



# CIBC Investor Presentation

## Q3 F18

August 23, 2018



# 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 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 - Economic outlook”, “Financial condition - Capital resources”, “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 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 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 “Overview - Economic outlook” 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 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 terrorism; 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. 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:

Amy South, Senior Vice-President 416 594-7386

Investor Relations Fax Number 416 980-5028

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



# CIBC Overview

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Victor Dodig

President and Chief Executive Officer



# Third Quarter, 2018

# Financial Review

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Kevin Glass

Senior Executive Vice-President and Chief Financial Officer



# Third Quarter, 2018 Highlights

<b>Adjusted<sup>1</sup></b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
(\$MM, except for EPS, Efficiency Ratio, ROE, and CET1 Ratio)			
Revenue	4,113	4,361	4,535
Non-Interest Expenses	2,368	2,467	2,520
<b>Pre-Provision Earnings</b>	<b>1,745</b>	<b>1,894</b>	<b>2,015</b>
Impaired	209	217	274
Non-Impaired	-	(5)	(33)
<b>Provision for Credit Losses</b>	<b>209</b>	<b>212</b>	<b>241</b>
<b>Net Income – Reported<sup>2</sup></b>	<b>1,097</b>	<b>1,319</b>	<b>1,369</b>
<b>Net Income – Adjusted<sup>1</sup></b>	<b>1,166</b>	<b>1,345</b>	<b>1,399</b>
<b>Diluted EPS – Reported</b>	<b>\$2.60</b>	<b>\$2.89</b>	<b>\$3.01</b>
<b>Diluted EPS – Adjusted<sup>1</sup></b>	<b>\$2.77</b>	<b>\$2.95</b>	<b>\$3.08</b>
Efficiency Ratio – Adjusted TEB <sup>1</sup>	57.3%	55.9%	55.0%
ROE – Adjusted <sup>1</sup>	17.3%	17.4%	17.1%
CET1 Ratio	10.4%	11.2%	11.3%

## Earnings<sup>1</sup>

- EPS growth of 11% YoY
- Operating leverage of 4.3%
- ROE of 17.1%

## Revenue

- Diversified growth in Canadian segments
- Strong performance in U.S. Commercial and Wealth businesses
- Solid results in Capital Markets

## Expenses

- Continued expense discipline
- 230 bps improvement in efficiency ratio YoY

## Provision for Credit Losses

- Credit quality remains stable
- Higher PCL driven by the restructuring of sovereign loans in Barbados

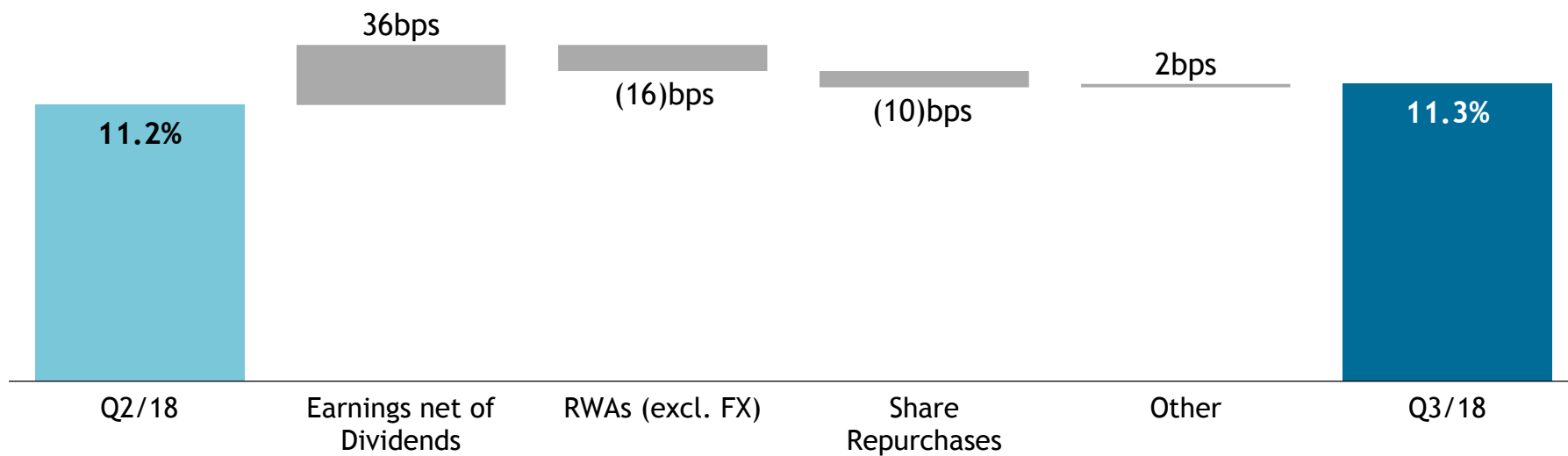
<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 25 for further details.

<sup>2</sup> Reported results are on slide 19.



# Capital

## CET1 Ratio (all-in basis)



- Strong internal capital generation

Partially offset by:

- RWA growth
- Share repurchases

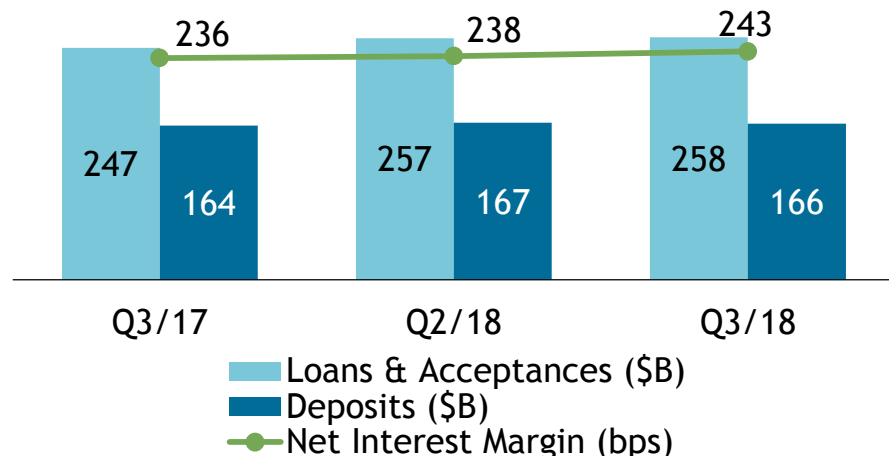


# Canadian Personal and Small Business Banking

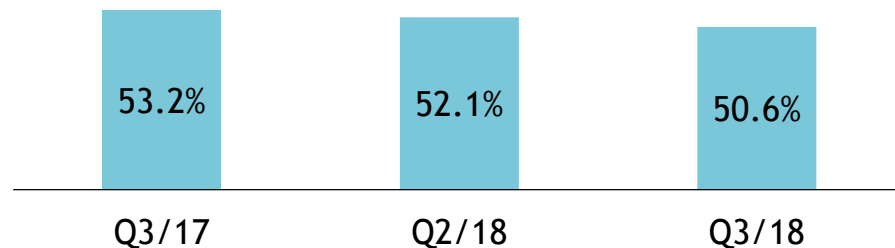
## Strong results driven by solid top-line growth and expense discipline

