



CIBC ANNOUNCES THIRD QUARTER 2018 RESULTS

Toronto, ON – August 23, 2018 – CIBC (TSX: CM) (NYSE: CM) today announced its financial results for the third quarter ended July 31, 2018.

Third quarter highlights

	Q3/18	Q3/17	Q2/18	YoY Variance	QoQ Variance
Reported Net Income	\$1,369 million	\$1,097 million	\$1,319 million	+25%	+4%
Adjusted Net Income ⁽¹⁾	\$1,399 million	\$1,166 million	\$1,345 million	+20%	+4%
Reported Diluted Earnings Per Share (EPS)	\$3.01	\$2.60	\$2.89	+16%	+4%
Adjusted Diluted EPS ⁽¹⁾	\$3.08	\$2.77	\$2.95	+11%	+4%
Reported Return on Common Shareholders' Equity (ROE)	16.7%	16.3%	17.0%		
Adjusted ROE ⁽¹⁾	17.1%	17.3%	17.4%		
Basel III Common Equity Tier 1 Ratio (all-in basis)	11.3%	10.4%	11.2%		

"In the third quarter, we continued to deliver solid performance across all of our businesses," says Victor G. Dodig, CIBC President and Chief Executive Officer. "We are executing well on our strategy to build a relationship-oriented bank for a modern world, while delivering strong and consistent returns and growth to shareholders. We are pleased with the momentum that our North American platform is gaining as we find new ways to serve our clients on both sides of the border."

Results for the third quarter of 2018 were affected by the following items of note aggregating to a negative impact of \$0.07 per share:

- \$31 million (\$23 million after-tax) amortization of acquisition-related intangible assets; and
- \$9 million (\$7 million after-tax) in transaction and integration-related costs net of purchase accounting adjustments 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 11.3%, 12.8% and 14.8%, respectively, compared with 11.2%, 12.7% and 15.1%, respectively, at the end of the prior quarter. CIBC's Basel III leverage ratio at July 31, 2018 was 4.2%.

CIBC announced an increase in its quarterly common share dividend from \$1.33 per share to \$1.36 per share.

Core business performance

Canadian Personal and Small Business Banking reported net income of \$639 million for the third quarter, up \$78 million or 14% from the third quarter a year ago. Excluding items of note, adjusted net income⁽¹⁾ was \$643 million, up \$81 million or 14% from the third quarter a year ago as wider spreads, volume growth and higher fees were partially offset by higher non-interest expenses.

Canadian Commercial Banking and Wealth Management reported net income of \$350 million for the third quarter, up \$59 million or 20% from the third quarter a year ago, primarily driven by higher revenue. The increase in revenue was driven mainly by deposit and lending growth, higher fees and wider spreads in commercial banking, and higher client assets in wealth management.

U.S. Commercial Banking and Wealth Management reported net income of \$162 million for the third quarter, up \$121 million or 295% from the third quarter a year ago. Excluding items of note, adjusted net income⁽¹⁾ was \$171 million, up \$126 million or 280% from the third quarter a year ago, primarily due to the inclusion of the results of CIBC Bank USA for the full quarter. The same quarter last year only included the results of CIBC Bank USA following the acquisition on June 23, 2017.

Capital Markets reported net income of \$265 million for the third quarter, up \$13 million or 5% from the third quarter a year ago. Strong revenue growth was driven by our equity derivatives, foreign exchange, and interest rate trading businesses, as well as higher advisory and corporate banking revenue, partially offset by a gain on the sale of an investment included in the same quarter last year. Non-interest expenses were higher primarily due to higher performance-based compensation and spending on strategic initiatives.

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

Credit quality

Provision for credit losses was \$241 million, up \$32 million or 15% from the third quarter a year ago, primarily due to an increase in provision on impaired loans as a result of higher expected credit losses in CIBC FirstCaribbean, partially offset by a reversal of credit losses on non-impaired loans driven by positive credit migration within the non-impaired portfolio and the transfer of certain loans to the impaired portfolio.

