

Management's discussion and analysis

Management's discussion and analysis (MD&A) is provided to enable readers to assess CIBC's financial condition and results of operations as at and for the year ended October 31, 2024, compared with prior years. The MD&A should be read in conjunction with the audited consolidated financial statements. Unless otherwise indicated, all financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards (IFRS or GAAP) and all amounts are expressed in Canadian dollars. Certain disclosures in the MD&A have been shaded as they form an integral part of the consolidated financial statements. The MD&A is current as of December 4, 2024. Additional information relating to CIBC, including the Annual Information Form, is available on SEDAR+ at www.sedarplus.com and on the United States (U.S.) Securities and Exchange Commission's (SEC) website at www.sec.gov. No information on CIBC's website (www.cibc.com) should be considered incorporated herein by reference. A glossary of terms used in the MD&A and the audited consolidated financial statements is provided on pages 97 to 103 of this Annual Report.

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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 Annual Report, in other filings with Canadian securities regulators or the SEC 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 "Message from the President and Chief Executive Officer", "Overview – Performance against objectives", "Economic and market environment – Outlook for calendar year 2025", "Significant events", "Financial performance overview – Taxes", "Strategic business units overview – Canadian Personal and Business Banking", "Strategic business units overview – Canadian Commercial Banking and Wealth Management", "Strategic business units overview – U.S. Commercial Banking and Wealth Management", "Strategic business units overview – Capital Markets and Direct Financial Services", "Financial condition – Capital management", "Financial condition – Off-balance sheet arrangements", "Management of risk – Risk overview", "Management of risk – Top and emerging risks", "Management of risk – Credit risk", "Management of risk – Market risk", "Management of risk – Liquidity risk", "Accounting and control matters – Critical accounting policies and estimates", "Accounting and control matters – Accounting developments", "Accounting and control matters – Other regulatory developments" and "Accounting and control matters – Controls and procedures" sections of this report and other statements about our operations, business lines, financial condition, risk management, priorities, targets and sustainability commitments (including with respect to net-zero emissions and our environmental, social and governance (ESG) related activities), ongoing objectives, strategies, the regulatory environment in which we operate and outlook for calendar year 2025 and subsequent periods. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", "forecast", "target", "predict", "commit", "ambition", "goal", "strive", "project", "objective" and other similar expressions or future or conditional verbs such as "will", "may", "should", "would" and "could". By their nature, these statements require us to make assumptions, including the economic assumptions set out in the "Economic and market environment – Outlook for calendar year 2025" section of this report, and are subject to inherent risks and uncertainties that may be general or specific. Given the continuing impact of the interest rate, inflationary, macroeconomic, banking and regulatory environment, the impact of hybrid work arrangements and the lagged impact of high interest rates on the U.S. real estate sector, the softening labour market and uncertain political conditions in the U.S., and the war in Ukraine and conflict in the Middle East on the global economy, financial markets, and our business, results of operations, reputation and financial condition, there is inherently more uncertainty associated with our assumptions as compared to prior periods. 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: inflationary pressures; global supply-chain disruptions; geopolitical risk, including from the war in Ukraine and conflict in the Middle East, the occurrence, continuance or intensification of public health emergencies, such as the impact of post-pandemic hybrid work arrangements, and any related government policies and actions; credit, market, liquidity, strategic, insurance, operational, reputation, conduct and legal, regulatory and environmental risk; currency value and interest rate fluctuations, including as a result of market and oil price volatility; 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 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; exposure to, and the resolution of, significant litigation or regulatory matters, our ability to successfully appeal adverse outcomes of such matters and the timing, determination and recovery of amounts related to such 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, such as the war in Ukraine and conflict in the Middle East, and terrorism; natural disasters, 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 including the use of data and artificial intelligence in our business; global capital market activity; changes in monetary and economic policy; 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; climate change and other ESG related risks including our ability to implement various sustainability-related initiatives internally and with our clients under expected time frames and our ability to scale our sustainable finance products and services; 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 benefits of an acquisition, merger or divestiture 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. Any forward-looking statements contained in this report 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 report or in other communications except as required by law.

External reporting changes

The following external reporting changes were made in 2024. Prior year amounts were restated accordingly. Regulatory capital measures for the corresponding years have not been restated.

Adoption of IFRS 17 “Insurance Contracts” (IFRS 17)

We adopted IFRS 17 “Insurance Contracts” (IFRS 17), commencing November 1, 2023, which replaces IFRS 4 “Insurance Contracts” (IFRS 4). The adoption of IFRS 17 required us to restate the comparative year ended October 31, 2023. Insurance results are now presented in Income from insurance activities, net under Non-interest income, which replaced Insurance fees, net of claims in the income statement. For further details on the adoption of IFRS 17, see Note 1 to the consolidated financial statements.

Overview

CIBC is a leading and well-diversified North American financial institution committed to creating enduring value for all our stakeholders – our clients, team, communities and shareholders. We are guided by our purpose – to help make your ambition a reality, and we are deploying our resources to create positive change and contribute to a more secure, equitable and sustainable future.

Across our bank and our businesses – Personal and Business Banking, Commercial Banking and Wealth Management, and Capital Markets and Direct Financial Services – our 48,000 employees bring our purpose to life every day for our 14 million personal banking, business, public sector and institutional clients in Canada, the U.S. and around the world.

Our strategy

Throughout 2024, we continued to focus on executing against our ambition of building a modern, relationship-oriented bank that delivers superior client experience and top-tier shareholder returns while maintaining financial strength, risk discipline and advancing our purpose-driven culture. Going forward, we will drive long-term growth and build on our momentum through our client-focused strategy that includes four strategic priorities:

- Growing our mass affluent and private wealth franchise in Canada and the U.S.;
- Expanding our digital-first personal banking capabilities in Canada;
- Delivering connectivity and differentiation to our clients; and
- Enabling, simplifying and protecting our bank.

Performance against objectives

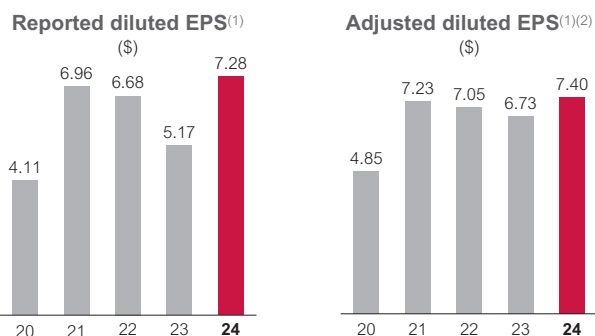
CIBC reports a scorecard of financial measures that we use to evaluate and report on our progress to external stakeholders. These measures can be categorized into four key areas – earnings growth, operating leverage, shareholder profitability and return, and balance sheet strength. We have set through the cycle targets for each of these measures, which we currently define as three to five years, assuming a normal business environment and credit cycle. Our ability to achieve these objectives may be adversely affected by extraordinary developments and disruptions.

Fiscal 2024 saw modestly improved economic growth with easing inflationary pressures, moderated by higher unemployment levels, higher regulatory capital requirements and continued challenges driven by geopolitical pressures. Specific challenges include higher provisions for credit losses related to the U.S. office real estate portfolio earlier in the year and credit normalization in other portfolios.

Earnings growth

To assess our earnings growth, we monitor our earnings per share (EPS). Our target of 7% to 10% growth reflects a simple average of annual adjusted⁽²⁾ diluted EPS. In 2024, against a backdrop of a challenging economic environment, our year-over-year reported and adjusted⁽²⁾ diluted EPS was up by 41% and 10%, respectively. Our 3-year compound annual growth rates (CAGR)⁽³⁾ for reported and adjusted⁽²⁾ diluted EPS were 1.5% and 0.8%, respectively, and our 5-year CAGR⁽³⁾ for reported and adjusted⁽²⁾ diluted EPS were 5.4% and 4.4%, respectively.

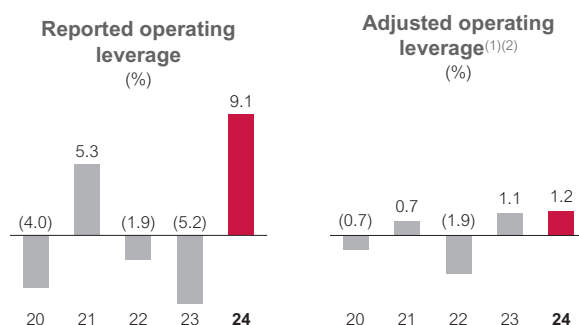
Going forward, we will continue to target an adjusted⁽²⁾ diluted EPS CAGR of 7% to 10% through the cycle.



Operating leverage

Operating leverage, defined as the difference between the year-over-year percentage change in revenue and year-over-year percentage change in non-interest expenses, is a measure of the relative growth rates of revenue and expenses. In 2024, our reported and adjusted⁽¹⁾⁽²⁾ operating leverage was 9.1% and 1.2%, respectively, compared with (5.2)% and 1.1%, respectively, in 2023. Our 3-year simple average reported and adjusted⁽²⁾ operating leverage was 0.7% and 0.1%, respectively, and our 5-year simple average reported and adjusted⁽²⁾ operating leverage was 0.7% and 0.1%, respectively.

Going forward, we will continue to target positive adjusted⁽²⁾ operating leverage through the cycle.



(1) Certain information for 2023 has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(2) Adjusted measures are non-GAAP measures. For additional information and a reconciliation of reported results to adjusted results, where applicable, see the “Non-GAAP measures” section.

(3) The 3-year compound annual growth rate (CAGR) is calculated from 2021 to 2024 and the 5-year CAGR is calculated from 2019 to 2024.

Shareholder profitability and return

We have three metrics to measure shareholder profitability and return:

1. Return on common shareholders' equity (ROE)

ROE, defined as the ratio of net income to average⁽³⁾ common shareholders' equity, is a key measure of profitability. In 2024, our reported and adjusted⁽¹⁾⁽²⁾ ROE were at 13.4% and 13.7%, respectively, compared with 10.3% and 13.4% in 2023, respectively, and below our through the cycle target of at least 16%, driven mainly by higher regulatory capital requirements. On a 3-year average basis, our reported and adjusted⁽²⁾ ROE were 12.6% and 13.9%, respectively. On a 5-year average basis, our reported and adjusted⁽²⁾ ROE were 12.8% and 14.0%, respectively.

Going forward, reflecting the changes in regulatory capital requirements, we will revise our adjusted⁽²⁾ ROE target to 15%+ through the cycle.

2. Dividend payout ratio

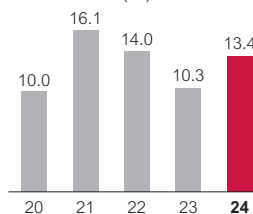
Dividend payout ratio is defined as the ratio of common share dividends paid as a percentage of net income after preferred share dividends, premiums on preferred share redemptions, and distributions on other equity instruments. Key criteria for considering dividend increases are our current level of payout relative to our target and our view on the sustainability of our current earnings level. In 2024, our reported and adjusted⁽¹⁾⁽²⁾ dividend payout ratios were 49.4% and 48.5%, respectively, compared with 66.5% and 51.1% in 2023, respectively. On a 3-year average basis, our reported and adjusted⁽²⁾ dividend payout ratios were 54.9% and 48.6%, respectively. On a 5-year average basis, our reported and adjusted⁽²⁾ dividend payout ratios were 55.4% and 49.2%, respectively.

Going forward, we will continue to target an adjusted⁽²⁾ dividend payout ratio of 40% to 50% through the cycle.

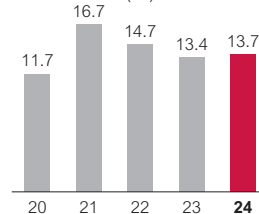
3. Total shareholder return (TSR)

TSR is the ultimate measure of shareholder value, and the output of delivering against the financial targets within our control. We have an objective to deliver a TSR that exceeds the industry average, which we have defined as the Standard & Poor's (S&P)/Toronto Stock Exchange (TSX) Composite Banks Index, over rolling three- and five-year periods. For the three years ended October 31, 2024, our TSR was 36.4% (2023: 15.0%), which was above the S&P/TSX Composite Banks Index of 21.9%. For the five years ended October 31, 2024, our TSR was 102.9% (2023: 12.7%), which was above the S&P/TSX Composite Banks Index return over the same period of 63.8%.

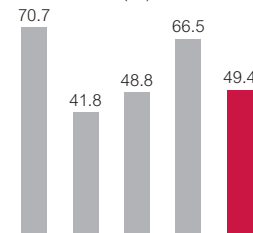
Reported return on common shareholders' equity (%)



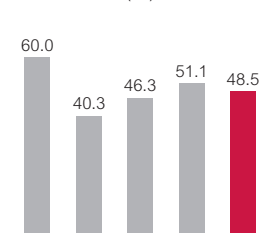
Adjusted return on common shareholders' equity⁽¹⁾⁽²⁾ (%)



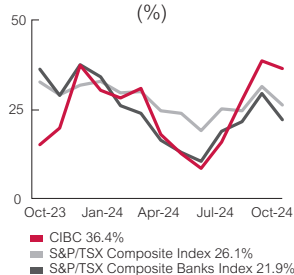
Reported dividend payout ratio (%)



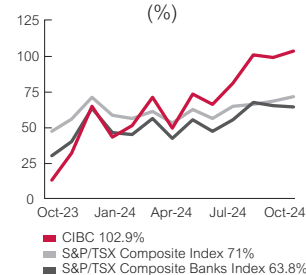
Adjusted dividend payout ratio⁽¹⁾⁽²⁾ (%)



Rolling three-year TSR (%)



Rolling five-year TSR (%)



Balance sheet strength

Maintaining a strong balance sheet is foundational to our long-term success. Our goal is to maintain strong capital and liquidity positions. We look to constantly balance our objectives of holding a prudent amount of excess capital for unexpected events and environmental uncertainties, investing in our core businesses, growing through acquisitions and returning capital to our shareholders.

1. Common Equity Tier 1 (CET1) ratio

We actively manage our capital to maintain a strong and efficient capital base while supporting our business growth and returning capital to our shareholders. For the year ended October 31, 2024, our CET1⁽⁴⁾ ratio was 13.3%, compared with 12.4% in 2023, well above the current regulatory requirement set by the Office of the Superintendent of Financial Institutions (OSFI).

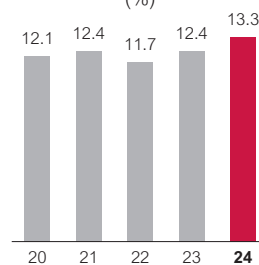
Going forward, we will continue to maintain a strong buffer to regulatory requirements.

2. Liquidity coverage ratio (LCR)

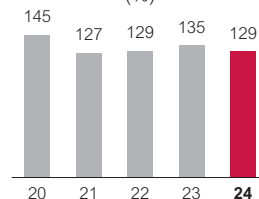
Our ability to meet our financial obligations is measured through the LCR ratio. It measures unencumbered high-quality liquid assets (HQLA) that can be converted into cash to meet liquidity needs in a 30-calendar-day liquidity stress scenario. The LCR standard requires that, absent a situation of financial stress, the value of the ratio be no lower than 100%.

For the quarter ended October 31, 2024, our three-month daily average LCR⁽⁴⁾ was 129% compared to 135% for the same period last year.

CET1 ratio (%)



Liquidity coverage ratio (%)



(1) Certain information for 2023 has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.
 (2) Adjusted measures are non-GAAP measures. For additional information and a reconciliation of reported results to adjusted results, where applicable, see the "Non-GAAP measures" section.
 (3) Average balances are calculated as a weighted average of daily closing balances.
 (4) Our capital ratios are calculated pursuant to OSFI's Capital Adequacy Requirements (CAR) Guideline and LCR is calculated pursuant to OSFI's Liquidity Adequacy Requirements (LAR) Guideline, which are both based on Basel Committee on Banking Supervision (BCBS) standards. For additional information, see the "Capital management" and "Liquidity risk" sections.

Financial highlights

As at or for the year ended October 31	2024	2023 ⁽¹⁾	2022	2021	2020
Financial results (\$ millions)					
Net interest income	\$ 13,695	\$ 12,825	\$ 12,641	\$ 11,459	\$ 11,044
Non-interest income	11,911	10,507	9,192	8,556	7,697
Total revenue	25,606	23,332	21,833	20,015	18,741
Provision for credit losses	2,001	2,010	1,057	158	2,489
Non-interest expenses	14,439	14,349	12,803	11,535	11,362
Income before income taxes	9,166	6,973	7,973	8,322	4,890
Income taxes	2,012	1,934	1,730	1,876	1,098
Net income	\$ 7,154	\$ 5,039	\$ 6,243	\$ 6,446	\$ 3,792
Net income attributable to non-controlling interests	39	38	23	17	2
Preferred shareholders and other equity instrument holders	263	267	171	158	122
Common shareholders	6,852	4,734	6,049	6,271	3,668
Net income attributable to equity shareholders	\$ 7,115	\$ 5,001	\$ 6,220	\$ 6,429	\$ 3,790
Financial measures					
Reported efficiency ratio ⁽²⁾	56.4 %	61.5 %	58.6 %	57.6 %	60.6 %
Reported operating leverage ⁽²⁾	9.1 %	(5.2)%	(1.9)%	5.3 %	(4.0)%
Loan loss ratio ⁽³⁾	0.32 %	0.30 %	0.14 %	0.16 %	0.26 %
Reported return on common shareholders' equity ⁽²⁾	13.4 %	10.3 %	14.0 %	16.1 %	10.0 %
Net interest margin ⁽²⁾	1.36 %	1.35 %	1.40 %	1.42 %	1.50 %
Net interest margin on average interest-earning assets ⁽²⁾⁽⁴⁾	1.47 %	1.49 %	1.58 %	1.59 %	1.69 %
Return on average assets ⁽²⁾⁽⁴⁾	0.71 %	0.53 %	0.69 %	0.80 %	0.52 %
Return on average interest-earning assets ⁽²⁾⁽⁴⁾	0.77 %	0.58 %	0.78 %	0.89 %	0.58 %
Reported effective tax rate	21.9 %	27.7 %	21.7 %	22.5 %	22.5 %
Common share information					
Per share (\$)					
– basic earnings	\$ 7.29	\$ 5.17	\$ 6.70	\$ 6.98	\$ 4.12
– reported diluted earnings	7.28	5.17	6.68	6.96	4.11
– dividends	3.60	3.44	3.27	2.92	2.91
– book value ⁽⁵⁾	57.08	51.56	49.95	45.83	42.03
Closing share price (\$)	87.11	48.91	61.87	75.09	49.69
Shares outstanding (thousands)					
– weighted-average basic	939,352	915,631	903,312	897,906	890,870
– weighted-average diluted	941,712	916,223	905,684	900,365	892,042
– end of period	942,295	931,099	906,040	901,656	894,171
Market capitalization (\$ millions)	\$ 82,083	\$ 45,540	\$ 56,057	\$ 67,701	\$ 44,431
Value measures					
Total shareholder return	87.56 %	(15.85)%	(13.56)%	58.03 %	(5.90)%
Dividend yield (based on closing share price)	4.1 %	7.0 %	5.3 %	3.9 %	5.9 %
Reported dividend payout ratio ⁽²⁾	49.4 %	66.5 %	48.8 %	41.8 %	70.7 %
Market value to book value ratio	1.53	0.95	1.24	1.64	1.18
Selected financial measures – adjusted⁽⁶⁾					
Adjusted efficiency ratio ⁽⁷⁾	55.8 %	56.4 %	57.0 %	56.0 %	56.4 %
Adjusted operating leverage ⁽⁷⁾	1.2 %	1.1 %	(1.9)%	0.7 %	(0.7)%
Adjusted return on common shareholders' equity	13.7 %	13.4 %	14.7 %	16.7 %	11.7 %
Adjusted effective tax rate	22.0 %	21.0 %	21.9 %	22.7 %	21.8 %
Adjusted diluted earnings per share (\$)	\$ 7.40	\$ 6.73	\$ 7.05	\$ 7.23	\$ 4.85
Adjusted dividend payout ratio	48.5 %	51.1 %	46.3 %	40.3 %	60.0 %
On- and off-balance sheet information (\$ millions)					
Cash, deposits with banks and securities	\$ 302,409	\$ 267,066	\$ 239,740	\$ 218,398	\$ 211,564
Loans and acceptances, net of allowance for credit losses	558,292	540,153	528,657	462,879	416,388
Total assets	1,041,985	975,690	943,597	837,683	769,551
Deposits	764,857	723,376	697,572	621,158	570,740
Common shareholders' equity ⁽²⁾	53,789	48,006	45,258	41,323	37,579
Average assets ⁽⁴⁾	1,005,133	948,121	900,213	809,621	735,492
Average interest-earning assets ⁽²⁾⁽⁴⁾	929,604	861,136	799,224	721,686	654,142
Average common shareholders' equity ⁽²⁾⁽⁴⁾	51,025	46,130	43,354	38,881	36,792
Assets under administration (AUA) ⁽²⁾⁽⁶⁾⁽⁹⁾	3,600,069	2,853,007	2,854,828 ⁽⁹⁾	2,963,221 ⁽⁹⁾	2,364,005
Assets under management (AUM) ⁽²⁾⁽⁹⁾	383,264	300,218	291,513 ⁽⁹⁾	316,834 ⁽⁹⁾	261,037
Balance sheet quality (All-in basis) and liquidity measures⁽¹⁰⁾					
Risk-weighted assets (RWA) (\$ millions)					
Total RWA	\$ 333,502	\$ 326,120	\$ 315,634	\$ 272,814	\$ 254,871
Capital ratios					
CET1 ratio ⁽¹¹⁾	13.3 %	12.4 %	11.7 %	12.4 %	12.1 %
Tier 1 capital ratio ⁽¹¹⁾	14.8 %	13.9 %	13.3 %	14.1 %	13.6 %
Total capital ratio ⁽¹¹⁾	17.0 %	16.0 %	15.3 %	16.2 %	16.1 %
Leverage ratio	4.3 %	4.2 %	4.4 %	4.7 %	4.7 %
LCR ⁽¹²⁾	129 %	135 %	129 %	127 %	145 %
Net stable funding ratio (NSFR)	115 %	118 %	118 %	118	n/a
Other information					
Full-time equivalent employees	48,525	48,074	50,427	45,282	43,853

(1) Certain information for 2023 has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(2) For additional information on the composition, see the "Glossary" section.