Adjusted <sup>1</sup>	Q3/17	Q2/18	Q3/18
(\$MM)			
Personal & Small Business Banking	2,028	2,076	2,165
Other	11	14	11
<b>Revenue</b>	<b>2,039</b>	<b>2,090</b>	<b>2,176</b>
Non-Interest Expenses	1,084	1,089	1,100
<b>Pre-Provision Earnings</b>	<b>955</b>	<b>1,001</b>	<b>1,076</b>
Impaired	188	199	199
Non-Impaired	2	4	-
<b>Provision for Credit Losses</b>	<b>190</b>	<b>203</b>	<b>199</b>
<b>Net Income – Reported<sup>2</sup></b>	<b>561</b>	<b>584</b>	<b>639</b>
<b>Net Income – Adjusted<sup>1</sup></b>	<b>562</b>	<b>586</b>	<b>643</b>

- Strong revenue driven by loan growth and margin expansion
  - Loans up 4% YoY
  - Deposits up 1% YoY
  - NIM up 7 bps YoY & 5 bps QoQ
- Revenue growth and expense management driving positive operating leverage of 5.2%
- Good credit performance



## Efficiency Ratio – Adjusted<sup>1</sup>



<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 25 for further details.

<sup>2</sup> Reported results are on slide 19.

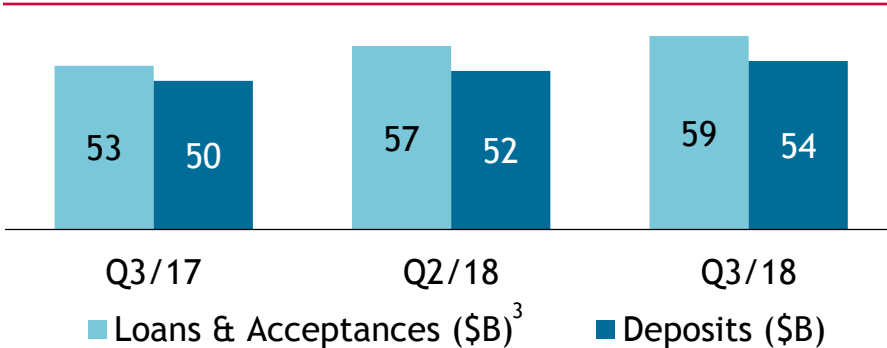
# Canadian Commercial Banking and Wealth Management

## Volume growth and well-contained expenses driving strong performance

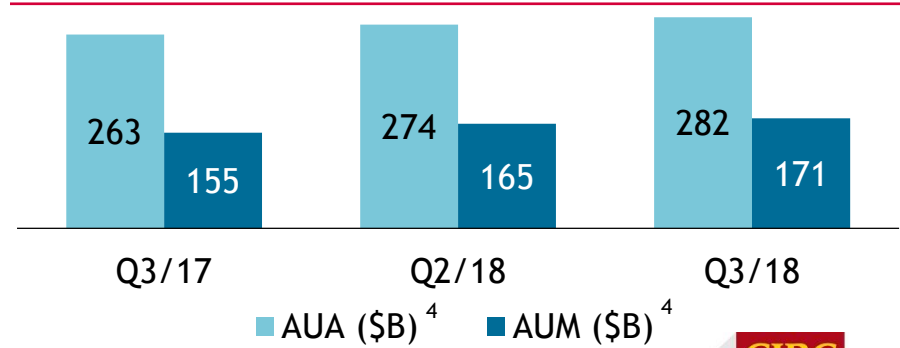
<b>Adjusted<sup>1</sup></b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
(\$MM)			
Commercial Banking	333	359	389
Wealth Management	570	578	599
<b>Revenue</b>	<b>903</b>	<b>937</b>	<b>988</b>
Non-Interest Expenses	508	511	513
<b>Pre-Provision Earnings</b>	<b>395</b>	<b>426</b>	<b>475</b>
Impaired	(3)	1	2
Non-Impaired	n/a	-	(6)
<b>Provision for (reversal of) Credit Losses</b>	<b>(3)</b>	<b>1</b>	<b>(4)</b>
<b>Net Income – Reported<sup>2</sup></b>	<b>291</b>	<b>310</b>	<b>350</b>
<b>Net Income – Adjusted<sup>1</sup></b>	<b>291</b>	<b>310</b>	<b>350</b>

- Strong earnings growth of 20% driven by solid volume growth in Commercial Banking
  - Loans up 10% YoY
  - Deposits up 10% YoY
- Positive operating leverage of 8.6%
- Retail mutual funds up 9% YoY, ranking 2<sup>nd</sup> among Big 5 Canadian banks

### Loans and Deposits



### Wealth Management



<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 25 for further details.

<sup>2</sup> Reported results are on slide 19.

<sup>3</sup> Comprises loans and acceptances and notional amount of letters of credit.

<sup>4</sup> Assets under management (AUM) are included in assets under administration (AUA).





