



# Investor Presentation

August 31, 2023



# Forward-Looking Statements

**A NOTE ABOUT 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 Investor Presentation, 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 “Financial performance overview – Economic outlook”, “Financial performance overview – Significant events”, “Financial performance overview – Financial results review”, “Financial performance overview – Review of quarterly financial information”, “Financial condition – Capital management”, “Management of risk – Risk overview”, “Management of risk – Top and emerging risks”, “Management of risk – Credit risk”, “Management of risk – Market risk”, “Management of risk – Liquidity risk”, “Accounting and control matters – Critical accounting policies and estimates”, “Accounting and control matters – Accounting developments”, and “Accounting and control matters – Other regulatory developments” sections of our Q3/23 Report to Shareholders and other statements about our operations, business lines, financial condition, risk management, priorities, targets and sustainability commitments (including with respect to net-zero emissions and our environmental, social and governance (ESG) related activities), ongoing objectives, strategies, the regulatory environment in which we operate and outlook for calendar year 2023 and subsequent periods. Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “intend”, “estimate”, “forecast”, “target”, “predict”, “commit”, “ambition”, “goal”, “strive”, “project”, “objective” and other similar expressions or future or conditional verbs such as “will”, “may”, “should”, “would” and “could”. By their nature, these statements require us to make assumptions, including the economic assumptions set out in the “Financial performance overview – Economic outlook” section of our Q3/23 Report to Shareholders, and are subject to inherent risks and uncertainties that may be general or specific. Given the continuing impact of high inflation, rising interest rates, ongoing adverse developments in the U.S. banking sector which adds pressure on liquidity and funding conditions for the financial industry, the impact of hybrid work arrangements and higher interest rates on the U.S. real estate sector, potential recession and the war in Ukraine on the global economy, financial markets, and our business, results of operations, reputation and financial condition, there is inherently more uncertainty associated with our assumptions as compared to prior periods. 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: inflationary pressures; global supply-chain disruptions; geopolitical risk, including from the war in Ukraine, the occurrence, continuance or intensification of public health emergencies, such as the impact of COVID-19, and any related government policies and actions; credit, market, liquidity, strategic, insurance, operational, reputation, conduct and legal, regulatory and environmental risk; currency value and interest rate fluctuations, including as a result of market and oil price volatility; 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 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 bank recapitalization legislation and the payments system in Canada; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions, and interest rate and liquidity regulatory guidance; exposure to, and the resolution of, significant litigation or regulatory matters, our ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such 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, including changes relating to economic or trade matters; the possible effect on our business of international conflicts, such as the war in Ukraine, and terrorism; natural disasters, 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 or disclosure 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; 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; climate change and other ESG related 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 benefits of an acquisition, merger or divestiture will not be realized within the expected time frame 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 Investor Presentation 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 Investor Presentation or in other communications except as required by law.

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Visit the Investor Relations section at [www.cibc.com/en/about-cibc/investor-relations.html](http://www.cibc.com/en/about-cibc/investor-relations.html)

# About CIBC



# A leading Canadian financial institution<sup>1</sup>

**1867**  
FOUNDED

**13MM**  
CLIENTS

**49K**  
EMPLOYEES<sup>2</sup>

**\$1.4B**  
NET-INCOME  
(Q3/23)

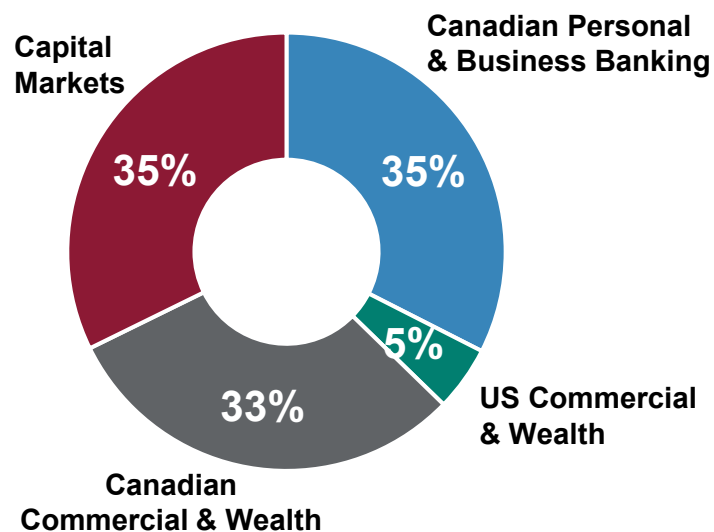
**11.6%**  
ROE<sup>3</sup>  
(Q3/23)

**46.0%**  
TSR<sup>4</sup>  
(3-YR)

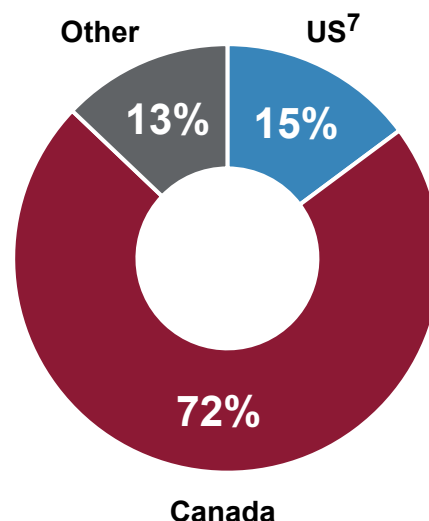
**12.2%**  
CET1 RATIO<sup>5</sup>  
(Q3/23)

## DIVERSIFIED EARNINGS MIX

Net Income by Strategic Business Unit (Q3/23)<sup>6</sup>



Net Income Contribution by Region (Q3/23)<sup>6</sup>



## STRONG CREDIT RATINGS

Agency	Rating <sup>8</sup>
Moody's	Aa2 (Senior <sup>9</sup> , A2), Stable
S&P	A+ (Senior <sup>9</sup> , A-), Stable
Fitch	AA (Senior <sup>9</sup> , AA-), Stable
DBRS	AA (Senior <sup>9</sup> , AA(low)), Stable

# Disciplined approach to resource allocation and execution of our client-focused strategy

## Our Strategic Priorities



### High growth, high touch segments

Grow our North American Affluent and Private Wealth franchise

Leverage our highly connected platform

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Funds managed<sup>1</sup> growth of **\$14B (+5%)** in Imperial Service on a year-to-date basis

**30%** of Commercial clients have an executive with a PWM relationship in Canada, and **16%** of strategic Commercial clients<sup>2</sup> are also PWM clients in the U.S.



### Future differentiators

Deliver leading digital banking solutions to our Canadian customers

Core renewables and energy transition

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Digital adoption rate<sup>3</sup> of **84%** in Canadian Personal Banking, with **+32%** of core retail products being sold digitally

Net new client acquisition<sup>4</sup> of **+165K** in Simplii Financial over the last twelve months



### Enabling and simplifying

Develop and enhance new and existing Cloud capabilities

Operational efficiencies

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**~\$100MM** of efficiencies Q3YTD through the optimization and simplification of processes across our business

**50%** of applications operating on the Cloud driving scale and speed

...and providing the foundation to deliver sustainable outperformance through the cycle

**Through the  
Cycle**  
Financial  
Objectives<sup>1,2</sup>

Earnings Growth • 7%-10%

Return on Equity • 16%+

Operating Leverage • Positive

Dividend Payout Ratio • 40%-50%

# Furthering our ESG strategy by putting our ambitions into action

## Renewable energy

**#6**

in North America for renewable energy financings<sup>1</sup>



## Credit authorizations

**\$4.6B**

in new or increased credit authorizations to small and medium-sized enterprises (Canada)<sup>2</sup>

## Leadership

**38%**<sup>3</sup>

women in Board-approved executive roles (Global)<sup>2</sup>

## Employee experience

**90%**<sup>3</sup>

employee engagement score<sup>2</sup>

## Community investment

**\$81M**

invested in community organizations globally<sup>2</sup>

## Leadership

**24%**<sup>3</sup>

people of colour in Board-approved executive roles (Global)<sup>2</sup>



## Climate action

**2050**

target year to achieve net-zero greenhouse gas (GHG) emissions from our operational and financing activities

## Financial education

**78,400**

participants engaged in financial education seminars and events<sup>2</sup>

## Sustainable finance

**\$35.9B**

in sustainable finance activities<sup>2</sup>

# External recognition<sup>1</sup> for our commitment to sustainability



2022 Climate Change Score = B  
Scale: D- to A (best)



2022 ESG Rating = AA  
Industry-Adjusted Score = 7.9  
  
Scale: CCC to AAA (best)  
0 to 10 (best)



2022 ESG Risk Rating = 17.7 (low risk) or  
9<sup>th</sup> percentile among banks  
  
Scale: 1 or 1<sup>st</sup> percentile (best) to 40+



2022 QualityScore: E = 1; S = 2; G = 1  
Scale: 1 (best) to 10  
  
2022 Corporate Rating = C-  
Scale: D- to A+ (best)



FTSE4Good

2023 Rating = 4.3 or 87<sup>th</sup> percentile  
  
Scale: 1 to 5 (best);  
100<sup>th</sup> percentile (best)