(3) The ratio is calculated as the provision for credit losses on impaired loans to average loans and acceptances, net of allowance for credit losses.

(4) Average balances are calculated as a weighted average of daily closing balances.

(5) Common shareholders' equity divided by the number of common shares issued and outstanding at end of period.

(6) Adjusted measures are non-GAAP measures. Adjusted measures are calculated in the same manner as reported measures, except that financial information included in the calculation of adjusted measures is adjusted to exclude the impact of items of note. For additional information and a reconciliation of reported results to adjusted results, where applicable, see the "Non-GAAP measures" section.

(7) Commencing the first quarter of 2024, we no longer gross up tax-exempt revenue to bring it to a tax equivalent basis (TEB) for the application of this ratio to our consolidated results. Prior period amounts have been restated to conform with the change in presentation adopted in the first quarter of 2024.

(8) Includes the full contract amount of AUA or custody under a 50/50 joint venture between CIBC and The Bank of New York Mellon of \$2,814.6 billion as at October 31, 2024 (2023: \$2,241.9 billion).

(9) AUM amounts are included in the amounts reported under AUA.

(10) RWA and our capital ratios are calculated pursuant to OSFI's CAR Guideline, the leverage ratio is calculated pursuant to OSFI's Leverage Requirements Guideline, and the LCR and NSFR are calculated pursuant to OSFI's LAR Guideline, all of which are based on BCBS standards. For additional information, see the "Capital management" and "Liquidity risk" sections.

(11) Ratios for 2020, 2021 and 2022 reflect the expected credit loss (ECL) transitional arrangement announced by OSFI on March 27, 2020 in response to the onset of the COVID-19 pandemic. Effective November 1, 2022, the ECL transitional arrangement was no longer applicable.

(12) Average for the three months ended October 31 for each respective year.

n/a Not applicable.

Economic and market environment

Year in review – 2024

Canadian economic growth increased during 2024, after stalling throughout much of the prior year, with the pick-up driven by consumer and government spending. However, output growth still trailed population gains, resulting in further declines in per-capita activity. The unemployment rate, which briefly fell below 5% in 2022, has reached 6.5% as employment gains have failed to keep up with the rapid growth of the labour force. Inflation has fallen to the Bank of Canada's 2% target due to a further easing of supply chain pressures and the continued weakness of per-capita consumer spending. On the household side, mortgage demand has remained weak as a result of the high interest rate environment, but should start to improve towards year end with interest rates having moved lower. The use of credit cards and lines of credit has continued to increase from the low levels seen during the pandemic. The U.S. economy has remained stronger than Canada's, but has decelerated slightly relative to the prior year, and the unemployment rate has increased modestly. While core inflation in the U.S. has yet to come back to target as quickly as in Canada, it has decelerated and is well below peaks seen in 2022.

Outlook for calendar year 2025

While interest rates have started to come down in most major economies, further reductions and more time will be needed to see a material acceleration in global economic growth. Global growth is expected to remain below-normal through the first quarter of 2025 before improving over the balance of the year. The eurozone and the United Kingdom (U.K.) have emerged from recessions, but European growth rates will remain moderate in 2025. China's economic growth rate has been held back by soft domestic demand and could decelerate in the face of trade barriers facing exports. The only moderate growth for the global economy will result in many commodity prices remaining at lower average levels in 2025 than what persisted earlier in this expansion, although geopolitical risks to supply could bring upward pressure in some commodities. Despite ongoing global tensions, supply chains have seen further improvement and, alongside sluggish demand, should continue to contribute to the disinflationary pressure globally.

In Canada, the Bank of Canada has reduced the overnight rate by 125 basis points in 2024 to 3.75%, and with inflation remaining close to the 2% target, is expected to continue to ease with the overnight rate reaching 2.25% by mid-2025. That should support consumer demand and housing activity, with GDP growth for 2025 picking up from about 1.3% in 2024 to just under 2% in 2025. Canada's unemployment rate could edge slightly higher in early 2025, but improved economic growth and slower population increases should see it end the year lower than current levels. There are significant risks to exports and capital spending in export industries, tied to the potential imposition of tariffs by the incoming U.S. administration. If these risks emerge, we would expect additional rate cuts from the Bank of Canada to support domestic demand, which would also weaken the Canadian dollar and help cushion the drag on exports. Even so, if tariff rates were high enough, we would expect that the near term outlook would be less favourable than would be the case if a trade war was averted.

The U.S. has been much more resilient in the face of higher interest rates, but growth has still moderated slightly from the very brisk pace seen in 2023. The unemployment rate is likely to increase marginally through the first half of 2025 in response to fewer job openings and cautious business hiring in the face of higher labour costs. Coupled with the lagged impacts of high interest rates, and tighter controls on immigration that reduce the spending gains tied to population increases, that could hold growth to roughly 2%, or about a percentage slower than in the prior two years. The easing in inflation has the Fed on track to bring short-term interest rates down to the mid-3% level by the second quarter of 2025, which should allow interest sensitive housing and business investment activity to gain momentum later in the year. Longer term interest rates have been lifted in the wake of the election on concerns over the size of future budget deficits, but we expect these increases to be reversed if Congress limits the overall scale of new tax reductions and looks for some offsetting spending restraint. A potential for broad increases in import tariffs poses one-time upside risks to prices that would cut into consumer spending power, and disruptions to U.S. exports if other trade partners impose retaliatory tariffs, but the timing and magnitude of such impacts are at present highly uncertain.

The current soft pace of Canadian economic growth will continue to pose challenges for some of our strategic business units (SBUs) for the remainder of the year and for early 2025. Higher levels of unemployment and still high interest rates have resulted in a moderate deterioration in business and household credit quality. Deterioration in the credit quality of select sectors, including the U.S. office real estate market, could continue in response to market conditions. Deposit growth will likely be slow, as quantitative tightening will continue to require bonds currently held by the central bank to be financed in the public markets. A steeper yield curve should promote greater growth in longer term deposits relative to short-term deposits, although the lower level of yields across the curve will reduce the opportunity costs of having funds in non-interest bearing demand deposits.

For Canadian Personal Banking, mortgage growth is expected to pick up in 2025, returning to long-term historic growth rates as lower interest rates bring buyers back to the market. Non-mortgage consumer credit demand has been supported by population growth, and faces headwinds due to policy measures designed to slow population growth. We should still see some improvement in activity as per capita discretionary spending accelerates in response to lower borrowing costs, resulting in an increase in demand for non-mortgage credit.

Canadian commercial, and corporate banking loan growth is expected to increase as a result of interest rate relief and the expectation of better economic growth in 2025 and beyond. In our U.S. commercial banking and wealth management businesses, loan growth has slowed, consistent with industry trends, but should gather some momentum in 2025 in response to recent and expected interest rate reductions.

Financial markets benefitted from the recent interest rate reductions in Canada and should be supported by further rate reductions in the coming year. Canadian and U.S. wealth management businesses should continue to benefit in 2025 from a more supportive interest rate environment, and as funds mature out of term deposits and seek alternative risk assets in the face of lower yields on new term deposits.

Corporate and investment banking is expected to continue to benefit from merger and acquisition activity that continues to recover from the low levels in early 2023, and corporate bond issuance is expected to pick up in 2025 due to the lower interest rate path.

The economic outlook described above reflects numerous assumptions regarding the economic impact of moderating interest rates and inflationary pressures, as well as the global economic risks emanating from the war in Ukraine, conflict in the Middle East and trade frictions between major economies. As a result, actual experience may differ materially from expectations. The impact of geopolitical events on our risk environment are discussed in the "Top and emerging risks" section. Changes in the level of economic uncertainty continue to impact key accounting estimates and assumptions, particularly the estimation of expected credit losses (ECL). See the "Accounting and control matters" section and Note 5 to our consolidated financial statements for further details.

Significant events

Sale of certain banking assets in the Caribbean

CIBC Caribbean Bank Limited (formerly known as FirstCaribbean International Bank Limited) sold its banking assets in St. Vincent and Grenada in March 2023 and July 2023, respectively. CIBC Caribbean Bank Limited (CIBC Caribbean) ceased its operations in Dominica on January 31, 2023. The impacts of these transactions and closures were not material.

On October 31, 2023, CIBC Caribbean announced that it had entered into an agreement to sell its banking assets in Curaçao and Sint Maarten. The sale of banking assets in Curaçao was completed on May 24, 2024 upon the satisfaction of the closing conditions, and was not material. The Sint Maarten transaction is subject to closing conditions, and is expected to be finalized in the second quarter of 2025. The impact upon closing is not expected to be material.

Settlement of Cerberus Litigation

On February 17, 2023, CIBC announced that we entered into an agreement with the special purpose vehicle controlled by Cerberus Capital Management L.P. ("Cerberus") that fully settled the lawsuit filed by Cerberus against CIBC, including the most recent judgment of the New York Court, as discussed in Note 21 to our consolidated financial statements. Pursuant to the settlement agreement, CIBC paid US\$770 million (\$1,055 million pre-tax or \$762 million after-tax) to Cerberus in full satisfaction of the judgment, and both parties arranged for the immediate dismissal, with prejudice, of all claims, counterclaims and appeals relating to the litigation.

Financial performance overview

This section provides a review of our consolidated financial results for 2024. A review of our SBU results follows on pages 21 to 32. Refer to page 12 for a review of our financial performance for 2023.

2024 Financial results review

Reported net income for the year was \$7,154 million, compared with \$5,039 million in 2023⁽¹⁾.

Adjusted net income⁽²⁾ for the year was \$7,272 million, compared with \$6,467 million in 2023⁽¹⁾.

Reported diluted EPS for the year was \$7.28, compared with \$5.17 in 2023⁽¹⁾.

Adjusted diluted EPS⁽²⁾ for the year was \$7.40, compared with \$6.73 in 2023⁽¹⁾.

2024

Net income was affected by the following items of note:

- \$103 million (\$77 million after-tax) charge related to the special assessment imposed by the Federal Deposit Insurance Corporation (FDIC) on U.S. depository institutions, which impacted CIBC Bank USA (U.S. Commercial Banking and Wealth Management); and
- \$56 million (\$41 million after-tax) amortization and impairment of acquisition-related intangible assets (\$19 million after-tax in Canadian Personal and Business Banking, and \$22 million after-tax in U.S. Commercial Banking and Wealth Management).

The above items of note increased non-interest expenses by \$159 million and decreased income taxes by \$41 million. In aggregate, these items of note decreased net income by \$118 million.

2023

Net income was affected by the following items of note:

- \$1,055 million (\$762 million after-tax) increase in legal provisions (Corporate and Other);
- \$545 million income tax charge related to the Canada Recovery Dividend (CRD) tax and the 1.5% tax rate increase from the 2022 Canadian Federal budget⁽³⁾ (Corporate and Other);
- \$121 million (\$96 million after-tax) amortization and impairment of acquisition-related intangible assets (\$20 million after-tax in Canadian Personal and Business Banking, \$41 million after-tax in U.S. Commercial Banking and Wealth Management and \$35 million after-tax in Corporate and Other); and
- \$34 million (\$25 million after-tax) commodity tax charge related to the retroactive impact of the 2023 Canadian Federal budget (Canadian Personal and Business Banking).

The above items of note decreased revenue by \$34 million, increased non-interest expenses by \$1,176 million and increased income taxes by \$218 million. In aggregate, these items of note decreased net income by \$1,428 million.

(1) Certain information for 2023 has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(2) Adjusted measures are non-GAAP measures. For additional information and a reconciliation of reported results to adjusted results, where applicable, see the "Non-GAAP measures" section.

(3) The income tax charge is comprised of \$510 million for the present value of the estimated amount of the CRD tax of \$555 million, and a charge of \$35 million related to the fiscal 2022 impact of the 1.5% increase in the tax rate applied to taxable income of certain bank and insurance entities in excess of \$100 million for periods after April 2022. The discount of \$45 million on the CRD tax accrues over the four-year payment period from initial recognition.

Net interest income and margin

\$ millions, for the year ended October 31		2024	2023
Net interest income consists of:			
Non-trading net interest income		\$ 14,648	\$ 13,132
Trading net interest income ⁽¹⁾⁽²⁾		(953)	(307)
Total net interest income	A	\$ 13,695	\$ 12,825
Average interest-earning assets consists of:			
Average trading interest-earning assets		109,676	69,521
Average non-trading interest-earning assets		819,928	791,615
Total average interest-earning assets	B	929,604	861,136
Net interest margin on average interest-earning assets	A/B	1.47 %	1.49 %
Net interest margin on average interest-earning assets (excluding trading) ⁽³⁾		1.79 %	1.66 %

(1) See the "Glossary - Trading activities and trading net interest income" section for additional information.

(2) Does not include a TEB adjustment of \$16 million (2023: \$254 million).

(3) Net interest margin on average interest-earnings assets (excluding trading) is computed using total net interest income minus trading net interest income, excluding the applicable TEB adjustment included therein, divided by total average interest-earning assets minus average trading interest-earning assets. For additional information, see the "Glossary" section of the MD&A.

Net interest income was up \$870 million or 7% from 2023, primarily due to volume growth across most of our businesses, higher treasury revenue, higher net interest margin in Canadian Personal and Business Banking and the conversion of bankers' acceptances to Daily Compounded Canadian Overnight Repo Rate Average (CORRA) loans, partially offset by lower trading net interest income.

Net interest margin on average interest-earning assets was down 2 basis points from 2023, primarily due to lower trading net interest income, partially offset by higher deposit margins and favourable asset mix. Net interest margin on average interest-earning assets excluding trading was up 13 basis points from 2023, primarily due to higher deposit and loan margins.

Additional information on net interest income and margin is provided in the "Supplementary annual financial information" section and in the "Strategic business units overview" section.

Non-interest income

\$ millions, for the year ended October 31		2024	2023
Underwriting and advisory fees		\$ 707	\$ 519
Deposit and payment fees		958	924
Credit fees ⁽¹⁾		1,218	1,385
Card fees		414	379
Investment management and custodial fees ⁽²⁾⁽³⁾		1,980	1,768
Mutual fund fees ⁽³⁾		1,796	1,743
Income from insurance activities, net ⁽⁴⁾		356	347
Commissions on securities transactions		431	338
Gains (losses) from financial instruments measured/designated at fair value through profit or loss (FVTPL), net ⁽⁵⁾		3,226	2,346
Gains (losses) from debt securities measured at fair value through other comprehensive income (FVOCI) and amortized cost, net		43	83
Foreign exchange other than trading		386	360
Income from equity-accounted associates and joint ventures ⁽³⁾		79	30
Other		317	285
		\$ 11,911	\$ 10,507

(1) 2023 includes a \$34 million commodity tax charge related to the retroactive impact of the 2023 Canadian Federal budget.

(2) Custodial fees directly recognized by CIBC are included in Investment management and custodial fees. Our proportionate share of the custodial fees from the joint ventures which CIBC has with The Bank of New York Mellon are included within Income from equity-accounted associates and joint ventures.

(3) Investment management fees and mutual fund fees are driven by various factors, including the amount of AUM. Investment management fees in our asset management and private wealth management businesses are generally driven by the amount of AUM, while investment management fees in our retail brokerage business are driven by a combination of the amount of AUA and, to a lesser extent, other factors not directly related to the amount of AUA (e.g., flat fees on a per account basis).

(4) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(5) Includes \$82 million of gains (2023: \$64 million of gains) relating to non-trading financial instruments measured/designated at FVTPL.

Non-interest income was up \$1,404 million or 13% from 2023.

Underwriting and advisory fees were up \$188 million or 36%, primarily due to higher debt issuance revenue.

Deposit and payment fees were up \$34 million or 4%, primarily due to higher everyday banking fees in Canadian Personal and Business Banking.

Credit fees were down \$167 million or 12%, primarily due to the conversion of bankers' acceptances to CORRA loans.

Card fees were up \$35 million or 9%, primarily due to the additional commodity tax charges recognized in 2023, related to the 2023 Canadian Federal budget, including the retroactive impact shown as an item of note.

Investment management and custodial fees were up \$212 million or 12%, primarily due to higher average AUA and AUM in our wealth management businesses.

Mutual fund fees were up \$53 million or 3%, primarily due to higher average AUM balances and net sales in our wealth management businesses.

Commissions on securities transactions were up \$93 million or 28%, primarily due to higher trading volume in our retail brokerage business.

Gains (losses) from financial instruments measured/designated at FVTPL, net were up \$880 million or 38%, primarily due to higher trading income, including from the impact of increases in interest rates on derivatives that are economically hedging interest on trading securities included in net interest income.

Gains (losses) from debt securities measured at FVOCI and amortized cost, net were down \$40 million or 48%, primarily due to lower net realized gains from dispositions of FVOCI debt securities.

Foreign exchange other than trading was up \$26 million or 7%, primarily due to normal course Treasury activities.

Trading revenue (TEB)⁽¹⁾⁽²⁾

\$ millions, for the year ended October 31	2024	2023
Trading revenue consists of:		
Net interest income ⁽¹⁾	\$ (937)	\$ (53)
Non-interest income ⁽³⁾	3,144	2,282
	\$ 2,207	\$ 2,229
Trading revenue by product line:		
Interest rates	\$ 518	\$ 469
Foreign exchange	969	927
Equities ⁽¹⁾	540	626
Commodities	179	197
Other	1	10
	\$ 2,207	\$ 2,229

(1) Includes a TEB adjustment of \$16 million (2023: \$254 million) reported within Capital Markets and Direct Financial Services. See the "Strategic business units overview" section and Note 29 to our consolidated financial statements for further details.

(2) Trading activities and related risk management strategies can periodically shift trading income between net interest income and non-interest income. Therefore, we view total trading income as the most appropriate measure of trading performance. For additional information, see the "Glossary - Trading activities and trading net interest income" section.

(3) Reported as part of the Gains (losses) from financial instruments measured/designated at FVTPL in the consolidated statement of income, which consist of a gain of \$3,144 million (2023: \$2,282 million) related to trading financial instruments measured/designated at FVTPL and a gain of \$82 million (2023: \$64 million) relating to non-trading financial instruments measured/designated at FVTPL.

Trading revenue was down \$22 million or 1% from 2023, primarily due to lower equities and commodities trading revenue, partially offset by higher interest rates and foreign exchange trading revenue.

Trading revenue comprises net interest income and non-interest income. Net interest income arises from interest and dividends relating to financial assets and liabilities associated with trading activities, other than derivatives, net of interest expense and interest income associated with funding these assets and liabilities. Non-interest income includes realized and unrealized gains and losses on securities mandatorily measured at FVTPL and income relating to changes in fair value of derivative financial instruments. Trading revenue excludes underwriting fees and commissions on securities transactions, which are shown separately in the consolidated statement of income. Trading activities and related risk management strategies can periodically shift income between net interest income and non-interest income. Therefore, we view total trading revenue as the most appropriate measure of trading performance.

Provision for credit losses

\$ millions, for the year ended October 31	2024	2023
Provision for (reversal of) credit losses – impaired		
Canadian Personal and Business Banking	\$ 1,144	\$ 922
Canadian Commercial Banking and Wealth Management	74	108
U.S. Commercial Banking and Wealth Management	449	520
Capital Markets and Direct Financial Services	81	4
Corporate and Other	12	40
	1,760	1,594
Provision for (reversal of) credit losses – performing		
Canadian Personal and Business Banking	59	64
Canadian Commercial Banking and Wealth Management	48	35
U.S. Commercial Banking and Wealth Management	111	330
Capital Markets and Direct Financial Services	34	15
Corporate and Other	(11)	(28)
	241	416
	\$ 2,001	\$ 2,010

Provision for credit losses was down \$9 million from 2023. Provision for credit losses on performing loans was down due to a less unfavourable change in our economic outlook and less unfavourable credit migration in 2024, partially offset by an increase resulting from model parameter updates. Provision for credit losses on impaired loans was up due to higher write-offs in Canadian Personal and Business Banking, and higher provisions in Capital Markets and Direct Financial Services, partially offset by lower provisions in all other SBUs.

For further details regarding provision for credit losses in our SBUs, refer to the "Strategic business units overview" section.

