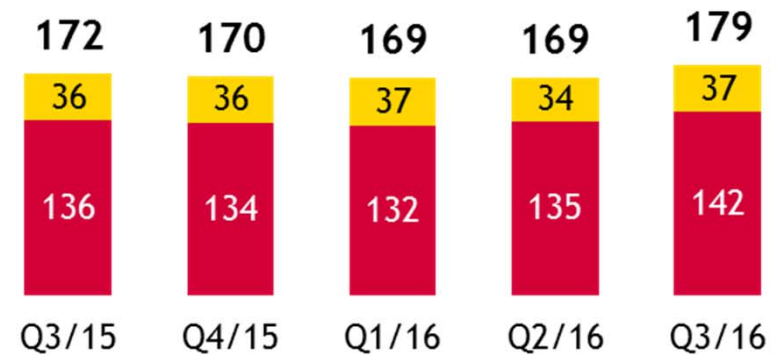
## Canadian Retail Mutual Funds (\$B)



### AUA (\$B)<sup>(1)</sup>



### AUM (\$B)<sup>(1)</sup>



■ Canada ■ U.S.

■ Canada ■ U.S.

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<sup>1</sup> Assets under management (AUM) are included in assets under administration (AUA).

# Retail & Business Banking

<i>Reported (\$MM)</i>	Q3/15	Q2/16	Q3/16
Personal Banking	1,686	1,713	1,779
Business Banking	410	423	435
Other	22	14	11
Revenue	2,118	2,150	2,225
Provision for Credit Losses	165	199	197
Non-Interest Expenses	1,096	1,105	1,121
Income Before Income Taxes	857	846	907
Income Taxes	227	194	241
Net Income - Reported	630	652	666
Net Income - Adjusted <sup>(1)</sup>	632	623	667

<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

# Wealth Management

<i>Reported (\$MM)</i>	Q3/15	Q2/16	Q3/16
Retail Brokerage	326	312	317
Asset Management	180	179	196
Private Wealth Management	93	91	94
Other	29	1	428
Revenue	628	583	1,035
Non-Interest Expenses	443	432	438
Income Before Income Taxes	185	151	597
Income Taxes	45	38	91
Net Income - Reported	140	113	506
Net Income - Adjusted <sup>(1)</sup>	143	115	126

<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.



# Capital Markets

<i>Reported (\$MM)</i>	Q3/15	Q2/16	Q3/16
Global Markets	363	469	415
Corporate & Investment Banking	324	296	364
Other	4	(15)	30
Revenue <sup>(1)</sup>	691	750	809
Provision for Credit Losses	10	81	47
Non-Interest Expenses	339	351	370
Income Before Income Taxes	342	318	392
Income Taxes <sup>(1)</sup>	77	66	88
Net Income - Reported	265	252	304
Net Income - Adjusted <sup>(2)</sup>	270	260	313

<sup>1</sup> Revenue and income taxes are reported on a taxable equivalent basis (TEB).

<sup>2</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

# Corporate & Other

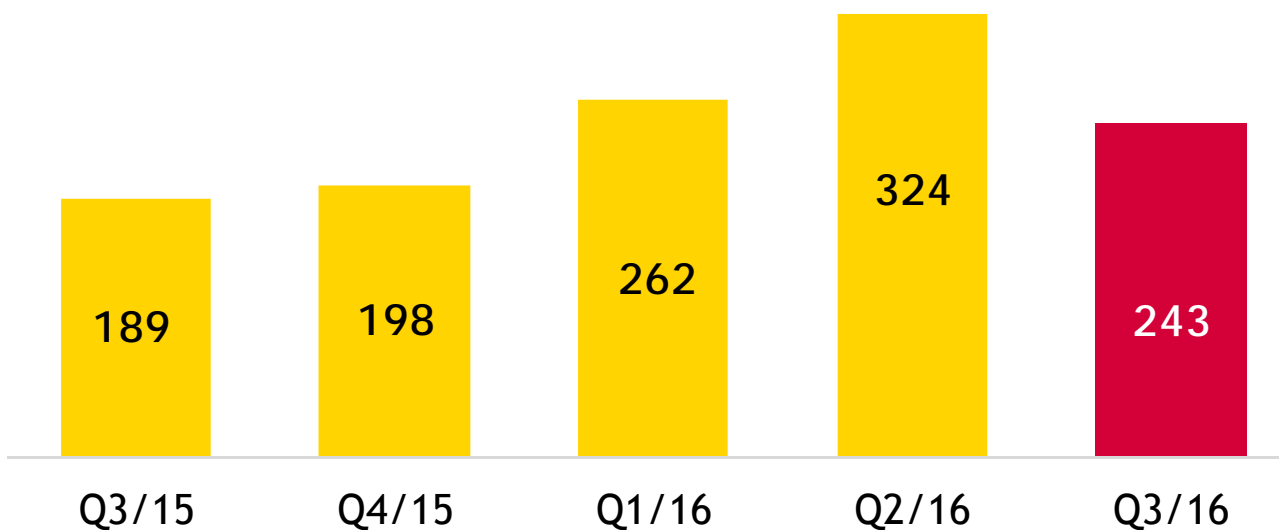
<i>Reported (\$MM)</i>	Q3/15	Q2/16	Q3/16
International Banking	174	175	176
Other	(91)	(27)	(109)
Revenue <sup>(1)</sup>	83	148	67
Provision for (Reversal of) Credit Losses	14	44	(1)
Non-Interest Expenses	301	354	289
Loss Before Income Taxes	(232)	(250)	(221)
Income Taxes <sup>(1)</sup>	(175)	(174)	(186)
Net Loss - Reported	(57)	(76)	(35)
Net Loss - Adjusted <sup>(2)</sup>	(55)	(36)	(34)

<sup>1</sup> Revenue and income taxes are reported on a taxable equivalent basis (TEB).

<sup>2</sup> Adjusted results are Non-GAAP financial measures. See slide 29 for further details.

# Provision for Credit Losses

<i>Reported (\$MM)</i>	Q3/15	Q2/16	Q3/16
Retail and Business Banking	165	199	197
Wealth Management	-	-	-
Capital Markets	10	81	47
CIBC FirstCaribbean	10	4	3
Collective Provision for Non-Impaired	4	40	(4)
Corporate and Other	14	44	(1)
<b>Total Provision for Credit Losses</b>	<b>189</b>	<b>324</b>	<b>243</b>



# Q3 2016 Items of Note

	Pre-Tax Effect (\$MM)	After-Tax & NCI Effect (\$MM)	EPS Effect (\$/Share)	Reporting Segments
Q3 2016				
Gain, net of related transaction costs, on the sale of our minority investment in ACI	(428)	(383)	(0.97)	Wealth Management
Loan losses in our exited European leveraged finance portfolio	40	30	0.07	Capital Markets
Gain from the structured credit run-off business	(28)	(21)	(0.05)	Capital Markets
Amortization of intangible assets	7	5	0.01	Retail & Business Banking / Wealth Management / Corporate & Other
Adjustment to Net Income attributable to diluted common shareholders and to EPS	(409)	(369)	(0.94)	

# Non-GAAP Financial Measures

- Adjusted results are non-GAAP financial measures that do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.
- For further details on items of note see slide 28 of this presentation; for Non-GAAP measures and reconciliation of Non-GAAP to GAAP measures see pages 1 and 2 of the Q3/16 Supplementary Financial Information and pages 13 and 14 of the 2015 Annual Report available on [www.cibc.com](http://www.cibc.com).