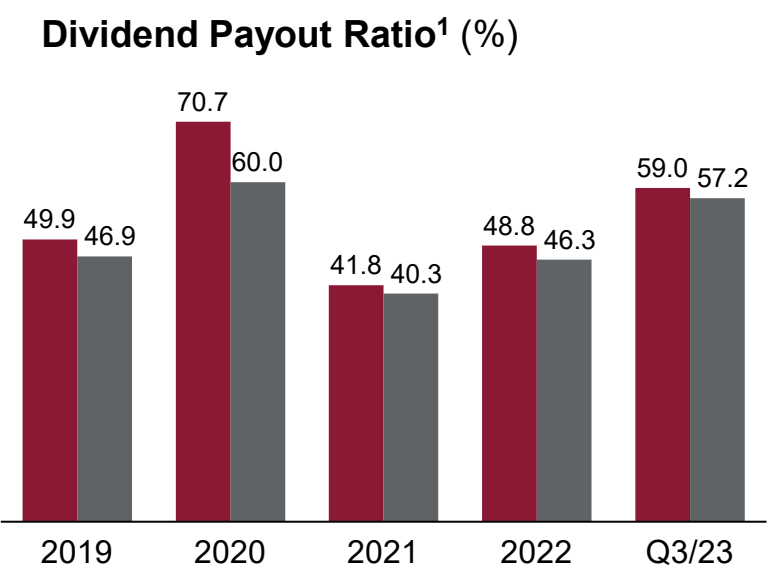
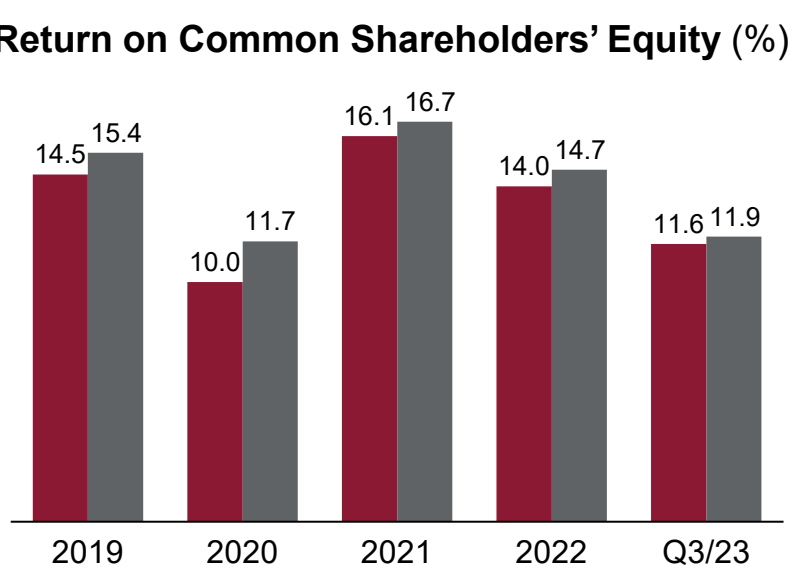
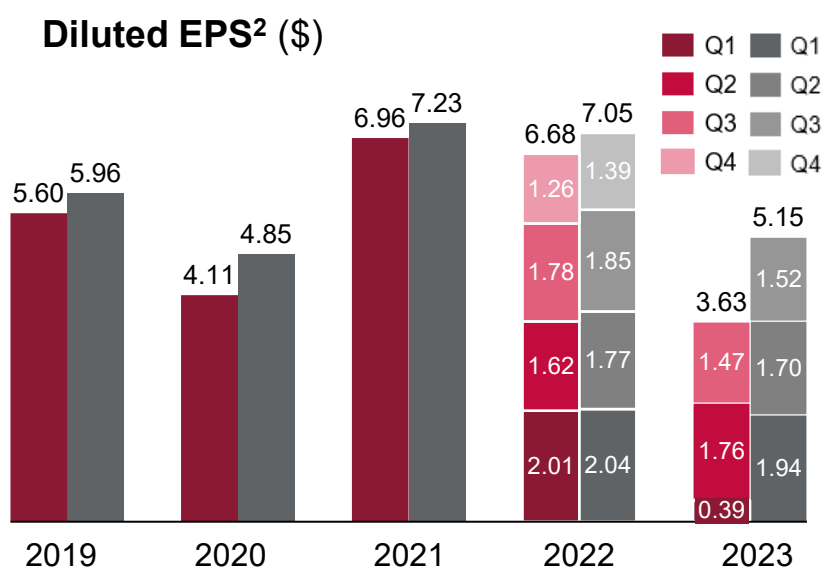
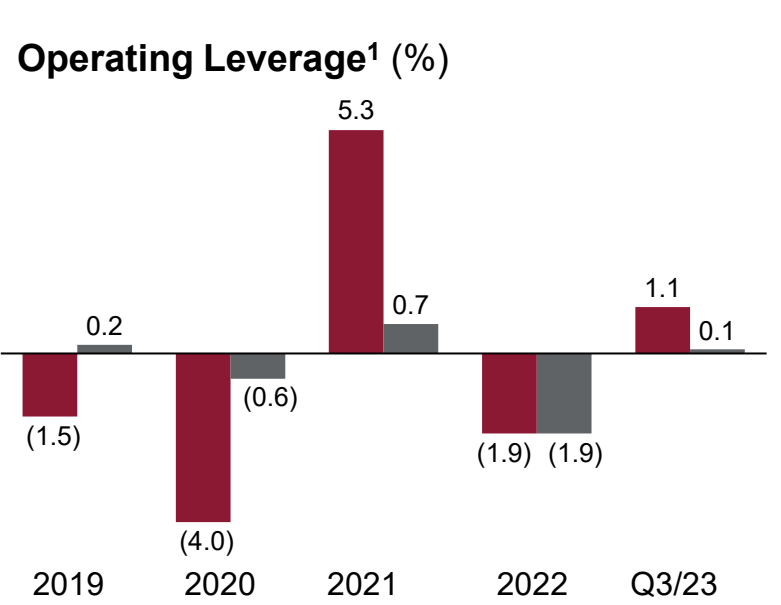
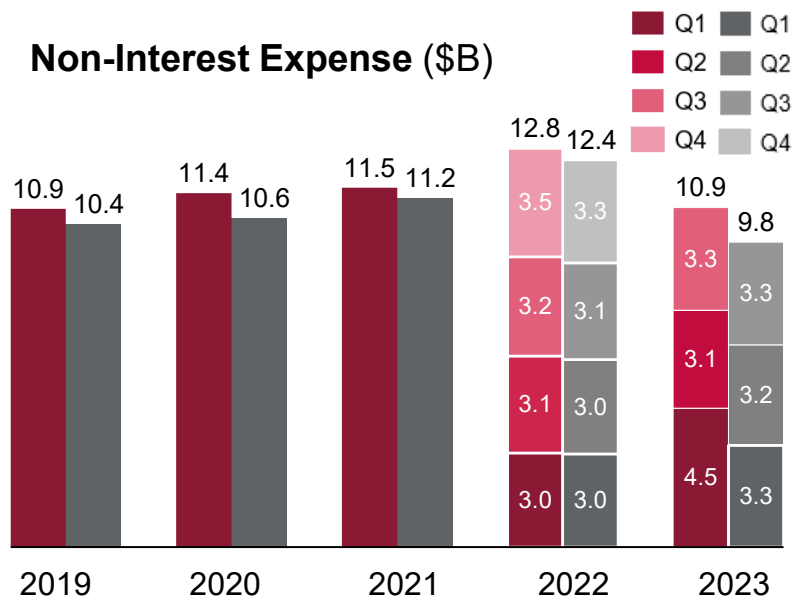
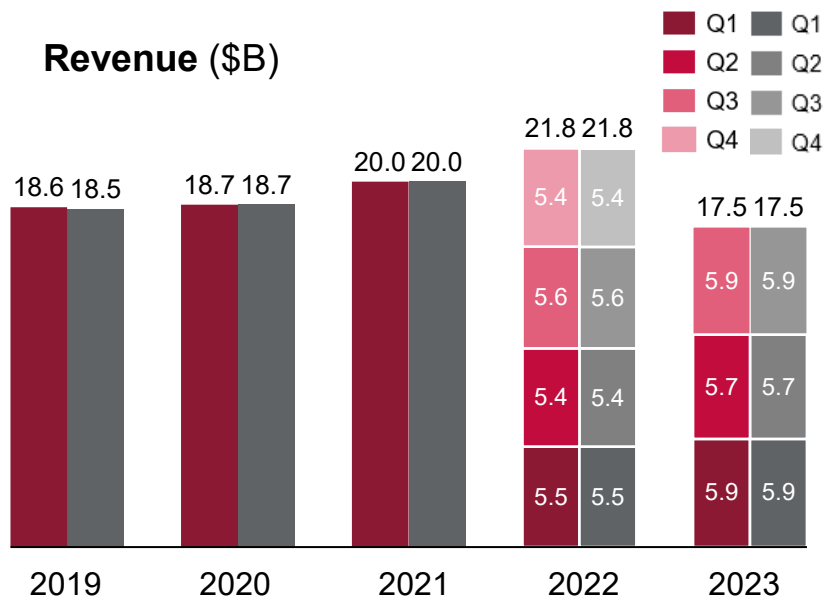
2022 ESG Score = 49  
Sector rank: 6/13  
  
Scale: 0 to 100 (best)



# Financial Performance

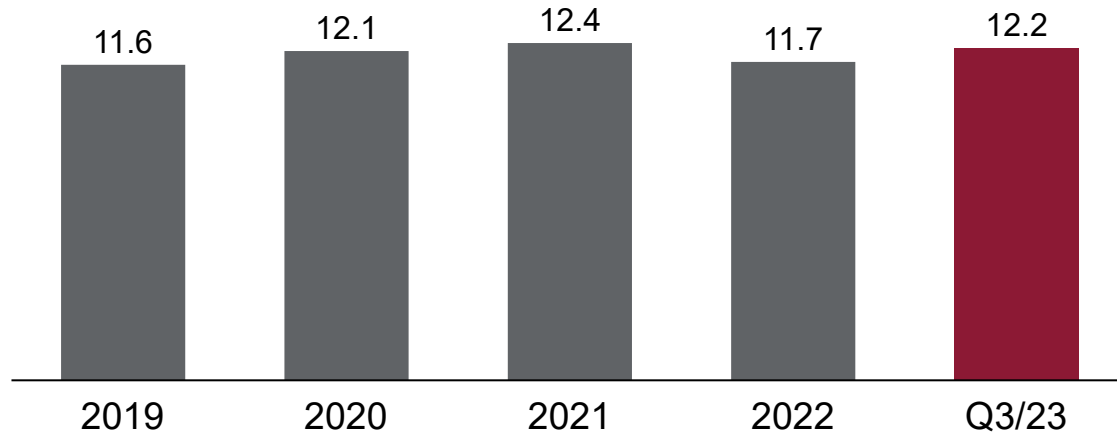


# Investments in top-line growth delivering for shareholders

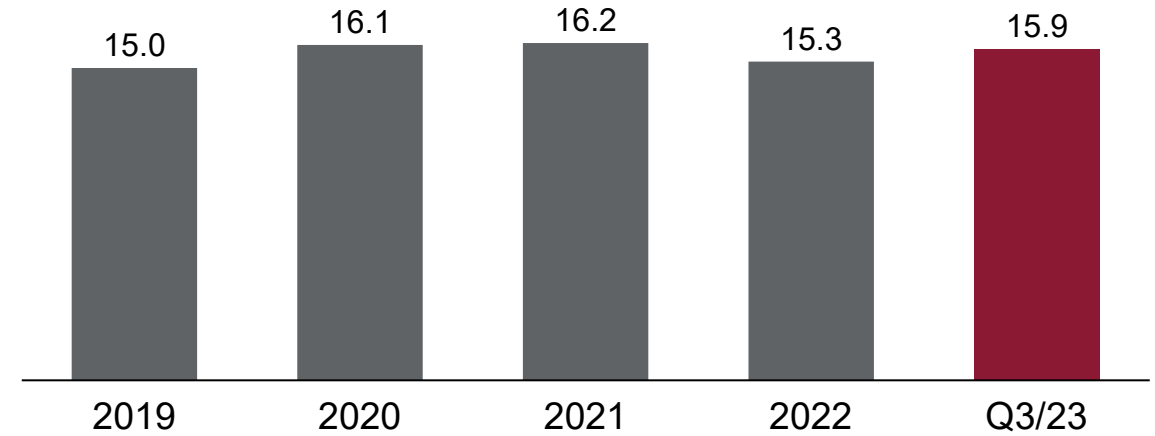


# Solid returns underpinned by a commitment to balance sheet strength

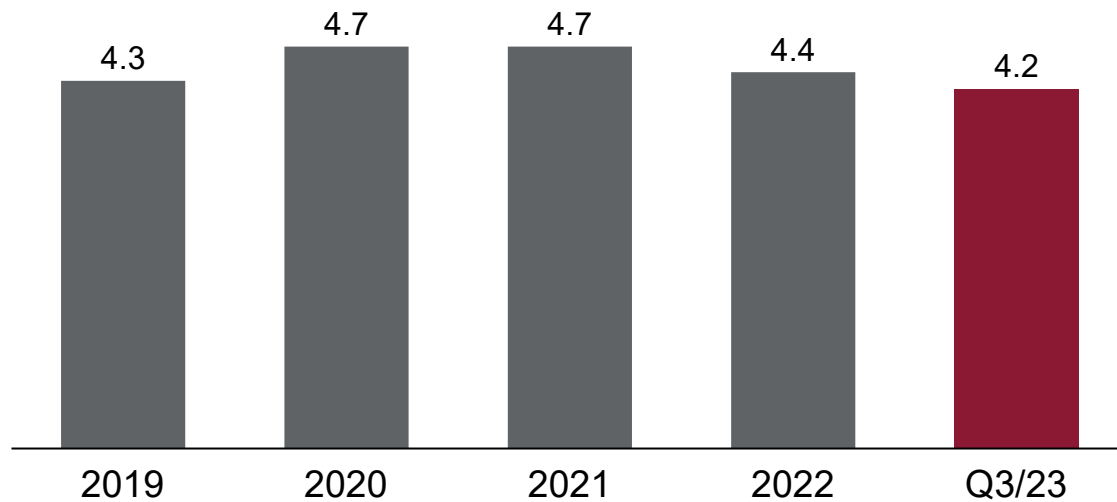
**Basel III CET1 Ratio<sup>1</sup> (%)**



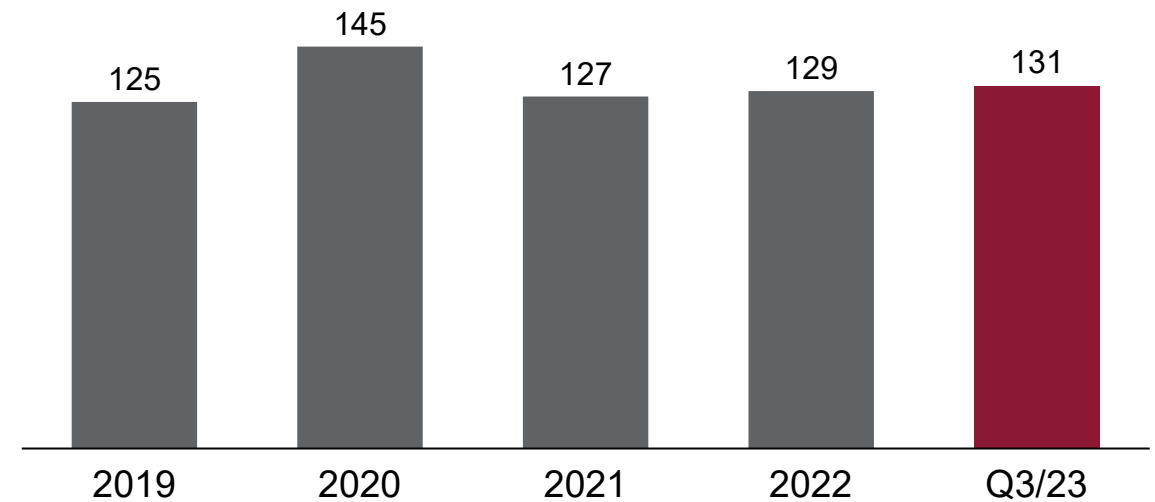
**Basel III Total Capital Ratio<sup>1</sup> (%)**