Non-interest expenses

\$ millions, for the year ended October 31	2024	2023
Employee compensation and benefits		
Salaries ⁽¹⁾	\$ 4,267	\$ 4,168
Performance-based compensation	2,992	2,513
Benefits	1,002	869
	8,261	7,550
Occupancy costs	830	823
Computer, software and office equipment	2,719	2,467
Communications	362	364
Advertising and business development	344	304
Professional fees	257	245
Business and capital taxes	128	124
Other	1,538	2,472
	\$ 14,439	\$ 14,349

(1) Includes termination benefits.

Non-interest expenses were up \$90 million or 1% from 2023.

Employee compensation and benefits were up \$711 million or 9%, primarily due to higher performance-based and employee-related compensation.

Computer, software and office equipment were up \$252 million or 10%, primarily due to higher spending on strategic initiatives and software impairment charges.

Advertising and business development were up \$40 million or 13%, primarily due to higher business travel, sponsorship and marketing expenses.

Professional fees were up \$12 million or 5%, primarily due to higher consulting fees related to strategic and regulatory initiatives.

Other expenses were down \$934 million or 38%, as the prior year included an increase in legal provisions, including those shown as an item of note.

Taxes

\$ millions, for the year ended October 31	2024	2023 ⁽¹⁾
Income taxes	\$ 2,012	\$ 1,934
Indirect taxes ⁽²⁾		
Goods and Services Tax (GST), Harmonized Sales Tax (HST) and sales taxes	502	484
Payroll taxes	406	387
Capital taxes	82	81
Property and business taxes	69	78
Total indirect taxes	1,059	1,030
Total taxes	\$ 3,071	\$ 2,964
Reported effective tax rate	21.9 %	27.7 %
Total taxes as a percentage of net income before deduction of total taxes	30.0 %	37.0 %

(1) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(2) Certain amounts are based on a paid or payable basis and do not factor in capitalization and subsequent amortization.

Total income and indirect taxes were up \$107 million from 2023.

Income tax expense was \$2,012 million, up \$78 million from 2023, due to higher income and the enactment of the Federal tax measure that denies the dividends received deduction for Canadian banks. The first quarter of 2023 included an income tax charge to recognize the CRD tax and the retroactive impact of the 1.5% tax rate increase, which was shown as an item of note.

Indirect taxes were up \$29 million from 2023, due to increases in both sales taxes and payroll taxes. Sales taxes increased by \$18 million from 2023, primarily due to increases in Canadian sales taxes on card network processing fees and technology related expenses. Payroll taxes were up \$19 million from 2023, primarily due to increases in unemployment and health insurance contributions, partially offset by lower statutory pension contributions. Indirect taxes are included in non-interest expenses.

Canadian Federal Tax Measures

In the third quarter of 2024, Bill C-59 was enacted, which included certain tax measures from the 2023 fall economic statement and 2023 federal budget. Bill C-59 included the denial of the dividends received deduction in respect of Canadian shares held by Canadian banks as mark-to-market property, as well as a 2% tax on certain share buybacks, each with an application date of January 1, 2024. Additional proposals in respect of the buyback tax were released on August 12, 2024. The impact of the denial of the dividends received deduction has been recognized in income tax expense for the year.

Bill C-69, which included certain tax measures from the 2024 federal budget and the 2023 fall economic statement, as well as other tax measures, including the *Global Minimum Tax Act* (GMTA), was enacted on June 20, 2024. The GMTA implements the Organisation for Economic Co-operation and Development's (OECD) Pillar Two 15% global minimum tax regime in Canada. Additional proposals in respect of the GMTA were released on August 12, 2024. The Pillar Two rules are in different stages of adoption globally by more than 135 OECD member countries. Canada and certain other countries have enacted Pillar Two legislation that will apply to CIBC beginning in fiscal year 2025. A number of other countries in which CIBC operates are in different stages of adopting the Pillar Two regime.

At this time, we estimate Pillar Two to increase the consolidated effective tax rate approximately within a 1% range for fiscal year 2025. This estimate is impacted by the different stages of adoption of Pillar Two across our global operations, the complexity in the application of Pillar Two, and the variables impacting the projections which form the basis of the estimate.

Foreign exchange

The estimated impact of U.S. dollar translation on key lines of our consolidated statement of income, as a result of changes in average exchange rates, is as follows:

	2024	2023
	vs.	vs.
\$ millions, for the year ended October 31	2023	2022
Estimated increase in:		
Total revenue	\$ 44	\$ 225
Provision for credit losses	5	37
Non-interest expenses	23	158
Income taxes	4	18
Net income	12	12
Impact on EPS:		
Basic	\$ 0.01	\$ 0.01
Diluted	0.01	0.01
Average USD appreciation relative to CAD	0.8 %	4.5 %

Fourth quarter review

\$ millions, except per share amounts, for the three months ended

	2024				2023 ⁽¹⁾			
	Oct. 31	Jul. 31	Apr. 30	Jan. 31	Oct. 31	Jul. 31	Apr. 30	Jan. 31
Revenue								
Canadian Personal and Business Banking	\$ 2,670	\$ 2,598	\$ 2,476	\$ 2,497	\$ 2,458	\$ 2,414	\$ 2,282	\$ 2,262
Canadian Commercial Banking and Wealth Management	1,523	1,449	1,384	1,374	1,366	1,350	1,336	1,351
U.S. Commercial Banking and Wealth Management	732	726	666	681	672	666	648	706
Capital Markets and Direct Financial Services ⁽²⁾	1,407	1,348	1,488	1,561	1,290	1,355	1,362	1,481
Corporate and Other ⁽²⁾	285	483	150	108	61	67	76	129
Total revenue	\$ 6,617	\$ 6,604	\$ 6,164	\$ 6,221	\$ 5,847	\$ 5,852	\$ 5,704	\$ 5,929
Net interest income	\$ 3,633	\$ 3,532	\$ 3,281	\$ 3,249	\$ 3,197	\$ 3,236	\$ 3,187	\$ 3,205
Non-interest income	2,984	3,072	2,883	2,972	2,650	2,616	2,517	2,724
Total revenue	6,617	6,604	6,164	6,221	5,847	5,852	5,704	5,929
Provision for credit losses	419	483	514	585	541	736	438	295
Non-interest expenses	3,791	3,682	3,501	3,465	3,440	3,307	3,140	4,462
Income before income taxes	2,407	2,439	2,149	2,171	1,866	1,809	2,126	1,172
Income taxes	525	644	400	443	381	377	437	739
Net income	\$ 1,882	\$ 1,795	\$ 1,749	\$ 1,728	\$ 1,485	\$ 1,432	\$ 1,689	\$ 433
Net income attributable to:								
Non-controlling interests	\$ 8	\$ 9	\$ 10	\$ 12	\$ 8	\$ 10	\$ 11	\$ 9
Equity shareholders	1,874	1,786	1,739	1,716	1,477	1,422	1,678	424
EPS – basic	\$ 1.91	\$ 1.83	\$ 1.79	\$ 1.77	\$ 1.53	\$ 1.48	\$ 1.77	\$ 0.39
– diluted	1.90	1.82	1.79	1.77	1.53	1.47	1.76	0.39

(1) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(2) Commencing in the third quarter of 2024, TEB reporting is no longer applicable to certain dividends received on or after January 1, 2024. In the third quarter of 2024, the enactment of the denial of dividends received deduction resulted in a TEB reversal for dividends received on or after January 1, 2024 that were reflected in the first and second quarters of 2024 as an item of note. Prior to the third quarter of 2024, Capital Markets and Direct Financial Services revenue and income taxes were reported on a TEB with an equivalent offset in the revenue and income taxes of Corporate and Other.

Compared with Q4/23

Net income for the quarter was \$1,882 million, up \$397 million or 27% from the fourth quarter of 2023.

Net interest income was up \$436 million, primarily due to volume growth across most of our businesses, higher treasury revenue and higher non-trading net interest margin, higher interest income from the conversion of bankers' acceptances to CORRA loans, partially offset by lower trading net interest income.

Non-interest income was up \$334 million or 13%, primarily due to higher trading non-interest income, and higher fee revenue net of lower credit fees resulting from the conversion of bankers' acceptances to CORRA loans.

Provision for credit losses was down \$122 million or 23% from the same quarter last year. Provision for credit losses on performing loans was down \$61 million, due to a decrease resulting from model parameter updates and favourable credit migration mainly driven by paydowns, partially offset by a more unfavourable change in our economic outlook. Provision for credit losses on impaired loans was down \$61 million, primarily due to lower provisions in U.S. Commercial Banking and Wealth Management, partially offset by higher provisions across all other SBUs.

Non-interest expenses were up \$351 million or 10%, primarily due to higher performance-based and employee-related compensation, higher spending on strategic initiatives and a pension plan amendment gain in the same quarter last year.

Income tax expense was up \$144 million or 38%, primarily due to higher income, earnings mix and the enactment of the Federal tax measure that denies the dividends received deduction for Canadian banks.

Compared with Q3/24

Net income for the quarter was up \$87 million or 5% from the prior quarter.

Net interest income was up \$101 million or 3%, primarily due to volume growth across most of our businesses, partially offset by lower treasury revenue.

Non-interest income was down \$88 million or 3%, primarily due to lower credit fees, lower trading non-interest income, partially offset by higher commissions on securities transactions and higher Investment management and custodial fees.

Provision for credit losses was down \$64 million or 13% from the prior quarter. Provision for credit losses on performing loans was down \$77 million, due to a decrease resulting from model parameter updates and favourable credit migration mainly driven by paydowns, partially offset by an unfavourable change in our economic outlook. Provision for credit losses on impaired loans was up \$13 million, primarily due to higher provisions in U.S. Commercial Banking and Wealth Management, partially offset by lower provisions across all other SBUs.

Non-interest expenses were up \$109 million or 3%, primarily due to higher performance-based and employee-related compensation, higher advertising and business development, partially offset by higher legal provisions in the prior quarter.

Income tax expense was down \$119 million or 18%, due to lower income and earnings mix.

Quarterly trend analysis

Our quarterly results are modestly affected by seasonal factors. The second quarter has fewer days as compared with the other quarters, generally leading to lower earnings. The summer months (July – third quarter and August – fourth quarter) typically experience lower levels of market activity, which affects our brokerage, investment management, and capital markets activities.

Revenue

Revenue in our lending and deposit-taking businesses is generally driven by volume growth, fees related to client transaction activity and the interest rate environment. Our wealth management businesses are driven by net sales activity impacting AUA and AUM, the level of client investment activity and market conditions. Capital markets revenue is also influenced, to a large extent, by market conditions affecting client trading, underwriting and advisory activity.

Canadian Personal and Business Banking has benefitted from loan and deposit growth through the periods presented above, driven by client growth, and deepening relationships across our client base. The elevated rate environment has contributed to slower growth in loans and improved net interest margin, through wider deposit margins and favourable business mix, partially offset by compressed loan margins.

Canadian Commercial Banking and Wealth Management revenue has benefitted from commercial banking volume growth and positive investor sentiment in wealth management. In commercial banking, revenue growth has been driven by client demand that has tempered in recent quarters and from the central bank interest rate policy that has resulted in elevated interest rates throughout most of the period. In wealth management, recent AUA and AUM growth and associated fee income have been helped by constructive equity market activity.

U.S. Commercial Banking and Wealth Management continues to benefit from organic client acquisition. Deposit balances decreased in the second and third quarters of 2023 which was accompanied by a shift in deposit mix due to the interest rate environment, but average balances increased in the most recent four quarters. Loans declined in the fourth quarter of 2023 and first quarter of 2024, with a return to growth in the second quarter of 2024, although revolver usage remains low. Wealth management AUA and AUM experienced market-related headwinds and market volatility in the first half of 2023, while recent growth has been positively impacted by market appreciation.

Capital Markets and Direct Financial Services had lower trading revenue in the third and fourth quarters of 2023, and second and fourth quarters of 2024. The first quarters of 2023 and 2024 had higher trading revenue driven by robust market conditions and strong client activity. The third quarter of 2024 included a TEB reversal related to the enactment of a Federal tax measure that denies the dividends received deduction for Canadian banks.

Corporate and Other included the impact of higher net interest margins in International banking from rising interest rates. Starting in the second quarter of 2023, funding costs increased due to interest rate volatility, which negatively impacted Corporate and Other. The negative impact lessened as the increased funding costs were passed on to the SBUs over time. Higher revenue in the third quarter of 2024 included a TEB offset reversal related to the enactment of a Federal tax measure that denies the dividends received deduction for Canadian banks.

Provision for credit losses

Provision for credit losses is dependent upon the credit cycle, on the credit performance of the loan portfolios, and changes in our economic outlook. We have been operating in an uncertain macroeconomic environment due to elevated levels of interest rates and inflation, geopolitical events and slower economic growth. There is considerable judgment involved in the estimation of expected credit losses in the current environment.

The faster than expected pace of interest rate increases, along with rising inflation, continued supply chain disruption and the increase in global geopolitical concerns, impacted our provision for credit losses on performing loans in the third and fourth quarters of 2023. Unfavourable credit migration also impacted our provision for credit losses in all quarters in 2023, and in the first, second and third quarters of 2024. An unfavourable change in our outlook for the U.S. real estate and construction sector contributed to an increase in provision for credit losses on performing loans in the second, third and fourth quarters of 2023 and the first quarter of 2024.

In Canadian Personal and Business Banking, provisions on impaired loans continue to trend higher as expected, due to the unfavourable macro environments for the retail portfolios and write-offs from the seasoning of the acquired Canadian Costco credit card portfolio.

In Canadian Commercial Banking and Wealth Management, fiscal 2023 and the first, third and fourth quarters of 2024 included higher provisions on impaired loans.

In U.S. Commercial Banking and Wealth Management, the second, third and fourth quarters of 2023 and the first, second and fourth quarters of 2024 included higher provisions on impaired loans, mainly attributable to the real estate and construction sector.

In Capital Markets and Direct Financial Services, the third and fourth quarters of 2024 included higher provisions on impaired loans.

In Corporate and Other, provisions for impaired loans in International banking have remained relatively stable. The fourth quarter of 2023 and the first quarter of 2024 included provision reversals.

Non-interest expenses

Non-interest expenses have fluctuated over the period largely due to changes in employee compensation expenses, investments in strategic initiatives and movement in foreign exchange rates. The first and second quarters of 2024 included a charge related to the special assessment imposed by the FDIC, shown as an item of note. The first quarter of 2023 included increases in legal provisions, while the second quarter of 2023 included a decrease in legal provisions in Corporate and Other, all shown as items of note, and the fourth quarter of 2023 included an impairment of our intangible assets, shown as an item of note.

Income taxes

Income taxes vary with changes in taxable income in the jurisdictions in which the income is earned. The first quarter of 2023 included an income tax charge taken to recognize the CRD tax and the retroactive impact of the 1.5% tax rate increase, which was shown as an item of note. The third quarter of 2024 included an income tax charge related to the enactment of the Federal tax measure that denies the dividends received deduction for Canadian banks.

Review of 2023 financial performance

\$ millions, for the year ended October 31		Canadian Personal and Business Banking ⁽¹⁾	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets and Direct Financial Services ⁽²⁾	Corporate and Other ⁽²⁾	CIBC Total
2023	Net interest income	\$ 7,247	\$ 1,812	\$ 1,889	\$ 1,942	\$ (65)	\$ 12,825
	Non-interest income	2,169	3,591	803	3,546	398	10,507
	Total revenue	9,416	5,403	2,692	5,488	333	23,332
	Provision for credit losses	986	143	850	19	12	2,010
	Non-interest expenses	5,174	2,691	1,466	2,721	2,297	14,349
	Income (loss) before income taxes	3,256	2,569	376	2,748	(1,976)	6,973
	Income taxes	892	691	(3)	762	(408)	1,934
	Net income (loss)	\$ 2,364	\$ 1,878	\$ 379	\$ 1,986	\$ (1,568)	\$ 5,039
	Net income (loss) attributable to:						
	Non-controlling interests	\$ –	\$ –	\$ –	\$ –	\$ 38	\$ 38
	Equity shareholders	2,364	1,878	379	1,986	(1,606)	5,001
2022	Net interest income	\$ 6,657	\$ 1,672	\$ 1,655	\$ 2,814	\$ (157)	\$ 12,641
	Non-interest income	2,252	3,582	802	2,187	369	9,192
	Total revenue	8,909	5,254	2,457	5,001	212	21,833
	Provision for (reversal of) credit losses	876	23	218	(62)	2	1,057
	Non-interest expenses	4,975	2,656	1,328	2,437	1,407	12,803
	Income (loss) before income taxes	3,058	2,575	911	2,626	(1,197)	7,973
	Income taxes	809	680	151	718	(628)	1,730
	Net income (loss)	\$ 2,249	\$ 1,895	\$ 760	\$ 1,908	\$ (569)	\$ 6,243
	Net income (loss) attributable to:						
	Non-controlling interests	\$ –	\$ –	\$ –	\$ –	\$ 23	\$ 23
	Equity shareholders	2,249	1,895	760	1,908	(592)	6,220

(1) Certain information for 2023 has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(2) Capital Markets and Direct Financial Services revenue and income taxes are reported on a TEB with an equivalent offset in the revenue and income taxes of Corporate and Other.

The following discussion provides a comparison of our results of operations for the years ended October 31, 2023 and 2022.

Overview

Net income for 2023 was \$5,039 million, compared with \$6,243 million in 2022. The decrease in net income of \$1,204 million was due to higher non-interest expenses, including from an increase in legal provisions shown as an item of note, and a higher provision for credit losses, partially offset by higher revenue.

Consolidated CIBC

Net interest income

Net interest income was up \$184 million or 1% from 2022, primarily due to volume growth across most of our businesses and the impact of foreign exchange translation, partially offset by lower net interest margin.

Non-interest income

Non-interest income was up \$1,315 million or 14% from 2022, primarily due to higher trading income, foreign exchange other than trading due to normal course Treasury activities, growth in fees related to corporate and commercial lending, higher net realized gains from dispositions of FVOCI debt securities and higher fees in Canadian Personal and Business Banking, partially offset by lower card fees due to the additional commodity tax charges related to the 2023 Canadian Federal budget, shown as an item of note, and lower equity and debt issuance revenue.

Provision for credit losses

Provision for credit losses was up \$953 million or 90% from 2022. Provision for credit losses on performing loans was up largely due to unfavourable credit migration across all SBUs, partially offset by a less unfavourable change in our economic outlook in 2023. Provision for credit losses on impaired loans was up largely due to higher provisions in U.S. Commercial Banking and Wealth Management, and higher write-offs in Canadian Personal and Business Banking.

Non-interest expenses

Non-interest expenses were up \$1,546 million or 12% from 2022, primarily due to an increase in legal provisions in 2023, shown as an item of note, higher employee-related compensation and higher spending on strategic initiatives, partially offset by lower professional fees.

Income taxes

Income tax expense was up \$204 million or 12% from 2022, primarily due to the CRD tax and the retroactive impact of the 1.5% tax rate increase recognized in 2023, shown as an item of note, partially offset by the impact of lower income taxes due to earnings mix in 2023.

Revenue by segment**Canadian Personal and Business Banking**

Revenue was up \$507 million or 6% from 2022, primarily due to higher net interest margin and volume growth. Net interest income was up \$590 million or 9% from 2022, primarily due to higher net interest margin and volume growth, including from the acquisition of the Canadian Costco credit card portfolio. Non-interest income was down \$83 million or 4% from 2022, primarily due to lower fee revenue, including from lower card fees, partially due to the commodity tax charge related to the retroactive impact of the 2023 Canadian Federal budget, shown as an item of note.

Canadian Commercial Banking and Wealth Management

Revenue was up \$149 million or 3% from 2022. Commercial banking revenue was up \$223 million or 10%, primarily due to higher deposit margins, volume growth and higher fees, partially offset by lower loan margins. Wealth management revenue was down \$74 million or 2%, primarily due to lower commission revenue from decreased client activity and lower deposit volumes, partially offset by higher fee-based revenue driven by favourable change in mix and higher balances.

U.S. Commercial Banking and Wealth Management

Revenue was up \$235 million or 10% from 2022. Commercial banking revenue was up \$173 million or 11%, primarily due to loan volume growth and the impact of foreign currency translation, partially offset by lower fees. Wealth management revenue was up \$62 million or 7%, primarily due to higher deposit margins, the impact of foreign currency translation, and higher fee-based revenue driven by higher annual performance-based mutual fund fees.

Capital Markets and Direct Financial Services

Revenue was up \$487 million or 10% from 2022. Global markets revenue was up \$292 million or 13%, primarily due to higher fixed income, commodities and foreign exchange trading revenue, and higher financing revenue, partially offset by lower equity derivatives trading revenue. Corporate and investment banking revenue was down \$63 million or 4%, primarily due to lower gains from our investment portfolios, lower debt and equity underwriting activity, and lower advisory revenue, partially offset by higher corporate banking revenue. Direct financial services revenue was up \$258 million or 26%, primarily due to higher revenue from Simplii Financial, and growth in our foreign exchange and payments business, partially offset by lower trading volumes in direct investing.

Corporate and Other

Revenue was up \$121 million or 57% from 2022. International banking revenue was up \$178 million, primarily due to higher net interest margin and the impact of foreign exchange translation. Other revenue was down \$57 million, primarily due to a higher TEB adjustment and lower revenue from our strategic investments, partially offset by higher treasury revenue.

Non-GAAP measures

We use a number of financial measures to assess the performance of our business lines as described below. 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, which include non-GAAP financial measures and non-GAAP ratios as defined in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure", useful in understanding how management views underlying business performance.