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			For the nine months ended	
		2018 Jul. 31	2018 Apr. 30	2017 Jul. 31	2018 Jul. 31	2017 Jul. 31
Reported and adjusted diluted EPS						
Reported net income attributable to common shareholders	A	\$ 1,342	\$ 1,289	\$ 1,084	\$ 3,936	\$ 3,512
After-tax impact of items of note ⁽¹⁾		30	26	69	161	(152)
Adjusted net income attributable to common shareholders ⁽²⁾	B	\$ 1,372	\$ 1,315	\$ 1,153	\$ 4,097	\$ 3,360
Diluted weighted-average common shares outstanding (thousands)	C	445,504	445,658	416,385	444,660	405,139
Reported diluted EPS (\$)	A/C	\$ 3.01	\$ 2.89	\$ 2.60	\$ 8.85	\$ 8.67
Adjusted diluted EPS (\$) ⁽²⁾	B/C	3.08	2.95	2.77	9.21	8.29
Reported and adjusted return on common shareholders' equity						
Average common shareholders' equity	D	\$ 31,836	\$ 31,017	\$ 26,447	\$ 30,841	\$ 24,356
Reported return on common shareholders' equity	A/D ⁽³⁾	16.7 %	17.0 %	16.3 %	17.1 %	19.3 %
Adjusted return on common shareholders' equity ⁽²⁾	B/D ⁽³⁾	17.1 %	17.4 %	17.3 %	17.8 %	18.4 %

\$ 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
2018	Reported net income (loss)	\$ 639	\$ 350	\$ 162	\$ 265	\$ (47)	\$ 1,369
Jul. 31	After-tax impact of items of note ⁽¹⁾	4	-	9	-	17	30
	Adjusted net income (loss) ⁽²⁾	\$ 643	\$ 350	\$ 171	\$ 265	\$ (30)	\$ 1,399
2018	Reported net income	\$ 584	\$ 310	\$ 138	\$ 249	\$ 38	\$ 1,319
Apr. 30	After-tax impact of items of note ⁽¹⁾	2	-	4	-	20	26
	Adjusted net income ⁽²⁾	\$ 586	\$ 310	\$ 142	\$ 249	\$ 58	\$ 1,345
2017	Reported net income (loss)	\$ 561	\$ 291	\$ 41	\$ 252	\$ (48)	\$ 1,097
Jul. 31	After-tax impact of items of note ⁽¹⁾	1	-	4	-	64	69
	Adjusted net income ⁽²⁾	\$ 562	\$ 291	\$ 45	\$ 252	\$ 16	\$ 1,166
\$ millions, for the nine months ended							
2018	Reported net income (loss)	\$ 1,879	\$ 974	\$ 434	\$ 836	\$ (107)	\$ 4,016
Jul. 31	After-tax impact of items of note ⁽¹⁾	8	-	19	-	134	161
	Adjusted net income ⁽²⁾	\$ 1,887	\$ 974	\$ 453	\$ 836	\$ 27	\$ 4,177
2017	Reported net income (loss)	\$ 1,869	\$ 851	\$ 96	\$ 868	\$ (130)	\$ 3,554
Jul. 31	After-tax impact of items of note ⁽¹⁾	(242)	-	7	-	83	(152)
	Adjusted net income (loss) ⁽²⁾	\$ 1,627	\$ 851	\$ 103	\$ 868	\$ (47)	\$ 3,402

(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 nine months ended	
	2018 Jul. 31	2018 Apr. 30	2017 Jul. 31	2018 Jul. 31	2017 Jul. 31
Gain on the sale and lease back of certain retail properties	\$ -	\$ -	\$ -	\$ -	\$ (299)
Amortization of acquisition-related intangible assets	31	26	10	89	22
Transaction and integration-related costs as well as purchase accounting adjustments associated with the acquisitions of The PrivateBank and Geneva Advisors ⁽¹⁾	9	9	38	8	58
Increase in legal provisions	-	-	45	-	45
Pre-tax impact of items of note on net income	40	35	93	97	(174)
Income tax impact on above items of note	(10)	(9)	(24)	(24)	22
Charge from net tax adjustments resulting from U.S. tax reforms	-	-	-	88	-
After-tax impact of items of note on net income	\$ 30	\$ 26	\$ 69	\$ 161	\$ (152)

(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.

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:

- More than 100 Team CIBC cyclists raised over \$1 million to support pediatric oncology through the 2018 Tour CIBC Charles-Bruneau;
- CIBC, as the official bank of the Canadian Hockey League and the Regina Pats, celebrated the centennial edition of the Memorial Cup in Regina; and
- CIBC was named among the Best 50 Corporate Citizens in Canada for the 11th time by Corporate Knights Inc.

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 third 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 third 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 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. 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.

Details of CIBC's fiscal 2018 third quarter results, as well as a presentation to investors, will be available in English and French at 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) August 30, 2018. The audio webcast will be archived at www.cibc.com/ca/investor-relations/quarterly-results.html.

About CIBC

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