



### CIBC ANNOUNCES FIRST QUARTER 2018 RESULTS

Toronto, ON – February 22, 2018 – CIBC (TSX: CM) (NYSE: CM) today announced its financial results for the first quarter ended January 31, 2018.

#### First quarter highlights

- Reported net income was \$1,328 million, compared with \$1,407 million for the first quarter a year ago, and \$1,164 million for the prior quarter.
- Adjusted net income<sup>(1)</sup> was \$1,433 million, compared with \$1,166 million for the first quarter a year ago, and \$1,263 million for the prior quarter.
- Reported diluted earnings per share (EPS) was \$2.95, compared with \$3.50 for the first quarter a year ago, and \$2.59 for the prior quarter.
- Adjusted diluted EPS<sup>(1)</sup> was \$3.18, compared with \$2.89 for the first quarter a year ago, and \$2.81 for the prior quarter.
- Reported return on common shareholders' equity (ROE) was 17.4% and adjusted ROE<sup>(1)</sup> was 18.8%.

"In the quarter, CIBC delivered strong results across all four strategic business units," says Victor G. Dodig, CIBC President and Chief Executive Officer. "We are creating value for shareholders by building a relationship-focused bank, diversifying our earnings growth in the U.S. region, improving operational efficiencies and maintaining disciplined capital deployment."

Results for the first quarter of 2018 were affected by the following items of note aggregating to a negative impact of \$0.23 per share:

- \$88 million charge from net tax adjustments resulting from the U.S. tax reforms enacted in the first quarter of 2018;
- \$32 million (\$24 million after-tax) amortization of intangible assets; and
- \$10 million (\$7 million after-tax net positive impact) in purchase accounting adjustments net of transaction and integration-related costs associated with the acquisitions of The PrivateBank and Geneva Advisors.

We maintained strong Basel III Common Equity Tier 1, Tier 1 and Total capital ratios of 10.8%, 12.4% and 14.1%, respectively, compared with 10.6%, 12.1% and 13.8%, respectively, at the end of the prior quarter. CIBC's Basel III leverage ratio at January 31, 2018 was 4.0%.

CIBC announced an increase in its quarterly common share dividend from \$1.30 per share to \$1.33 per share.

#### Core business performance

*Canadian Personal and Small Business Banking* reported net income of \$656 million for the first quarter, down \$149 million or 19% from the first quarter a year ago. Excluding items of note, adjusted net income<sup>(1)</sup> was \$658 million, up \$97 million or 17% from the first quarter a year ago. Solid volume growth, higher fees and strong credit performance were partially offset by higher spending on strategic initiatives.

*Canadian Commercial Banking and Wealth Management* reported net income of \$314 million for the first quarter, up \$38 million or 14% from the first quarter a year ago, driven by higher revenue, partially offset by higher expenses. The higher revenue was driven primarily by volume growth, wider spreads and higher fees in commercial banking and higher fee-based client assets in wealth management.

*U.S. Commercial Banking and Wealth Management* reported net income of \$134 million for the first quarter, up \$105 million or 362% from the first quarter a year ago. Excluding items of note, adjusted net income<sup>(1)</sup> was \$140 million, up \$109 million or 352% from the first quarter a year ago, primarily due to the inclusion of the results of CIBC Bank USA beginning in the third quarter of 2017.

*Capital Markets* reported net income of \$322 million for the first quarter, down \$25 million or 7% from the first quarter a year ago. Net income was down primarily due to lower interest rate and commodities trading revenue and lower equity and debt underwriting revenue, partially offset by higher equity derivatives trading revenue and higher corporate banking revenue.

(1) For additional information, see the "Non-GAAP measures" section.

## Credit quality

Provision for credit losses was \$153 million, down \$59 million or 28% from the first quarter a year ago. The decrease was primarily due to a reduction in allowance for non-impaired loans, reflecting an economic outlook that improved in the quarter. In addition, provision for credit losses on impaired loans was down primarily due to lower bankruptcies and write-offs in the card and personal lending portfolios.

## 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 GAAP (IFRS), 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 useful in analyzing financial performance. For a more detailed discussion on our non-GAAP measures, see page 14 of our 2017 Annual Report. The following table provides a reconciliation of non-GAAP to GAAP measures related to CIBC on a consolidated basis.