Adjusted measures

Management assesses results on a reported and adjusted basis and considers both as useful measures of performance. Adjusted measures, which include adjusted total revenue, adjusted provision for credit losses, adjusted non-interest expenses, adjusted income before income taxes, adjusted income taxes and adjusted net income, in addition to the adjusted measures noted below, remove items of note from reported results to calculate our adjusted results. Items of note include the amortization of intangible assets, and certain items of significance that arise from time to time which management believes are not reflective of underlying business performance. We believe that adjusted measures provide the reader with a better understanding of how management assesses underlying business performance and facilitates a more informed analysis of trends. While we believe that adjusted measures may facilitate comparisons between our results and those of some of our Canadian peer banks, which make similar adjustments in their public disclosure, it should be noted that there is no standardized meaning for adjusted measures under GAAP.

Prior to the third quarter of 2024, we also adjusted our SBU results to gross up tax-exempt revenue on certain securities to a TEB, being the amount of fully taxable revenue, which, were it to have incurred tax at the statutory income tax rate, would yield the same after-tax revenue. In the third quarter of 2024, with the enactment of the denial of the dividends received deduction for Canadian banks in respect of dividends received on Canadian shares (applicable as of January 1, 2024), TEB is no longer being applied to these dividends. In addition, TEB recognized in the first and second quarters of 2024 on impacted dividends was reversed in the third quarter of 2024. See the "Strategic business units overview" section and Note 29 to our consolidated financial statements for further details.

Adjusted diluted EPS

We adjust our reported diluted EPS to remove the impact of items of note, net of income taxes, to calculate the adjusted EPS.

Adjusted efficiency ratio

We adjust our reported revenue and non-interest expenses to remove the impact of items of note. Commencing the first quarter of 2024, we no longer gross up tax-exempt revenue to bring it to a TEB for the application of this ratio to our consolidated results. Prior year amounts have been restated to conform with the change in presentation adopted in the current year.

Adjusted operating leverage

We adjust our reported revenue and non-interest expenses to remove the impact of items of note. Commencing the first quarter of 2024, we no longer gross up tax-exempt revenue to bring it to a TEB for the application of this ratio to our consolidated results. Prior year amounts have been restated to conform with the change in presentation adopted in the current year.

Adjusted dividend payout ratio

We adjust our reported net income attributable to common shareholders to remove the impact of items of note, net of income taxes, to calculate the adjusted dividend payout ratio.

Adjusted return on common shareholders' equity

We adjust our reported net income attributable to common shareholders to remove the impact of items of note, net of income taxes, to calculate the adjusted return on common shareholders' equity.

Adjusted effective tax rate

We adjust our reported income before income taxes and reported income taxes to remove the impact of items of note, to calculate the adjusted effective tax rate.

Pre-provision, pre-tax earnings

Pre-provision, pre-tax earnings is calculated as revenue net of non-interest expenses, and provides the reader with an assessment of our ability to generate earnings to cover credit losses through the credit cycle, as well as an additional basis for comparing underlying business performance between periods by excluding the impact of provision for credit losses, which involves the application of judgments and estimates related to matters that are uncertain and can vary significantly between periods. We adjust our pre-provision, pre-tax earnings to remove the impact of items of note to calculate the adjusted pre-provision, pre-tax earnings. As discussed above, we believe that adjusted measures provide the reader with a better understanding of how management assesses underlying business performance and facilitates a more informed analysis of trends.

Allocated common equity

Common equity is allocated to the SBUs based on the estimated amount of regulatory capital required to support their businesses (as determined for the consolidated bank pursuant to OSFI's regulatory capital requirements and internal targets). Unallocated common equity is reported in Corporate and Other. Allocating capital on this basis provides a consistent framework to evaluate the returns of each SBU commensurate with the risk assumed. In the first quarter of 2024, we increased the common equity allocated to our SBUs to 12% of common equity Tier 1 capital requirements for each SBU, reflecting an increase from 11% in 2023. As part of the adoption of the Basel III reforms, a revised approach for allocating operational risk RWA to each of the SBUs was introduced effective April 30, 2023. The new allocations are driven by the contributions of each SBU to the total 3 years of revenue and total 10 years of operational losses. This change in methodology impacted allocated common equity effective the third quarter of 2023. For additional information, see the "Risks arising from business activities" section.

Segmented return on equity

We use return on equity on a segmented basis as one of the measures for performance evaluation and resource allocation decisions. While return on equity for total CIBC provides a measure of return on common equity, return on equity on a segmented basis provides a similar metric based on allocated common equity to our SBUs. As a result, segmented return on equity is a non-GAAP ratio. Segmented return on equity is calculated as net income attributable to common shareholders for each SBU expressed as a percentage of average allocated common equity, which is the average of monthly allocated common equity during the period. In the first quarter of 2024, we increased the common equity allocated to our SBUs, as noted above.

The following table provides a reconciliation of GAAP (reported) results to non-GAAP (adjusted) results on a segmented basis.

	Canadian Personal and Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets and Direct Financial Services	Corporate and Other	CIBC Total	U.S. Commercial Banking and Wealth Management (US\$ millions)
\$ millions, for the year ended October 31, 2024							
Operating results – reported							
Total revenue	\$ 10,241	\$ 5,730	\$ 2,805	\$ 5,804	\$ 1,026	\$ 25,606	\$ 2,063
Provision for credit losses	1,203	122	560	115	1	2,001	412
Non-interest expenses	5,360	2,941	1,701	2,967	1,470	14,439	1,251
Income (loss) before income taxes	3,678	2,667	544	2,722	(445)	9,166	400
Income taxes	1,008	729	43	734	(502)	2,012	32
Net income	2,670	1,938	501	1,988	57	7,154	368
Net income attributable to non-controlling interests	–	–	–	–	39	39	–
Net income attributable to equity shareholders	2,670	1,938	501	1,988	18	7,115	368
Diluted EPS (\$)						\$ 7.28	
Impact of items of note ⁽¹⁾							
Non-interest expenses							
Amortization and impairment of acquisition-related intangible assets	\$ (26)	\$ –	\$ (30)	\$ –	\$ –	\$ (56)	\$ (22)
Charge related to the special assessment imposed by the FDIC	–	–	(103)	–	–	(103)	(77)
Impact of items of note on non-interest expenses	(26)	–	(133)	–	–	(159)	(99)
Total pre-tax impact of items of note on net income	26	–	133	–	–	159	99
Income taxes							
Amortization and impairment of acquisition-related intangible assets	7	–	8	–	–	15	6
Charge related to the special assessment imposed by the FDIC	–	–	26	–	–	26	19
Impact of items of note on income taxes	7	–	34	–	–	41	25
Total after-tax impact of items of note on net income	\$ 19	\$ –	\$ 99	\$ –	\$ –	\$ 118	\$ 74
Impact of items of note on diluted EPS (\$) ⁽²⁾						\$ 0.12	
Operating results – adjusted ⁽³⁾							
Total revenue – adjusted ⁽⁴⁾	\$ 10,241	\$ 5,730	\$ 2,805	\$ 5,804	\$ 1,026	\$ 25,606	\$ 2,063
Provision for credit losses – adjusted	1,203	122	560	115	1	2,001	412
Non-interest expenses – adjusted	5,334	2,941	1,568	2,967	1,470	14,280	1,152
Income (loss) before income taxes – adjusted	3,704	2,667	677	2,722	(445)	9,325	499
Income taxes – adjusted	1,015	729	77	734	(502)	2,053	57
Net income – adjusted	2,689	1,938	600	1,988	57	7,272	442
Net income attributable to non-controlling interests – adjusted	–	–	–	–	39	39	–
Net income attributable to equity shareholders – adjusted	2,689	1,938	600	1,988	18	7,233	442
Adjusted diluted EPS (\$)						\$ 7.40	

(1) Items of note are removed from reported results to calculate adjusted results.

(2) Includes the impact of rounding differences between diluted EPS and adjusted diluted EPS.

(3) Adjusted to exclude the impact of items of note. Adjusted measures are non-GAAP measures.

(4) CIBC total results excludes a taxable equivalent basis (TEB) adjustment of \$16 million (2023: \$254 million).

(5) Certain information for 2023 has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(6) Relates to the net legal provisions recognized in the first and second quarters of 2023.

(7) The income tax charge is comprised of \$510 million for the present value of the estimated amount of the CRD tax of \$555 million, and a charge of \$35 million related to the fiscal 2022 impact of the 1.5% increase in the tax rate applied to taxable income of certain bank and insurance entities in excess of \$100 million for periods after April 2022. The discount of \$45 million on the CRD tax accretes over the four-year payment period from initial recognition.

(8) Acquisition and integration costs, shown as an item of note starting in the fourth quarter of 2021, are comprised of incremental costs incurred as part of planning for and executing the integration of the Canadian Costco credit card portfolio, including enabling franchising opportunities, the upgrade and conversion of systems and processes, project delivery, communication costs and client welcome bonuses. Purchase accounting adjustments shown as an item of note starting in the second quarter of 2022, include the accretion of the acquisition date fair value discount on the acquired Canadian Costco credit card receivables. Provision for credit losses for performing loans associated with the acquisition of the Canadian Costco credit card portfolio, included the stage 1 ECL allowance established immediately after the acquisition date and the impact of the migration of stage 1 accounts to stage 2 during the second quarter of 2022.

The following table provides a reconciliation of GAAP (reported) results to non-GAAP (adjusted) results on a segmented basis.

	Canadian Personal and Business Banking ⁽⁵⁾	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets and Direct Financial Services	Corporate and Other	CIBC Total	U.S. Commercial Banking and Wealth Management (US\$ millions)
\$ millions, for the year ended October 31, 2023							
Operating results – reported							
Total revenue	\$ 9,416	\$ 5,403	\$ 2,692	\$ 5,488	\$ 333	\$ 23,332	\$ 1,994
Provision for credit losses	986	143	850	19	12	2,010	630
Non-interest expenses	5,174	2,691	1,466	2,721	2,297	14,349	1,086
Income (loss) before income taxes	3,256	2,569	376	2,748	(1,976)	6,973	278
Income taxes	892	691	(3)	762	(408)	1,934	(2)
Net income (loss)	2,364	1,878	379	1,986	(1,568)	5,039	280
Net income attributable to non-controlling interests	–	–	–	–	38	38	–
Net income (loss) attributable to equity shareholders	2,364	1,878	379	1,986	(1,606)	5,001	280
Diluted EPS (\$)						\$ 5.17	
Impact of items of note⁽¹⁾							
Revenue							
Commodity tax charge related to the retroactive impact of the 2023 Canadian Federal budget	\$ 34	\$ –	\$ –	\$ –	\$ –	\$ 34	\$ –
Impact of items of note on revenue	34	–	–	–	–	34	–
Non-interest expenses							
Amortization and impairment of acquisition-related intangible assets	(26)	–	(56)	–	(39)	(121)	(41)
Increase in legal provisions ⁽⁶⁾	–	–	–	–	(1,055)	(1,055)	–
Impact of items of note on non-interest expenses	(26)	–	(56)	–	(1,094)	(1,176)	(41)
Total pre-tax impact of items of note on net income	60	–	56	–	1,094	1,210	41
Income taxes							
Amortization and impairment of acquisition-related intangible assets	6	–	15	–	4	25	11
Commodity tax charge related to the retroactive impact of the 2023 Canadian Federal budget	9	–	–	–	–	9	–
Increase in legal provisions ⁽⁶⁾	–	–	–	–	293	293	–
Income tax charge related to the 2022 Canadian Federal budget ⁽⁷⁾	–	–	–	–	(545)	(545)	–
Impact of items of note on income taxes	15	–	15	–	(248)	(218)	11
Total after-tax impact of items of note on net income	\$ 45	\$ –	\$ 41	\$ –	\$ 1,342	\$ 1,428	\$ 30
Impact of items of note on diluted EPS (\$)⁽²⁾						\$ 1.56	
Operating results – adjusted⁽³⁾							
Total revenue – adjusted ⁽⁴⁾	\$ 9,450	\$ 5,403	\$ 2,692	\$ 5,488	\$ 333	\$ 23,366	\$ 1,994
Provision for credit losses – adjusted	986	143	850	19	12	2,010	630
Non-interest expenses – adjusted	5,148	2,691	1,410	2,721	1,203	13,173	1,045
Income (loss) before income taxes – adjusted	3,316	2,569	432	2,748	(882)	8,183	319
Income taxes – adjusted	907	691	12	762	(656)	1,716	9
Net income (loss) – adjusted	2,409	1,878	420	1,986	(226)	6,467	310
Net income attributable to non-controlling interests – adjusted	–	–	–	–	38	38	–
Net income (loss) attributable to equity shareholders – adjusted	2,409	1,878	420	1,986	(264)	6,429	310
Adjusted diluted EPS (\$)						\$ 6.73	

See previous page for footnote references.

The following table provides a reconciliation of GAAP (reported) results to non-GAAP (adjusted) results on a segmented basis.

	Canadian Personal and Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets and Direct Financial Services	Corporate and Other	CIBC Total	U.S. Commercial Banking and Wealth Management (US\$ millions)
\$ millions, for the year ended October 31, 2022							
Operating results – reported							
Total revenue	\$ 8,909	\$ 5,254	\$ 2,457	\$ 5,001	\$ 212	\$ 21,833	\$ 1,902
Provision for (reversal of) credit losses	876	23	218	(62)	2	1,057	169
Non-interest expenses	4,975	2,656	1,328	2,437	1,407	12,803	1,028
Income (loss) before income taxes	3,058	2,575	911	2,626	(1,197)	7,973	705
Income taxes	809	680	151	718	(628)	1,730	117
Net income (loss)	2,249	1,895	760	1,908	(569)	6,243	588
Net income attributable to non-controlling interests	–	–	–	–	23	23	–
Net income (loss) attributable to equity shareholders	2,249	1,895	760	1,908	(592)	6,220	588
Diluted EPS (\$)						\$ 6.68	
Impact of items of note ⁽¹⁾							
Revenue							
Acquisition and integration-related costs as well as purchase accounting adjustments and provision for credit losses for performing loans ⁽⁶⁾	\$ (16)	\$ –	\$ –	\$ –	\$ –	\$ (16)	\$ –
Impact of items of note on revenue	(16)	–	–	–	–	(16)	–
Provision for (reversal of) credit losses							
Acquisition and integration-related costs as well as purchase accounting adjustments and provision for credit losses for performing loans ⁽⁶⁾	(94)	–	–	–	–	(94)	–
Impact of items of note on provision for (reversal of) credit losses	(94)	–	–	–	–	(94)	–
Non-interest expenses							
Amortization and impairment of acquisition-related intangible assets	(18)	–	(68)	–	(12)	(98)	(53)
Acquisition and integration-related costs as well as purchase accounting adjustments and provision for credit losses for performing loans ⁽⁶⁾	(103)	–	–	–	–	(103)	–
Charge related to the consolidation of our real estate portfolio	–	–	–	–	(37)	(37)	–
Increase in legal provisions	–	–	–	–	(136)	(136)	–
Impact of items of note on non-interest expenses	(121)	–	(68)	–	(185)	(374)	(53)
Total pre-tax impact of items of note on net income	199	–	68	–	185	452	53
Income taxes							
Amortization and impairment of acquisition-related intangible assets	4	–	18	–	1	23	14
Acquisition and integration-related costs as well as purchase accounting adjustments and provision for credit losses for performing loans ⁽⁶⁾	48	–	–	–	–	48	–
Charge related to the consolidation of our real estate portfolio	–	–	–	–	10	10	–
Increase in legal provisions	–	–	–	–	36	36	–
Impact of items of note on income taxes	52	–	18	–	47	117	14
Total after-tax impact of items of note on net income	\$ 147	\$ –	\$ 50	\$ –	\$ 138	\$ 335	\$ 39
Impact of items of note on diluted EPS (\$) ⁽²⁾						\$ 0.37	
Operating results – adjusted ⁽³⁾							
Total revenue – adjusted ⁽⁴⁾	\$ 8,893	\$ 5,254	\$ 2,457	\$ 5,001	\$ 212	\$ 21,817	\$ 1,902
Provision for (reversal of) credit losses – adjusted	782	23	218	(62)	2	963	169
Non-interest expenses – adjusted	4,854	2,656	1,260	2,437	1,222	12,429	975
Income (loss) before income taxes – adjusted	3,257	2,575	979	2,626	(1,012)	8,425	758
Income taxes – adjusted	861	680	169	718	(581)	1,847	131
Net income (loss) – adjusted	2,396	1,895	810	1,908	(431)	6,578	627
Net income attributable to non-controlling interests – adjusted	–	–	–	–	23	23	–
Net income (loss) attributable to equity shareholders – adjusted	2,396	1,895	810	1,908	(454)	6,555	627
Adjusted diluted EPS (\$)						\$ 7.05	

See previous pages for footnote references.

The following table provides a reconciliation of GAAP (reported) results to non-GAAP (adjusted) results on a segmented basis.

	Canadian Personal and Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets and Direct Financial Services	Corporate and Other	CIBC Total	U.S. Commercial Banking and Wealth Management (US\$ millions)
\$ millions, for the year ended October 31, 2021							
Operating results – reported							
Total revenue	\$ 8,150	\$ 4,670	\$ 2,194	\$ 4,520	\$ 481	\$ 20,015	\$ 1,748
Provision for (reversal of) credit losses	350	(39)	(75)	(100)	22	158	(61)
Non-interest expenses	4,414	2,443	1,121	2,117	1,440	11,535	893
Income (loss) before income taxes	3,386	2,266	1,148	2,503	(981)	8,322	916
Income taxes	892	601	222	646	(485)	1,876	177
Net income (loss)	2,494	1,665	926	1,857	(496)	6,446	739
Net income attributable to non-controlling interests	–	–	–	–	17	17	–
Net income (loss) attributable to equity shareholders	2,494	1,665	926	1,857	(513)	6,429	739
Diluted EPS (\$)						\$ 6.96	
Impact of items of note ⁽¹⁾							
Non-interest expenses							
Amortization and impairment of acquisition-related intangible assets	\$ –	\$ –	\$ (68)	\$ –	\$ (11)	(79)	\$ (54)
Acquisition and integration-related costs ⁽⁶⁾	(12)	–	–	–	–	(12)	–
Charge related to the consolidation of our real estate portfolio	–	–	–	–	(109)	(109)	–
Increase in legal provisions	–	–	–	–	(125)	(125)	–
Impact of items of note on non-interest expenses	(12)	–	(68)	–	(245)	(325)	(54)
Total pre-tax impact of items of note on net income	12	–	68	–	245	325	54
Income taxes							
Amortization and impairment of acquisition-related intangible assets	–	–	18	–	1	19	14
Acquisition and integration-related costs ⁽⁶⁾	3	–	–	–	–	3	–
Charge related to the consolidation of our real estate portfolio	–	–	–	–	29	29	–
Increase in legal provisions	–	–	–	–	33	33	–
Impact of items of note on income taxes	3	–	18	–	63	84	14
Total after-tax impact of items of note on net income	\$ 9	\$ –	\$ 50	\$ –	\$ 182	\$ 241	\$ 40
Impact of items of note on diluted EPS (\$) ⁽²⁾						\$ 0.27	
Operating results – adjusted ⁽³⁾							
Total revenue – adjusted ⁽⁴⁾	\$ 8,150	\$ 4,670	\$ 2,194	\$ 4,520	\$ 481	\$ 20,015	\$ 1,748
Provision for (reversal of) credit losses – adjusted	350	(39)	(75)	(100)	22	158	(61)
Non-interest expenses – adjusted	4,402	2,443	1,053	2,117	1,195	11,210	839
Income (loss) before income taxes – adjusted	3,398	2,266	1,216	2,503	(736)	8,647	970
Income taxes – adjusted	895	601	240	646	(422)	1,960	191
Net income (loss) – adjusted	2,503	1,665	976	1,857	(314)	6,687	779
Net income attributable to non-controlling interests – adjusted	–	–	–	–	17	17	–
Net income (loss) attributable to equity shareholders – adjusted	2,503	1,665	976	1,857	(331)	6,670	779
Adjusted diluted EPS (\$)						\$ 7.23	

See previous pages for footnote references.

The following table provides a reconciliation of GAAP (reported) results to non-GAAP (adjusted) results on a segmented basis.

