

**CIBC ANNOUNCES SECOND QUARTER 2019 RESULTS**

Toronto, ON – May 22, 2019 – CIBC (TSX: CM) (NYSE: CM) today announced its financial results for the second quarter ended April 30, 2019.

**Second quarter highlights**

	Q2/19	Q2/18	Q1/19	YoY Variance	QoQ Variance
Reported Net Income	\$1,348 million	\$1,319 million	\$1,182 million	+2%	+14%
Adjusted Net Income <sup>(1)</sup>	\$1,357 million	\$1,345 million	\$1,363 million	+1%	0%
Reported Diluted Earnings Per Share (EPS)	\$2.95	\$2.89	\$2.60	+2%	+13%
Adjusted Diluted EPS <sup>(1)</sup>	\$2.97	\$2.95	\$3.01	+1%	-1%
Reported Return on Common Shareholders' Equity (ROE)	15.8%	17.0%	13.8%		
Adjusted ROE <sup>(1)</sup>	15.9%	17.4%	16.0%		
Common Equity Tier 1 Ratio	11.2%	11.2%	11.2%		

"We delivered solid earnings this quarter, reflecting the strength of our increasingly diversified business," says Victor G. Dodig, CIBC President and Chief Executive Officer. "We continued to invest across our bank for the future, while gaining efficiencies through our ongoing transformation."

Results for the second quarter of 2019 were affected by the following items of note aggregating to a negative impact of \$0.02 per share:

- \$27 million (\$20 million after-tax) amortization of acquisition-related intangible assets; and
- \$15 million (\$11 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 Common Equity Tier 1, Tier 1 and Total capital ratios of 11.2%, 12.6% and 14.5%, respectively, compared with 11.2%, 12.7% and 14.7%, respectively, at the end of the prior quarter. CIBC's leverage ratio at April 30, 2019 was 4.3%.

Today we announced our intention to seek Toronto Stock Exchange approval for a normal course issuer bid that would permit us to purchase for cancellation up to a maximum of 9 million, or approximately 2% of our outstanding common shares, over the next 12 months.

**Core business performance**

*Canadian Personal and Small Business Banking* reported net income of \$570 million for the second quarter, down \$14 million or 2% from the second quarter a year ago. Excluding items of note, adjusted net income<sup>(1)</sup> was \$571 million, down \$15 million or 3% from the second quarter a year ago, as higher revenue was more than offset by higher expenses and provision for credit losses. The increase in revenue was due to wider spreads and volume growth, partially offset by lower fee income.

*Canadian Commercial Banking and Wealth Management* reported net income of \$328 million for the second quarter, up \$18 million or 6% from the second quarter a year ago, primarily driven by higher revenue, partially offset by a higher provision for credit losses. Revenue was up in commercial banking due to higher fees and volume growth. Revenue was up in wealth management due to favourable market conditions impacting assets under management and assets under administration.

*U.S. Commercial Banking and Wealth Management* reported net income of \$163 million for the second quarter, up \$25 million or 18% from the second quarter a year ago. Excluding items of note, adjusted net income<sup>(1)</sup> was \$176 million, up \$34 million or 24% from the second quarter a year ago, primarily due to higher revenue, partially offset by higher expenses. Revenue was up in commercial banking and wealth management primarily due to volume growth and the impact of U.S. dollar appreciation.

*Capital Markets* reported net income of \$279 million for the second quarter, up \$30 million or 12% from the second quarter a year ago, driven by higher revenue. Higher underwriting and advisory, interest rate trading, corporate banking, and global markets financing revenue was partially offset by lower investment portfolio gains and lower revenue from equity derivatives and foreign exchange trading.

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

## Credit quality

Provision for credit losses was \$255 million, up \$43 million or 20% from the second quarter a year ago, primarily due to higher provisions on impaired loans in Canadian Commercial Banking and Wealth Management. The current quarter also included a higher provision on performing loans in Canadian Personal and Small Business Banking that was largely offset by reversals in Corporate and Other and our other strategic business units.

## 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 understanding how management views underlying business performance. For a more detailed discussion on our non-GAAP measures, see page 14 of our 2018 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			For the six months ended	
		2019 Apr. 30	2019 Jan. 31	2018 Apr. 30	2019 Apr. 30	2018 Apr. 30
<b>Reported and adjusted diluted EPS</b>						
Reported net income attributable to common shareholders	A	\$ 1,313	\$ 1,155	\$ 1,289	\$ 2,468	\$ 2,594
After-tax impact of items of note <sup>(1)</sup>		9	181	26	190	131
Adjusted net income attributable to common shareholders <sup>(2)</sup>	B	\$ 1,322	\$ 1,336	\$ 1,315	\$ 2,658	\$ 2,725
Diluted weighted-average common shares outstanding (thousands)	C	445,224	444,301	445,658	444,755	444,231
Reported diluted EPS (\$)	A/C	\$ 2.95	\$ 2.60	\$ 2.89	\$ 5.55	\$ 5.84
Adjusted diluted EPS (\$) <sup>(2)</sup>	B/C	2.97	3.01	2.95	5.98	6.13
<b>Reported and adjusted return on common shareholders' equity</b>						
Average common shareholders' equity	D	\$ 34,091	\$ 33,183	\$ 31,017	\$ 33,629	\$ 30,336
Reported return on common shareholders' equity	A/D <sup>(3)</sup>	15.8 %	13.8 %	17.0 %	14.8 %	17.2 %
Adjusted return on common shareholders' equity <sup>(2)</sup>	B/D <sup>(3)</sup>	15.9 %	16.0 %	17.4 %	15.9 %	18.1 %