\$ millions, for the three months ended		2018		2017	2017		
		Jan. 31	Jan. 31	Oct. 31	Jan. 31		
<b>Reported and adjusted diluted EPS</b>							
Reported net income attributable to common shareholders	A	\$	1,305	\$	1,135	\$	1,393
After-tax impact of items of note <sup>(1)</sup>			105		99		(241)
Adjusted net income attributable to common shareholders <sup>(2)</sup>	B	\$	1,410	\$	1,234	\$	1,152
Diluted weighted-average common shares outstanding (thousands)	C		442,852		438,556		398,311
Reported diluted EPS (\$)	A/C	\$	2.95	\$	2.59	\$	3.50
Adjusted diluted EPS (\$) <sup>(2)</sup>	B/C		3.18		2.81		2.89
<b>Reported and adjusted return on common shareholders' equity</b>							
Average common shareholders' equity	D	\$	29,677	\$	28,471	\$	22,674
Reported return on common shareholders' equity	A/D <sup>(3)</sup>		17.4 %		15.8 %		24.4 %
Adjusted return on common shareholders' equity <sup>(2)</sup>	B/D <sup>(3)</sup>		18.8 %		17.2 %		20.1 %

\$ millions, for the three months ended		Canadian	Canadian	U.S.	Capital	Corporate	CIBC						
		Personal	Commercial	Commercial									
		and Small	Banking	Banking	Markets	and Other	Total						
		Business	and Wealth	and Wealth									
		Banking	Management	Management									
<b>2018</b>	<b>Reported net income (loss)</b>	\$	656	\$	314	\$	134	\$	322	\$	(98)	\$	1,328
<b>Jan. 31</b>	<b>After-tax impact of items of note<sup>(1)</sup></b>		2		-		6		-		97		105
	<b>Adjusted net income (loss)<sup>(2)</sup></b>	\$	658	\$	314	\$	140	\$	322	\$	(1)	\$	1,433
2017	Reported net income (loss)	\$	551	\$	287	\$	107	\$	222	\$	(3)	\$	1,164
Oct. 31	After-tax impact of items of note <sup>(1)</sup>		72		1		12		-		14		99
	Adjusted net income <sup>(2)</sup>	\$	623	\$	288	\$	119	\$	222	\$	11	\$	1,263
2017	Reported net income (loss)	\$	805	\$	276	\$	29	\$	347	\$	(50)	\$	1,407
Jan. 31	After-tax impact of items of note <sup>(1)</sup>		(244)		-		2		-		1		(241)
	Adjusted net income (loss) <sup>(2)</sup>	\$	561	\$	276	\$	31	\$	347	\$	(49)	\$	1,166

(1) Reflects impact of items of note below.

(2) Non-GAAP measure.

(3) Annualized.

## Items of note

\$ millions, for the three months ended		2018		2017	2017		
		Jan. 31	Jan. 31	Oct. 31	Jan. 31		
Gain on the sale and lease back of certain retail properties		\$	-	\$	-	\$	(299)
Amortization of intangible assets			32		19		6
Fees and charges related to the launch of Simplii Financial and the related wind-down of President's Choice Financial			-		98		-
Transaction and integration-related costs as well as purchase accounting adjustments associated with the acquisitions of The PrivateBank and Geneva Advisors <sup>(1)</sup>			(10)		46		-
Increase (decrease) in collective allowance recognized in Corporate and Other <sup>(2)</sup>			-		(18)		-
Pre-tax impact of items of note on net income			22		145		(293)
Income tax impact on above items of note			(5)		(46)		52
Charge from net tax adjustments resulting from U.S. tax reforms			88		-		-
<b>After-tax impact of items of note on net income</b>		\$	105	\$	99	\$	(241)

(1) Transaction costs include legal and other advisory fees, financing costs associated with pre-funding the cash component of the merger consideration, and interest adjustments relating to the obligation payable to dissenting shareholders. Integration costs are comprised of direct and incremental costs incurred as part of planning for and executing the integration of the businesses of The PrivateBank (subsequently rebranded as CIBC Bank USA) and Geneva Advisors with CIBC, including enabling cross-sell opportunities and expansion of services in the U.S. market, the upgrade and conversion of systems and processes, project management, integration-related travel, severance, consulting fees and marketing costs related to rebranding activities. Purchase accounting adjustments, included as items of note beginning in the fourth quarter of 2017, include the accretion of the acquisition date fair value discount on the acquired loans of The PrivateBank, the collective allowance established for new loan originations and renewals of acquired loans (prior to the adoption of IFRS 9 in the first quarter of 2018), and changes in the fair value of contingent consideration relating to the Geneva Advisors acquisition.