# U.S. Commercial Banking and Wealth Management

## Continued focus on building an integrated bank with deep client relationships

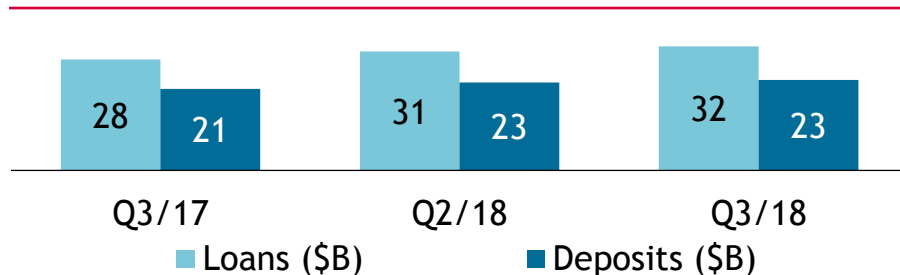
Adjusted <sup>1</sup>	Q3/17 <sup>2</sup>	Q2/18	Q3/18
(\$MM)			
Commercial Banking	152	274	294
Wealth Management	82	136	142
Other	5	4	-
<b>Revenue</b>	<b>239</b>	<b>414</b>	<b>436</b>
Non-Interest Expenses	147	235	223
<b>Pre-Provision Earnings</b>	<b>92</b>	<b>179</b>	<b>213</b>
Impaired	20	13	28
Non-Impaired	14	(2)	(14)
<b>Provision for Credit Losses</b>	<b>34</b>	<b>11</b>	<b>14</b>
<b>Net Income – Reported<sup>3</sup></b>	<b>41</b>	<b>138</b>	<b>162</b>
<b>Net Income – Adjusted<sup>1</sup></b>	<b>45</b>	<b>142</b>	<b>171</b>
<b>CIBC Bank USA Net Income – Adjusted<sup>1</sup></b>	<b>26</b>	<b>94</b>	<b>126</b>

- Solid volume growth in Commercial Banking
- Cross-border initiatives continue to drive deposit growth
- Credit quality remains stable

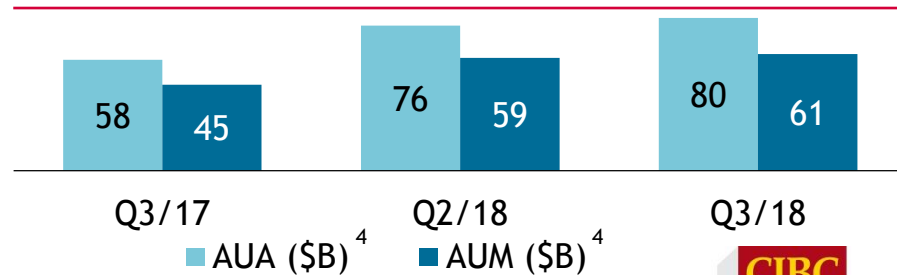
### CIBC Bank USA

- Period-end loans up US\$2.2B, or 14% YoY
- Period-end deposits up US\$2.1B, or 13% YoY
- NIM of 3.67%, up 37 bps YoY & 4 bps QoQ

### Loans and Deposits - Spot (CAD)



### Wealth Management



<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 25 for further details.

<sup>2</sup> Includes a partial quarter of CIBC Bank USA results.

<sup>3</sup> Reported results are on slide 19.

<sup>4</sup> Assets under management (AUM) are included in assets under administration (AUA).



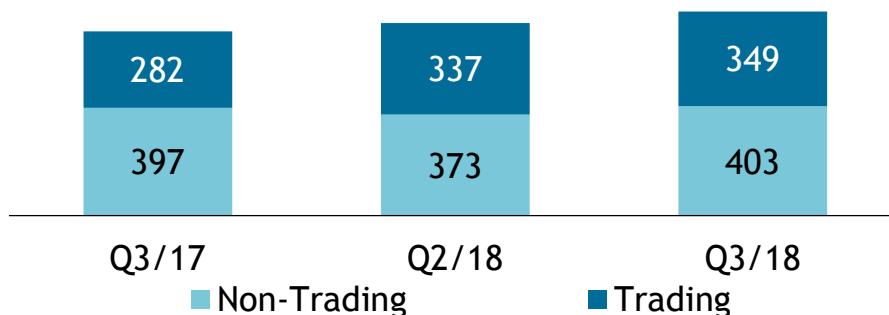
# Capital Markets

## Delivering diversified and profitable results

<b>Adjusted<sup>1</sup></b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
(\$MM)			
Global Markets	362	409	408
Corporate & Investment Banking	318	293	350
Other	(1)	8	(6)
<b>Revenue<sup>2</sup></b>	<b>679</b>	<b>710</b>	<b>752</b>
Non-Interest Expenses	340	376	384
<b>Pre-Provision Earnings</b>	<b>339</b>	<b>334</b>	<b>368</b>
Impaired	1	3	1
Non-Impaired	n/a	(12)	(2)
<b>Provision for (reversal of) Credit Losses</b>	<b>1</b>	<b>(9)</b>	<b>(1)</b>
<b>Net Income – Reported<sup>3</sup></b>	<b>252</b>	<b>249</b>	<b>265</b>
<b>Net Income – Adjusted<sup>1</sup></b>	<b>252</b>	<b>249</b>	<b>265</b>

- Strong trading revenue, particularly in equities and FX
- Higher advisory activity
- Continued strong performance in Corporate Banking
- Delivering on our strategy - exceeding early targets for U.S. growth, and further growing sustainable, fee-based revenue through greater connectivity across our bank

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



<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 25 for further details.

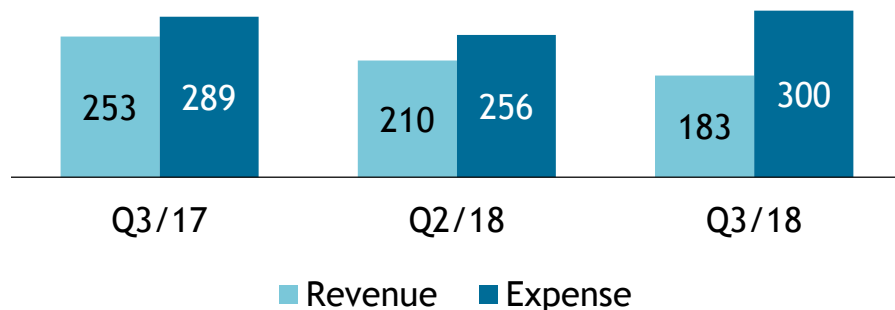
<sup>2</sup> Revenue is reported on a taxable equivalent basis (TEB).

<sup>3</sup> Reported results are on slide 19.



# Corporate and Other

<b>Adjusted<sup>1</sup></b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
(\$MM)			
International Banking	183	185	172
Other	70	25	11
<b>Revenue<sup>2</sup></b>	<b>253</b>	<b>210</b>	<b>183</b>
Non-Interest Expenses	289	256	300
<b>Pre-Provision Earnings</b>	<b>(36)</b>	<b>(46)</b>	<b>(117)</b>
Impaired	3	1	44
Non-Impaired	(16)	5	(11)
<b>Provision for (reversal of) Credit Losses</b>	<b>(13)</b>	<b>6</b>	<b>33</b>
<b>Net Income (Loss) – Reported<sup>3</sup></b>	<b>(48)</b>	<b>38</b>	<b>(47)</b>
<b>Net Income (Loss) – Adjusted<sup>1</sup></b>	<b>16</b>	<b>58</b>	<b>(30)</b>



- Government of Barbados loans and securities restructuring impacting results in CIBC FirstCaribbean
  - \$15MM decrease in revenue
  - Majority of impaired PCL increase due to restructuring of Barbados government loans
- Non-impaired recovery mainly from transfer of loans to impaired
- Lower revenue in Treasury

<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 25 for further details.

