



# CIBC Annual Meeting of Shareholders 2023

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Address delivered by

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President & CEO, CIBC

*Check against delivery*

Thank you Kate, and good afternoon everyone.

Today, I will share with you the progress CIBC is making as our team lives our purpose of helping to make ambitions real, and executes our client-focused strategy.

As we gather today, we do so in a changing operating environment. Over the past year, interest rates have increased as central banks work to tame inflation, economic growth has slowed, and more recently, we've seen isolated challenges emerge for some banks across the globe. So against that backdrop, I want to underscore three important messages about our bank, CIBC:

- Our bank is a resilient institution. We have strong capital levels and liquidity, we're highly diversified across sectors and geography, and we have a long history of managing our business well through the full economic cycle.
- Our bank is a vibrant and client-focused business. We excel in providing the advice and solutions our clients need, attracting new clients and growing in areas of the economy that will be critical in the coming years.
- And, our bank is playing our part in enabling a more sustainable future. Right across our team, we are taking action — through our leadership with clients in reducing emissions intensity -- and our leadership in building a more inclusive economy with opportunities for all.

We are in an enviable position today, because we've put in the work to shape a purpose that unites and guides our team, and because we have made strategic investments to position us for strong relative performance in the years ahead.

We have the strength to weather and capitalize on periods of uncertainty in the market, and we have the strategy to drive results over the long term, even when headwinds exist in the market.

2022 is a clear example of this approach in action. We grew our client base and increased our market share across our bank, delivered industry-leading revenue growth, and continued to build on our strategic advantages in the market.

In June of last year, right here at our new global headquarters CIBC Square, we held an Investor Day to share our plans to deliver for our stakeholders in the years to come – drawing on our unique strengths and capabilities.

Our strategy is comprised of three key priorities:

First, we're focused on high touch, high growth segments of the market – including the private economy and the affluent market.

Second, we're elevating the client experience – leveraging our leadership in digital to provide best-in-class banking services and continuing to emphasize our focus on client relationships across our bank.

And third, we're investing in future differentiators – businesses that are growing today, and that will be a meaningful contributor to our bank tomorrow. These include strategically important areas such as innovation banking and sustainable finance.

Our progress in executing against our consistent strategy is increasingly clear in our results.

In 2022, CIBC delivered a solid financial performance against a more challenging economic backdrop.

On an adjusted basis, we generated top-line revenue growth of 9% -- the highest among our Canadian peers and above the average of 7% across major US banks.

This was driven by volume growth across key business lines and accompanied by strategic investments in our business for the future, including;

- the acquisition of the Costco credit card portfolio in Canada,
- further investments in cloud technology, and
- a continued modernization of the advisory platforms our team uses to serve our clients.

As a result of these future-focused strategic investments to set our bank up for success in the years ahead, expenses grew 11% year over year. As we've communicated, with these key investments made, we'll see a gradual decline in the rate of expense growth through fiscal 2023.

We reported pre-provision, pre-tax earnings growth of 7% in fiscal 2022. This speaks to the clear progress we've made in attracting clients and deepening relationships.

While our bottom-line numbers for the full year were solid, they were lower than in 2021. This is partly due to the changing economic environment, which led to higher provisions for credit losses, a trend seen across the industry.

The credit quality of our book remains strong and we're well positioned to manage through a more fluid economic environment.

On a full year basis, 2022 was a good year financially for our bank - with some pressure on our profitability in the second half - but also with clear momentum in driving growth.

Our Q1 earnings for fiscal 2023 showed sustained momentum, with revenue growth of 8% year over year. Our margins expanded in the quarter, a trend we see continuing. And our CET1 ratio of 11.6% is well above regulatory requirements.

We are generating this momentum and high-quality, long-term growth because our strategy is an ideal fit with the advantages we have at CIBC, and with what our clients are looking for from their bank.

Every time I visit one of our teams, whether I'm on the road or on our trading floor, there's a common language at our bank around client focus. We think about a client's entire relationship with our bank, not just a single product or service. And we understand which of our colleagues we need to call on to help our clients realize their long term ambitions. At our bank, we're all-in on a client first strategy underpinned by a connected culture.

It shows through in the performance of our business units. Let's begin with Canadian Personal and Business Banking.

We've never grown faster in this segment in terms of net client growth.

We added over 350,000 net new clients organically to our bank in 2022. That's on top of the acquisition of Costco's Canadian credit card portfolio, which brought another 2 million clients, who skew towards being more affluent consumers.

Combined, that's the largest influx of clients to our retail business on record. We are well positioned to build relationships with these clients through offerings such as CIBC Imperial Service, where over 2,000 of our advisors provide dedicated advice to clients with more complex needs. This is a structural advantage for CIBC; no other bank offers anything like it.

Our Client Experience scores are on the rise. CIBC moved into third place among primary clients in the Ipsos NPS survey, and ranked #2 in JD Power's annual survey.

And we provide an award winning digital banking experience in Canada. In 2022, Ipsos ranked CIBC number one in Canada for online banking - a significant advantage when 94% of transactions take place outside banking centres.

We are very well positioned to continue to grow our retail business in the years ahead.

Our Commercial Banking and Wealth Management businesses are grouped together, a structure we put in place because it best meets the needs of our clients in the private economy.

Having our commercial banking teams and wealth management teams working together allows CIBC to meet the lifetime needs of entrepreneurs - helping them to scale their business and then transition, where we can help them manage their wealth through retirement.