	Canadian Personal and Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets and Direct Financial Services	Corporate and Other	CIBC Total	U.S. Commercial Banking and Wealth Management (US\$ millions)
\$ millions, for the year ended October 31, 2020							
Operating results – reported							
Total revenue	\$ 7,922	\$ 4,121	\$ 2,043	\$ 4,053	\$ 602	\$ 18,741	\$ 1,520
Provision for credit losses	1,189	303	487	311	199	2,489	358
Non-interest expenses	4,308	2,179	1,126	1,929	1,820	11,362	838
Income (loss) before income taxes	2,425	1,639	430	1,813	(1,417)	4,890	324
Income taxes	640	437	55	505	(539)	1,098	42
Net income (loss)	1,785	1,202	375	1,308	(878)	3,792	282
Net income attributable to non-controlling interests	–	–	–	–	2	2	–
Net income (loss) attributable to equity shareholders	1,785	1,202	375	1,308	(880)	3,790	282
Diluted EPS (\$)						\$ 4.11	
Impact of items of note ⁽¹⁾							
Non-interest expenses							
Amortization and impairment of acquisition-related intangible assets	\$ (8)	\$ (1)	\$ (83)	\$ –	\$ (13)	\$ (105)	\$ (62)
Charge related to the consolidation of our real estate portfolio	–	–	–	–	(114)	(114)	–
Increase in legal provisions	–	–	–	–	(70)	(70)	–
Gain as a result of plan amendments related to pension and other post-employment plans	–	–	–	–	79	79	–
Restructuring charges, primarily relating to employee severance and related costs	–	–	–	–	(339)	(339)	–
Goodwill impairment charge related to our controlling interest in CIBC Caribbean	–	–	–	–	(248)	(248)	–
Impact of items of note on non-interest expenses	(8)	(1)	(83)	–	(705)	(797)	(62)
Total pre-tax impact of items of note on net income	8	1	83	–	705	797	62
Income taxes							
Amortization and impairment of acquisition-related intangible assets	2	–	22	–	1	25	17
Charge related to the consolidation of our real estate portfolio	–	–	–	–	30	30	–
Increase in legal provisions	–	–	–	–	19	19	–
Gain as a result of plan amendments related to pension and other post-employment plans	–	–	–	–	(21)	(21)	–
Restructuring charges, primarily relating to employee severance and related costs	–	–	–	–	89	89	–
Impact of items of note on income taxes	2	–	22	–	118	142	17
Total after-tax impact of items of note on net income	\$ 6	\$ 1	\$ 61	\$ –	\$ 587	\$ 655	\$ 45
Impact of items of note on diluted EPS (\$) ⁽²⁾						\$ 0.74	
Operating results – adjusted ⁽³⁾							
Total revenue – adjusted ⁽⁴⁾	\$ 7,922	\$ 4,121	\$ 2,043	\$ 4,053	\$ 602	\$ 18,741	\$ 1,520
Provision for credit losses – adjusted	1,189	303	487	311	199	2,489	358
Non-interest expenses – adjusted	4,300	2,178	1,043	1,929	1,115	10,565	776
Income (loss) before income taxes – adjusted	2,433	1,640	513	1,813	(712)	5,687	386
Income taxes – adjusted	642	437	77	505	(421)	1,240	59
Net income (loss) – adjusted	1,791	1,203	436	1,308	(291)	4,447	327
Net income attributable to non-controlling interests – adjusted	–	–	–	–	2	2	–
Net income (loss) attributable to equity shareholders – adjusted	1,791	1,203	436	1,308	(293)	4,445	327
Adjusted diluted EPS (\$)						\$ 4.85	

See previous pages for footnote references.

The following table provides a reconciliation of GAAP (reported) net income to non-GAAP (adjusted) pre-provision, pre-tax earnings on a segmented basis.

		Canadian Personal and Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets and Direct Financial Services	Corporate and Other	CIBC Total	U.S. Commercial Banking and Wealth Management (US\$ millions)
\$ millions, for the year ended October 31								
2024	Net income	\$ 2,670	\$ 1,938	\$ 501	\$ 1,988	\$ 57	\$ 7,154	\$ 368
	Add: provision for credit losses	1,203	122	560	115	1	2,001	412
	Add: income taxes	1,008	729	43	734	(502)	2,012	32
	Pre-provision (reversal), pre-tax earnings (losses) ⁽¹⁾	4,881	2,789	1,104	2,837	(444)	11,167	812
	Pre-tax impact of items of note ⁽²⁾	26	–	133	–	–	159	99
	Adjusted pre-provision (reversal), pre-tax earnings (losses) ⁽³⁾	\$ 4,907	\$ 2,789	\$ 1,237	\$ 2,837	\$ (444)	\$ 11,326	\$ 911
2023 ⁽⁴⁾	Net income (loss)	\$ 2,364	\$ 1,878	\$ 379	\$ 1,986	\$ (1,568)	\$ 5,039	\$ 280
	Add: provision for credit losses	986	143	850	19	12	2,010	630
	Add: income taxes	892	691	(3)	762	(408)	1,934	(2)
	Pre-provision (reversal), pre-tax earnings (losses) ⁽¹⁾	4,242	2,712	1,226	2,767	(1,964)	8,983	908
	Pre-tax impact of items of note ⁽²⁾	60	–	56	–	1,094	1,210	41
	Adjusted pre-provision (reversal), pre-tax earnings (losses) ⁽³⁾	\$ 4,302	\$ 2,712	\$ 1,282	\$ 2,767	\$ (870)	\$ 10,193	\$ 949
2022	Net income (loss)	\$ 2,249	\$ 1,895	\$ 760	\$ 1,908	\$ (569)	\$ 6,243	\$ 588
	Add: provision for (reversal of) credit losses	876	23	218	(62)	2	1,057	169
	Add: income taxes	809	680	151	718	(628)	1,730	117
	Pre-provision (reversal), pre-tax earnings (losses) ⁽¹⁾	3,934	2,598	1,129	2,564	(1,195)	9,030	874
	Pre-tax impact of items of note ⁽²⁾⁽⁵⁾	105	–	68	–	185	358	53
	Adjusted pre-provision (reversal), pre-tax earnings (losses) ⁽³⁾	\$ 4,039	\$ 2,598	\$ 1,197	\$ 2,564	\$ (1,010)	\$ 9,388	\$ 927
2021	Net income (loss)	\$ 2,494	\$ 1,665	\$ 926	\$ 1,857	\$ (496)	\$ 6,446	\$ 739
	Add: provision for (reversal of) credit losses	350	(39)	(75)	(100)	22	158	(61)
	Add: income taxes	892	601	222	646	(485)	1,876	177
	Pre-provision (reversal), pre-tax earnings (losses) ⁽¹⁾	3,736	2,227	1,073	2,403	(959)	8,480	855
	Pre-tax impact of items of note ⁽²⁾	12	–	68	–	245	325	54
	Adjusted pre-provision (reversal), pre-tax earnings (losses) ⁽³⁾	\$ 3,748	\$ 2,227	\$ 1,141	\$ 2,403	\$ (714)	\$ 8,805	\$ 909
2020	Net income (loss)	\$ 1,785	\$ 1,202	\$ 375	\$ 1,308	\$ (878)	\$ 3,792	\$ 282
	Add: provision for credit losses	1,189	303	487	311	199	2,489	358
	Add: income taxes	640	437	55	505	(539)	1,098	42
	Pre-provision (reversal), pre-tax earnings (losses) ⁽¹⁾	3,614	1,942	917	2,124	(1,218)	7,379	682
	Pre-tax impact of items of note ⁽²⁾	8	1	83	–	705	797	62
	Adjusted pre-provision (reversal), pre-tax earnings (losses) ⁽³⁾	\$ 3,622	\$ 1,943	\$ 1,000	\$ 2,124	\$ (513)	\$ 8,176	\$ 744

(1) Non-GAAP measure.

(2) Items of note are removed from reported results to calculate adjusted results.

(3) Adjusted to exclude the impact of items of note. Adjusted measures are non-GAAP measures.

(4) Certain information for 2023 has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(5) Excludes the impact of the provision for credit losses for performing loans from the acquisition of the Canadian Costco credit card portfolio, as the amount is included in the add back of provision for (reversal of) credit losses.

Strategic business units overview

CIBC has four SBUs – Canadian Personal and Business Banking, Canadian Commercial Banking and Wealth Management, U.S. Commercial Banking and Wealth Management, and Capital Markets and Direct Financial Services. These SBUs are supported by the following functional groups – Technology, Infrastructure and Innovation, Risk Management, People, Culture and Brand, and Finance, as well as other support groups, which all are included within Corporate and Other. The expenses of these functional and support groups are generally allocated to the business lines within the SBUs. Corporate and Other also includes the results of CIBC Caribbean and other portfolio investments, as well as other income statement and balance sheet items not directly attributable to the business lines.

Effective for the first quarter of 2025, our Simplii Financial direct banking business will be realigned with Canadian Personal and Business Banking and our Investor's Edge direct investing business will be realigned with Canadian Commercial Banking and Wealth Management. Both lines of business are included in the 2024 and 2023 financial results for Capital Markets and Direct Financial Services discussed below.

Business unit allocations

Revenue, expenses, and other balance sheet resources related to certain activities are generally allocated to the lines of business within the SBUs.

Treasury activities impact the financial results of the SBUs. Each line of business within our SBUs is charged or credited with a market-based cost of funds on assets and liabilities, respectively, which impacts the revenue performance of the SBUs. This market-based cost of funds takes into account the cost of maintaining sufficient regulatory capital to support business requirements, including the cost of preferred shares. Once the interest and liquidity risks inherent in our client-driven assets and liabilities are transfer priced into Treasury, they are managed within CIBC's risk framework and limits. Capital is attributed to the SBUs based on the estimated amount of regulatory capital required to support their businesses, which is intended to consistently measure and align the costs with the underlying benefits and risks associated with SBU activities. Earnings on unattributed capital remain in Corporate and Other. We review our transfer pricing methodologies on an ongoing basis to ensure they reflect changing market environments and industry practices.

We use a Product Owner/Customer Segment/Distributor Channel allocation management model to measure and report the results of operations of various lines of business within our SBUs. The model uses certain estimates and methodologies to process internal transfers between the impacted lines of business for sales, renewals and trailer commissions as well as certain attributable costs. Periodically, the sales, renewals and trailer commission rates paid to customer segments for certain products/services are revised and applied prospectively.

The non-interest expenses of the functional and support groups are generally allocated to the business lines within the SBUs based on appropriate criteria and methodologies. The basis of allocation is reviewed periodically to reflect changes in support to business lines. Other costs not directly attributable to business lines remain in Corporate and Other.

We recognize provision for credit losses on both impaired (stage 3) and performing (stages 1 and 2) loans in the respective SBUs.

Revenue, taxable equivalent basis

Prior to the third quarter of 2024, certain SBUs evaluated revenue on a TEB. In order to arrive at the TEB amount, the SBUs grossed up tax-exempt revenue on certain securities to a TEB, being the amount of fully taxable revenue, which, were it to have incurred tax at the statutory income tax rate, would yield the same after-tax revenue. Simultaneously, an equivalent amount was booked as an income tax expense resulting in no impact on the net income of the SBUs. This measure enabled comparability of revenue arising from both taxable and tax-exempt sources. The total TEB adjustments of the SBUs were offset in revenue and income tax expense in Corporate and Other. Commencing in the third quarter of 2024, TEB reporting is no longer applicable to certain dividends received on or after January 1, 2024. Also in the third quarter of 2024, the enactment of the denial of the dividends received deduction resulted in a TEB reversal for dividends received on or after January 1, 2024 that were included in the first and second quarters of 2024.

Canadian Personal and Business Banking

Canadian Personal and Business Banking provides personal and business clients across Canada with financial advice, services and solutions through banking centres, as well as mobile and online channels, to help make their ambitions a reality.

Our business strategy

We are focused on helping our clients achieve their ambitions, and delivering sustainable, market-leading performance. To achieve this, our strategy continues to comprise three key priorities:

- Delivering exceptional client experiences with personalized advice and high-touch service and solutions;
- Growing our Personal Banking business with a digital-first mindset by making it easier for clients to bank with us digitally; and
- Establishing a culture of operational excellence, enabled through our talent, technology and processes.

2024 progress

This was a year of clear progress across Personal and Business Banking, in which we grew our client base with notable momentum in students and newcomers, furthered our strengths in technology and talent, and significantly deepened relationships with high-touch, high-growth client segments we've targeted for growth, including Imperial Service, as we helped clients navigate a challenging market with expert advice. Our client satisfaction scores increased again this year, and are a testament to our team and the relationships we continue to build with our clients. In the Ipsos Customer Satisfaction Index Study, we continued to narrow our gap to the leader for our primary clients' net promoter score, with our smallest gap to date. In the J.D. Power 2024 Canada Banking Mobile App and Online Banking Satisfaction studies, we ranked #2 in client satisfaction.

Delivering exceptional client experiences with personalized advice and high-touch service and solutions

- Continued to grow our Imperial Service offer through new dedicated leadership, a refined value proposition and strategic investments in people and technology to better support clients.
- Launched the Skilled Trades banking solution for students, apprentices and professionals, delivering greater value for Canadians pursuing a career in the skilled trades.
- Launched a new First Home Savings Account to support tax-efficient saving and first home ownership ambitions of our personal banking clients.
- Introduced a new travel booking platform, CIBC by Expedia, which provides a best-in-class experience for CIBC Aventura credit card clients.
- Launched the Business Client Advice Centre to support banking centres and low-complexity unmanaged Business Banking clients virtually.
- Ranked #1 in client satisfaction with Small Business banking for the second year in a row according to the J.D. Power 2024 Canada Small Business Banking Satisfaction study.

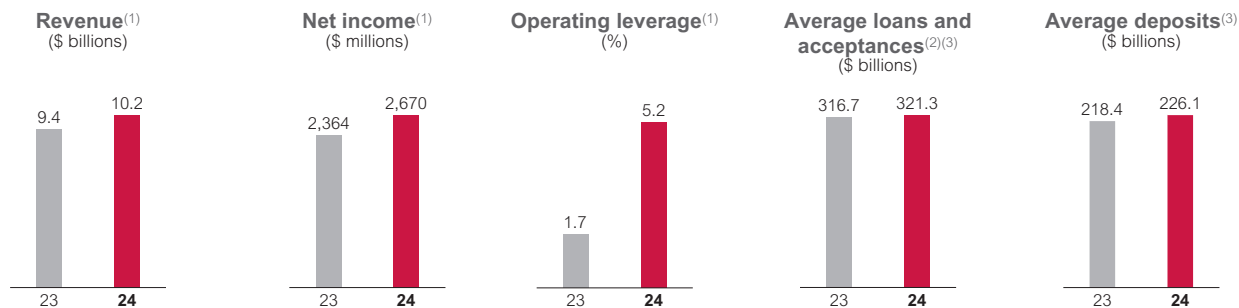
Growing our Personal Banking business with a digital-first mindset by making it easier for clients to bank with us digitally

- Ranked #1 by Survisor for delivering the best mobile banking experience among Canada's big banks.
- Expanded the support we provide to newcomers and helped simplify the start of their immigration journey by launching CIBC Smart Arrival allowing newcomers to open a bank account through digital channels prior to arriving in Canada.
- Launched an all-in-one online application for credit cards and deposit accounts for newcomers, a first among our competitors.
- Introduced the Best Student Life Bundle, a first-in-market, digital-exclusive offer to apply for three products in one online application.
- Continued enhancements to our industry leading ATM capabilities with the national launch of near field communication (NFC or tap) on all ATMs with NFC readers.
- Ranked #2 in client satisfaction with mobile banking apps and online banking in the J.D. Power 2024 Canada Banking Mobile App and Online Banking Satisfaction studies.

Establishing a culture of operational excellence, enabled through our talent, technology and processes

- Recognized with the Best Gen-AI Initiative technology award in The Digital Banker's 2024 Global Transaction Banking Innovation Awards as we continued to leverage AI to do more for our clients.
- Ranked #1 on *Investment Executive* 2024 Report Card on Banks for the ninth consecutive year.
- Continued to integrate electronic customer relationship management (eCRM) with core applications like the new CIBC Investment Platform, Compass, and the Ambition Protection Planner (Insurance) to support our frontline in addressing the holistic needs of our clients.
- Made DocuSign the default signing option for clients, enabling a faster and more convenient client signing experience and unlocking employee capacity.
- Automated the credit card pick-up process and added real-time tracking capabilities to improve the number of cards picked up at CIBC banking centres.

2024 financial review



(1) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(2) Loan amounts are stated before any related allowances.

(3) Average balances are calculated as a weighted average of daily closing balances.

Our focus for 2025

In Canadian Personal and Business Banking, our objective is to be the leading relationship bank for Canadian consumers and businesses, delivering market-leading value for all our stakeholders through differentiated advice, seamless client experience, and operational excellence. Our strategy is centred on four strategic priorities:

- Expand our client base, with a focus on our Mass Affluent franchise;
- Deepen client relationships through personalized advice and seamless, digitally-enabled client engagement across our channels; and
- Enable a superior client and team member experience by investing in our people and technology to drive simplification and operational excellence.

Results⁽¹⁾

\$ millions, for the year ended October 31	2024	2023 ⁽²⁾
Revenue	\$ 10,241	\$ 9,416
Provision for credit losses		
Impaired	1,144	922
Performing	59	64
Provision for credit losses	1,203	986
Non-interest expenses	5,360	5,174
Income before income taxes	3,678	3,256
Income taxes	1,008	892
Net income	\$ 2,670	\$ 2,364
Net income attributable to:		
Equity shareholders	\$ 2,670	\$ 2,364
Total revenue		
Net interest income	\$ 7,906	\$ 7,247
Non-interest income ⁽³⁾	2,335	2,169
	\$ 10,241	\$ 9,416
Net interest margin on average interest-earning assets ⁽⁴⁾⁽⁵⁾	2.47 %	2.30 %
Efficiency ratio	52.3 %	54.9 %
Operating leverage	5.2 %	1.7 %
Return on equity ⁽⁶⁾	23.2 %	25.1 %
Average allocated common equity ⁽⁶⁾	\$ 11,503	\$ 9,414
Average assets (\$ billions) ⁽⁴⁾	\$ 324.5	\$ 319.8
Average loans and acceptances (\$ billions) ⁽⁴⁾	\$ 321.3	\$ 316.7
Average deposits (\$ billions) ⁽⁴⁾	\$ 226.1	\$ 218.4
Full-time equivalent employees	13,531	13,208

(1) For additional segmented information, see Note 29 to the consolidated financial statements.

(2) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(3) Includes intersegment revenue, which represents internal sales commissions and revenue allocations under the Product Owner/Customer Segment/Distributor Channel allocation management model.

(4) Average balances are calculated as a weighted average of daily closing balances.

(5) For additional information on the composition, see the "Glossary" section.

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

Financial overview

Net income was up \$306 million or 13% from 2023, primarily due to higher revenue, partially offset by a higher provision for credit losses and higher non-interest expenses.

Revenue

Revenue was up \$825 million or 9% from 2023, primarily due to higher net interest margin, volume growth and higher fees.

Net interest income was up \$659 million or 9% from 2023, primarily due to higher net interest margin and volume growth. Non-interest income was up \$166 million or 8% from 2023, primarily due to higher fees. The prior year included a commodity tax charge related to the retroactive impact of the 2023 Canadian Federal budget, shown as an item of note.

Net interest margin on average interest-earning assets was up 17 basis points, mainly due to higher deposit margins and favourable asset mix, partially offset by lower loan margins.

Provision for credit losses

Provision for credit losses was up \$217 million or 22% from 2023. Provision for credit losses on performing loans was comparable to the prior year due to less unfavourable credit migration and a decrease resulting from model parameter updates, offset by a less favourable change in our economic outlook in the current year. Provision for credit losses on impaired loans was up, primarily due to higher write-offs in credit cards and the personal lending portfolio, partially offset by impaired provision reductions in residential mortgages.

Non-interest expenses

Non-interest expenses were up \$186 million or 4% from 2023, primarily due to higher employee-related and performance-based compensation, higher spending on strategic initiatives, and a software impairment charge.

Income taxes

Income taxes were up \$116 million or 13% from 2023, primarily due to higher income.

Average assets

Average assets were up \$4.7 billion or 1% from 2023, primarily due to growth in residential mortgages and cards.

Canadian Commercial Banking and Wealth Management

Canadian Commercial Banking and Wealth Management provides high-touch, relationship-oriented banking and wealth management services to middle-market companies, entrepreneurs, high-net-worth individuals and families across Canada, as well as asset management services to institutional investors.

Our business strategy

We are focused on building and enhancing client relationships, being Canada's leader in financial advice and generating long-term consistent growth. To deliver on this, our strategic priorities are:

- Delivering risk-controlled growth in our Commercial Bank, while continuing to foster strong, connected referrals across CIBC;
- Accelerating the growth of Private Wealth with a focus on financial planning to deepen client relationships; and
- Evolving our Asset Management business.

2024 progress

In 2024, our purpose-driven team maintained a strong focus on client relationships, which drove solid results. In Commercial Banking, we managed our portfolio in a risk-controlled manner given the macroeconomic environment. Our strong focus on client relationships was reflected in our net promoter score, driving deeper, longer-term client relationships. The Canadian Private Wealth business performed well as we continued to execute on our strategy to lead in the mass affluent and high-net-worth client segments. To support our growth, we enhanced our Financial Planning coverage for our clients, increasing the productivity of our planning teams through ongoing investments in technology. In Asset Management we saw significant growth of \$20 billion in total net flows. Across our business, our teams had strong referral momentum resulting in deeper client relationships, reinforcing our commitment to helping our clients achieve their ambitions.

Delivering risk-controlled growth in our Commercial Bank

- Achieved strong net promoter score results, reflecting our client driven culture and ongoing service improvements across our business.
- Continued our journey to modernize our commercial banking systems, including the launch of Cash Management Online (CMO) Lending and Investments and ongoing investment in Precision Lender and other platforms to better enable our frontline in supporting our clients.
- Delivered strong relative loan loss provisions in our Commercial Banking portfolio while continuing to support growth in key relationships.