**Basel III Leverage Ratio<sup>1</sup> (%)**

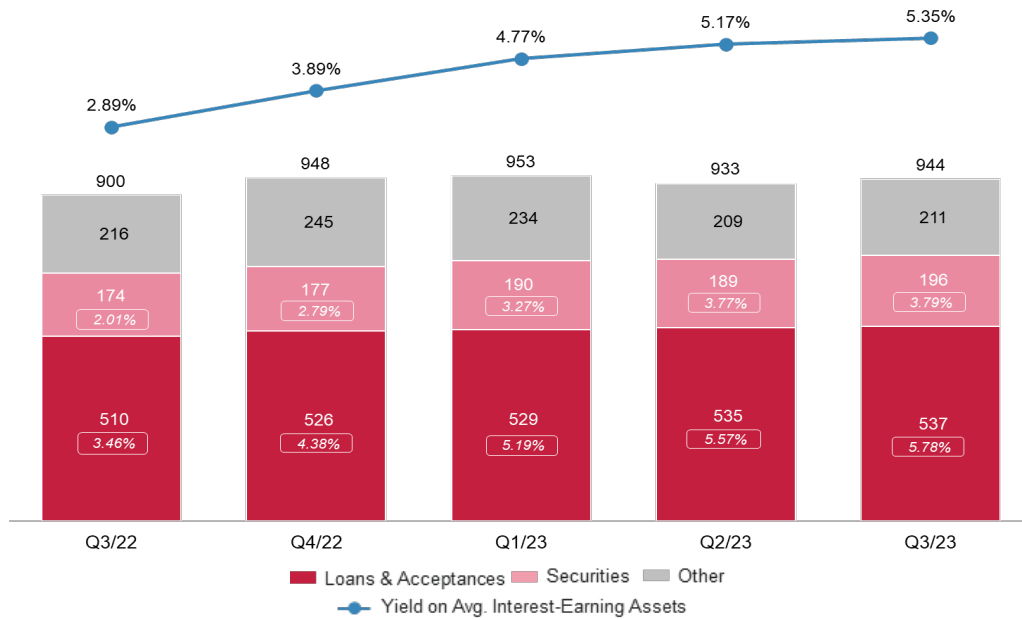


**Liquidity Coverage Ratio (LCR)<sup>1</sup> (%)**

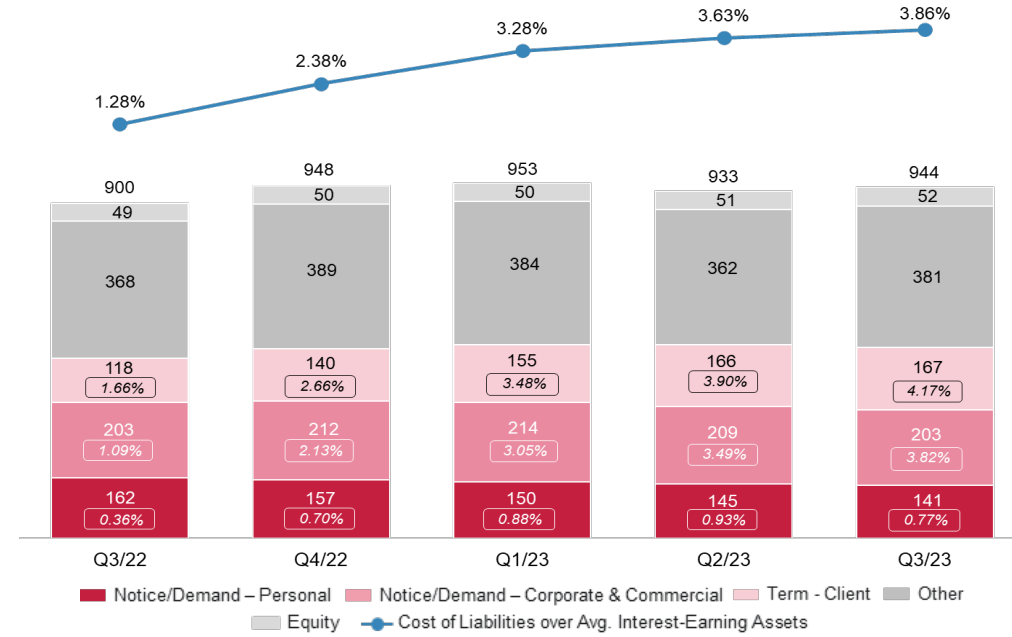


# Asset yields and funding costs

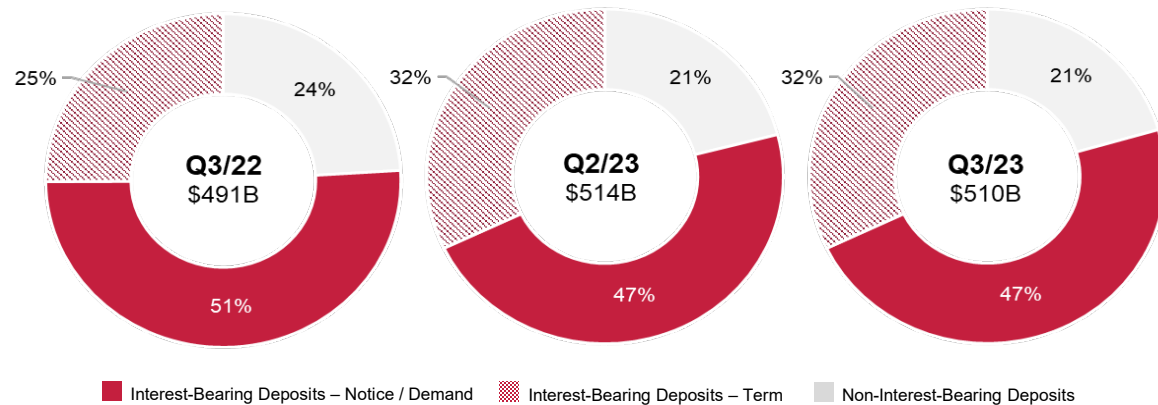
Average Assets (\$B) & Yields<sup>1,2,3</sup>



Average Liabilities and Equity (\$B), & Costs<sup>1,4,5</sup>



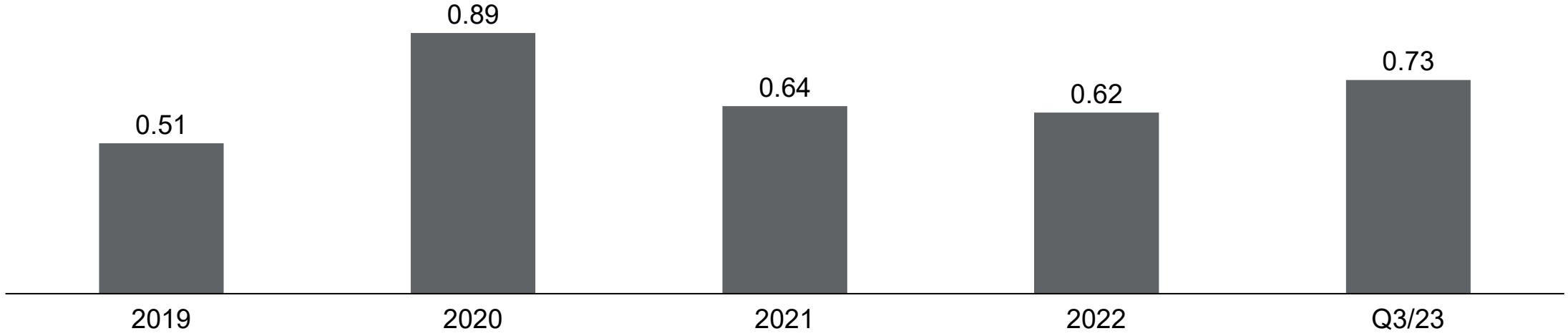
Client Deposit Mix (Spot Balances)<sup>6</sup>



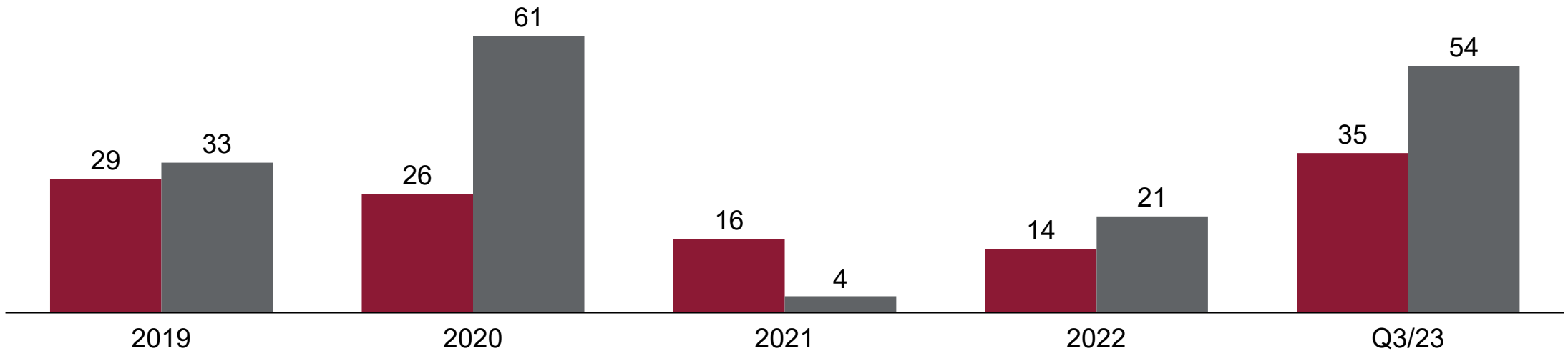
- Loan yields continue to expand (YoY and sequentially), capturing rate increases by the Bank of Canada and the Fed
- Despite mix shift to higher-cost term deposits as a result of changes in client behaviour, demand and notice deposit betas behaving generally as expected in response to changes in the environment

# Prudent risk management<sup>1</sup>

Total Allowance Coverage Ratio<sup>2</sup> (%)



Loan Loss Ratio (bps)



■ Impaired<sup>3</sup> ■ Total<sup>4</sup>

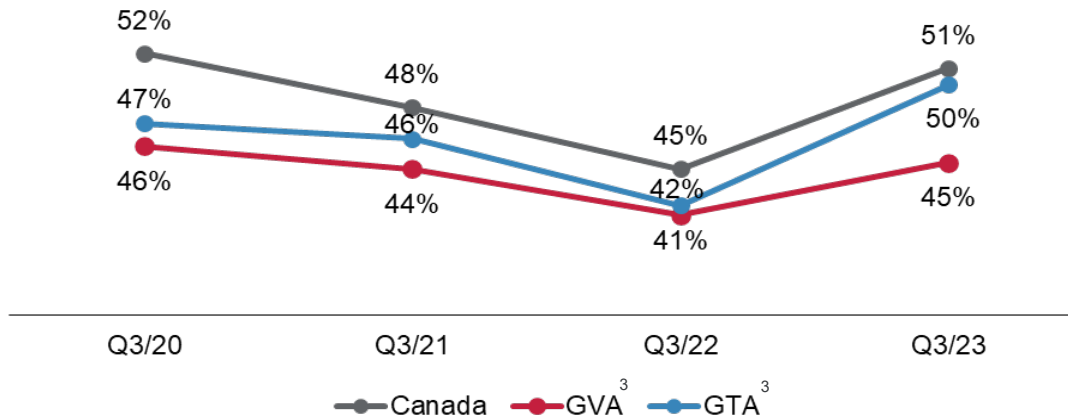


For footnoted information refer to slide 36.

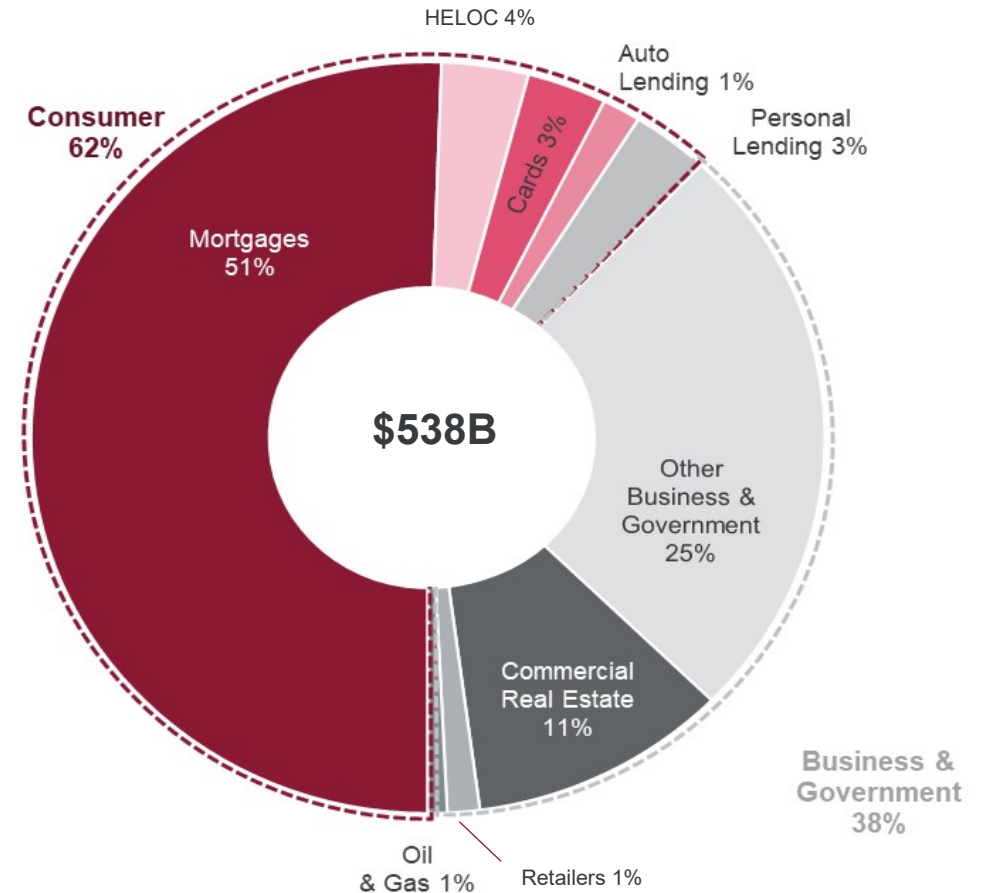
# Lending portfolio has a strong risk profile

- Nearly two-thirds of our portfolio is consumer lending, composed mainly of mortgages, with uninsured having an average loan-to-value of 51%
- Total variable rate mortgage portfolio accounts for 33% of the Canadian mortgage portfolio
- Balance of portfolio is in business and government lending with an average risk rating equivalent<sup>1</sup> to BBB

Canadian Uninsured Mortgage Loan-To-Value<sup>2</sup> Ratios



Overall Loan Mix (Net Outstanding Loans and Acceptances)



# Strategic Unit Business Performance



# Highlights – Canadian Personal and Business Banking

(\$MM)	Reported			Adjusted <sup>1</sup>		
	Q3/23	YoY	QoQ	Q3/23	YoY	QoQ
Revenue	2,412	4%	6%	2,446	6%	7%
Net Interest Income	1,898	7%	10%	1,898	8%	10%
Non-Interest Income <sup>2</sup>	514	(7%)	(6%)	548	(1%)	0%
Expenses	1,303	(1%)	2%	1,296	4%	2%
PPPT <sup>3</sup>	1,109	10%	10%	1,150	8%	14%
Provision for Credit Losses	423	\$223	\$300	423	\$223	\$300
<b>Net Income</b>	<b>497</b>	<b>(16%)</b>	<b>(22%)</b>	<b>527</b>	<b>(17%)</b>	<b>(18%)</b>
Loans (Average, \$B) <sup>4,5</sup>	318	3%	1%	318	3%	1%
Deposits (Average, \$B) <sup>5</sup>	218	6%	0%	218	6%	0%
Net Interest Margin (bps)	238	9	11	238	10	11