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

<sup>3</sup> Reported results are on slide 19.



# Third Quarter, 2018 Risk Review

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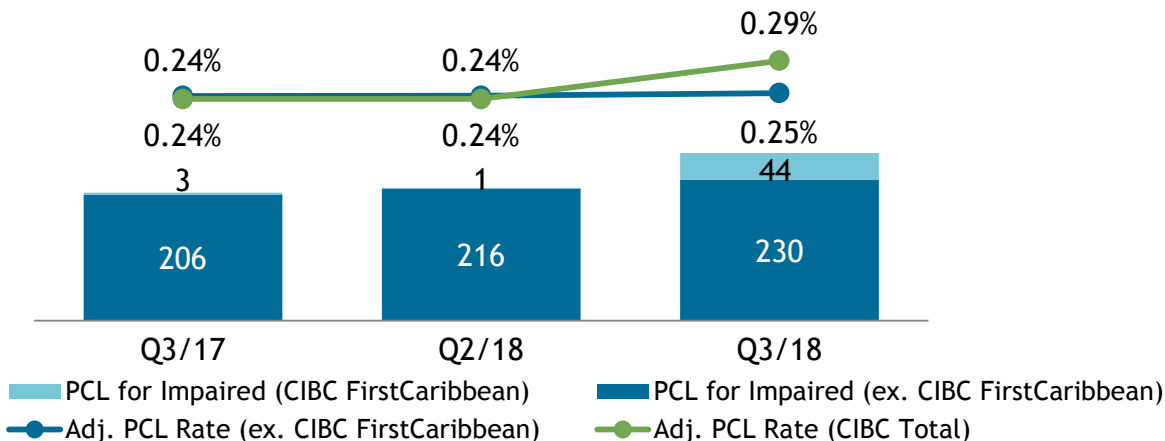
Laura Dottori-Attanasio

Senior Executive Vice-President and Chief Risk Officer



# Provision for Credit Losses

Adjusted <sup>1</sup> (\$MM)	IAS 39	IFRS 9	
	Q3/17	Q2/18	Q3/18
Canadian Personal and Small Business Banking	188	199	199
Canadian Commercial Banking and Wealth Management	(3)	1	2
U.S. Commercial Banking and Wealth Management	20	13	28
Capital Markets	1	3	1
Corporate and Other	3	1	44
Provision for Impaired	209	217	274
Provision for Non-Impaired	-	(5)	(33)
Total Provision for Credit Losses	209	212	241
Total Provision for Credit Losses – Reported	209	212	241



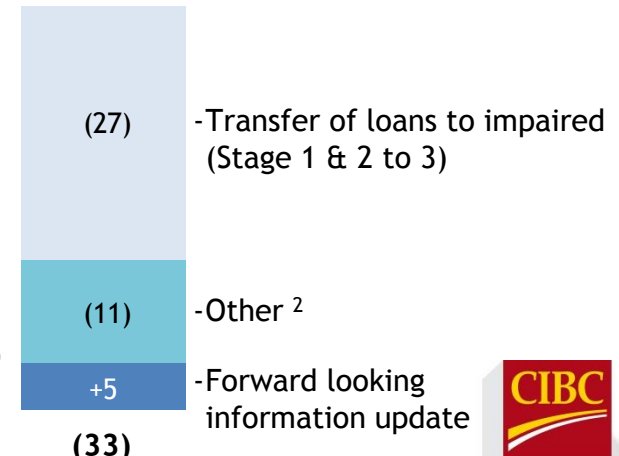
<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 25 for further details.

<sup>2</sup> Includes stage migration, portfolio movement, pre-payments, etc.

## Provision for Impaired up QoQ

- Credit conditions remain fairly stable
- Higher loan losses in:
  - CIBC FirstCaribbean primarily related to the Government of Barbados debt restructuring underway
  - The pre-existing U.S. Real Estate Finance portfolio (since written off)
- Provision reversal for non-impaired mainly due to transfer of loans to impaired

## Provision for Non-Impaired:

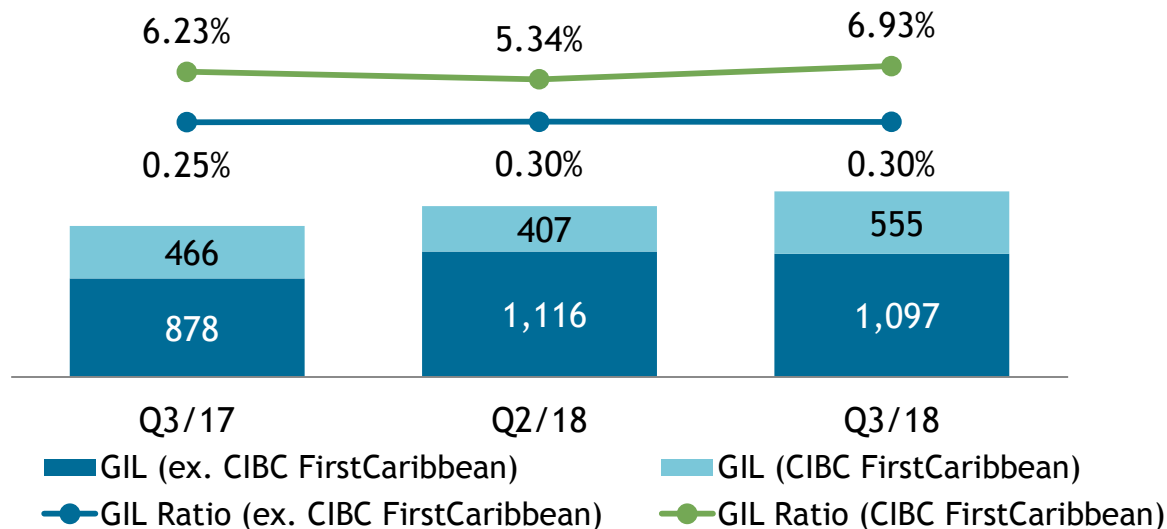


# Credit Quality – Gross Impaired Loans

Reported	IAS 39		IFRS 9	
	Q3/17	Q2/18	Q3/18	
Canadian Residential Mortgages	0.14%	0.25%	0.24%	
Canadian Personal Lending	0.30%	0.32%	0.31%	
CIBC Business & Government Loans <sup>1</sup>	0.43%	0.39%	0.27%	
CIBC Bank USA	0.68%	0.65%	0.96%	
CIBC FirstCaribbean	6.23%	5.34%	6.93%	
<b>Total Gross Impaired Loans</b>	<b>0.37%</b>	<b>0.41%</b>	<b>0.44%</b>	

- Residential mortgages and personal lending remains stable
- CIBC Bank USA increase attributable to two new impairments
- CIBC FirstCaribbean increase relates to the Barbados debt restructuring underway

## Gross Impaired Loan Ratio



<sup>1</sup> Excludes CIBC Bank USA and CIBC FirstCaribbean business & government loans.