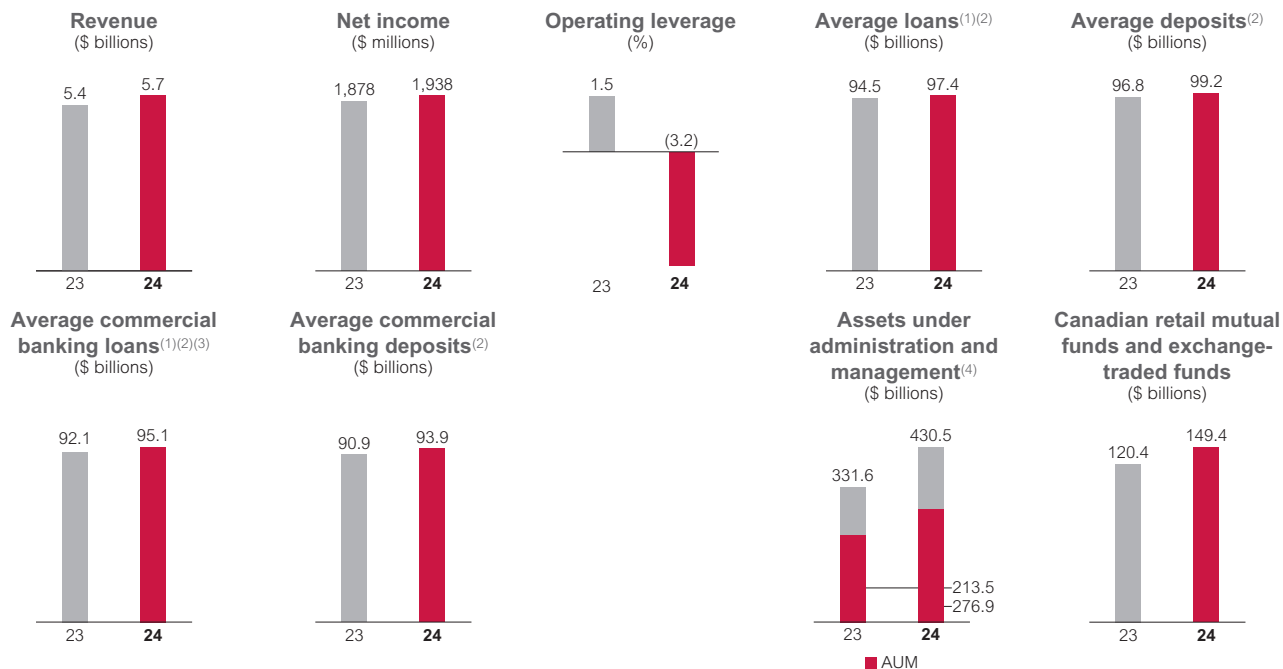
Accelerating the growth of Private Wealth

- Wood Gundy was ranked second overall amongst the Big 5 banks by Investment Executive Brokerage Report Card for the third consecutive year – a strong statement on the confidence of our advisory team.
- Continued to invest in enhancing our coverage in Private Banking, delivering stable growth in our platform and continued improvements to client satisfaction scores.
- Enhanced our Financial Planning coverage for our clients, increasing the productivity of our planning teams through focused hiring and ongoing investments in technology and support.

Evolving our Asset Management business

- Continued to rollout our new CIBC Investment Platform, a state-of-the-art platform that streamlines account structures, improves onboarding and client reporting, and provides enhanced portfolio management capabilities for advisors.
- Ranked #1 for IFIC Mutual Fund Net Flows and #2 for Long-Term Retail Mutual Fund Net Flows/AUM.
- Delivered a strong year for institutional Asset Management with \$15 billion in total net flows, including an \$11.5 billion Indigenous fixed income mandate.

2024 financial review



(1) Loan amounts are stated before any related allowances.
 (2) Average balances are calculated as a weighted average of daily closing balances.
 (3) Comprises loans and acceptances and notional amount of letters of credit.
 (4) AUM amounts are included in the amounts reported under AUA.

Our focus for 2025

In Canadian Commercial Banking and Wealth Management, our ambition is to become the leader in financial advice to both personal and business clients. We are focused on three strategic priorities:

- Delivering risk-controlled growth with a focus on relationship-banking and increasing connectivity to deepen relationships;
- Modernizing and simplifying our processes and systems; and
- Focusing on high-growth market segments.

Results⁽¹⁾

\$ millions, for the year ended October 31	2024	2023
Revenue		
Commercial banking	\$ 2,465	\$ 2,501
Wealth management	3,265	2,902
Total revenue	5,730	5,403
Provision for credit losses		
Impaired	74	108
Performing	48	35
Provision for credit losses	122	143
Non-interest expenses	2,941	2,691
Income before income taxes	2,667	2,569
Income taxes	729	691
Net income	\$ 1,938	\$ 1,878
Net income attributable to:		
Equity shareholders	\$ 1,938	\$ 1,878
Total revenue		
Net interest income	\$ 2,056	\$ 1,812
Non-interest income ⁽²⁾	3,674	3,591
	\$ 5,730	\$ 5,403
Net interest margin on average interest-earning assets ⁽³⁾⁽⁴⁾	2.84 %	3.43 %
Efficiency ratio	51.3 %	49.8 %
Operating leverage	(3.2)%	1.5 %
Return on equity ⁽⁵⁾	20.6 %	22.2 %
Average allocated common equity ⁽⁵⁾	\$ 9,399	\$ 8,469
Average assets (\$ billions) ⁽³⁾	\$ 94.5	\$ 91.6
Average loans (\$ billions) ⁽³⁾	\$ 97.4	\$ 94.5
Average deposits (\$ billions) ⁽³⁾	\$ 99.2	\$ 96.8
AUA (\$ billions)	\$ 430.5	\$ 331.6
AUM (\$ billions)	\$ 276.9	\$ 213.5
Full-time equivalent employees	5,537	5,433

(1) For additional segmented information, see Note 29 to the consolidated financial statements.

(2) Includes intersegment revenue, which represents internal sales commissions and revenue allocations under the Product Owner/Customer Segment/Distributor Channel allocation management model.

(3) Average balances are calculated as a weighted average of daily closing balances.

(4) For additional information on the composition, see the "Glossary" section.

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

Financial overview

Net income was up \$60 million or 3% from 2023, primarily due to higher revenue and lower provision for credit losses, partially offset by higher non-interest expenses.

Revenue

Revenue was up \$327 million or 6% from 2023.

Commercial banking revenue was down \$36 million or 1%, primarily due to lower deposit and loan margins, partially offset by volume growth.

Wealth management revenue was up \$363 million or 13%, primarily due to higher fee-based revenue from higher average AUA and AUM balances and higher commission revenue from increased client activity.

Net interest margin on average interest-earning assets was down 59 basis points, primarily due to the conversion of bankers' acceptances to CORRA loans resulting from the cessation of Canadian Dollar Offered Rate (CDOR), and lower deposit and loan margins.

Provision for credit losses

Provision for credit losses was down \$21 million or 15% from 2023. Provision for credit losses on performing loans was up due to a more unfavourable change in our economic outlook in the current year, partially offset by a decrease resulting from model parameter updates. Provision for credit losses on impaired loans was down due to lower provisions in the retail and wholesale, and the education, health and social services sectors, partially offset by higher provisions in the hardware and software sector.

Non-interest expenses

Non-interest expenses were up \$250 million or 9% from 2023, primarily due to higher performance-based compensation and higher spending on strategic initiatives.

Income taxes

Income taxes were up \$38 million or 5% from 2023, driven by higher income and earnings mix.

Average assets

Average assets were up \$2.9 billion or 3% from 2023, primarily due to growth in commercial loans.

Assets under administration

AUA on a spot basis were up \$98.9 billion or 30% from 2023, primarily due to market appreciation and net new client flows. AUM amounts are included in the amounts reported under AUA.

U.S. Commercial Banking and Wealth Management

U.S. Commercial Banking and Wealth Management provides tailored, relationship-oriented banking and wealth management solutions across the U.S., focusing on middle-market and mid-corporate companies, entrepreneurs, high-net-worth individuals and families, as well as operating personal and small business banking services in six U.S. markets.

Our business strategy

We are focused on growing a best-in-class, relationship-based commercial banking and wealth management franchise in the U.S., working with clients who value our high-touch approach, as well as our industry expertise and broad product capabilities, designed to meet their specific needs. Our key strategic priorities continue to be:

- Building and deepening client relationships;
- Strengthening and diversifying our deposit base;
- Improving efficiency and capabilities through data and technology; and
- Advancing the growth and transformation of our business.

2024 progress

In 2024, our continued execution of our well-established relationship strategy allowed us to attract new clients and deepen relationships with existing clients. We are well positioned to help our clients achieve their ambitions while navigating an evolving economic environment by offering tailored financial solutions and further improving client experiences. Within Commercial Real Estate we de-emphasized elements of our business related to institutional clients. We delivered broad-based deposit and commercial and industrial loan growth, and built positive momentum by continuing to generate new business and AUM. The strategic investments we've made in our business, including expanding the products, services and capabilities we offer, and disciplined expense and risk management, support our momentum and growth moving forward.

Building and deepening client relationships

- Continued growth in client referrals across the bank that drove new business and provided opportunities to fulfill more of our clients' banking needs.
- Generated solid loan growth through new strategic client relationships and developed additional private banking business with existing commercial and wealth clients.
- Maintained positive AUM and AUA net flows.
- Continued strong partnership with our Capital Markets team to provide a range of financial solutions to U.S. commercial and wealth clients.
- Ranked #2 Registered Investment Advisor (RIA) in *Barron's* Top 100 RIA Firms list; remained in the top 10 for the fifth consecutive year.
- CIBC Private Wealth remains *Private Asset Management's* most awarded firm in the industry over the last 14 years.

Strengthening and diversifying our deposit base

- Maintained a diversified deposit base across our commercial, private banking and retail clients.
- Continued to enhance the nature and composition of our deposit base by leveraging existing and developing new products to add more insured deposits.
- Expanded deposit gathering by leveraging the fluid rate environment to attract new clients to our CIBC Agility digital banking platform that provides flexible online banking without maintenance fees.
- Earned recognition as the 2024 Best Short-Term CD by REAL SIMPLE magazine for our CIBC Agility Certificate of Deposit (CD) product.

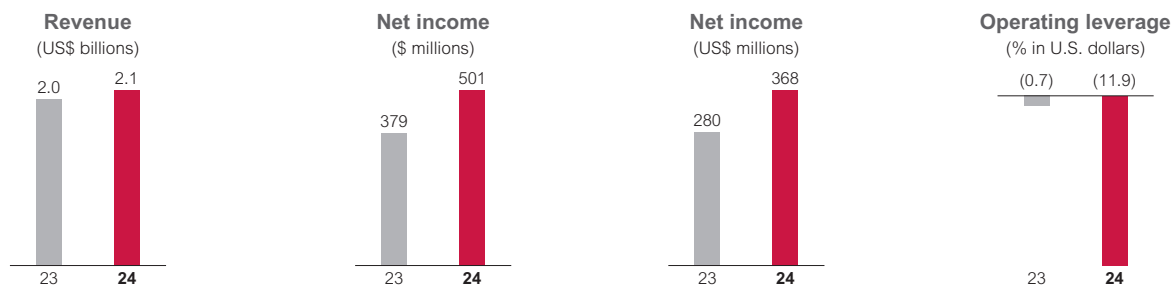
Improving efficiency and capabilities through data and technology

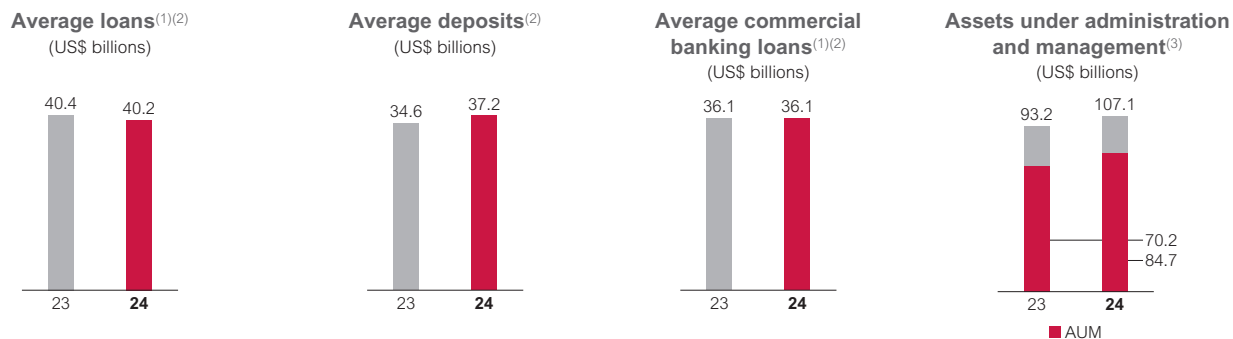
- Continued investments in modernizing our bank, including our new Wealth Management platform, allowing us to deliver enhanced customer experiences.
- Enhanced U.S. customer relationship management capabilities through sustained investments in our Wealth Management platform, and our commercial banking pricing tools and operating systems.
- Continued investment in our risk management capabilities leading to better data analytics which enhanced insights into our loan and deposit portfolios.

Advancing the growth and transformation of our business

- Continued growth of our Wealth Management franchise, a business that provides strong returns on capital by building scale, expanding with new Private Bankers and Wealth Advisors and deploying technology that drives great client experiences.
- Maintained risk-controlled growth in Commercial Banking, while strategically allocating capital, to deliver new products and services.
- Continued to enhance our risk culture to support our growth.

2024 financial review





(1) Loan amounts are stated before any related allowances.

(2) Average balances are calculated as a weighted average of daily closing balances.

(3) AUM amounts are included in the amounts reported under AUA.

Our focus for 2025

To build on our momentum across U.S. Commercial Banking and Wealth Management, we will continue to focus on helping our clients achieve their ambitions by:

- Expanding Private Wealth Management with a focus on high-touch relationships;
- Growing Commercial Banking by delivering industry expertise, unique solutions and leveraging our growing U.S. footprint to develop and deepen relationships; and
- Investing in people, technology and infrastructure to further scale our platform, drive connectivity and enhance data-driven decisioning.

Results in Canadian dollars⁽¹⁾

\$ millions, for the year ended October 31	2024	2023
Revenue		
Commercial banking	\$ 1,956	\$ 1,786
Wealth management	849	906
Total revenue	2,805	2,692
Provision for credit losses		
Impaired	449	520
Performing	111	330
Provision for credit losses	560	850
Non-interest expenses	1,701	1,466
Income before income taxes	544	376
Income taxes	43	(3)
Net income	\$ 501	\$ 379
Net income attributable to:		
Equity shareholders	\$ 501	\$ 379
Total revenue		
Net interest income	\$ 1,906	\$ 1,889
Non-interest income	899	803
	\$ 2,805	\$ 2,692
Average allocated common equity ⁽²⁾	\$ 11,049	\$ 11,396
Average assets (\$ billions) ⁽³⁾	\$ 60.8	\$ 60.6
Average loans (\$ billions) ⁽³⁾	\$ 54.7	\$ 54.5
Average deposits (\$ billions) ⁽³⁾	\$ 50.6	\$ 46.7
AUA (\$ billions) ⁽⁴⁾	\$ 149.2	\$ 129.2
AUM (\$ billions) ⁽⁴⁾	\$ 117.9	\$ 97.3
Full-time equivalent employees	2,979	2,780

(1) For additional segmented information, see Note 29 to the consolidated financial statements.

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

(3) Average balances are calculated as a weighted average of daily closing balances.

(4) Includes certain Canadian Commercial Banking and Wealth Management assets that U.S. Commercial Banking and Wealth Management provides sub-advisory services for.

Results in U.S. dollars⁽¹⁾

US\$ millions, for the year ended October 31	2024	2023
Revenue		
Commercial banking	\$ 1,439	\$ 1,323
Wealth management	624	671
Total revenue	2,063	1,994
Provision for credit losses		
Impaired	330	385
Performing	82	245
Provision for credit losses	412	630
Non-interest expenses	1,251	1,086
Income before income taxes	400	278
Income taxes	32	(2)
Net income	\$ 368	\$ 280
Net income attributable to:		
Equity shareholders	\$ 368	\$ 280
Total revenue		
Net interest income	\$ 1,402	\$ 1,399
Non-interest income	661	595
	\$ 2,063	\$ 1,994
Net interest margin on average interest-earning assets ⁽²⁾⁽³⁾	3.49 %	3.46 %
Efficiency ratio	60.7 %	54.5 %
Operating leverage	(11.9)%	(0.7)%
Return on equity ⁽²⁾	4.5 %	3.3 %
Average allocated common equity ⁽⁴⁾	\$ 8,128	\$ 8,445
Average assets (\$ billions) ⁽²⁾	\$ 44.7	\$ 44.9
Average loans (\$ billions) ⁽²⁾	\$ 40.2	\$ 40.4
Average deposits (\$ billions) ⁽²⁾	\$ 37.2	\$ 34.6
AUA (\$ billions) ⁽⁵⁾	\$ 107.1	\$ 93.2
AUM (\$ billions) ⁽⁵⁾	\$ 84.7	\$ 70.2

(1) For additional segmented information, see Note 29 to the consolidated financial statements.

(2) Average balances are calculated as a weighted average of daily closing balances.

(3) For additional information on the composition, see the "Glossary" section.

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

(5) Includes certain Canadian Commercial Banking and Wealth Management assets that U.S. Commercial Banking and Wealth Management provides sub-advisory services for.

Financial overview

Net income was up \$122 million or 32% (US\$88 million or 31%) from 2023, primarily due to a lower provision for credit losses and higher revenue, partially offset by higher non-interest expenses, including a \$103 million (US\$77 million) charge related to the special assessment imposed by the FDIC, shown as an item of note.

Revenue

Revenue was up US\$69 million or 3% from 2023.

Commercial banking revenue was up US\$116 million or 9%, primarily due to higher loan margins, deposit volumes and fees, partially offset by lower deposit margins.

Wealth management revenue was down US\$47 million or 7%, primarily due to lower deposit margins in our private banking business, partially offset by higher deposit volumes and higher asset management fees from higher average AUM balances.

Net interest margin on average interest-earning assets was up 3 basis points, primarily due to higher loan margins, partially offset by lower deposit margins.

Provision for credit losses

Provision for credit losses was down US\$218 million or 35% from 2023. Provision for credit losses on performing loans was down as the prior year included a more unfavourable change in our economic outlook and higher levels of unfavourable credit migration, partially offset by an increase resulting from unfavourable model parameter updates in the current year. Provision for credit losses on impaired loans was down due to lower provisions in the real estate and construction sector, partially offset by higher provisions in the retail and wholesale and the business services sectors.

Non-interest expenses

Non-interest expenses were up US\$165 million or 15% from 2023, primarily due to a US\$77 million charge related to the special assessment imposed by the FDIC, as an item of note, and higher spending on strategic and infrastructure initiatives, including higher performance-based and employee-related compensation.

Income taxes

Income taxes were up US\$34 million from 2023, due to higher income and earnings mix.

Average assets

Average assets were comparable to 2023.

Assets under administration

AUA were up US\$13.9 billion or 15% from 2023, primarily due to market appreciation. AUM amounts are included in the amounts reported under AUA.

Capital Markets and Direct Financial Services

Capital Markets and Direct Financial Services provides integrated global markets products and services, investment banking and corporate banking solutions, and top-ranked research to our clients around the world, and leverages CIBC's digital capabilities to provide a cohesive set of direct banking, direct investing and innovative multi-currency payment solutions for CIBC's clients.

Our business strategy

Our goal is to deliver leading capital markets solutions to our North American and international clients through best-in-class insight, advice, and execution. To enable CIBC's strategy and priorities, we collaborate with our partners across our bank to deepen and enhance client relationships. Our three key strategic priorities continue to be:

- Delivering the leading capital markets platform in Canada to our core clients;
- Building a North American client platform with global capabilities; and
- Focusing on connectivity to accelerate growth and deepen relationships across our bank.

2024 progress

2024 was a year of significant progress where we again demonstrated our consistent execution and steady growth. We continued to deliver on our U.S. growth ambitions, driving double-digit revenue growth in this important market. This was achieved through targeted investments, expanding our teams across key businesses, and further developing our strong product and service offerings. Within Canada, we maintained strong market share with our strategic and focus clients in a highly competitive landscape. This underscores the value of our deep client relationships, the success of our differentiated platform, and our ability to deliver a connected bank to all our clients. In addition to successes in Capital Markets, we further expanded our offers across our Direct Financial Services businesses to generate more recurring revenue and attract new clients seeking convenient, digitally-enabled banking and investment solutions.

Delivering the leading capital markets platform in Canada to our core clients

- Continued delivering industry-leading advice and capital markets solutions by expanding our capabilities and expertise to complement our existing businesses.
- Strengthened our platform by continuing to invest in technology, as well as simplifying processes to enable our client-focused culture.
- Recognized by Global Finance for the second consecutive year as the Best Investment Bank in Canada and for our leadership in environmental and social sustainability financing, receiving seven sustainable finance awards.
- Recognized by Global Capital as the Most Impressive SSA House for the Canadian Market and Canada Derivatives House of the Year.

Building a North American client platform with global capabilities

- Continued to expand our U.S. franchise, adding capabilities for our corporate, institutional and private capital clients, including making key strategic hires to enable growth.
- Built out leveraged finance capabilities in the U.S., to expand our business with financial sponsors, pension funds, and corporate clients in this fast-growing product area.
- Furthered our reputation as a leader in the renewable energy sector in the U.S., ranking as a Top 10 investment bank for renewables project financing, according to InfraLogic and IJGlobal.
- Ranked #1 for US\$ Supranational, Sovereign, and Agency (SSA) by Market Axess.
- Awarded Financial Adviser of the Year in North America by IJGlobal.