\$ millions, for the three months ended		Canadian Personal and Small Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets	Corporate and Other	CIBC Total
2019 Apr. 30	Reported net income (loss)	\$ 570	\$ 328	\$ 163	\$ 279	\$ 8	\$ 1,348
	After-tax impact of items of note <sup>(1)</sup>	1	-	13	-	(5)	9
	Adjusted net income (loss) <sup>(2)</sup>	\$ 571	\$ 328	\$ 176	\$ 279	\$ 3	\$ 1,357
2019 Jan. 31	Reported net income (loss)	\$ 463	\$ 319	\$ 168	\$ 201	\$ 31	\$ 1,182
	After-tax impact of items of note <sup>(1)</sup>	169	-	6	-	6	181
	Adjusted net income (loss) <sup>(2)</sup>	\$ 632	\$ 319	\$ 174	\$ 201	\$ 37	\$ 1,363
2018 Apr. 30	Reported net income (loss)	\$ 584	\$ 310	\$ 138	\$ 249	\$ 38	\$ 1,319
	After-tax impact of items of note <sup>(1)</sup>	2	-	4	-	20	26
	Adjusted net income (loss) <sup>(2)</sup>	\$ 586	\$ 310	\$ 142	\$ 249	\$ 58	\$ 1,345

\$ millions, for the six months ended		Canadian Personal and Small Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets	Corporate and Other	CIBC Total
2019 Apr. 30	Reported net income (loss)	\$ 1,033	\$ 647	\$ 331	\$ 480	\$ 39	\$ 2,530
	After-tax impact of items of note <sup>(1)</sup>	170	-	19	-	1	190
	Adjusted net income (loss) <sup>(2)</sup>	\$ 1,203	\$ 647	\$ 350	\$ 480	\$ 40	\$ 2,720
2018 Apr. 30	Reported net income (loss)	\$ 1,240	\$ 624	\$ 272	\$ 571	\$ (60)	\$ 2,647
	After-tax impact of items of note <sup>(1)</sup>	4	-	10	-	117	131
	Adjusted net income (loss) <sup>(2)</sup>	\$ 1,244	\$ 624	\$ 282	\$ 571	\$ 57	\$ 2,778

(1) Reflects impact of items of note below.

(2) Non-GAAP measure.

(3) Annualized.

## Items of note

\$ millions	For the three months ended			For the six months ended	
	2019 Apr. 30	2019 Jan. 31	2018 Apr. 30	2019 Apr. 30	2018 Apr. 30
Amortization of acquisition-related intangible assets	\$ 27	\$ 27	\$ 26	\$ 54	\$ 58
Charge for a payment made to Air Canada, including related sales tax and transaction costs, to secure our participation in its new loyalty program	-	227	-	227	-
Transaction and integration-related costs as well as purchase accounting adjustments associated with the acquisitions of The PrivateBank, Geneva Advisors and Wellington Financial <sup>(1)</sup>	(15)	(8)	9	(23)	(1)
Pre-tax impact of items of note on net income	12	246	35	258	57
Income tax impact on above items of note	(3)	(65)	(9)	(68)	(14)
Charge from net tax adjustments resulting from U.S. tax reforms	-	-	-	-	88
After-tax impact of items of note on net income	\$ 9	\$ 181	\$ 26	\$ 190	\$ 131

(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 and Wellington Financial acquisitions.

## **Making a difference in our Communities**

At CIBC, our team is passionate about making a difference in our communities through our global community investment initiative, One for Change. In the second quarter, we committed almost \$2 million in support of hospitals, primarily focused on cancer treatment, and celebrated National Volunteer Week in recognition of the more than 140,000 hours our employees volunteered in 2018. We also supported efforts by the Canadian Red Cross in response to the devastating floods in Ontario, Québec and New Brunswick.

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 second 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 second 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 2018 Annual Report under the heading "Financial performance overview – Outlook for calendar year 2019" 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 2019 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 2019" section of our 2018 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 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 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; 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 an acquisition 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 2018 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 1-800-898-3989, passcode 6597336#). 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 2019 second 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 3587047#) until 11:59 p.m. (ET) May 30, 2019. 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 North American global financial institution with 10 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 <https://www.cibc.com/en/about-cibc/media-centre.html>

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