## Strategic priorities accelerating growth



Differentiating with **high-touch, personalized advice** to win in Affluent



Focusing on **mass market** through **digital client experiences** to drive simplicity and speed



Increasing **productivity and operational excellence** to win at client relationships

## Q3/23 | Key Highlights

**+590K**

**Net New Client Growth [LTM]<sup>7</sup>**  
Continued momentum in client growth

**\$14B**

**Funds Managed Growth [YTD]**  
in Imperial Service<sup>8</sup>

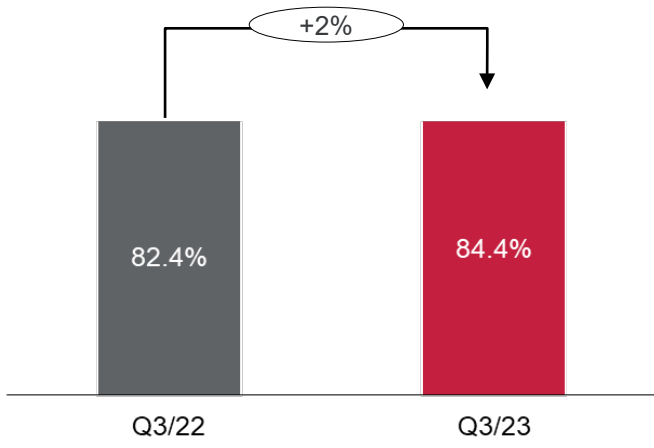
**94%**

**Digital Transactions<sup>9</sup>**  
Record high number completed digitally

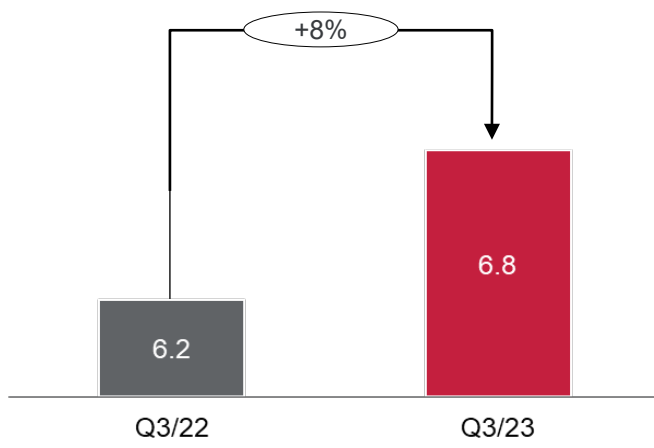


# Growing Digital Adoption and Engagement<sup>1</sup>

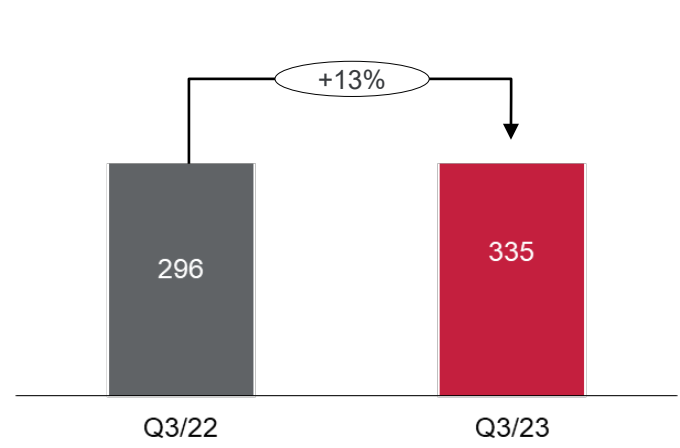
Digital Adoption Rate<sup>2</sup>



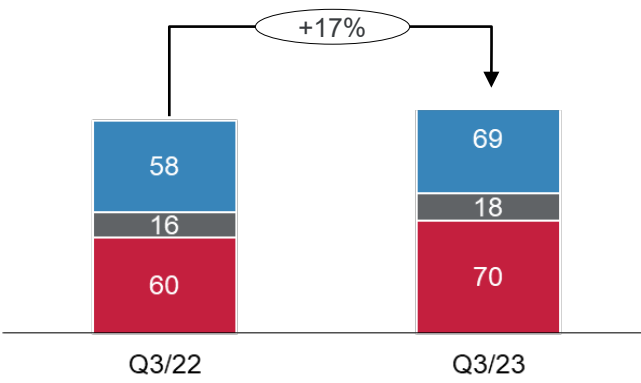
Active Digital Banking Users<sup>3</sup>  
(MM)



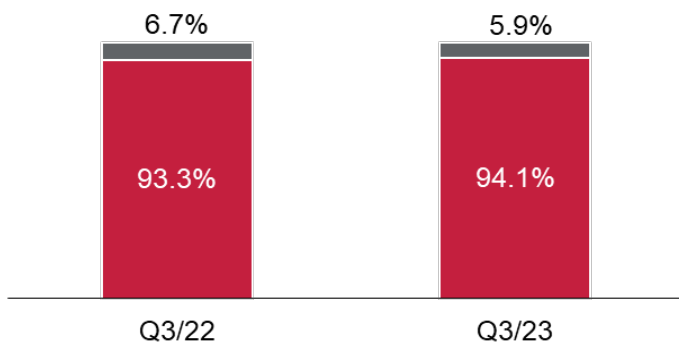
Digital Channel Usage  
(# of Sessions, MM)



Digital Transactions<sup>4</sup>  
(MM)



Transactions by Channel<sup>4</sup>



■ eTransfers   ■ Bill Payments   ■ Other<sup>5</sup>

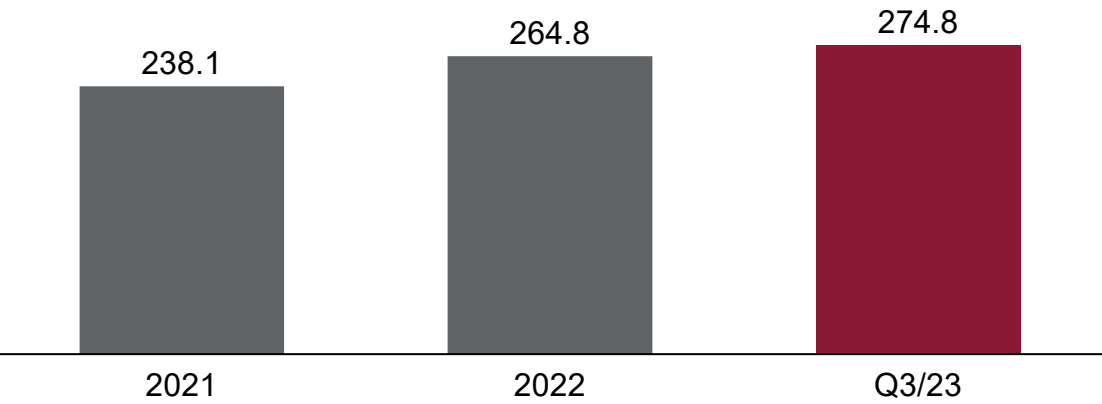
■ Digital Channel   ■ Non-Digital Channel



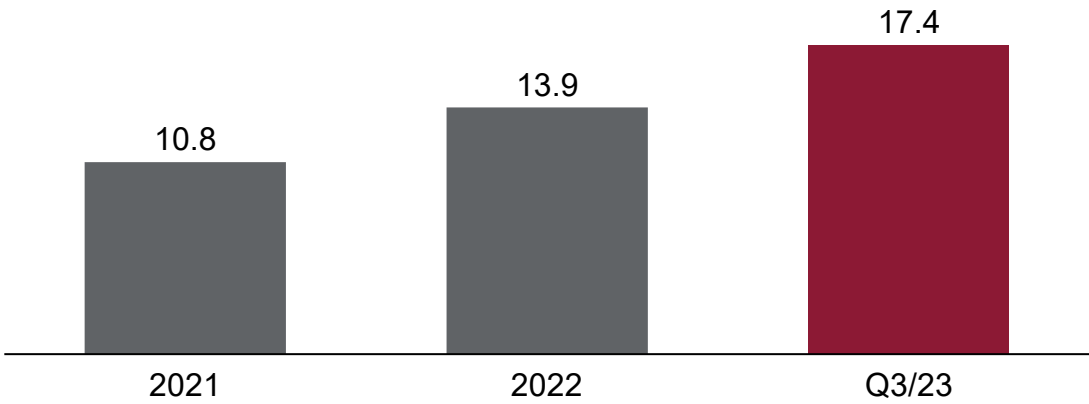
For footnoted information refer to slide 37.

# Loan & Deposit Highlights – Canadian Personal and Business Banking<sup>1</sup>

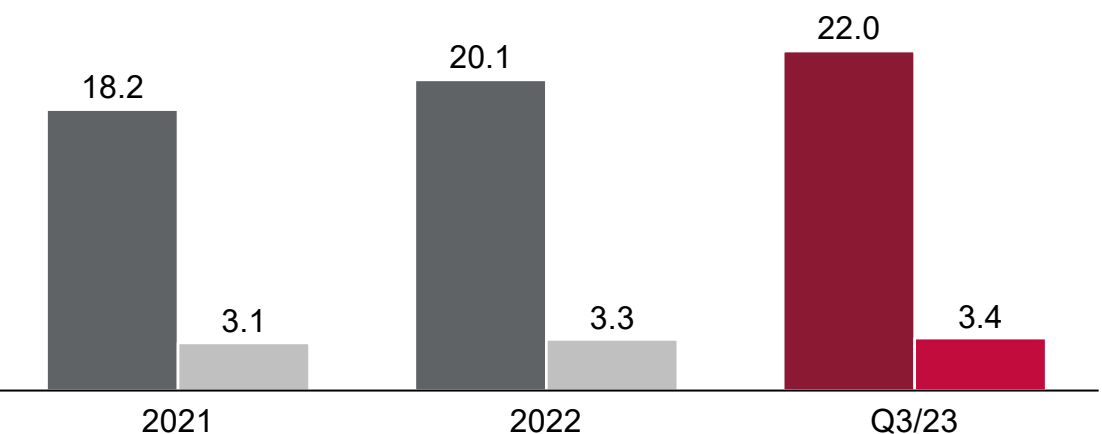
**Real Estate Secured Personal Loans<sup>2</sup> (\$B)**



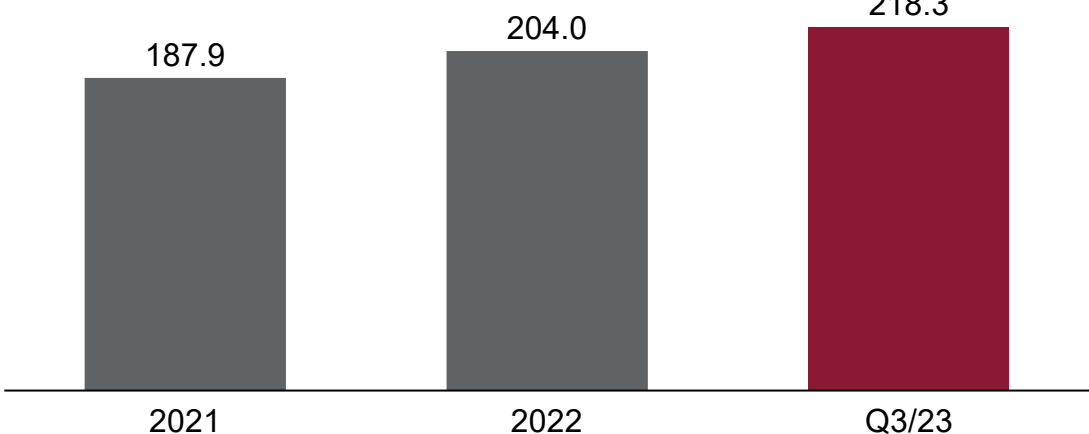
**Credit Card Loans<sup>2</sup> (\$B)**



**Other Personal and Business Loans<sup>2</sup> (\$B)**



**Deposits (\$B)**



Other Personal Loans
  Business Loans
  Other Personal Loans
  Business Loans

# Highlights – Canadian Commercial Banking & Wealth Management

Reported & Adjusted <sup>1</sup> (\$MM)	Q3/23	YoY	QoQ
Revenue	1,350	1%	1%
Net Interest Income	443	0%	(2%)
Non-Interest Income	907	1%	3%
Expenses	674	1%	0%
PPPT <sup>2</sup>	676	1%	2%
Provision for Credit Losses	40	\$30	(\$6)
<b>Net Income</b>	<b>467</b>	<b>(4%)</b>	<b>3%</b>
Commercial Banking - Loans (Average, \$B) <sup>3,6</sup>	92	6%	0%
Commercial Banking - Deposits (Average, \$B) <sup>6</sup>	91	8%	1%
Net Interest Margin (bps)	335	(5)	(14)
Assets Under Administration <sup>4,5</sup> (AUA, \$B)	350	5%	1%
Assets Under Management <sup>4,5</sup> (AUM, \$B)	225	5%	1%