Focusing on connectivity to accelerate the growth of Direct Financial Services and deepen relationships across our bank

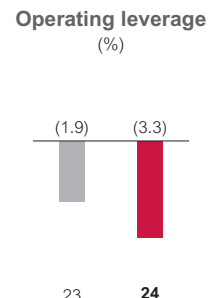
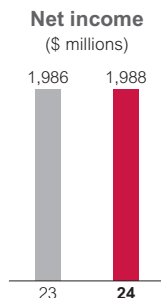
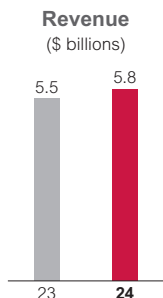
- Further expanded our industry-first Canadian Depositary Receipts lineup as part of our ongoing commitment to developing innovative, market-based solutions that meet investor needs.
- Added to our unique set of digital-first solutions for CIBC and Simplii clients by enabling real-time, no-transfer-fee remittance to GCash, Maya, WeChat, bKash, and M-Pesa mobile wallets.
- Launched five new foreign currency savings accounts which include euro, Great British pound, Indian rupee, Chinese yuan renminbi, and Philippine peso.

As a leading capital markets franchise in Canada and banking partner to our clients around the world, Capital Markets acted as:

- Financial advisor, placement agent, mandated lead arranger and hedge counterparty to Solör Bioenergy on its SEK 22 billion refinancing supporting Solör's growth strategy in renewable district heating.
- Financial advisor to Hammerhead Energy Inc. on its sale to Crescent Point Energy Corp. for a transaction value of approximately \$2.6 billion, including co-manager on a \$500 million issuance of common shares of Crescent Point, counterparty to a \$1.2 billion USD/CAD hedge associated with the transaction, and lender on a new \$750 million term loan for Crescent Point.
- Sole underwriter, sole bookrunner, sole lead arranger and administrative agent on new \$500 million and US\$1.4 billion term loans, joint bookrunner on a \$575 million issue of subscription receipts and joint bookrunner on a \$1 billion dual tranche issue of senior unsecured notes in connection with WSP Global Inc.'s announced acquisition of Power Engineers.
- Exclusive financial advisor to the SouthWest Water Company parties on the merger of SouthWest Water Company and Corix Infrastructure (U.S.) Inc. water and wastewater businesses to create Nexus Water Group, Inc. and coordinating lead arranger, joint bookrunner and administrative agent to Nexus Water Group on associated financings.
- Financial advisor to OMERS on the sale of LifeLabs to Quest Diagnostics for a transaction value of approximately \$1.35 billion.
- Joint bookrunner on multiple corporate and sovereign green and sustainable issuances, including Ontario Power Generation's \$1.0 billion green medium term notes, AIMCo Realty Investors LP's \$900 million green notes, the Government of Canada's \$4 billion green bonds for which CIBC was sole structuring advisor on the updated Green Bond Framework, the Province of Ontario's \$1.5 billion green bond in March 2024 and the International Bank for Reconstruction & Development's \$1.4 billion and US\$1.5 billion sustainable bonds offerings. In addition, we acted as the sole green structuring advisor for Caribbean Utilities Company on their Green Bond Framework and inaugural green notes offering.

- Green loan coordinator for over US\$10.0 billion in lending to support clean energy projects across Canada and the U.S., executing the inaugural term loan credit facility under Export Development Canada's pilot Sustainable Finance Guarantee program for Wolf Midstream to support carbon transportation and sequestration projects that support industrial decarbonization, and co-social loan coordinator on one of Canada's first social loans with the Exchange Income Corporation.

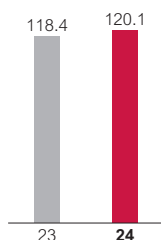
2024 financial review



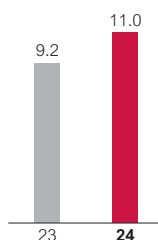
Average loans and acceptances
(\$ billions)



Average deposits
(\$ billions)



Average value-at-risk (VaR)
(\$ millions)



Revenue – Direct financial services
(\$ millions)



Our focus for 2025

To support our bank's long-term objectives, Capital Markets remains focused on delivering profitable growth by deepening client relationships and collaborating with our partners across our bank to help make our clients' ambitions a reality. We will continue to do this by:

- Maintaining our focused approach to client coverage in Canada;
- Growing our North American platform by further expanding our U.S. reach and broadening the services offered to clients; and
- Strengthening our connectivity, technology and innovation efforts to bring more of our bank's offerings to our clients.

Results⁽¹⁾

\$ millions, for the year ended October 31	2024	2023
Revenue		
Global markets	\$ 2,737	\$ 2,614
Corporate and investment banking	1,760	1,637
Direct financial services	1,307	1,237
Total revenue ⁽²⁾	5,804	5,488
Provision for credit losses		
Impaired	81	4
Performing	34	15
Provision for credit losses	115	19
Non-interest expenses	2,967	2,721
Income before income taxes	2,722	2,748
Income taxes ⁽²⁾	734	762
Net income	\$ 1,988	\$ 1,986
Net income attributable to:		
Equity shareholders	\$ 1,988	\$ 1,986
Efficiency ratio	51.1 %	49.6 %
Operating leverage	(3.3)%	(1.9)%
Return on equity ⁽³⁾	20.8 %	23.0 %
Average allocated common equity ⁽³⁾	\$ 9,547	\$ 8,638
Average assets (\$ billions) ⁽⁴⁾	\$ 325.7	\$ 287.6
Average loans and acceptances (\$ billions) ⁽⁴⁾	\$ 70.9	\$ 70.3
Average deposits (\$ billions) ⁽⁴⁾	\$ 120.1	\$ 118.4
Full-time equivalent employees	2,452	2,411

(1) For additional segmented information, see Note 29 to the consolidated financial statements.

(2) Prior to the third quarter of 2024, Capital Markets and Direct Financial Services revenue and income taxes were reported on a TEB with an equivalent offset in the revenue and income taxes of Corporate and Other. In the third quarter of 2024, the enactment of the Federal tax measure that denies the dividends received deduction for Canadian banks resulted in a TEB reversal for dividends received on or after January 1, 2024 that were included in the first and second quarters of 2024. Accordingly, the 2024 revenue and income taxes include a TEB adjustment of \$16 million capturing dividends received during the first quarter prior to January 1, 2024 (2023: \$254 million).

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

(4) Average balances are calculated as a weighted average of daily closing balances.

Financial overview

Net income was up \$2 million from 2023, primarily due to higher revenue, largely offset by higher non-interest expenses and a higher provision for credit losses.

Revenue

Revenue was up \$316 million or 6% from 2023.

Global markets revenue was up \$123 million or 5%, primarily due to higher financing revenue, partially offset by lower equity derivatives, lower TEB adjustments from the discontinuation of the dividends received deduction for dividends received on and after January 1, 2024, and lower fixed income and commodities trading revenue.

Corporate and investment banking revenue was up \$123 million or 8%, primarily due to higher debt underwriting activity, higher advisory revenue, and lower losses from our investment portfolios, partially offset by lower corporate banking revenue.

Direct financial services revenue was up \$70 million or 6%, primarily due to higher trading volumes in direct investing and growth in our foreign exchange and payments business.

Provision for credit losses

Provision for credit losses was up \$96 million from 2023. Provision for credit losses on performing loans was up primarily due to an unfavourable change in our economic outlook. Provision for credit losses on impaired loans was up due to higher provisions in the mining and the financial institutions sectors.

Non-interest expenses

Non-interest expenses were up \$246 million or 9% from 2023, primarily due to higher spending on strategic initiatives, higher performance-based and employee-related compensation.

Income taxes

Income taxes were down \$28 million or 4% from 2023, primarily due to earnings mix and lower TEB adjustments from the enactment of the Federal tax measure that denies the dividend received deduction for Canadian banks.

Average assets

Average assets were up \$38.1 billion or 13% from 2023, primarily due to higher trading securities, higher securities purchased under resale agreements and higher loan balances, partially offset by lower customer liabilities under acceptances and lower derivative valuations.

Corporate and Other

Corporate and Other includes the following functional groups – Technology, Infrastructure and Innovation, Risk Management, People, Culture and Brand, and Finance, as well as other support groups. The expenses of these functional and support groups are generally allocated to the business lines within the SBUs. Corporate and Other also includes the results of CIBC Caribbean and other portfolio investments, as well as other income statement and balance sheet items not directly attributable to the business lines.

Results⁽¹⁾

\$ millions, for the year ended October 31	2024	2023
Revenue		
International banking	\$ 980	\$ 956
Other	46	(623)
Total revenue ⁽²⁾	1,026	333
Provision for (reversal of) credit losses		
Impaired	12	40
Performing	(11)	(28)
Provision for credit losses	1	12
Non-interest expenses	1,470	2,297
Loss before income taxes	(445)	(1,976)
Income taxes ⁽²⁾	(502)	(408)
Net income (loss)	\$ 57	\$ (1,568)
Net income (loss) attributable to:		
Non-controlling interests	\$ 39	\$ 38
Equity shareholders	18	(1,606)
Full-time equivalent employees ⁽³⁾	24,026	24,242

(1) For additional segmented information, see Note 29 to the consolidated financial statements.

(2) Prior to the third quarter of 2024, Capital Markets and Direct Financial Services revenue and income taxes were reported on a TEB with an equivalent offset in the revenue and income taxes of Corporate and Other. In the third quarter of 2024, the enactment of the Federal tax measure that denies the dividends received deduction for Canadian banks resulted in a TEB reversal for dividends received on or after January 1, 2024 that were included in the first and second quarters of 2024. Accordingly, the 2024 revenue and income taxes include a TEB adjustment of \$16 million capturing dividends received during the first quarter prior to January 1, 2024 (2023: \$254 million).

(3) Includes full-time equivalent employees for which the expenses are allocated to the business lines within the SBUs. The majority of the full-time equivalent employees for functional and support costs of CIBC Bank USA are included in the U.S. Commercial Banking and Wealth Management SBU.

Financial overview

Net income was up \$1,625 million from 2023, due to lower non-interest expenses, higher treasury revenue, and lower provision for credit losses.

Revenue

Revenue was up \$693 million from 2023.

International banking revenue was up \$24 million, primarily due to higher net interest margin and the impact of foreign exchange translation, partially offset by higher gains on the sale of certain banking assets in the Caribbean in 2023.

Other revenue was up \$669 million, primarily due to higher treasury revenue resulting from lower funding costs borne by Treasury, and a lower TEB offset related to the enactment of a Federal tax measure that denies the dividends received deduction for Canadian banks.

Provision for (reversal of) credit losses

Provision for credit losses was down \$11 million from 2023. Provision reversal on performing loans was down as the prior year included favourable credit migration. Provision for credit losses on impaired loans was down mainly attributable to International banking.

Non-interest expenses

Non-interest expenses were down \$827 million from 2023, primarily due to an increase in legal provisions in 2023, shown as an item of note, partially offset by a pension plan amendment gain in the prior year, higher corporate costs and charges related to the outsourcing of certain operational activities, and higher expenses in International banking related to the sale of certain banking assets in the Caribbean.

Financial condition

Review of condensed consolidated balance sheet

\$ millions, as at October 31	2024	2023 ⁽¹⁾
Assets		
Cash and deposits with banks	\$ 48,064	\$ 55,718
Securities	254,345	211,348
Securities borrowed and purchased under resale agreements	100,749	94,835
Loans and acceptances	558,292	540,153
Derivative instruments	36,435	33,243
Other assets	44,100	40,393
	\$ 1,041,985	\$ 975,690
Liabilities and equity		
Deposits	\$ 764,857	\$ 723,376
Obligations related to securities lent, sold short and under repurchase agreements	139,792	113,865
Derivative instruments	40,654	41,290
Acceptances	6	10,820
Other liabilities	30,204	26,693
Subordinated indebtedness	7,465	6,483
Equity	59,007	53,163
	\$ 1,041,985	\$ 975,690

(1) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

Assets

Total assets as at October 31, 2024 were up \$66.3 billion or 7% from 2023, of which approximately \$1.4 billion was due to the appreciation of the U.S. dollar.

Cash and deposits with banks decreased by \$7.7 billion or 14%, primarily due to lower short-term placements in Treasury.

Securities increased by \$43.0 billion or 20%, primarily due to increases in equity trading securities, debt security portfolios in our trading businesses and Treasury, and mortgage-backed securities.

Securities borrowed and purchased under resale agreements increased by \$5.9 billion or 6%, primarily due to client-driven activities.

Net loans and acceptances increased by \$18.1 billion or 3%, primarily due to increases in business and government loans, which was net of the impact of foreign exchange translation, residential mortgages and the credit card portfolio. Customers' liability under acceptances decreased by \$10.8 billion, due to the transition from CDOR to CORRA in June 2024, with an offsetting increase in business and government loans. Further details on the composition of loans and acceptances are provided in the "Supplementary annual financial information" section and Note 5 to the consolidated financial statements.

Derivative instruments increased by \$3.2 billion or 10%, largely driven by an increase in equity derivatives valuation, partially offset by a decrease in interest rate derivatives valuation.

Other assets increased by \$3.7 billion or 9%, primarily due to increases in precious metals, accrued interest receivable and broker receivables.

Liabilities

Total liabilities as at October 31, 2024 were up \$60.5 billion or 7% from 2023, of which approximately \$1.4 billion was due to the appreciation of the U.S. dollar.

Deposits increased by \$41.5 billion or 6%, primarily due to increased business and government deposits, retail volume growth, and wholesale funding. Further details on the composition of deposits are provided in the "Supplementary annual financial information" section and Note 10 to the consolidated financial statements.

Obligations related to securities lent, sold short and under repurchase agreements increased by \$25.9 billion or 23%, primarily due to client-driven activities.

Derivative instruments decreased by \$0.6 billion or 2%, largely driven by decreases in interest rate and foreign exchange derivatives valuation, partially offset by an increase in equity and commodity derivatives valuation.

Acceptances decreased by \$10.8 billion due to the transition from CDOR to CORRA in June 2024, with an offsetting increase in funding through repurchase agreements.

Other liabilities increased by \$3.5 billion or 13%, primarily due to an increase in settlement of employee compensation and benefits accruals, collateral pledged for derivatives and accrued interest payable.

Subordinated indebtedness increased by \$1.0 billion or 15%, primarily due to the issuance of subordinated indebtedness during the first and third quarters, partially offset by the redemption of subordinated indebtedness in the third quarter. For further details see the "Capital management" section.

Equity

Equity as at October 31, 2024 increased by \$5.8 billion or 11% from 2023, primarily due to a net increase in retained earnings from net income that exceeded dividends and distributions, the impact of shares repurchased and cancelled under a normal course issuer bid and the negative retained earnings adjustment from the adoption of IFRS 17, an increase in accumulated other comprehensive income (AOCI) resulting from gains on cash flow hedges, and the issuance of common shares primarily related to our shareholder investment plan. For further details see the "Capital management" section.

Capital management

Our capital strength protects our depositors and creditors from risks inherent in our businesses. Our overall capital management objective is to maintain a strong and efficient capital base that:

- Acts as a buffer to absorb unexpected losses while providing sustainable returns to our shareholders;
- Enables our businesses to grow and execute on our strategy;
- Demonstrates balance sheet strength and our commitment to prudent balance sheet management; and
- Supports us in maintaining a favourable credit standing and raising additional capital or other funding on attractive terms.

We actively manage our capital to meet these objectives in support of our overall enterprise strategy. We also consider the economic outlook, and the overall operating environment when deploying our capital and may choose to operate with greater levels of capital based on our view of potential downside risks.

Capital management and planning framework

We maintain a capital management policy that establishes our capital management principles in the context of our risk appetite to support our capital management objectives. Our capital management policy is reviewed and approved by the Board of Directors (the Board) in support of our Internal Capital Adequacy Assessment Process (ICAAP). The policy includes guidelines that relate to capital strength, capital mix, dividends and return of capital, and unconsolidated capital adequacy of regulated entities, based on regulatory requirements and our risk appetite. The level of capital and capital ratios are continually monitored relative to our regulatory minimums and internal targets and the amount of capital required may change in relation to our business growth, risk appetite, and the business and regulatory environment.

Capital planning is a crucial element of our overall financial planning process and establishment of strategic objectives and is developed in accordance with the capital management policy. Each year, a capital plan and three-year outlook are developed as part of the financial plan, which establishes targets for the coming year and business plans to achieve those targets. The capital plan is also stress-tested as a part of our enterprise-wide stress testing process to ensure CIBC is adequately capitalized through severe but plausible stress scenarios (see the "Enterprise-wide stress testing" section for further details). Our capital position and forecasts are monitored throughout the year and assessed against the capital plan.

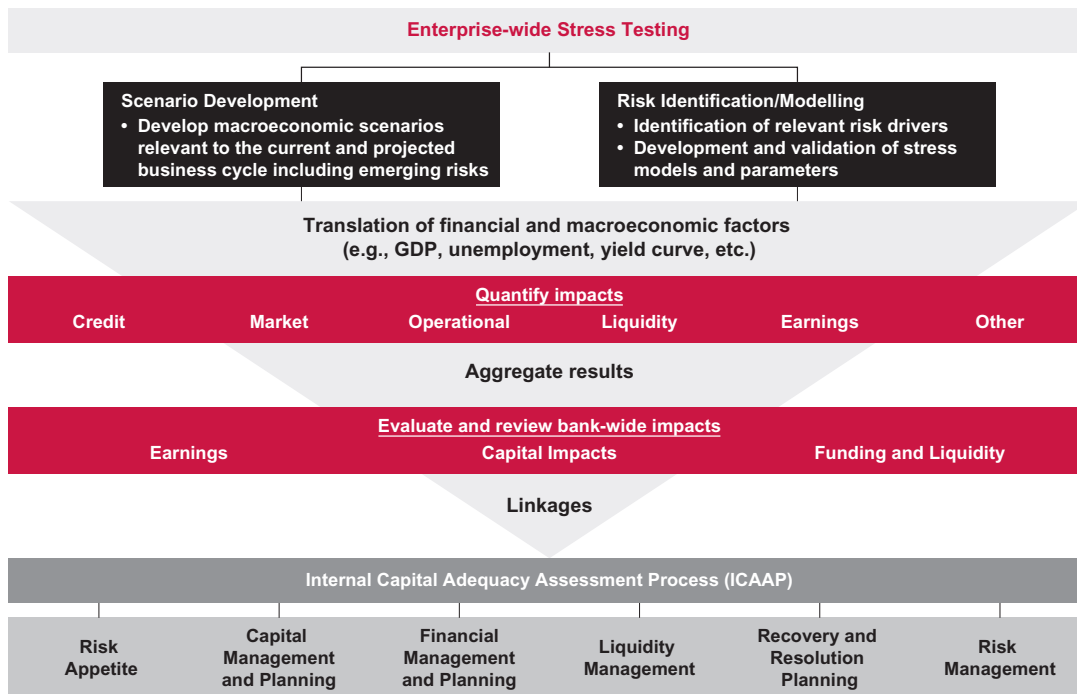
The Board, with endorsement from the Risk Management Committee (RMC), provides oversight of CIBC's capital management through the approval of our risk appetite, capital policy and plan. The RMC and the Board are provided with regular updates on our capital position including performance to date, updated forecasts, and any material regulatory developments that may impact our future capital position. Treasury is responsible for the overall management of capital including planning, forecasting, and execution of the plan, with senior management oversight provided by the Global Asset Liability Committee (GALCO).

Enterprise-wide stress testing

We perform enterprise-wide stress testing on at least an annual basis. The results are an integral part of our ICAAP, as defined by Pillar 2 of the Basel III Accord, wherein we identify and measure our risks on an ongoing basis in order to ensure that the capital available is sufficient to cover all risks across CIBC, including the impacts of stress testing. We maintain a process that determines plausible but stressed economic scenarios such as global recessions and housing price shocks, and then apply these stress scenarios to our bank-wide exposures to determine the impact on the consolidated statement of income, RWA requirements, and consequently, key capital ratios. This helps us analyze the potential risks within our portfolios and establish prudent capital levels in excess of the regulatory minimum requirements. All of the elements of capital are monitored throughout the year and the capital plan is adjusted as appropriate.

Management determines the range of scenarios to be tested. Macroeconomic stress test scenarios are designed to be both severe and plausible and designed to be consistent with OSFI's stress testing framework to ensure that they are comprehensive.

The following diagram summarizes the enterprise-wide stress testing process including the development of scenarios, identification of risk drivers and linkages to our other bank-wide ICAAP processes. The process includes syndication with our economists and lines of business to ensure scenarios are relevant to our businesses and there is a consistent interpretation of the scenarios across CIBC.



Stress test scenarios are designed to capture a wide range of macroeconomic and financial variables that are relevant to assess the impact on our specific portfolios. This includes, for example, gross domestic product (GDP), unemployment, house prices, interest rates and equity prices.

The stress testing process is comprehensive, using a bottoms-up analysis of each of our bank-wide portfolios, and the results are analyzed on a product, location and sector basis. Our stress testing approach combines the use of statistical models and expert judgment to ensure the results are reasonable in estimating the impacts of the stress scenarios.

