Tom Woods
Senior Executive Vice-President and
Chief Financial Officer
Annual General Meeting
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Check against delivery

Thank you, Bill and good morning ladies and gentlemen.

CIBC had record earnings in 2006.

Revenue in both Retail Markets and World Markets was strong.

We achieved the $250 million cost reduction objective we set in the 2nd quarter of 2005.

This morning we reported excellent results for the first quarter of 2007 and we raised our quarterly dividend 10%, from 70 cents to 77 cents per share.

Our capital ratios are strong.

And CIBC had the highest total shareholder return of the Canadian banks in both 2006 and thus far in 2007.

Here is a summary of our Income Statement for 2006 and the two prior years.

I'll take you through each of these lines now.

Revenue was $11.3 billion, down almost $1.2 billion from 2005, but this was due almost entirely to non-recurring items, including some large merchant banking divestiture gains in 2005.

Expenses were down from 2005, which included the $2.8 billion Enron provision. If you adjust that out of the 2005 expense number, the 2006 expenses were down over $540 million, due mainly to lower compensation and consultants and contractors on special projects.

Loan Losses were down over $150 million, due mainly to better performance in our retail lending business, reversals in our Agricultural portfolio and higher levels of securitization.

Net Income was a record $2.65 billion, and Earnings per Share a record $7.43.

Turning now to each of our two main business groups ...

First, in CIBC Retail Markets.

Revenue was down marginally in 2006 at $8.1 billion, but the 2005 number included revenue from two large share sales.

Adjusting for that, 2006 revenue was up marginally.

Deposit balances grew 3% and GICs 14%.

Mortgage balances were up 7%.

In Personal Lending we were successful in shifting the portfolio mix from 47% secured at the end of 2005 to 58% secured at the end of 2006, exceeding the goal we set of 55%. We did this because we were concerned with the trend of loan losses we were seeing in this area.

Our Cards business continued to be #1 in both balances and purchase volumes. Reported revenue was flat to 2005, but this was because we had higher levels of securitization. This has the effect of reducing reported revenue but benefits in that loan losses are reduced as well. Balances in Cards were up 8% in 2006 and Revenue, adjusted for securitization, was up 4%.

Our Retail Stock Brokerage business had another good year, despite a slowdown in the new issues market. And our annuitized fee business, which is less volatile revenue, continued to increase.

Expenses were down $157 million due mainly to lower litigation and employee severance costs.

And Loan Losses improved, partly due to the effects of securitization, but also due to better performance in Personal Lending and reversals in the Agriculture portfolio.

As a result, Net Income in Retail Markets was up over 18% in 2006.

In CIBC World Markets, Revenue in 2006 was lower, mainly because in 2005 we had several large Merchant Banking gains.

Capital Markets performed well again, with particular strength in our Equity and Commodity Structured Products business lines.

Investment Banking was strong in Canada, especially in Mergers and Acquisitions. International Investment Banking was down from 2005, a year in which we had high revenue from the sale of non-core corporate loans.

World Markets expenses were just over $2 billion in 2006 vs. just over $2.3 billion in 2005, excluding the Enron provision.

And for the third year in a row we had recoveries in excess of loan losses ...$39 million in 2006, vs. $17 million in 2005.

Net Income for World Markets was $646 million in 2006, versus a loss in 2005 because of the Enron provision.

I mentioned at the beginning that we had been successful in meeting the cost reduction objective we set for ourselves. We set this objective half way through 2005, using our second quarter 2005 expense run rate as a base-line.

Let me show you now the areas where we reduced costs the most.

The biggest area of reduction by the fourth quarter of 2006 was in professional fees.

Occupancy cost reductions were also large, as we re-configured a lot of our space.

Computer and Communications expenses were also reduced, as the benefits of technology projects we had spent money on in the past began to take effect.

These reductions were partly offset by slightly higher compensation and other expenses.

All of this resulted in fourth quarter 2006 costs running $68 million less than our Q2, 2005 base-line, or $272 million on an annualized basis.

Our goal for 2007 is to have costs no higher than this Q4, 2006 run rate, adjusted for the consolidation impact of our FirstCaribbean acquisition, which we just completed.

Asset quality improved as well in 2006.