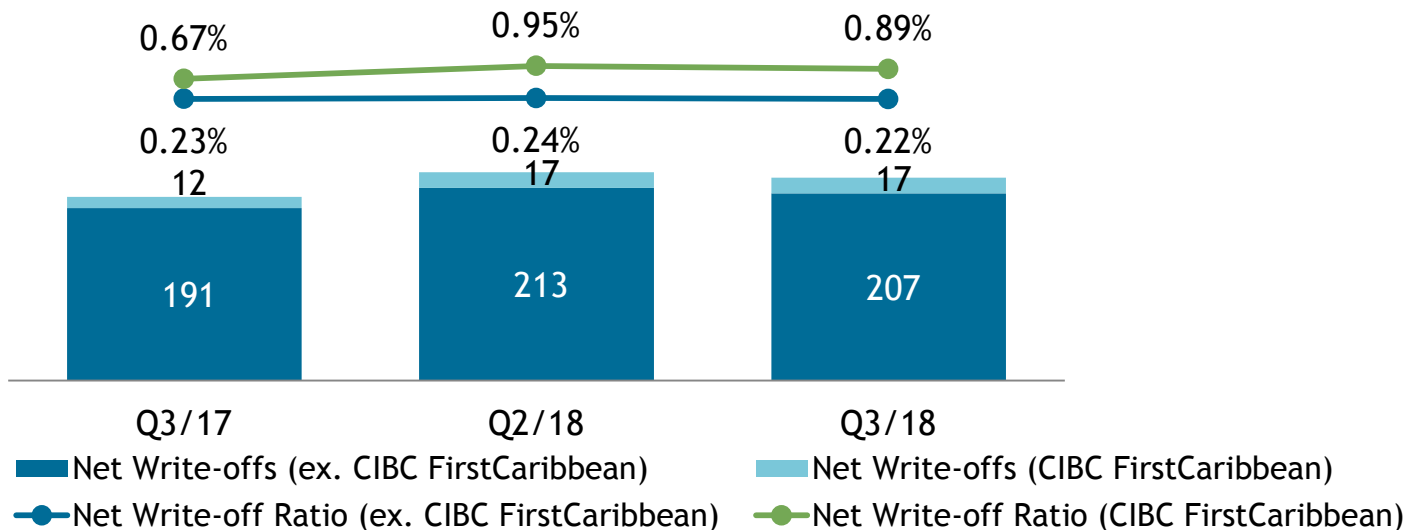


# Credit Quality – Net Write-offs

Reported	Q3/17	Q2/18	Q3/18
Canadian Residential Mortgages	0.02%	0.01%	0.01%
Canadian Credit Cards	3.33%	3.41%	3.28%
Canadian Personal Lending	0.78%	0.74%	0.76%
CIBC Business & Government Loans <sup>1</sup>	0.02%	0.14%	0.12%
CIBC Bank USA	n/a	0.06%	-0.04%
CIBC FirstCaribbean	0.67%	0.95%	0.89%
Total Net Write-off Ratio	0.24%	0.26%	0.24%

- Residential mortgages, credit cards and personal lending remain stable
- Business and government loans up YoY due to a write-off in the pre-existing U.S. Real Estate Finance portfolio
- CIBC Bank USA down QoQ due to various minor recoveries

## Net Write-off Ratio



<sup>1</sup> Excludes CIBC Bank USA and CIBC FirstCaribbean business & government loans.

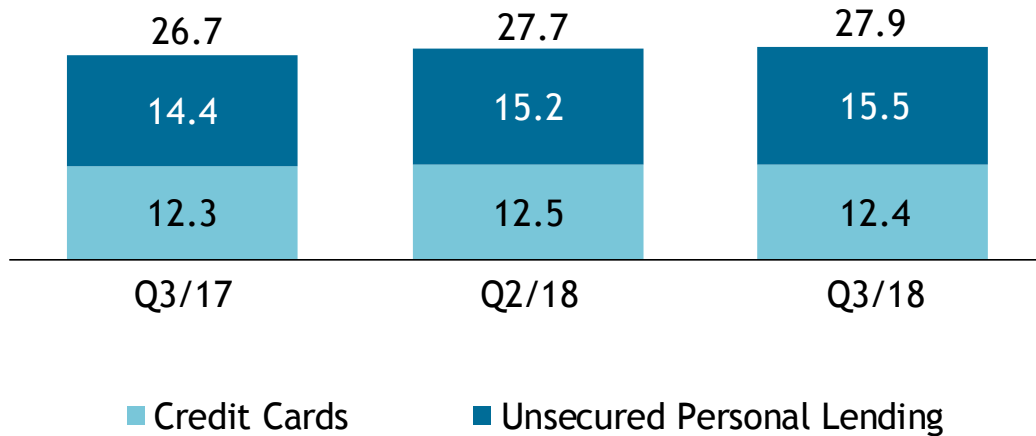


# Canadian Credit Cards and Unsecured Personal Lending

90+ Days Delinquency Rates	<u>IAS 39</u>	<u>IFRS 9</u>	
	Q3/17	Q2/18	Q3/18
Canadian Credit Cards	0.75%	0.90%	0.78%
Canadian Unsecured Personal Lending <sup>1</sup>	0.47%	0.50%	0.48%

- Delinquency rates declined in the quarter following the previous quarter's seasonal high

## Balances (\$B; spot)



<sup>1</sup> Includes unsecured personal lines of credit, loans and overdraft.