In Canada, 2022 was another year of double-digit growth in loans and deposits in our commercial banking business. It was also another year of solid net fund inflows relative to the industry in Wealth Management. For instance, our CIBC Wood Gundy franchise had a record year of net inflows, up 27% in fiscal 2022, compared to the prior year.

In US Commercial Banking and Wealth Management, we've continued to expand to new markets and verticals to meet client needs. We are opening new locations such as a flagship location in Florida, and our team is on the ground in fast growing markets such as Dallas to attract clients for the long term.

To put our success in perspective, when we acquired The Private Bank in 2016, our total earnings from the US region represented 2% of our bank's net income. At the end of fiscal 22, it was 20%. We've achieved this through a consistent, intentional focus on relationship building in market segments we know well.

As part of these efforts, we've built a strong innovation banking business, a differentiator for CIBC that position us as a leader in banking the technology leaders of the future.

And in our Capital Markets business unit, we've been successful by building a highly connected business, one that's differentiated from our peers.

We maintain a strong platform in traditional capital markets areas, with a leadership position in trading and a strong client focused franchise across investment and corporate banking.

We're a leader in financing the renewables industry, ranking in the top 10 lenders to this sector across North America – an area of continued growth where we have established early leadership.

We're also seeing momentum in a strategic differentiator for our bank called Direct Financial Services. This is a fintech within our bank that meets the needs of clients for digital solutions in banking, payments, and investing. Revenue is up 18% over the last year in this business, and we see continued growth prospects here through innovation.

We believe that banks play a unique and vital role in enabling a more secure, equitable and sustainable future, and that's a commitment shared right across our CIBC team.

At our bank, we do this by working with clients to understand their sustainability ambitions and help make them real.

We're accelerating climate action - last year we mobilized \$35.9 billion in sustainable finance activities, and we're on track to mobilize \$300 billion by 2030. Some examples include a lending facility for the largest solar farm in Canada with over 1.3 million solar panels, and a syndicated credit facility for The First Nations Finance Authority.

As part of our ambition to achieve net-zero greenhouse gas emissions from our operational and financing activities by 2050, we established interim targets for the reduction in emissions intensity from our oil and gas and power generation portfolios by 2030. We're working closely with clients in these sectors to achieve these targets.

We are also enabling access to opportunities for all, inside and outside our bank.

We instituted a \$20 minimum hourly wage this year in local currency in Canada and the US, and made a commitment to raising that to \$25 by the end of 2025.

In addition, we've focused on opportunities for those in underrepresented communities.

In 2022, we increased representation for people of colour in Board-approved executive roles to 24%, progress on a longer journey towards ensuring that our bank fully represents the communities we serve.

We launched a new Social Impact Alliance between the CIBC Foundation and Microsoft which aims to close the digital skills gap by investing in education and

technology employment opportunities for communities currently underrepresented in the field.

We also introduced new banking products and programs for underserved communities – including a program launched last year designed specifically for Black-owned businesses, as well as a \$2 million contribution to the Black Opportunity Fund.

Finally, as part of our commitment to building integrity and trust in a digital era, we continued to focus on innovation, technology, talent, and the underlying processes and systems in place to improve how we operate and interact with all of our stakeholders.

All of this demonstrates our deep commitment to using our resources and position to create positive change. We are determined to be leaders here over the long term.

We've built a solid foundation that positions us well to manage through an evolving economic environment.

Our economists expect growth to slow for the rest of the year, as the economy cools under the full impact of increases in interest rates. Current forecasts are for GDP growth at 1.2% in Canada and 1.3% in the US in 2023.

Supply chain issues are fading, which is reducing inflationary pressures and helping businesses rebuild inventories and better meet demand.

This more modest rate of growth will still present opportunities for us to grow our business given our targeted client focused strategy. I'm proud of the fact that CIBC has a proven track record of being there for our clients, including through the pandemic and some of the urgent challenges individuals and companies faced in recent years.

That's our view on the economy near term.

It's also important to consider how to ensure Canada captures its share of global economic growth over the long term.

In my view, we do this in three ways: attracting financial capital to our country, investing in human capital through education and immigration, and building our nation's social capital through leadership in inclusion and action on climate change.

On immigration specifically, we must ensure Canada retains its reputation as a welcoming nation of opportunity so that we compete successfully for the newcomers we need to help grow our economy.

This includes newcomers in sectors of the future such as high tech. But it also means people who can use their skills to build infrastructure and support our growing population. This means labourers, skilled trades, medical professionals and more.

And once newcomers are here, we need to find ways to enable them to use those skills for the benefit of Canada. That means lowering barriers to entry in many sectors and recognizing skills and accreditations more readily.

If we want the best and brightest to come here, and to stay here, we also need to solve for housing availability and affordability. Finding a path to a more affordable housing supply will serve to make Canada a welcoming nation of opportunity for newcomers, and give younger Canadians the opportunity to own a home and raise a family.

These are big issues. At CIBC, we are in the business of solutions, and we will continue to advocate for them to ensure a sustainable future.

In closing, I want to thank our team of almost 50,000 globally who are living our purpose every day.

As an investor in our bank, you should know that our CIBC team is always thinking about ways to help make ambitions real. That purpose drives us in good times, and galvanizes us in more challenging times.

Together, we've built a bank with deep client relationships and a clear, client-focused strategy to outperform over the long run.

Your confidence in us is well placed, and we thank you for your trust in our team and our bank.

Thank you.

Kate, I'll turn it back to you.