## Strategic priorities accelerating growth



**Investing in our platforms** to maintain commercial banking momentum & capitalize on wealth management opportunities



**Increasing connectivity** to attract and deepen high-value relationships



Focusing on **future differentiators** and faster growing sectors

## Q3/23 | Key Highlights

**6% / 8%**

**Loan & Deposit Growth<sup>3,6</sup>**  
Continued growth momentum

**4.2%**

**Annualized Net Flows<sup>7</sup> / AUA**  
from Private Wealth Management

**\$2.6B**

**Annualized Referral Volume<sup>8</sup>**  
Continued stability in volumes

# Highlights – US Commercial Banking & Wealth Management

(US\$MM)	Reported			Adjusted <sup>1</sup>		
	Q3/23	YoY	QoQ	Q3/23	YoY	QoQ
Revenue	499	5%	5%	499	5%	5%
Net Interest Income	358	10%	6%	358	10%	6%
Non-Interest Income	141	(5%)	1%	141	(5%)	1%
Expenses	258	(1%)	(1%)	248	0%	0%
PPPT <sup>2</sup>	241	14%	12%	251	12%	10%
Provision for Credit Losses	191	\$163	\$8	191	\$163	\$8
<b>Net Income</b>	<b>55</b>	<b>(64%)</b>	<b>38%</b>	<b>62</b>	<b>(62%)</b>	<b>24%</b>
Loans (Average, \$B) <sup>3,5</sup>	41	7%	1%	41	7%	1%
Deposits (Average, \$B) <sup>5</sup>	33	(6%)	(4%)	33	(6%)	(4%)
Net Interest Margin (bps)	346	10	5	346	10	5
AUA <sup>4</sup> (\$B)	101	9%	7%	101	9%	7%
AUM <sup>4</sup> (\$B)	76	6%	5%	76	6%	5%

## Strategic priorities accelerating growth



Growing **Commercial Banking** by delivering expertise and unique solutions to meet clients' needs



Expanding **Private Wealth Management** with continued focus on high-touch relationships and building scale



Investing in **technology and infrastructure** to scale our platform and drive connectivity

### Q3/23 | Key Highlights

**+14%**

**Cross-LOB Referrals<sup>6</sup>**  
Double-digit year-over-year growth

**\$2.7B**

**Net Flows from New Clients<sup>7</sup>**  
Over the last twelve months

**~\$100MM**

**Invested over 12 months**  
Moderating spend and harvesting investments

# Highlights – Capital Markets

Reported & Adjusted <sup>1</sup> (\$MM)	Q3/23	YoY	QoQ
Revenue <sup>2</sup>	1,355	13%	(1%)
Non-Trading Net Interest Income	500	6%	5%
Non-Trading Non-Interest Income	336	20%	6%
Trading Revenue	519	16%	(9%)
Expenses	673	13%	1%
PPPT <sup>3</sup>	682	13%	(2%)
Provision for Credit Losses	6	\$15	(\$13)
<b>Net Income</b>	<b>494</b>	<b>11%</b>	<b>(1%)</b>
Loans (Average, \$B) <sup>4,5</sup>	71	11%	1%
Deposits (Average, \$B) <sup>5</sup>	117	19%	(3%)

## Strategic priorities accelerating growth



Leverage our leading platform, capabilities and expertise in **Canada** to grow with our clients



Expand our franchise in the **US**, to continue delivering **double-digit growth**



Focus on **connectivity** to **accelerate Direct Financial Services and deepen relationships** across our bank

## Q3/23 | Key Highlights

**+165K**

**Net New Client Growth [LTM]<sup>6</sup>**  
in Simplii Financial

**+13%**

**U.S. Revenue Growth**  
\$112MM increase over YTD Q3/22

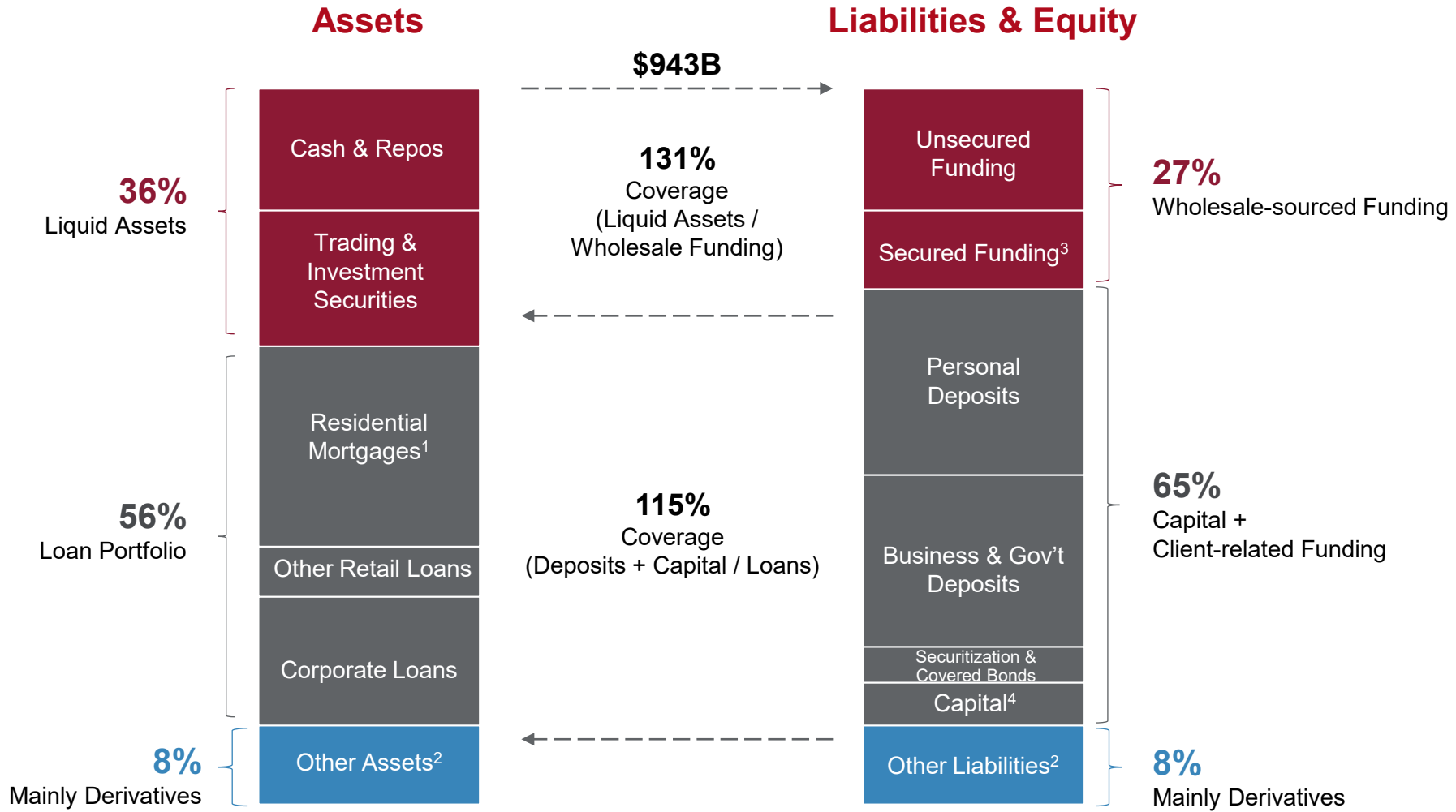
**+26%**

**DFS Revenue Growth**  
Driven by Simplii Financial & ASG<sup>7</sup>

# Funding Strategy and Sources



# High-Quality, Client-Driven Balance Sheet (Based on Q3-2023 Results)



For footnoted information refer to slide 38.

# CIBC Funding Strategy and Sources

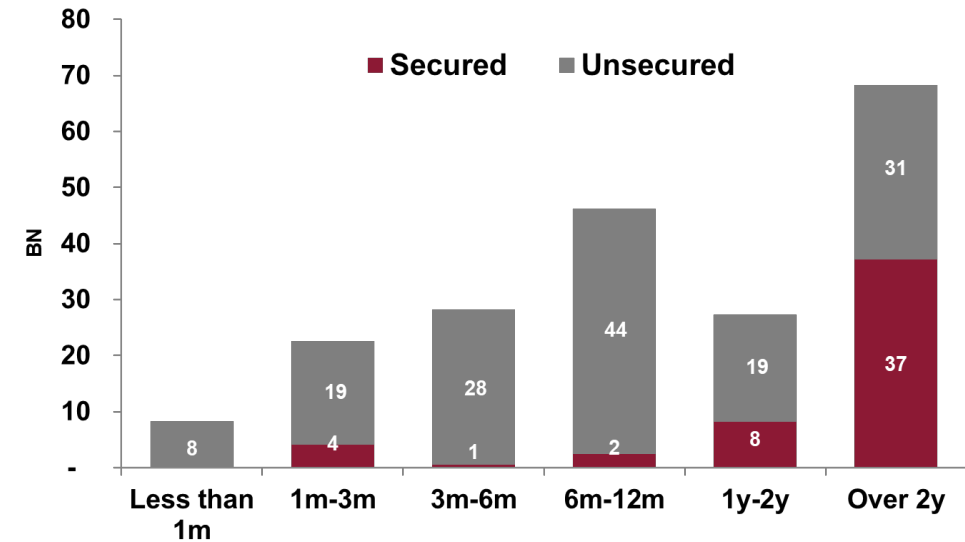
## Funding Strategy

- CIBC's funding strategy includes access to funding through retail deposits and wholesale funding and deposits
- CIBC updates its three-year funding plan on at least a quarterly basis
- The wholesale funding strategy is to develop and maintain a sustainable funding base through which CIBC can access funding across many different depositors and investors, geographies, maturities, and funding instruments

## Wholesale Funding Sources

Wholesale deposits Canada, U.S.	Credit card securitization Canada, U.S.
Global MTN programs	Mortgage securitization programs
Covered Bond program	Structured Notes