# Appendix

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# Canadian Personal and Small Business Banking Market Share

	Q3/18 Balances (\$B)	YoY Growth	Most Current Market Share <sup>1</sup>	Absolute Rank	YoY Growth Rank
<b>Money-In</b>					
Personal Deposits & GICs	144	1.1%	16.6%	4	6
Canadian Retail Mutual Fund AUM	106	8.6%	15.5%	3	3
Small Business Deposits & GICs	22	2.1%	13.8%	3	1
<b>Money-Out</b>					
Real Estate Secured Personal Lending	226	4.3%	18.4%	4	4
Unsecured Personal Lending incl. Cards	29	5.3%	12.3%	4	1
Small Business Lending	3	2.9%	10.3%	5	5

<sup>1</sup> Market share is calculated using most current data available from OSFI (as at Jun/18), CBA (as at Dec/17 and Mar/18) and IFIC (as at Jun/18), and is based on 6 banks (CIBC, BMO, BNS, NA, RBC and TD).



# Reported Results (\$MM)

<b>Total Bank</b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
<b>Revenue</b>	<b>4,104</b>	<b>4,376</b>	<b>4,547</b>
Non-Interest Expenses	2,452	2,517	2,572
<b>Pre-Provision Earnings</b>	<b>1,652</b>	<b>1,859</b>	<b>1,975</b>
Provision for Credit Losses	209	212	241
<b>Income Before Income Taxes</b>	<b>1,443</b>	<b>1,647</b>	<b>1,734</b>
Income Taxes	346	328	365
<b>Net Income – Reported</b>	<b>1,097</b>	<b>1,319</b>	<b>1,369</b>
Net Income – Adjusted <sup>1</sup>	1,166	1,345	1,399

<b>Canadian Commercial Banking &amp; Wealth Management</b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
Commercial Banking	333	359	389
Wealth Management	570	578	599
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Non-Interest Expenses	508	511	513
<b>Pre-Provision Earnings</b>	<b>395</b>	<b>426</b>	<b>475</b>
Provision for (reversal of) Credit Losses	(3)	1	(4)
<b>Income Before Income Taxes</b>	<b>398</b>	<b>425</b>	<b>479</b>
Income Taxes	107	115	129
<b>Net Income – Reported</b>	<b>291</b>	<b>310</b>	<b>350</b>
Net Income – Adjusted <sup>1</sup>	291	310	350

<b>Capital Markets</b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
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Non-Interest Expenses	340	376	384
<b>Pre-Provision Earnings</b>	<b>339</b>	<b>334</b>	<b>368</b>
Provision for (reversal of) Credit Losses	1	(9)	(1)
<b>Income Before Income Taxes</b>	<b>338</b>	<b>343</b>	<b>369</b>
Income Taxes <sup>2</sup>	86	94	104
<b>Net Income – Reported</b>	<b>252</b>	<b>249</b>	<b>265</b>
Net Income – Adjusted <sup>1</sup>	252	249	265

<b>Canadian Personal &amp; Small Business Banking</b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
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<b>Revenue</b>	<b>2,039</b>	<b>2,090</b>	<b>2,176</b>
Non-Interest Expenses	1,085	1,092	1,105
<b>Pre-Provision Earnings</b>	<b>954</b>	<b>998</b>	<b>1,071</b>
Provision for Credit Losses	190	203	199
<b>Income Before Income Taxes</b>	<b>764</b>	<b>795</b>	<b>872</b>
Income Taxes	203	211	233
<b>Net Income – Reported</b>	<b>561</b>	<b>584</b>	<b>639</b>
Net Income – Adjusted <sup>1</sup>	562	586	643

<b>U.S. Commercial Banking &amp; Wealth Management</b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
Commercial Banking	152	287	304
Wealth Management	82	138	144
Other	5	4	-
<b>Revenue<sup>2</sup></b>	<b>239</b>	<b>429</b>	<b>448</b>
Non-Interest Expenses	154	256	246
<b>Pre-Provision Earnings</b>	<b>85</b>	<b>173</b>	<b>202</b>
Provision for Credit Losses	34	11	14
<b>Income Before Income Taxes</b>	<b>51</b>	<b>162</b>	<b>188</b>
Income Taxes <sup>2</sup>	10	24	26
<b>Net Income – Reported</b>	<b>41</b>	<b>138</b>	<b>162</b>
Net Income – Adjusted <sup>1</sup>	45	142	171

<b>Corporate &amp; Other</b>	<b>Q3/17</b>	<b>Q2/18</b>	<b>Q3/18</b>
International Banking	183	185	172
Other	61	25	11
<b>Revenue<sup>2</sup></b>	<b>244</b>	<b>210</b>	<b>183</b>
Non-Interest Expenses	365	282	324
<b>Pre-Provision Earnings</b>	<b>(121)</b>	<b>(72)</b>	<b>(141)</b>
Provision for (reversal of) Credit Losses	(13)	6	33
<b>Loss Before Income Taxes</b>	<b>(108)</b>	<b>(78)</b>	<b>(174)</b>
Income Taxes <sup>2</sup>	(60)	(116)	(127)
<b>Net Income (Loss) – Reported</b>	<b>(48)</b>	<b>38</b>	<b>(47)</b>
Net Income (Loss) – Adjusted <sup>1</sup>	16	58	(30)

<sup>1</sup> Adjusted results are Non-GAAP financial measures. See slide 25 for further details.

<sup>2</sup> Revenue and income taxes are reported on a taxable equivalent basis (TEB).