At the end of 2005 impaired loans were $950 million, and fell to $630 million at the end of 2006.

Specific Loan Loss Allowance coverage of impaireds also improved in 2006, increasing from 69% to 86%.

CIBC had the highest Return on Equity of the major Canadian banks last year.

Here you can see the reported numbers.

We also had the highest ROE after adjusting all the banks' capital structures to an apples-to-apples basis.

Of the eight financial targets we published in our 2006 Annual Report, we achieved all but one of them.

The one we didn't meet was our dividend payout ratio, and this was driven mainly by the strong earnings performance we had in the fourth quarter, as well as the prudent approach we are taking to return the payout ratio to within the 40-50% range over time.

Here is a summary of our first quarter results just announced.

Revenue was up 8% from the first quarter a year ago, with Retail Markets up 4% and World Markets up over 15%.

Expenses were up 3-1/2% because we now consolidate FirstCaribbean's results, whereas we equity-accounted them before, and also because performance-related incentive compensation was higher.

Loan Losses were down 14%, because of better performance in our Personal Loan portfolio.

As a result, Net Income of $770 million was up almost 33% from the first quarter last year.

And cash EPS was up 30%.

Return on Equity was very strong again.

And our Expense ratio was much improved at 61.5%.

Here you can see how our capital position has strengthened. Our Tier 1 capital ratio was 8.5% at the end of the fourth quarter 2005. It now stands at 9.6% …well above our target objective of 8.5% and the regulatory minimum of 7%.

Our share price has performed very well recently, up from $72 at the start of last year to over $100 now, a 44% increase, #1 in the banking sector. The average share price gain of the other Canadian banks over this period was 23%.

Another important metric is the Price-Earnings Ratio. As you know, this encapsulates the market's view of a company's growth potential as well as its risk profile.

At the end of 2005, CIBC shares were trading at a P.E. discount of a full point to the other banks, which you can see on the left. Half way through last year this narrowed to 7/10's of a point. Now we are trading at a slight premium to the average P.E. of the other banks, 13.5 times expected 2007 earnings versus an average of 13.3 for the other major banks.

So... to summarize

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- Revenue in both Retail Markets and World Markets was strong
- We achieved the $250 million cost reduction objective we set in the 2nd quarter of 2005.
- This morning we reported excellent results for the first quarter of 2007.
- Our capital ratios are strong.
- And CIBC had the highest total shareholder return of the Canadian banks in both 2006 and thus far in 2007.

Thank you.

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 presentation, in filings with Canadian securities regulators or the U.S. Securities and Exchange Commission and in other communications. These statements include, but are not limited to, statements about our operations, business lines, financial condition, risk management, priorities, targets, ongoing objectives, strategies and outlook for 2007 and subsequent periods. Forward-looking statements are typically identified by the words "believe," "expect," "anticipate," "intend," "estimate" and other similar expressions or future or conditional verbs such as "will," "should," "would" and "could." By their nature, these statements require us to make assumptions and are subject to inherent risks and uncertainties that may be general or specific. A variety of factors, many of which are beyond our control, affect our operations, performance and results and could cause actual results to differ materially from the expectations expressed in any of our forward-looking statements. These factors include: legislative or regulatory developments in the jurisdictions where we operate; amendments to, and interpretations of, risk-based capital guidelines and reporting instructions; the resolution of legal proceedings and related matters; the effect of applying future accounting changes; changes in our estimates of reserves and allowances; changes in tax laws; that our estimate of our sustainable effective tax rate will not be achieved; political conditions and developments; the possible effect on our business of international conflicts and the war on terror; natural disasters, public health emergencies and other catastrophic events; reliance on third parties to provide components of our business infrastructure; the accuracy and completeness of information provided to us by clients and counterparties; intensifying competition from established competitors and new entrants in the financial services industry; technological change; global capital market activity; interest rate and currency value fluctuations; general economic conditions worldwide, as well as in Canada, the U.S. and other countries where we have operations; changes in market rates and prices which may adversely affect the value of financial products; our success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels; changes in client spending and saving habits; and our ability to anticipate and manage the risks associated with these factors. This list is not exhaustive of the factors that may affect any of our forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on our forward-looking statements. We do not undertake to update any forward-looking statement that is contained in this presentation or other communications.