## Wholesale Market (CAD Eq. 200.9BN), Maturity Profile

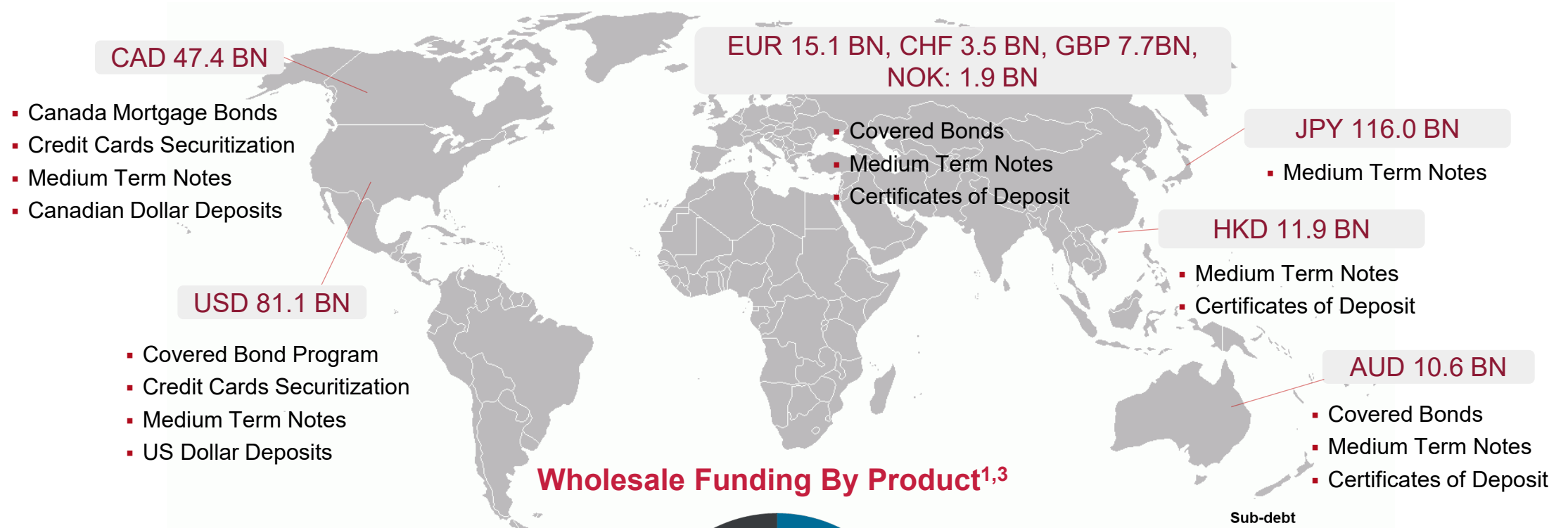


Source: CIBC Q3-2023 Report to Shareholders

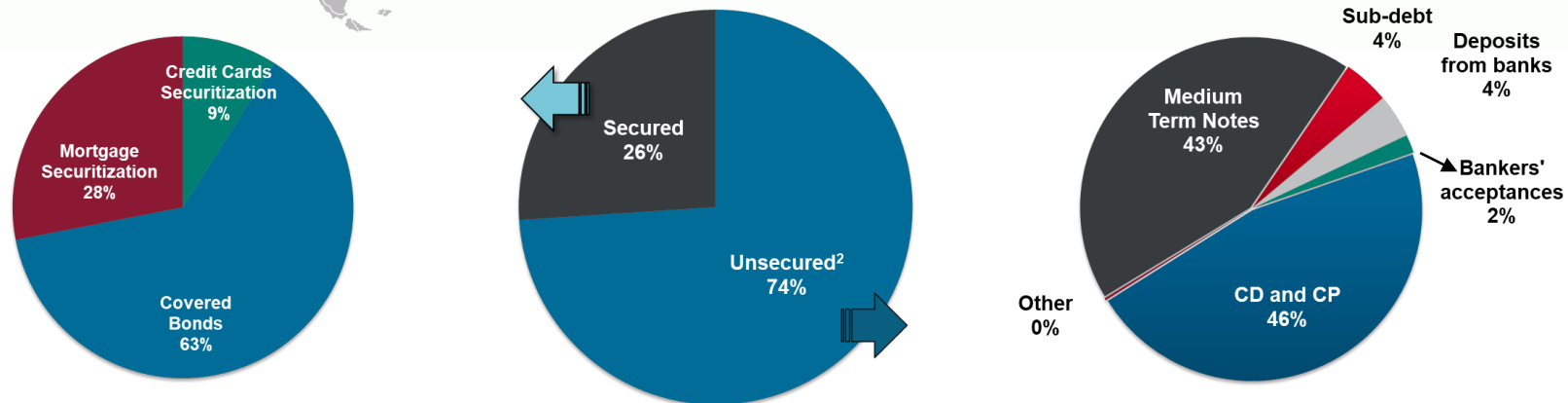


# Wholesale Funding Geography

## Wholesale Funding By Currency<sup>1</sup>

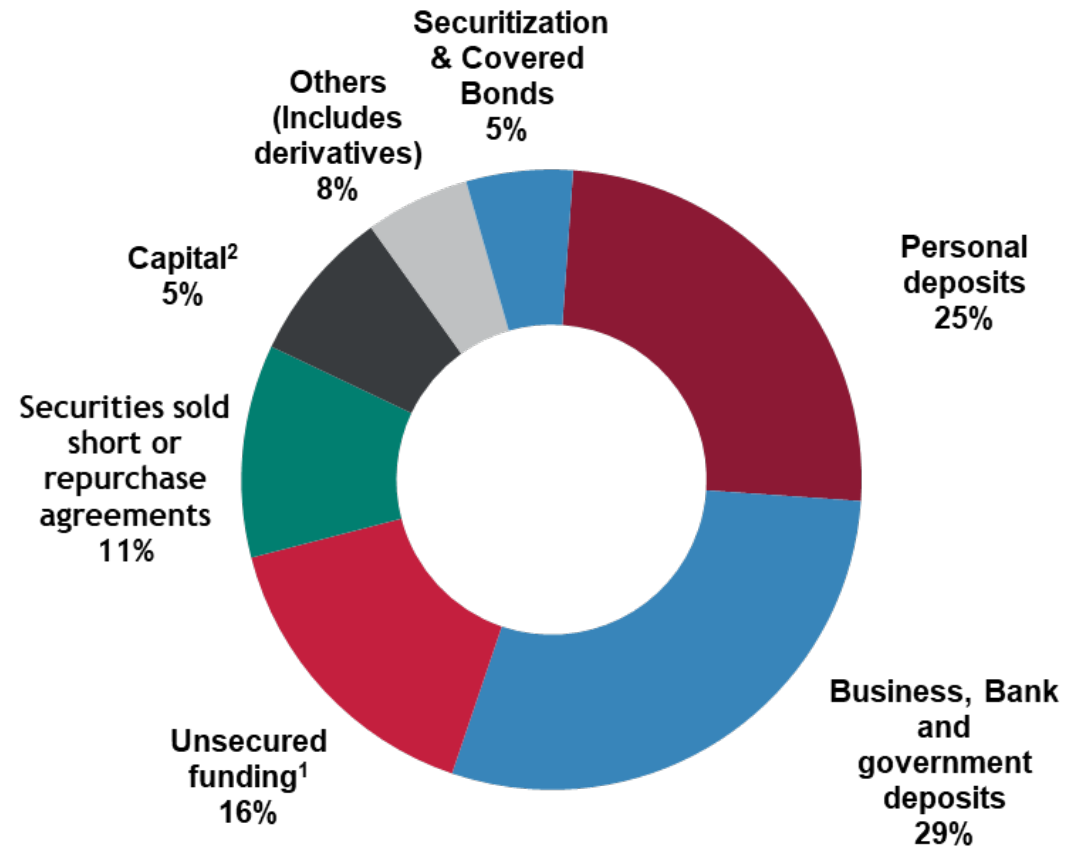


## Wholesale Funding By Product<sup>1,3</sup>



# CIBC Funding Composition

## Funding Sources – July 2023<sup>4</sup>



Funding Sources	BN
Personal deposits	235.6
Business, Bank and Government deposits	274.5
Unsecured funding <sup>1</sup>	148.6
Securities sold short or repurchase agreements	104.7
Others (Includes derivatives)	75.9
Capital <sup>2</sup>	51.4
Securitization & Covered Bonds	52.3
<b>Total</b>	<b>943.0</b>

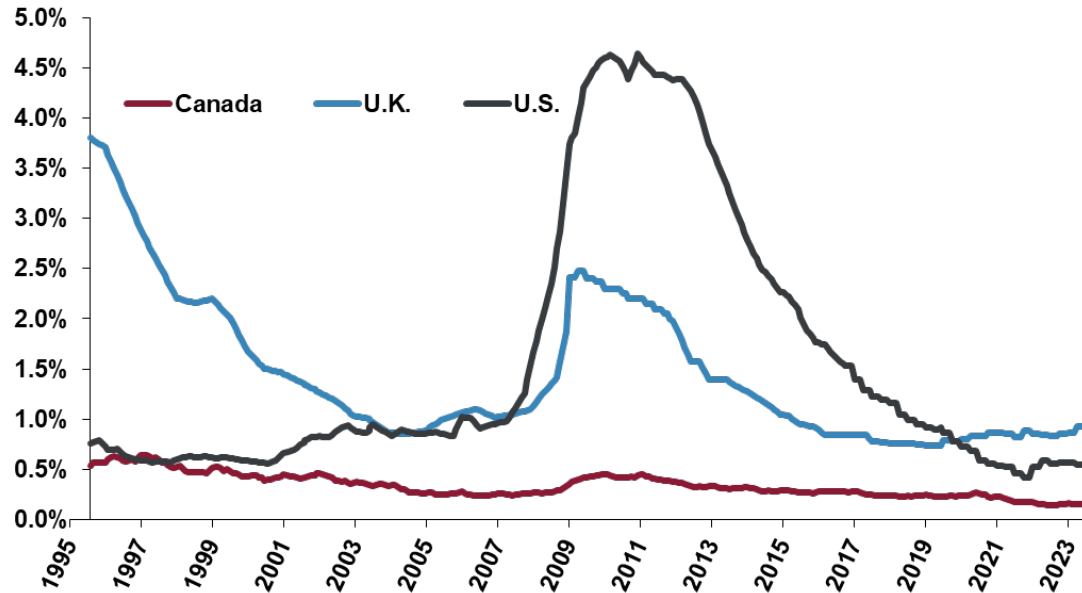
Wholesale market, currency <sup>3</sup>	BN
USD	107.4
CAD	47.4
Other	46.1
<b>Total</b>	<b>200.9</b>

# Canadian Mortgage Market



# Mortgage Market Performance and Urbanization Rates

## Mortgage Arrears by Number of Mortgages



Source: UK Finance, CBA, MBA. \*Mortgage arrears of 3+ months in Canada and UK or in foreclosure process in the US

## Canada has one of the highest urbanisation rates in the G7

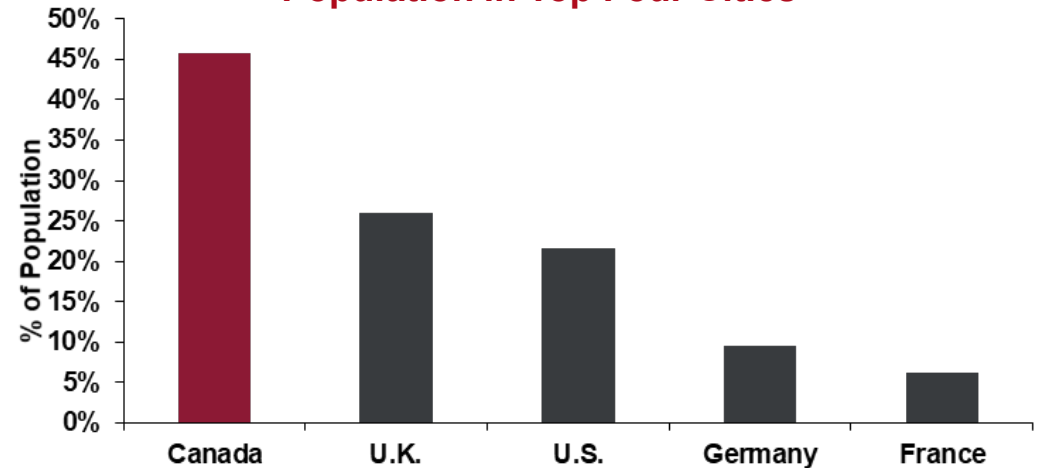
- Over 45% of the Canadian population lives in one of the four largest cities
- A greater rate of urbanisation is a strong contributor to increases in property values

## Canadian mortgages consistently outperform U.S. and U.K. mortgages

- Low defaults and arrears reflect the strong Canadian credit culture
- Mortgage interest is generally not tax deductible, resulting in an incentive for mortgagors to limit their amount of mortgage debt
- In most provinces, lenders have robust legal recourse to recoup losses
- Mortgage arrears have steadily declined from high of 0.45% in 2009 to 0.15% in June 2023<sup>1</sup>

<sup>1</sup> Source: Canadian Banker's Association

## Population in Top Four Cities



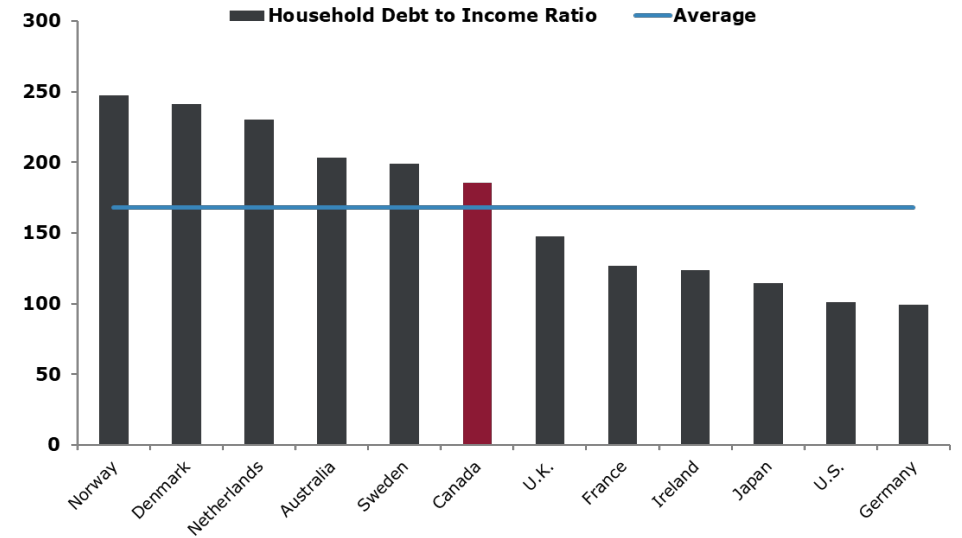
Source: 2014 Census for France, 2021 Census for Canada, 2011 Census for UK, Germany; 2020 Census for US

# Canadian House Prices

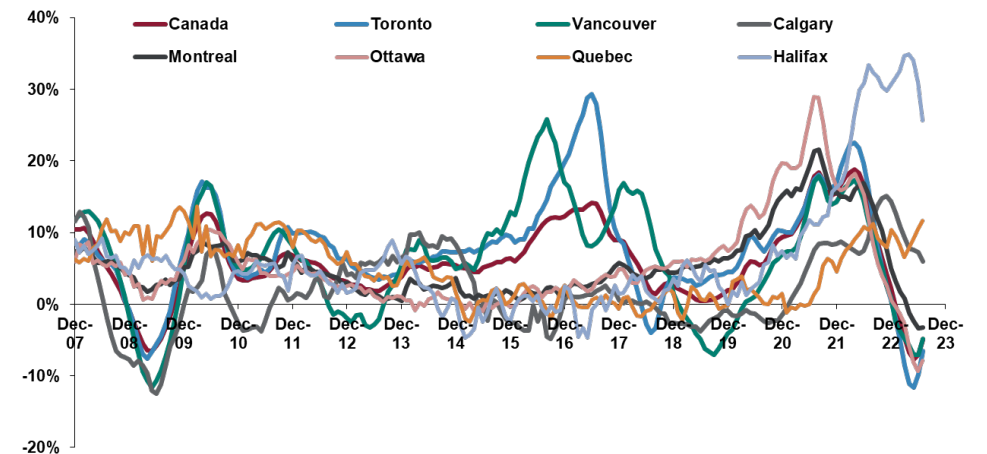
- Absolute price level is moderate compared to major global urban centers
- Canadian debt to income ratio in line with many developed nations
- Growth rates of house prices in Canada have diverged across regions

Average Home Price			
Region	CAD <sup>1</sup>	USD Eq. <sup>2</sup>	YoY % Change <sup>3</sup>
Canada	629K	476K	-2%
Toronto	1147K	868K	-2%
Vancouver	1205K	912K	-1%
Calgary	522K	395K	3%
Montreal	528K	399K	-3%
Ottawa	671K	508K	-5%