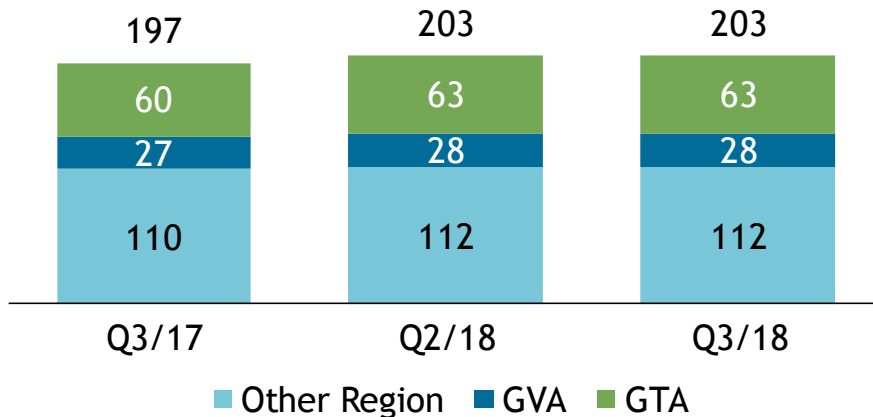


# Canadian Real Estate Secured Personal Lending

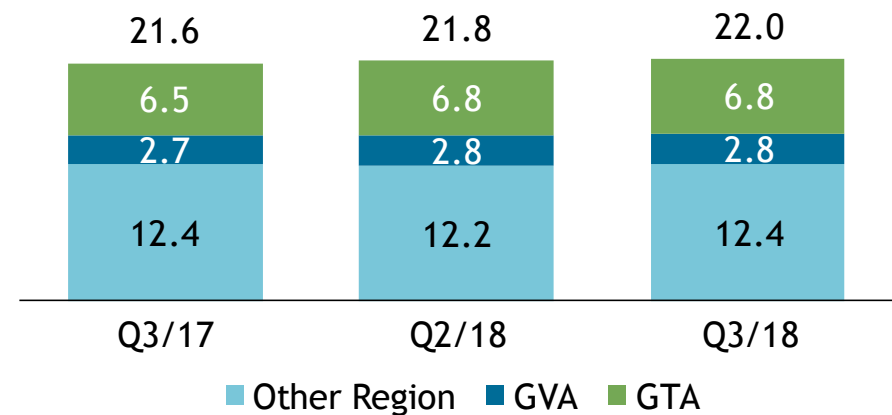
90+ Days Delinquency Rates	<u>IAS 39</u>	<u>IFRS 9</u>	
	Q3/17	Q2/18	Q3/18
Total Mortgages	0.23%	0.25%	0.24%
Uninsured Mortgages	0.17%	0.20%	0.19%
Uninsured Mortgages in GVA <sup>1</sup>	0.07%	0.10%	0.07%
Uninsured Mortgages in GTA <sup>1</sup>	0.06%	0.11%	0.10%

- Delinquency rates remain relatively stable
- The Greater Vancouver Area<sup>1</sup> (GVA) and Greater Toronto Area<sup>1</sup> (GTA) continue to outperform the Canadian average

## Mortgage Balances (\$B; spot)



## HELOC Balances (\$B; spot)

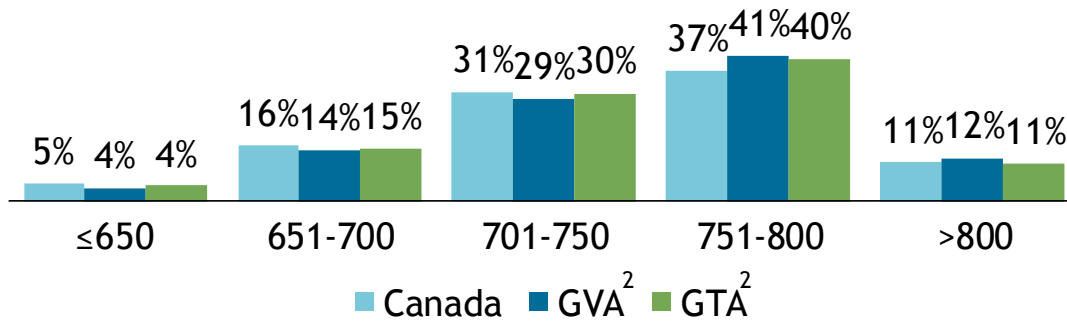


<sup>1</sup> GVA and GTA definitions based on regional mappings from Teranet.



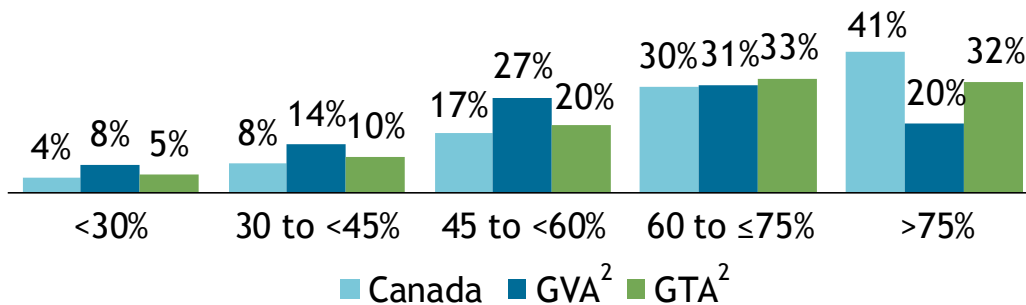
# Canadian Uninsured Residential Mortgages – Q3/18 Originations

## Beacon Distribution



- Originations of \$9B in Q3/18
- Average LTV<sup>1</sup> in Canada: 63%
  - GVA<sup>2</sup>: 55%
  - GTA<sup>2</sup>: 60%

## Loan-to-Value (LTV)<sup>1</sup> Distribution



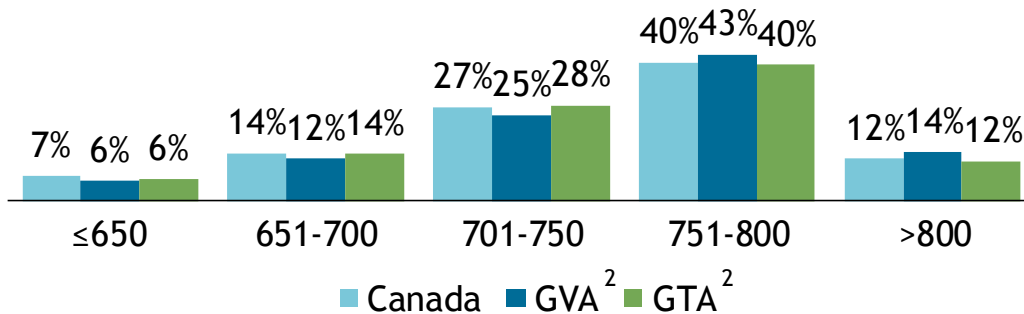
<sup>1</sup> LTV ratios for residential mortgages are calculated based on weighted average. See page 29 of the Q3/18 Report to Shareholders for further details.

<sup>2</sup> GVA and GTA definitions based on regional mappings from Teranet.



