



CIBC Annual Meeting of Shareholders 2024

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Address delivered by

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President & CEO, CIBC

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Thank you, Kate. I want to welcome everyone to our global headquarters at CIBC Square as we mark another year of meaningful progress and momentum for CIBC.

We have this momentum because we have transformed our bank and implemented a strategy that is true to our purpose and plays to CIBC's unique strengths and capabilities.

I am pleased to be able to show you today how that strategy continues to deliver for our stakeholders, and is well matched to the needs of our clients and our market opportunities for 2024 and beyond.

As I reflect on what's changed since I stood here at last year's annual meeting, it's a long list.

2023 was a year marked by persistent inflation and softening economic conditions, as well as growing geopolitical conflict.

Personal banking clients had to adjust to higher costs. They also continued to feel the effects of a more challenging housing market. And businesses in some sectors experienced declining demand and rising costs, squeezing their bottom lines.

Across the banking industry globally, we saw volatility and uncertainty following the rapid rise in interest rates and economic stresses. While this created real challenges for some banks, at CIBC we supported our clients, maintained a strong balance sheet, and grew our business.

By that measure, 2023 was a resilient year of progress for our bank. We stood tall thanks to our strong foundation, and we moved forward thanks to a connected culture, the right strategy, and a team that lives our purpose.

Because, what has not changed – and won't change – is our CIBC team's commitment to making our clients' ambitions real everyday.

Through those efforts, in 2023 we strengthened our capital position, protected margins, delivered the most disciplined expense performance among our Canadian peers, and – importantly – generated the strongest net client growth in the banking industry.

And something that I think is very telling – our client satisfaction scores continue to rise.

We are reaping the benefits of the hard work we've done to consistently execute on a client-first strategy, and realize the value of investments we've made in prior years to position CIBC for long-term success.

The momentum we enjoy today is well-earned, and it's sustainable.

I want to talk more about CIBC's client-focused culture and strategy, because we approach business differently. This is something our clients consistently tell us.

When you bank with CIBC, we are always thinking about your full relationship with our bank.

It took time to build a culture like this, but we've done it. It's a personal point of pride for me when we win a client's business because it means our team leaned on each other to deliver more for our client. This approach truly sets us apart from our competition, and is hard to replicate.

As successful as this strategy is proving to be, strategy is never static. So even as we managed our bank through the economic challenges of 2023, we also went to work to evolve our strategic priorities for 2024 and beyond, by building on our client-focused culture.

We now have four priorities that will help us build on our clear momentum and that are aligned to CIBC's competitive advantages. They are:

- Growing our mass affluent business in Canada through our Imperial Service offering, and growing our private wealth franchise in Canada and the US;
- Expanding our digital banking offering in Canada;
- Delivering connectivity and differentiation to commercial and capital markets clients; and
- Enabling, simplifying and protecting CIBC.

In this way, we will position CIBC to capture opportunities that lie ahead, while continuing to manage our business prudently and deliver on our long-term objectives. We are already seeing meaningful progress in each of these four pillars.

As I highlighted earlier, we are also benefitting from the strategic investments we've made in recent years.

To give one example, our leadership in digital banking and our continued progress on delivering on the client experience are key drivers of our robust net client growth, helping to attract more than 650,000 net new clients across the CIBC and Simplii brands in 2023.

As you can see from our industry-leading performance on expenses in 2023 and early 2024, the heavy investment phase is behind us and we are now enjoying the benefits. We will continue to invest prudently in strategies that increase our long-term sustainable advantage.

Take Artificial Intelligence. I am proud of the prudent and proactive approach we are taking to use AI safely, responsibly and ethically to increase efficiencies and capture new possibilities and future uses.

We also continue to focus on developing our team, so they can deliver the best experiences and ideas to our clients, and to give them opportunities to grow in their careers.

We do this at all levels of our bank.

Recently, we announced senior leadership appointments that deepen our leadership capabilities and I believe will make us even better at executing on our growth strategy.

Just as our operating environment has evolved over time, so has our leadership team. That builds culture. That brings a shared commitment to our clients to all areas of our bank. And that is key to building the leadership bench strength to keep that culture alive in the future – which benefits all of our stakeholders.

The result of our work is evident in CIBC's strong 2023 results. While we weren't immune to the impact of the economic environment, by sticking to our strategy and focusing on factors we could control, we delivered for our stakeholders.

On an adjusted basis, revenue of \$23.4 billion Canadian dollars, was up 7% from the prior year and adjusted pre-provision, pre-tax earnings of \$10.2 billion were up 8%.

Reported net income after tax for 2023 was \$5.0 billion or \$5.16 per share, or on an adjusted basis, \$6.5 billion or \$6.72 per share. These results were affected by the economic environment, as higher provisions for credit losses impacted bottom-line profitability.

We held expense growth to just 6% in 2023 versus the prior year, and we expanded margins by 20 basis points in Canadian personal and commercial banking despite a very competitive environment – a clear indication of the value of our relationship focused strategy.

Given the economic environment and our commitment to prudently managing the business, we consciously grew our capital base, ending 2023 with a CET1 ratio of 12.4%. This is well above regulatory minimums. It has since grown to 13% at the end of Q1.

We carried our momentum into fiscal 2024, reporting a strong first quarter at the end of February.

Revenue was up 5% over Q1 2023, and we generated strong pre-provision, pre-tax earnings growth of 8%.

Notably, expenses were up just 3% - again, the best in the banking industry in terms of expense management despite an inflationary environment.

Across our businesses, our momentum was clear in fiscal 2023.

In Canadian Personal and Business Banking, we're driving robust net client growth, particularly in the newcomer and student segments.

Here we are seeing the result of our focus on connectivity and deepening relationships. For example, you will recall we acquired the Costco credit card portfolio in Canada in 2021. Today, more than 90,000 Costco cardholders now have a broader banking relationship with CIBC.