## Household Debt to Income Ratio<sup>4</sup>

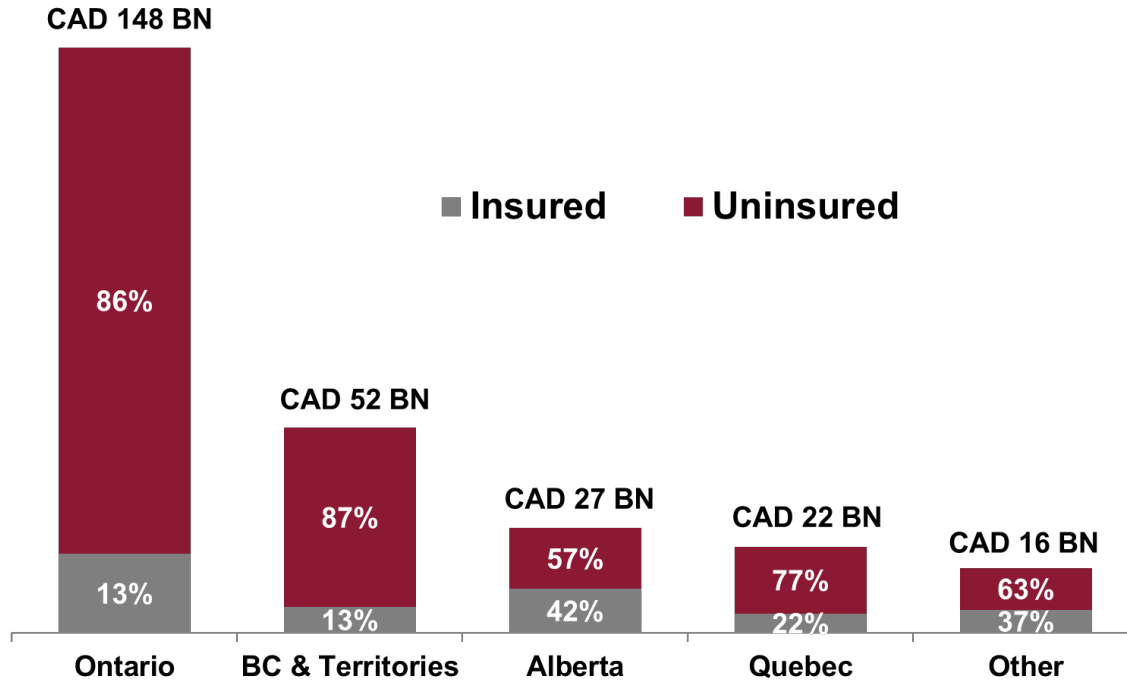


## Housing Index Year over Year Change, by City<sup>5</sup>



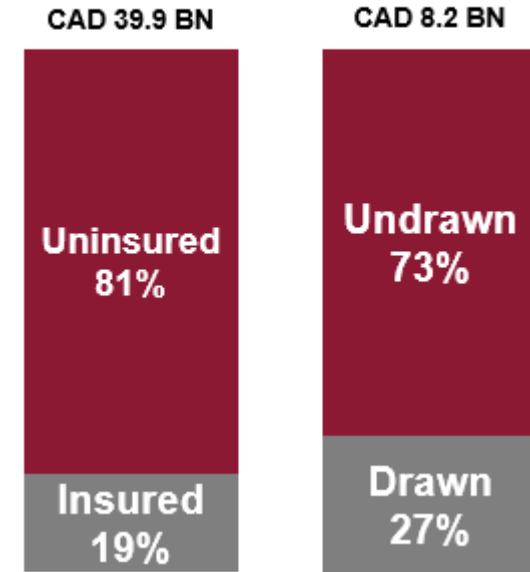
# CIBC's Mortgage Portfolio

## CIBC Canadian Residential Mortgages: CAD 264.8 BN



## Condo Exposure: CAD 48.1 BN

Condo Mortgages    Condo Developers



- 18% of CIBC's Canadian residential mortgage portfolio is insured, with 59% of insurance being provided by CMHC
- The average loan to value<sup>1</sup> of the uninsured portfolio is 51%
- The condo developer exposure is diversified across 120 projects
- Condos account for approximately 15% of the total mortgage portfolio

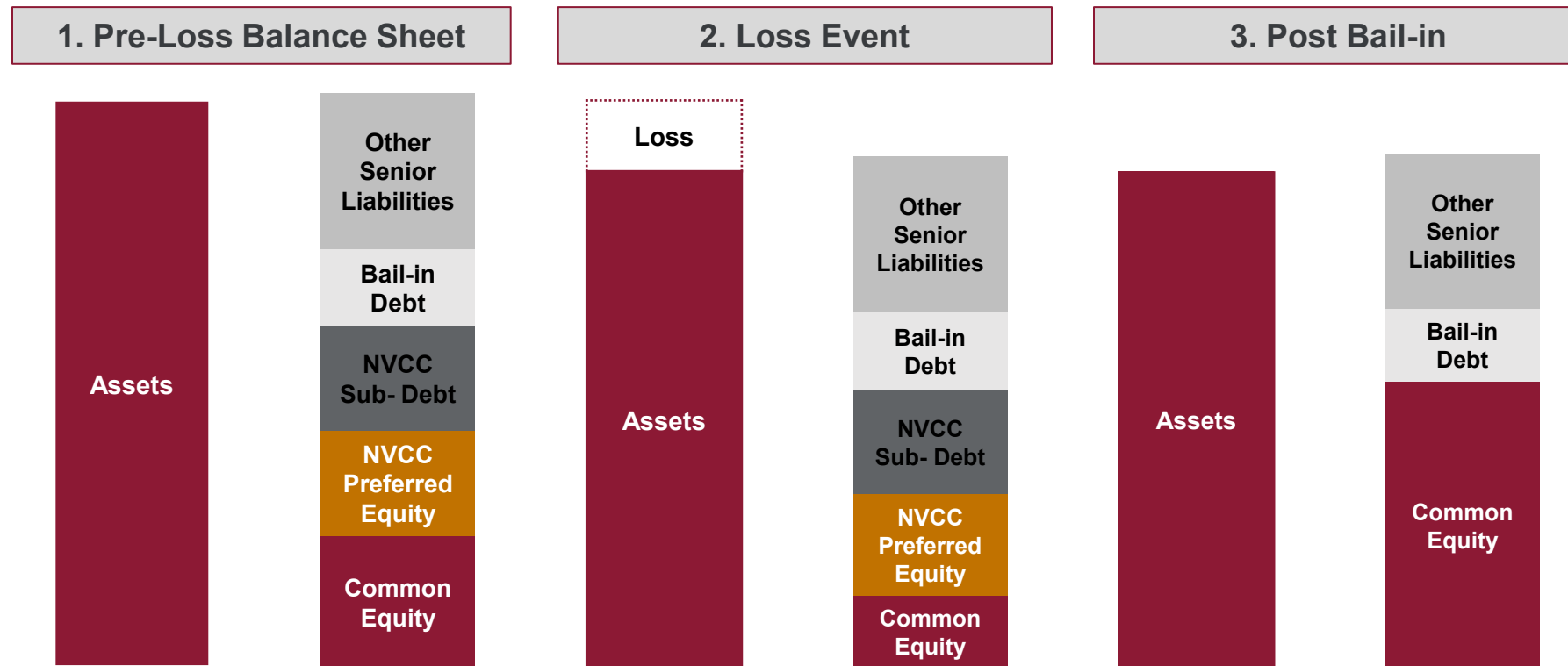
# Canadian Bail-in Regime Update



# How Bail-In Is Expected To Work

When OSFI deems a bank has ceased to or may be about to cease to continue to be viable, it may trigger temporary takeover of the bank and carry out the bail-in conversion of NVCC capital and bail-in debt to common equity.

- There are no write-down provisions in the framework
- Conversion formula under many scenarios may result in investor gains



Note: Diagram shown is for illustrative purposes only. It is not to scale nor does it update the magnitude of the bail-in security to match the loss.



# Canadian Bail-in Regime Update

**On April 18, 2018, Department of Finance published the bail-in regulations, and OSFI finalized the guidelines on Total Loss Absorbing Capacity (TLAC) and TLAC holdings.**

## **Department of Finance's bank recapitalization (bail-in) conversion regulations**

- Provide statutory powers to CDIC (through Governor in Council) to enact the bail-in regime including the ability to convert specified eligible shares and liabilities of D-SIBs into common shares in the event such bank becomes non-viable
- Bail-in eligible liabilities include tradable (with CUSIP/ISIN), unsecured debt with original maturity of over 400 days
- Excluded liabilities are covered bonds, consumer deposits, secured liabilities, derivatives, and structured notes<sup>1</sup>
- Effective on September 23, 2018

## **OSFI's TLAC Guideline**

- TLAC liabilities must be directly issued by the D-SIB, satisfy all of the requirements set out in the bail-in regulations, and have residual maturity greater than 365 days
- Minimum requirements:
  - $TLAC\ ratio = TLAC\ measure / RWA > 21.5\%$
  - $TLAC\ leverage\ ratio = TLAC\ measure / Leverage\ exposure > 6.75\%$
  - TLAC supervisory target ratio set at 25.00% RWA<sup>2</sup>
  - Effective Fiscal 2022. Public disclosure began in Q1 2019

## **OSFI's TLAC Holdings**

- Our investment in other G-SIBs and other Canadian D-SIB's TLAC instruments are to be deducted from our own tier 2 capital if our aggregate holding, together with investments in capital instruments of other FIs, exceed 10% of our own CET1 capital
- Implementation started in Q1 2019

# Canadian Bail-in Regime – Comparison to Other Jurisdictions

## **Bail-in implementation in other jurisdictions has increased the riskiness of bail-inable bonds vs. non-bail-inable bonds:**

- Legislative changes prohibit bail-outs, increasing the probability that bail-in will be relied on
- The hierarchy of claims places bail-in debt below deposits and senior debt through structural subordination, legislation or contractual means
- Bail-in is expected to rely on write-down of securities, imposing certain losses on investors

## **The Canadian framework differs from other jurisdictions on several points:**

- The Canadian government has not introduced legislation preventing bail-outs
- Canadian senior term debt will be issued in a single class and will not be subordinated to another class of senior term debt like other jurisdictions such as the US and Europe
- Canada does not have a depositor preference regime; bail-in debt does not rank lower than other liabilities
- No Creditor Worse Off principle provides that no creditor shall incur greater losses than under insolvency proceedings
- There are no write-down provisions in the framework
- Conversion formula under many scenarios may result in investor gains

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# Notes on slides 3-10

## Slide 3 – A leading Canadian financial institution

1. All results are in Canadian dollars unless otherwise indicated.
2. Global regular head count for CIBC. This excludes FCIB, temporary employees and contingent workers.
3. For additional information on the composition, see the "Glossary" section on pages 51-57 in the Q3/23 Report to Shareholders, available on SEDAR at [www.sedar.com](http://www.sedar.com).
4. TSR is calculated based on common share price appreciation plus reinvested dividend income as at July 31, 2023.
5. Calculated pursuant to Office of the Superintendent of Financial Institutions (OSFI) Capital Adequacy Requirements (CAR) Guideline, which is based on Basel Committee on Banking Supervision (BCBS) standards.
6. Corporate & Other not included in total NIAT.
7. Includes revenue from US Commercial Banking & Wealth Management, and revenue from Capital Markets operations in the US.
8. Moody's Long-Term Deposit and Counterparty Risk Assessment Rating; S&P issuer Credit Rating; Fitch Long-Term Deposit Rating and Derivative Counterparty Rating; DBRS Long-Term Issuer Rating as at Q3/23.
9. Subject to conversion under the bank recapitalization "bail-in" regime.

## Slide 4 – Disciplined approach to resource allocation and execution of our client-focused strategy

1. Funds managed from Imperial Service include loans and acceptances, deposits, and client investments. Loans are gross (do not include allowance for credit losses). We believe that funds managed provides the reader with a better understanding of how management assesses the size of our total client relationships.
2. Strategic Commercial clients are defined as client relationships with deposit or loan balances in excess of \$1MM or greater than \$10K of annual revenue.
3. Digital Adoption (Penetration) Rate represents the percentage share of Digital Registered Customers who have been engaged on CIBC Online Banking and/or CIBC Mobile Banking at least once in the last 90 calendar days out of all Canadian Personal Banking customers engaged across any channel.
4. Includes net client acquisition from Simplii Financial over the last twelve months (LTM) – Aug/22 to Jul/23.

## Slide 5 – ...and providing the foundation to deliver sustainable outperformance through the cycle

1. We have set through the cycle targets for each of these measures, which we currently define as three to five years, assuming a normal business environment and credit cycle.
2. Based on adjusted measures. See the non-GAAP section on slide 39.

## Slide 6 – Furthering our ESG strategy by putting our ambitions into action

1. Source: *Inframation*. For transactions that closed from January 1, 2022 to December 31, 2022 (North American Renewables League Tables).
2. Refer to footnotes in Section 1.3 of CIBC's *Sustainability Report 2022*, ESG scorecard for more information.
3. Our Independent Assurance and Verification Statements can be found on our website at [www.cibc.com](http://www.cibc.com).

## Slide 7 – External recognition for our commitment to sustainability

1. Ratings are not a recommendation to make an investment in any security of CIBC and may be revised or withdrawn at any time by the issuing organization.

## Slide 9 – Investments in top-line growth delivering for shareholders

1. For additional information on the composition, see the "Glossary" section on pages 51-57 in the Q3/23 Report to Shareholders, available on SEDAR at [www.sedar.com](http://www.sedar.com).
2. All per common share amounts reflect the two for one common share split effective May 13, 2022, and prior periods have been restated for comparative purposes.
3. Adjusted results are non-GAAP measures. For additional information see slide 39.

## Slide 10 – Solid returns underpinned by a commitment to balance sheet strength

1. Capital ratios are calculated pursuant to the Office of the Superintendent of Financial Institution's (OSFI's) Capital Adequacy Requirements (CAR) Guideline, the leverage ratio is calculated pursuant to OSFI's Leverage Requirements Guideline, and the LCR is calculated pursuant to OSFI's Liquidity Adequacy Requirements (LAR) Guideline, all of which are based on the Basel Committee on Banking Supervision (BCBS) standards. For additional information, see the "Capital management" and "Liquidity risk" sections in the Q3/23 Report to Shareholders, available on SEDAR at [www.sedar.com](http://www.sedar.com).