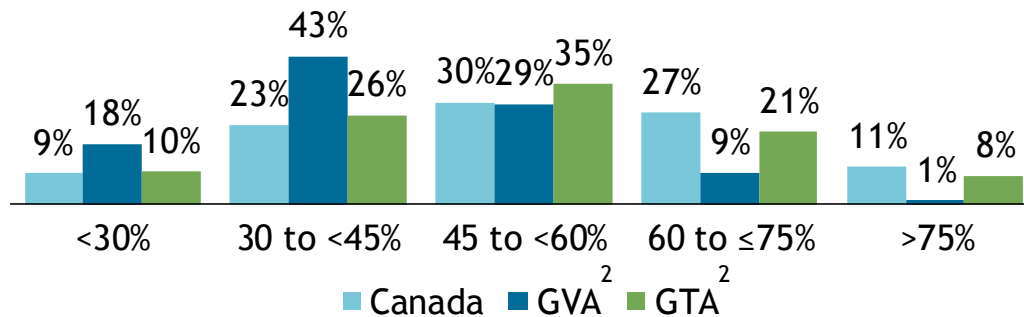
# Canadian Uninsured Residential Mortgages

## Beacon Distribution



- Better current Beacon and LTV<sup>1</sup> distributions in GVA<sup>2</sup> and GTA<sup>2</sup> than the Canadian average
- 1% of this portfolio has a Beacon score of 650 or lower and an LTV<sup>1</sup> over 75%
- Average LTV<sup>1</sup> in Canada: 53%
  - GVA<sup>2</sup>: 42%
  - GTA<sup>2</sup>: 51%

## Loan-to-Value (LTV)<sup>1</sup> Distribution

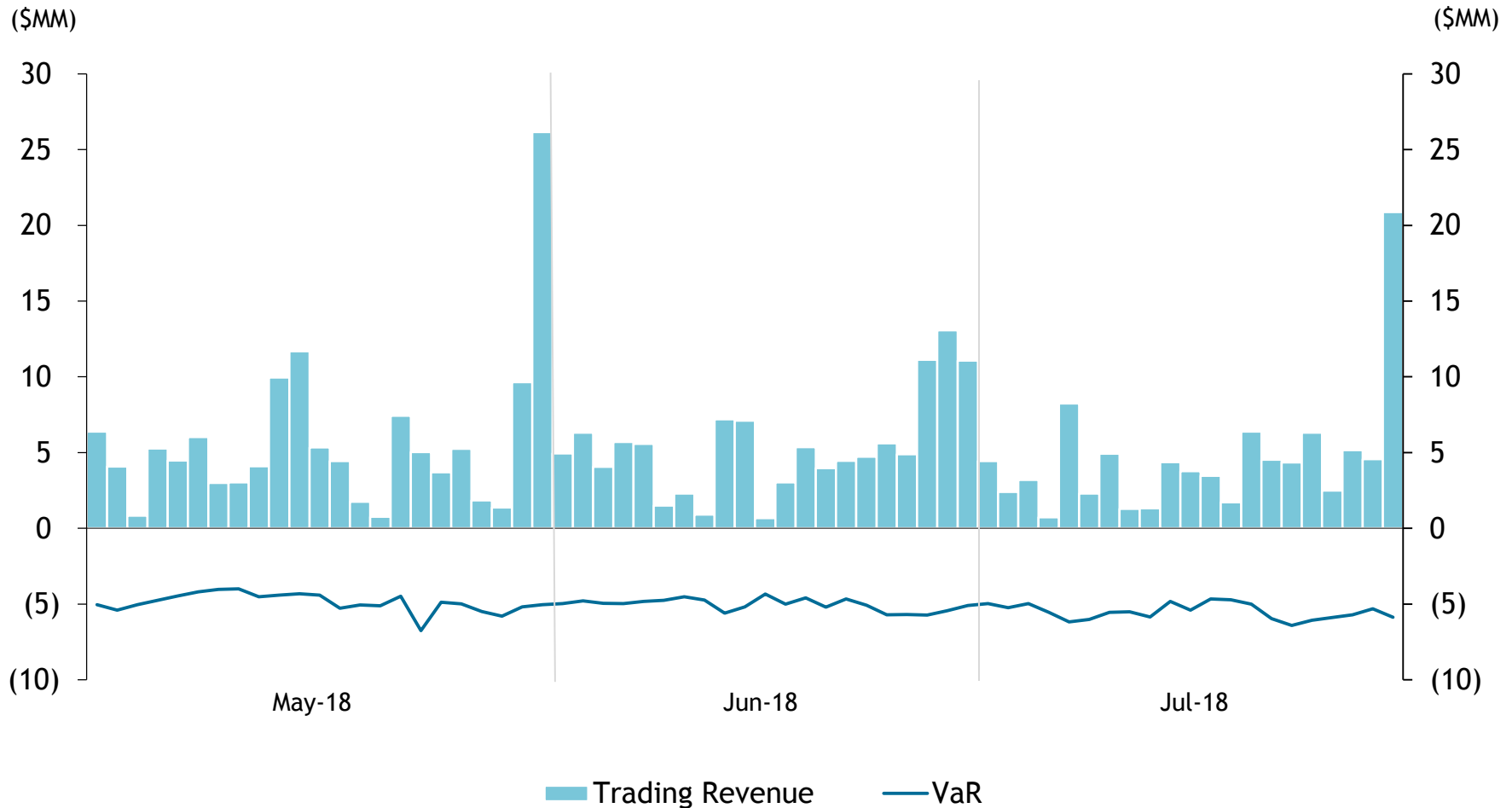


<sup>1</sup> LTV ratios for residential mortgages are calculated based on weighted average. See page 29 of the Q3/18 Report to Shareholders for further details.

<sup>2</sup> GVA and GTA definitions based on regional mappings from Teranet.



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



<sup>1</sup> Non-GAAP financial measure. See slide 25 for further details.

<sup>2</sup> Trading revenue (TEB) comprises both trading net interest income and non-interest income and excludes underwriting fees, commissions, certain month-end transfer pricing and other miscellaneous adjustments. Trading revenue (TEB) excludes certain exited portfolios.



# Q3 2018 Items of Note

	Pre-Tax Effect (\$MM)	After-Tax & NCI Effect (\$MM)	EPS Effect (\$/Share)	Reporting Segments
Amortization of acquisition-related intangible assets	31	23	0.05	Canadian Personal & Small Business Banking/ U.S. Commercial Banking & Wealth Management/ Corporate & Other
Transaction and integration-related costs as well as purchase accounting adjustments associated with the acquisitions of The PrivateBank and Geneva Advisors	9	7	0.02	U.S. Commercial Banking & Wealth Management/ Corporate & Other
<b>Adjustment to Net Income attributable to common shareholders and EPS</b>	<b>40</b>	<b>30</b>	<b>0.07</b>	





# 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 24 of this presentation; for Non-GAAP measures and reconciliation of Non-GAAP to GAAP measures see pages 1 and 2 of the Q3/18 Supplementary Financial Information and pages 14 and 15 of the 2017 Annual Report available on [www.cibc.com](http://www.cibc.com).