And as I've noted, we're delivering on the client experience. We moved up to third overall in the JD Power 2023 Canadian banking satisfaction survey, and ranked #1 in the J.D. Power 2023 Customer Satisfaction Small Business Banking award.

In Canadian Commercial Banking and Wealth Management, we demonstrated strong momentum throughout 2023 and recorded a third consecutive year of increasing net promoter scores.

As expected, demand for loans was lower in 2023. But we're confident in both the credit quality of our existing portfolio, and in our ability to deliver targeted growth in high potential sectors in coming years.

Despite market volatility, we delivered a strong year in wealth management. The launch of new customer relationship management tools and our CIBC GoalPlanner platform at CIBC Wood Gundy are increasing engagement and connectivity with clients, and contributed to positive fund flows this year.

This reflects our high-touch approach to meeting client needs in this important market, enabled by high-tech solutions.

In US Commercial Banking and Wealth Management, we continued to grow by deepening relationships in existing markets and expanding our footprint in fast-growing cities like Palm Beach, Florida, and San Francisco, California. While our overall performance was affected by provisions for credit losses in our office real estate portfolio, the core business performance of this

strategic business unit was solid thanks to the actions of our leadership team. We're well positioned to continue to grow this business with our clients in the year ahead.

In Capital Markets and Direct Financial Services, we again leveraged our differentiated platform to drive consistent growth. Our Direct Financial Services business delivered a 26% increase in revenue last year. And our traditional Capital Markets business performed well relative to peers, demonstrating robust, risk-controlled growth in our trading businesses despite more volatile markets, and delivering double digit revenue growth in the US again in 2023, aligned with our Investor Day targets.

CIBC's performance is deeply connected to our commitment to enabling a more secure, equitable and sustainable future.

The financial sector is uniquely positioned to drive change by activating resources to shape the kind of future we all want.

We are determined to play our part.

Let me take you through some highlights.

On the Environmental front, we are focused on transitioning to a low-carbon future through investments in cleaner forms of energy, and financing products and sectors with strong social and environmental impact.

We have now established 2030 interim targets to reduce the carbon intensity of our financed emissions across our oil and gas, power generation, and automotive manufacturing portfolios. In 2023, we made further progress towards our oil and gas and power generation targets.

From a Social perspective, CIBC is committed to creating access to opportunities – beginning with our team and extending to the communities where we live and work.

For example, we increased the share of women in Board-approved executive roles to 39% in 2023, very close to our goal of at least 40% by the end of 2024.

We also invested over \$4 million in community programs aimed at removing barriers to ambition for members of the Black community.

And, since launching the CIBC Foundation in 2021, we have made real progress in creating social and economic opportunities for all.

Last year, the CIBC Foundation provided more than \$66 million in corporate and Team CIBC contributions globally – part of our goal to contribute \$800 million to community investment initiatives by 2032.

From a Governance perspective, integrity and transparency are at the heart of how CIBC conducts business and interacts with our stakeholders. In 2023, our CIBC team developed and published Generative AI guidelines for all CIBC team members and created a Generative AI Adoption and Oversight Council – part of our broader effort to embrace new technologies to advance our business, and to do so responsibly. We're already leveraging AI across our bank to do more for our clients, simplify and enhance processes, and enabling our team to focus their efforts on high impact work.

I am optimistic about the opportunities ahead of us as we work together to shape a more sustainable future.

Importantly, against a more uncertain backdrop, we also need to address how Canada will succeed in the new economy over the long term. I've spoken before about three forms of capital required for Canada's future prosperity – human capital, financial capital, and social capital.

On the topic of human capital, we need to stay focused on growth areas such as cybersecurity, technology, and consulting because these are the industries of the future.

That requires attracting the best and brightest to our country, and offering the educational opportunities to those growing up here to be leaders of the future.

If we do this well, we'll attract financial capital as a nation. We will create great businesses and great ideas that draw investment from outside our borders.

Where we need to put a special focus right now is on social capital. The time is now to step up as a welcoming nation of opportunity, because that status is at risk.

We can't capitalize on the benefits of immigration and education without the investments in the supporting infrastructure. We see the stresses in areas such as our healthcare system, and perhaps most acutely in the housing market. We need to do more as a nation to find a solution.

I've heard first-hand the obstacles families face in finding affordable housing to rent or buy.

I've talked to developers about the challenges they encounter in building more homes. And I've talked to policy makers about levers we can pull to speed up the construction of homes.

What's clear is nobody yet has all the answers.

But what's also clear is that we are also seeing a growing understanding of the scale of the problem, and a greater sense of urgency to identify solutions.

We have been a thought leader in this area. Our economists highlighted last year that far more people have been coming to Canada in recent years than government figures reflected – a key point that has informed dialogue around the issue since.

We at CIBC remain determined to be a catalyst for solutions.

In closing...

I'd like to thank each of our 48,000-strong team for all they do every day for our clients, and for CIBC.

We have put the pieces in place for long-term success.

We've created a culture that sets us apart.

We've made necessary investments in key growth areas.

You see this in our results - we see it in our CIBC team, every day. Thanks to their hard work in 2023, we demonstrated financial and strategic strength, robust risk and capital management, and stability and resilience against a challenging economic backdrop.

We stood by our clients, and they rewarded us.

We believe there will be opportunities for us to grow our business and we're well positioned for 2024.

We are ready to deliver for clients, investors, communities and team members – for ALL our stakeholders, in 2024 and beyond.

As we do, we will be guided by the purpose that unites us at CIBC – making ambitions real.

We're proud of the bank we are today. We are excited about the opportunities that brings. And we're grateful for your trust in our CIBC team.

Thank you.