# Notes on slides 11-15

## Slide 11 – Asset yields and funding costs

1. Average balances are calculated as weighted average of daily closing balances. Average interest-earning assets include interest-bearing deposits with banks, interest-bearing demand deposits with Bank of Canada, securities, cash collateral on securities borrowed, securities purchased under resale agreements, loans net of allowances for credit losses, and certain sublease-related assets.
2. The yield for loans and acceptances is calculated as interest income on loans as a percentage of average loans and acceptances, net of allowance for credit losses. The yield on securities is calculated as interest income on securities as a percentage of average securities. Total yield on average interest-earning assets is calculated as interest income on assets as a percentage of average interest-earning assets. These metrics do not have a standardized meaning and may not be comparable to similar measures disclosed by other financial institutions.
3. Other includes balances related to cash and deposits with banks, reverse repos, and other.
4. The yield for Personal-Notice/Demand deposits is calculated as interest expense on Personal-Notice/Demand deposits as a percentage of average Personal-Notice/Demand deposits. The yield for Corporate & Commercial-Notice/Demand deposits is calculated as interest expense on Corporate & Commercial-Notice/Demand deposits as a percentage of average Corporate & Commercial-Notice/Demand deposits. The yield for Term-Client deposits is calculated as interest expense on Term-Client deposits as a percentage of average Term-Client deposits. Term-Client deposits are term deposits less wholesale funding. Total cost on average interest-earning assets is calculated as interest expense on liabilities as a percentage of average interest-earning assets. These metrics do not have a standardized meaning and may not be comparable to similar measures disclosed by other financial institutions.
5. Other includes wholesale funding, sub-debt, repos and other liabilities.
6. Deposit base represents client deposits, excluding wholesale funding. Reflects spot balances as of the respective period ends.

## Slide 12 – Prudent risk management

1. All results are on a Reported basis and in Canadian dollars unless otherwise indicated.
2. Allowance for credit losses to gross carrying amount of loans. The gross carrying amount of loans include certain loans that are measured at fair value through profit or loss (FVTPL).
3. Provision for (reversal of) credit losses on impaired loans to average loans and acceptances, net of allowance for credit losses
4. Provision for (reversal of) credit losses to average loans and acceptances, net of allowance for credit losses.

## Slide 13 – Lending portfolio has a strong risk profile

1. Incorporates security pledged; equivalent to S&P/Moody's rating of BBB/Baa2.
2. LTV ratios for residential mortgages are calculated based on weighted average. See page 35 of the Q3/23 Report to Shareholders for further details.
3. GVA and GTA definitions based on regional mappings from Teranet.

## Slide 15 – Highlights – Canadian Personal & Business Banking

1. Adjusted results are non-GAAP measures. See slide 39 for further details.
2. Adjusted results are non-GAAP measures. See slide 39 for further details. For Q3/22, adjusted net interest income excludes \$6MM for the accretion of the acquisition date fair value discount on the acquired Costco credit card receivables, treated as an item of note, from reported net interest income in that period.
3. Adjusted results are non-GAAP measures. See slide 39 for further details. For further details on the composition of the measure, see note 4 on slide 40 and slide 41 for a reconciliation.
4. Adjusted pre-provision, pre-tax earnings is revenue net of non-interest expenses before any related allowances.
5. Loan amounts are stated before any related allowance.
6. Loan and deposit growth is calculated using average balances. Average balances are calculated as a weighted average of daily closing balances.
7. Includes net client acquisition from Personal and Business Banking over the last twelve months (LTM) – Aug/22 to Jul/23.
8. Funds managed from Imperial Service include loans and acceptances, deposits, and client investments. Loans are gross (do not include allowance for credit losses). We believe that funds managed provides the reader with a better understanding of how management assesses the size of our total client relationships.
9. Reflects financial transactions only.

# Notes on slides 16-20

## Slide 16 – Growing digital adoption and engagement

1. Canadian Personal Banking only, excluding Simplii Financial. Based on spot balances as at July 31 for the respective periods.
1. Digital Adoption (Penetration) Rate represents the percentage share of Digital Registered Customers who have been engaged on CIBC Online Banking and/or CIBC Mobile Banking at least once in the last 90 calendar days out of all Canadian Personal Banking customers engaged across any channel.
2. Active Digital Users represent the 90-day Active clients in Canadian Personal Banking.
3. Reflects financial transactions only.
4. Other includes transfers and eDeposits.

## Slide 17 – Loan & Deposit Highlights – Canadian Personal & Business Banking

1. All figures represent average balances. Average balances are calculated as a weighted average of daily closing balances.
2. Loan amounts are stated before any related allowances.

## Slide 18 – Highlights – Canadian Commercial Banking & Wealth Management

1. Adjusted results are non-GAAP measures. See slide 39 for further details.
2. Pre-provision, pre-tax earnings is revenue net of non-interest expenses and is a non-GAAP measure. See slide 39 for further details.
3. Comprises loans and acceptances and notional amount of letters of credit. Loan amounts are stated before any related allowances.
4. Assets under management (AUM) are included in assets under administration (AUA).
5. For additional information on the composition, see the "Glossary" section on pages 51-57 in the Q3/23 Report to Shareholders, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).
6. Commercial Banking only. Loan and deposit growth is calculated using average balances. Average balances are calculated as a weighted average of daily closing balances.
7. Annual net flows are calculated based on net investment sales from Private Wealth Management and include the impact of reinvested income. The YTD balance is adjusted for the number of days to determine the annualized number.
8. A referral is defined as a single opportunity received by one line of business, from another line of business. The opportunity could be for an existing client of the referring party, or a new client to the Bank. The YTD balance is adjusted for the number of days to determine the annualized number.

## Slide 19 – Highlights – U.S. Commercial Banking & Wealth Management

1. Adjusted results are non-GAAP measures. See slide 39 for further details.
2. Pre-provision, pre-tax earnings is revenue net of non-interest expenses and is a non-GAAP measure. See slide 39 for further details.
3. Loan amounts are stated before any related allowances or purchase accounting adjustments.
4. Assets under management (AUM) are included in assets under administration (AUA). Includes certain Canadian Commercial Banking and Wealth Management assets that U.S. Commercial Banking and Wealth Management provides sub-advisory services for.
5. Loan and deposit growth is calculated using average balances. Average balances are calculated as a weighted average of daily closing balances.
6. Metric refers to referrals made across lines of business (LOB) within the US Commercial and Wealth Management segment.
7. Net flows from new clients refers to any inflows (excluding reinvested dividends) related to a client within a 12-month period of client inception.

## Slide 20 – Highlights – Capital Markets

1. Adjusted results are non-GAAP measures. See slide 39 for further details.
2. Revenue is reported on a taxable equivalent basis (TEB). TEB adjustment in Q3/23 was \$66 million.
3. Pre-provision, pre-tax earnings is revenue net of non-interest expenses and is a non-GAAP measure. See slide 39 for further details.
4. Loan amounts are before any related allowances or purchase accounting adjustments.
5. Loan and deposit growth is calculated using average balances. Average balances are calculated as a weighted average of daily closing balances.
6. Includes net client acquisition from Simplii Financial over the last twelve months (LTM) – Aug/22 to Jul/23.
7. ASG refers to the Alternate Solutions Group within the Direct Financial Services business line.

# Notes on slides 22-32

## Slide 22 – High-quality, client-driven balance sheet

1. Securitized agency MBS are on balance sheet as per IFRS.
2. Derivatives related assets, are largely offset by derivatives related liabilities. Under IFRS derivative amounts with master netting agreements cannot be offset and the gross derivative assets and liabilities are reported on balance sheet.
3. Includes obligations related to securities sold short, cash collateral on securities lent and obligations related to securities under repurchase agreements.
4. Capital includes subordinated liabilities

## Slide 24 – Wholesale funding geography

1. Source: CIBC Q3-2023 Report to Shareholders.
2. “Unsecured” includes Obligation related to securities sold short, Cash collateral on securities lent and Obligations related to securities under repurchase agreements
3. Percentages may not add up to 100% due to rounding

## Slide 25 – CIBC funding composition

1. Unsecured funding is comprised of wholesale bank deposits, certificates of deposit and commercial paper, bearer deposit notes and bankers’ acceptances, senior unsecured EMTN and senior unsecured structured notes
2. Capital excludes subordinated liabilities
3. Currency composition, in Canadian dollar equivalent, of funding sourced by CIBC in the wholesale market
4. Percentages may not add up to 100% due to rounding. Source: CIBC Q3-2023 Report to Shareholders.

## Slide 27 – Mortgage Market Performance and Urbanization Rates

1. Source: UK Finance, CBA, MBA. \*Mortgage arrears of 3+ months in Canada and UK or in foreclosure process in the US
2. Source: Canadian Banker’s Association
3. Source: 2014 Census for France, 2021 Census for Canada, 2011 Census for UK, Germany; 2020 Census for US

## Slide 28 – Canadian House Prices

1. Source: CREA, July 2023
2. 1 USD = 1.3215 CAD
3. Source: Teranet – National Bank House Price Index
4. Source: OECD, 2022 or latest available. Household debt ratios across countries can be significantly affected by different institutional arrangements, among which tax regulations regarding tax deductibility of interest payments.
5. Source: Bloomberg, Teranet – National Bank House Price Index

## Slide 29 – CIBC’s Mortgage Portfolio

1. LTV ratios for residential mortgages are calculated based on weighted average. The house price estimates for July 31, 2023 and October 31, 2022 are based on the Forward Sortation Area level indices from the Teranet – National Bank National Composite House Price Index (Teranet) as of June 30, 2023 and September 30, 2022, respectively. Teranet is an independent estimate of the rate of change in Canadian home prices.

## Slide 32 – Canadian Bail-In Regime Update

1. As referenced in the Bank Recapitalization (Bail-in) Regulations: <http://laws-lois.justice.gc.ca/eng/regulations/SOR-2018-57/FullText.html>
2. Increases to 25.00% on November 1, 2023 upon increase of Domestic Stability Buffer to 3.50% (versus the maximum of 4.00%) from 3.00%

# Non-GAAP Measures

We use a number of financial measures to assess the performance of our business lines. Some measures are calculated in accordance with International Financial Reporting Standards (IFRS or GAAP), while other measures do not have a standardized meaning under GAAP, and accordingly, these measures may not be comparable to similar measures used by other companies. Investors may find these non-GAAP measures, which include non-GAAP financial measures and non-GAAP ratios as defined in National Instrument 52-112 “Non-GAAP and Other Financial Measures Disclosure”, useful in understanding how management views underlying business performance.

Management assesses results on a reported and adjusted basis and considers both as useful measures of performance. Adjusted measures, which include adjusted total revenue, adjusted provision for credit losses, adjusted non-interest expenses, adjusted income before income taxes, adjusted income taxes, adjusted net income and adjusted pre-provision, pre-tax earnings, in addition to the adjusted measures on slide 50, remove items of note from reported results to calculate our adjusted results. Items of note include the amortization of intangible assets, and certain items of significance that arise from time to time which management believes are not reflective of underlying business performance. Adjusted measures represent non-GAAP measures. We believe that adjusted measures provide the reader with a better understanding of how management assesses underlying business performance and facilitates a more informed analysis of trends. While we believe that adjusted measures may facilitate comparisons between our results and those of some of our Canadian peer banks, which make similar adjustments in their public disclosure, it should be noted that there is no standardized meaning for adjusted measures under GAAP.

We also adjust our results to gross up tax-exempt revenue on certain securities to a TEB, being the amount of fully taxable revenue, which, were it to have incurred tax at the statutory income tax rate, would yield the same after-tax revenue. See the “Strategic business units overview” section of our Q3/23 Report to Shareholders, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and Note 30 to our consolidated financial statements included in our 2022 Annual Report for further details, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Certain additional disclosures for these specified financial measures have been incorporated by reference and can be found in the “Non-GAAP measures” section on pages 8 to 14 of our Q3/23 Report to Shareholders, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), including the quantitative reconciliations therein of reported GAAP measures to: adjusted total revenue, adjusted provision for credit losses, adjusted non-interest expenses, adjusted income before income taxes, adjusted income taxes, and adjusted net income on pages 9 to 13; pre-provision, pre-tax earnings and adjusted pre-provision, pre-tax earnings on page 14.



# Glossary

## Definition

- 1 Adjusted Diluted EPS We adjust our reported diluted EPS to remove the impact of items of note, net of income taxes, to calculate the adjusted EPS.
- 2 Adjusted ROE We adjust our reported net income attributable to common shareholders to remove the impact of items of note, net of income taxes, to calculate the adjusted return on common shareholders' equity.
- 3 Total Allowance Coverage Ratio Total allowance for credit losses to gross carrying amount of loans. The gross carrying amount of loans include certain loans that are measured at FVTPL.
- 4 Adjusted Non-Interest Income We adjust our reported non-interest income to remove the pre-tax impact of items of note, to calculate the adjusted non-interest income. We believe that adjusted measures provide the reader with a better understanding of how management assesses underlying business performance and facilitates a more informed analysis of trends.

# Reconciliation

\$MM		CIBC Total
Q3/23	<b>Reported non-interest income</b>	<b>2,614</b>
	<b>Impact of item of note</b> Commodity tax charge related to the retroactive impact of the 2023 Canadian Federal budget	34
	<b>Adjusted non-interest income<sup>1</sup></b>	<b>2,648</b>
	Non interest income – trading revenue <sup>2</sup>	(548)
	<b>Adjusted non-interest income excluding trading revenue<sup>1</sup></b>	<b>2,100</b>