(2) Relates to collective allowance (prior to the adoption of IFRS 9), except for: (i) residential mortgages greater than 90 days delinquent; (ii) personal loans and scored small business loans greater than 30 days delinquent; (iii) net write-offs for the card portfolio; and (iv) the collective allowance related to CIBC Bank USA, which are all reported in the respective strategic business units.

## Making a difference in our Communities

CIBC is committed to building a bank that is relevant to our clients, our team members and our communities. During the quarter:

- We raised \$15 million from our Employee Giving Campaign through the generosity of CIBC employees;
- CIBC Miracle Day raised more than \$5 million to benefit kids in need around the globe; and
- We were the #1 fundraising organization in the world for Movember raising \$327,000.

The Board of Directors of CIBC reviewed this news release prior to it being issued. CIBC's controls and procedures support the ability of the President and Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of CIBC to certify CIBC's first quarter financial report and controls and procedures. CIBC's CEO and CFO will voluntarily provide to the U.S. Securities and Exchange Commission a certification relating to CIBC's first quarter financial information, including the unaudited interim consolidated financial statements, and will provide the same certification to the Canadian Securities Administrators.

All amounts are in Canadian dollars and are based on financial statements prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting*, unless otherwise noted.

## 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 news release, in other filings with Canadian securities regulators or the U.S. Securities and Exchange Commission 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 "Core business performance" and "Making a difference in our Communities" sections of this news release, and the Management's Discussion and Analysis in our 2017 Annual Report under the heading "Financial performance overview – Outlook for calendar year 2018" 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 2018 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 "Financial performance overview – Outlook for calendar year 2018" section of our 2017 Annual Report, as updated by quarterly reports, 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 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; 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, including changes relating to economic or trade matters; 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; 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. Additional information about these factors can be found in the "Management of risk" section starting on page 41 of our 2017 Annual Report. Any forward-looking statements contained in this news release 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 news release or in other communications except as required by law.

## Conference Call/Webcast

The conference call will be held at 8:00 a.m. (ET) and is available in English (416-340-2217, or toll-free 1-800-806-5484, passcode 8660945#) and French (514-861-2255, or toll-free 1-877-405-9213, passcode 1105464#). Participants are asked to dial in 10 minutes before the call. Immediately following the formal presentations, CIBC executives will be available to answer questions.

A live audio webcast of the conference call will also be available in English and French at [www.cibc.com/ca/investor-relations/quarterly-results.html](http://www.cibc.com/ca/investor-relations/quarterly-results.html).

Details of CIBC's fiscal 2018 first quarter results, as well as a presentation to investors, will be available in English and French at [www.cibc.com](http://www.cibc.com), Investor Relations section, prior to the conference call/webcast. We are not incorporating information contained on the website in this news release.

A telephone replay will be available in English (905-694-9451 or 1-800-408-3053, passcode 6527164#) and French (514-861-2272 or 1-800-408-3053, passcode 9609900#) until 11:59 p.m. (ET) March 2, 2018. The audio webcast will be archived at [www.cibc.com/ca/investor-relations/quarterly-results.html](http://www.cibc.com/ca/investor-relations/quarterly-results.html).

## About CIBC

CIBC is a leading Canadian-based global financial institution with 11 million personal banking, business, public sector and institutional clients. Across Personal and Small Business Banking, Commercial Banking and Wealth Management, and Capital Markets businesses, CIBC offers a full range of advice, solutions and services through its leading digital banking network, and locations across Canada, in the United States and around the world. Ongoing news releases and more information about CIBC can be found at [www.cibc.com/ca/media-centre/](http://www.cibc.com/ca/media-centre/).

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