Stress testing methodologies and results are subject to a detailed review and challenge from both our lines of business and Risk Management. Stress testing results are presented for review to the RMC and are also shared with the Board and OSFI. The results of our enterprise-wide stress testing are used to highlight any vulnerabilities and ensure we remain well capitalized against regulatory and management expectations.

A key objective of the enterprise-wide stress tests is to identify key areas of exposure and foster discussion of management actions that would be taken to mitigate the impact of stress scenarios. Contingency planning and strategies for extreme stress scenarios are included in the development and maintenance of CIBC's recovery and resolution plans. These plans include credible remedial actions that may be considered to counteract and recover from stress, or promote CIBC's orderly resolution with limited systemic impacts. Additional information on stress testing is provided in the "Management of risk" section.

Recovery plan

Federally regulated financial institutions (FRFIs) must maintain robust and credible recovery plans that identify options to restore financial strength and viability when under severe stress. CIBC continues to maintain and update its recovery plan in line with OSFI requirements and industry best practices.

Resolution plan

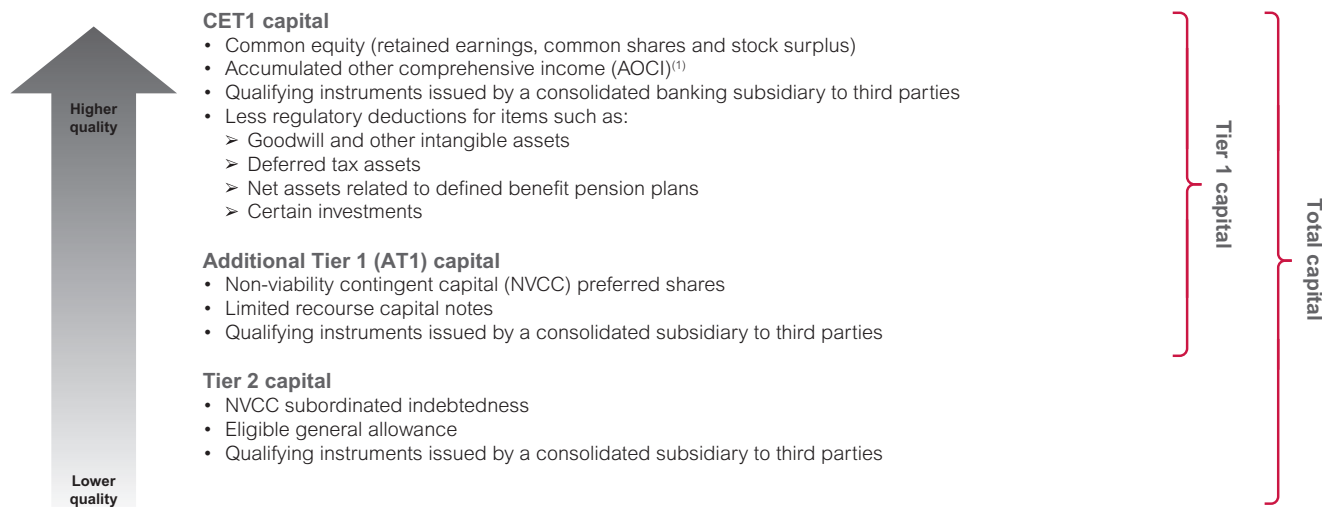
The Canada Deposit Insurance Corporation (CDIC) Resolution Planning By-law establishes a statutory framework pursuant to which domestic systemically important banks (D-SIBs) submit and maintain resolution plans that are critical to support resolvability and financial sector stability. CDIC, Canada's resolution authority for its member institutions, including D-SIBs, has issued guidance for the development, maintenance and testing of comprehensive resolution plans and related strategies to demonstrate their operational capability, thus ensuring resolvability can be achieved in an orderly fashion. CIBC's resolution plan has been developed and maintained in alignment with guidance and is in compliance with CDIC's Resolution Planning By-law.

Regulatory capital and total loss absorbing capacity (TLAC) requirements

Our regulatory capital requirements are determined in accordance with guidelines issued by OSFI, which are based upon the capital standards developed by the BCBS.

Regulatory capital consists of CET1, Tier 1 and Tier 2 capital. Qualifying regulatory capital instruments must be capable of absorbing loss at the point of non-viability of the financial institution.

The tiers of regulatory capital indicate increasing quality/permanence and the ability to absorb losses. The major components of our regulatory capital are summarized as follows:



(1) Excluding AOCI relating to cash flow hedges and changes to fair value option (FVO) liabilities attributable to changes in own credit risk.

OSFI requires all institutions to achieve target capital ratios which include buffers. Targets may be higher for certain institutions at OSFI's discretion. CIBC has been designated by OSFI as a domestic systemically important bank (D-SIB) in Canada. D-SIBs are subject to a CET1 surcharge equal to 1.0% of RWA. In addition, OSFI expects D-SIBs to hold a Domestic Stability Buffer (DSB) requirement intended to address Pillar 2 risks that are not adequately captured in the Pillar 1 capital requirements. The DSB is currently set at 3.5% of RWA, which was increased from 3.0% effective November 1, 2023 and was reaffirmed by OSFI to remain at 3.5% on June 18, 2024, but can range from 0.0% to 4.0% of RWA. Additionally, banks need to hold an incremental countercyclical capital buffer equal to their weighted-average buffer requirement in Canada and across certain other jurisdictions where they have private sector credit exposures.

In addition, the Basel III capital standards include a non-risk-based capital metric, the leverage ratio, to supplement risk-based capital requirements. The leverage ratio is defined as Tier 1 capital divided by the leverage ratio exposure. The leverage ratio exposure is defined under the standards as the sum of:

- On-balance sheet assets less Tier 1 capital regulatory adjustments;
- Derivative exposures;
- Securities financing transaction exposures; and
- Off-balance sheet exposures (such as commitments, direct credit substitutes, letters of credit, and securitization exposures).

Under OSFI's TLAC guideline, D-SIBs are required to maintain a supervisory target TLAC ratio (which builds on the risk-based capital ratios) and a minimum TLAC leverage ratio (which builds on the leverage ratio). TLAC is defined as the aggregate of total capital and other TLAC instruments primarily comprised of bail-in eligible instruments with a residual maturity greater than 365 days. TLAC is required to ensure that a non-viable D-SIB has sufficient loss absorbing capacity to support its recapitalization. This would, in turn, facilitate an orderly resolution of the D-SIB while minimizing adverse impacts on the financial sector stability and taxpayers.

OSFI's current regulatory capital and TLAC targets are summarized below. Targets may be higher for certain institutions at OSFI's discretion. We are in compliance with all current capital, leverage and TLAC requirements imposed by OSFI.

As at October 31, 2024	Minimum	Capital conservation buffer	D-SIB buffer	Pillar 1 targets ⁽¹⁾	Domestic Stability Buffer	Target including all buffer requirements
CET1 ratio	4.5 %	2.5 %	1.0 %	8.0 %	3.5 %	11.5 %
Tier 1 capital ratio	6.0 %	2.5 %	1.0 %	9.5 %	3.5 %	13.0 %
Total capital ratio	8.0 %	2.5 %	1.0 %	11.5 %	3.5 %	15.0 %
Leverage ratio	3.0 %	n/a	0.5 %	3.5 %	n/a	3.5 %
TLAC ratio	18.0 %	2.5 %	1.0 %	21.5 %	3.5 %	25.0 %
TLAC leverage ratio	6.75 %	n/a	0.5 %	7.25 %	n/a	7.25 %

(1) The countercyclical capital buffer applicable to CIBC is insignificant as at October 31, 2024.
n/a Not applicable.

Capital adequacy requirements are applied on a consolidated basis consistent with our financial statements, except for our insurance subsidiaries (CIBC Cayman Reinsurance Limited and CIBC Life Insurance Company Limited), which are excluded from the regulatory scope of consolidation. The basis of consolidation applied to our financial statements is described in Note 1 to the consolidated financial statements. CIBC Life Insurance Company Limited is subject to OSFI's Life Insurance Capital Adequacy Test.

Risk-weighted assets

The following table provides a summary of permissible regulatory capital approaches and those adopted by CIBC:

Risk category	Permissible regulatory capital approaches	Approach adopted by CIBC
Credit risk ⁽¹⁾	<p>Basel provides three approaches for calculating credit risk capital requirements:</p> <ul style="list-style-type: none"> • Standardized approach (SA) • Foundation internal ratings-based (FIRB) • Advanced internal ratings-based (AIRB) <p>OSFI expects financial institutions in Canada with Total capital in excess of \$5 billion to use the internal ratings-based (IRB) approach for all material portfolios and credit businesses.</p> <p>OSFI provides two approaches for calculating counterparty credit risk (CCR) for derivatives transactions:</p> <ul style="list-style-type: none"> • Standardized approach (SA-CCR) • Internal model method (IMM) <p>OSFI provides four approaches for calculating CCR for repo-style transactions:</p> <ul style="list-style-type: none"> • Comprehensive approach, with supervisory haircuts • Comprehensive approach, with own estimate haircuts • Repo VaR approach • IMM <p>Permitted approaches for equity positions in the banking book (which includes equity investments in funds) include:</p> <ul style="list-style-type: none"> • Standardized • Market-based • Look-through • Mandate-based • Fall-back <p>Basel provides the following approaches for calculating capital requirements for securitization positions:</p> <ul style="list-style-type: none"> • Internal ratings-based approach (SEC-IRBA) • Internal assessment approach (SEC-IAA) • External ratings-based approach (SEC-ERBA) • Standardized approach (SEC-SA) 	<p>We have adopted the IRB (FIRB and AIRB) approach for the majority of our credit portfolios. Under this methodology, we utilize our own internal estimates to determine probability of default (PD), and maturity and either regulatory prescribed (FIRB), or internal (AIRB) estimates for loss given default (LGD) and exposure at default (EAD). We utilize the standardized approach for CIBC Caribbean, risk-rated individuals, sovereign wealth funds, the acquired Canadian Costco credit card portfolio, and other small portfolios. We periodically review portfolios under the standardized approach for consideration of adoption of the IRB approach. In the first quarter of 2024, we started to apply the IRB approach for the majority of our credit portfolios within CIBC Bank USA, a change from the standardized approach.</p> <p>CIBC applies the IMM approach for calculating CCR exposure for qualifying derivative transactions. Certain transactions are under the SA-CCR approach.</p> <p>The comprehensive approach, with supervisory haircuts, is used for credit risk mitigation for repo-style transactions.</p> <p>We use the standardized approach for equity positions in the banking book and both the look-through and mandate-based approaches for equity investments in funds.</p> <p>We use SEC-IRBA, SEC-IAA, SEC-ERBA and SEC-SA for securitization exposures in the banking book.</p>
Credit Valuation Adjustments (CVA) risk	<p>CVA risk capital requirements can be calculated under the following approaches:</p> <ul style="list-style-type: none"> • Basic approach (BA-CVA) • Standardized approach (SA-CVA) 	<p>CIBC applies the standardized approach to calculate CVA risk capital for most of our counterparties and applies the basic approach for a small subset of counterparties as a result of the implementation of the Basel III reforms related to CVA on November 1, 2023. Previously, CVA risk capital was calculated as part of CCR.</p>
Market risk	<p>Market risk capital requirements can be determined under the following approaches:</p> <ul style="list-style-type: none"> • Standardized approach • Internal models approach 	<p>CIBC applies the sensitivity-based standardized approach to calculate market risk capital as a result of the implementation of the Fundamental Review of the Trading Book (FRTB) rules under the Basel III reforms for market risk on November 1, 2023. Previously, market risk capital was calculated under the VaR based internal model approach for market risk.</p>
Operational risk	<p>Operational risk capital requirements can be determined under the following approaches:</p> <ul style="list-style-type: none"> • Standardized approach • Simplified standardized approach (SSA) 	<p>We use the standardized approach based on OSFI rules to calculate operational risk capital. The standardized approach was revised in the second quarter of 2023 as detailed below.</p>

(1) Includes CCR.

Continuous enhancement to regulatory capital and TLAC requirements

We continue to monitor and prepare for developments impacting regulatory capital and TLAC requirements and disclosures. The discussion below provides a summary of Basel III reforms and revised Pillar 3 disclosure requirements and BCBS and OSFI publications that have been issued since our 2023 Annual Report.

Basel III reforms and revised Pillar 3 disclosure requirements

In 2023, we adopted revised CAR and LAR guidelines that came into effect in the second quarter of 2023 as part of OSFI's implementation of the Basel III reforms, and implemented related revised Pillar 3 disclosure that became effective in the second and fourth quarters of 2023. In the first quarter of 2024, we implemented the Basel III reforms related to the revised market risk and CVA frameworks that became effective as of November 1, 2023. In the fourth quarter of 2024, we implemented the revised Pillar 3 disclosure for market risk and CVA. The impact to the CET1 ratio from the Basel III reforms are noted below in the "Regulatory capital, leverage and TLAC ratios" section.

We calculate a capital floor based on the revised standardized approaches as part of the implementation of the Basel III reforms. If our capital requirement is lower than that calculated by reference to the standardized approaches with a floor adjustment factor applied, currently at 67.5%, an adjustment to our RWA would be required.

On July 5, 2024, OSFI announced a one-year delay to the increase of the floor adjustment factor originally scheduled to phase in over a three-year period commencing in the second quarter of 2023 at 65.0%, followed by an increase of 2.5% per year until it reaches 72.5% in 2026. As a result, the floor adjustment factor will be held at the existing level of 67.5% until the first quarter of 2026, followed by an increase of 2.5% per year thereafter until it reaches 72.5% in the first quarter of 2027.

Parental Stand-Alone (Solo) TLAC Framework

The final guideline for the Solo TLAC Framework became effective for D-SIBs as of November 1, 2023. The Solo TLAC ratio is built on the risk-based TLAC ratio set out in the TLAC Guideline and the risk-based capital ratios described in the CAR Guideline. The risk-based Solo TLAC ratio will be the primary basis used by OSFI to measure the sufficiency of loss capacity that is readily available to the parent bank on a stand-alone, legal entity basis.

Regulatory capital, leverage and TLAC ratios

The components of our regulatory capital and ratios under Basel III are presented in the table below:

\$ millions, as at October 31	2024	2023
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Directly issued qualifying common share capital plus related stock surplus	\$ 17,170	\$ 16,191
Retained earnings	33,471	30,402
AOCl (and other reserves)	3,148	1,463
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	119	102
CET1 capital before regulatory adjustments	53,908	48,158
CET1 capital: regulatory adjustments		
Prudential valuation adjustments	4	5
Goodwill (net of related tax liabilities)	5,360	5,344
Other intangibles other than mortgage-servicing rights (net of related tax liabilities)	2,456	2,384
Deferred tax assets excluding those arising from temporary differences (net of related tax liabilities)	15	9
Defined benefit pension fund net assets (net of related tax liabilities)	1,045	793
Other	512	(704)
Total regulatory adjustments to CET1 capital	9,392	7,831
CET1 capital	44,516	40,327
Additional Tier 1 (AT1) capital: instruments		
Directly issued qualifying AT1 instruments plus related stock surplus ⁽¹⁾	4,946	4,925
AT1 instruments issued by subsidiaries and held by third parties (amount allowed in AT1)	19	18
AT1 capital	4,965	4,943
Tier 1 capital (T1 = CET1 + AT1)	49,481	45,270
Tier 2 capital: instruments and provisions		
Directly issued qualifying Tier 2 instruments plus related stock surplus ⁽²⁾	6,920	5,888
Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in Tier 2)	17	23
General allowances	391	938
Tier 2 capital (T2)	7,328	6,849
Total capital (TC = T1 + T2)	\$ 56,809	\$ 52,119
RWA consisting of:		
Credit risk	\$ 274,503	\$ 274,714
Market risk	12,188	8,004
Operational risk	46,811	43,402
Total RWA	\$ 333,502	\$ 326,120
Capital ratios		
CET1 ratio	13.3 %	12.4 %
Tier 1 capital ratio	14.8 %	13.9 %
Total capital ratio	17.0 %	16.0 %
Leverage ratios		
Leverage ratio exposure	\$ 1,155,432	\$ 1,079,103
Leverage ratio	4.3 %	4.2 %
TLAC ratio and TLAC leverage ratio		
TLAC available	\$ 101,062	\$ 100,176
TLAC ratio	30.3 %	30.7 %
TLAC leverage ratio	8.7 %	9.3 %

(1) Comprised of non-viability contingent capital (NVCC) preferred shares and Limited Recourse Capital Notes (LRCNs).

(2) Comprised of certain debentures which qualify as NVCC.

CET1 ratio

The CET1 ratio at October 31, 2024 increased 0.9% from October 31, 2023, driven by the impact of an increase in CET1 capital, partially offset by an increase in RWA.

The increase in CET1 capital was mainly due to internal capital generation (net income less dividends and distributions) and an increase in common shares primarily related to our shareholder investment plan, partially offset by shares repurchased and cancelled under a normal course issuer bid.

The increase in RWA was due to increases in market risk and operational risk RWA, partially offset by a decrease in credit risk RWA. The reduction in credit risk RWA was mainly due to converting the majority of CIBC Bank USA's credit portfolios to the IRB approach from the standardized approach, regulatory changes impacting the CVA and methodology updates, largely offset by organic growth, credit portfolio migration, regulatory changes related to certain residential mortgages in negative amortization and model updates. The increase in market risk RWA was mainly due to the implementation of Basel III reforms related to market risk and an increase in risk levels, partially offset by model updates. The increase in operational risk RWA was due to an increase in risk levels. For additional information, see the "Components of risk-weighted assets" section.

Tier 1 capital ratio

The Tier 1 capital ratio at October 31, 2024 increased 0.9% from October 31, 2023, primarily due to the factors affecting the CET1 ratio noted above and issuances of preferred shares and LRCNs, partially offset by redemptions of preferred shares. See the "Capital initiatives" section below for further details.

Total capital ratio

The Total capital ratio at October 31, 2024 increased 1.0% from October 31, 2023, primarily due to the factors affecting the Tier 1 capital ratio noted above and issuances of subordinated debentures in the first and third quarters, partially offset by a redemption of subordinated debentures in the third quarter, and a decrease in eligible general allowances included in Tier 2 capital. See the "Capital initiatives" section below for further details.

Leverage ratio

The leverage ratio at October 31, 2024 increased 0.1% from October 31, 2023, primarily driven by the increase in Tier 1 capital discussed above, partially offset by the impact of an increase in leverage ratio exposure. The increase in leverage ratio exposure was primarily driven by an increase in on-balance sheet and off-balance sheet exposures.

TLAC ratio and TLAC leverage ratio

The TLAC ratio at October 31, 2024 decreased 0.4% from October 31, 2023, driven by the increase in RWA, partially offset by an increase in total TLAC instruments. The increase in TLAC instruments was primarily a result of higher total capital due to the factors noted above, partially offset by a lower level of bail-in eligible liabilities.

The TLAC leverage ratio at October 31, 2024 decreased 0.6% from October 31, 2023, primarily due to the increase in leverage ratio exposure as noted above, partially offset by an increase in TLAC instruments as noted above.

Movement in total regulatory capital

Changes in regulatory capital under Basel III are presented in the table below:

\$ millions, for the year ended October 31	2024	2023
CET1 capital		
Balance at beginning of year	\$ 40,327	\$ 37,005
Shares issued in lieu of cash dividends (add back)	698	1,155
Other issue of common shares	321	203
Purchase of common shares for cancellation	(90)	–
Premium on purchase of common shares for cancellation	(329)	–
Net income attributable to equity shareholders	7,115	4,995
Dividends and distributions	(3,645)	(3,416)
Change in AOCI balances		
Currency translation differences	14	351
Securities measured at FVOCI	102	228
Cash flow hedges ⁽¹⁾	1,535	(364)
Fair value change of FVO liabilities attributable to changes in credit risk	(216)	(106)
Post-employment defined benefit plans	250	(240)
Removal of own credit spread (net of tax)	314	197
Shortfall of allowance to expected losses	–	–
Goodwill and other intangible assets (deduction, net of related tax liabilities)	(88)	(171)
Other, including regulatory adjustments ⁽¹⁾⁽²⁾	(1,792)	490
CET1 capital balance at end of year	\$ 44,516	\$ 40,327
AT1 capital		
Balance at beginning of year	\$ 4,943	\$ 4,941
AT1 eligible capital issues	1,000	–
Redeemed capital	(975)	–
Other, including regulatory adjustments	(3)	2
AT1 capital balance at end of year	\$ 4,965	\$ 4,943
Tier 2 capital		
Balance at beginning of year	\$ 6,849	\$ 6,317
New Tier 2 eligible capital issues	2,250	1,750
Redeemed capital	(1,500)	(1,500)
Other, including change in regulatory adjustments ⁽²⁾	(271)	282
Tier 2 capital balance at end of year	\$ 7,328	\$ 6,849
Total capital balance at end of year	\$ 56,809	\$ 52,119

(1) Net change in cash flow hedges is included in "Change in AOCI balances" then derecognized in "Other, including regulatory adjustments".

(2) The 2023 results reflect the impacts from the implementation of Basel III reforms that became effective as of February 1, 2023 (see the "Continuous enhancement to regulatory capital and TLAC requirements" section for additional details).

Components of risk-weighted assets

The components of our RWA and corresponding minimum total capital requirements are presented in the table below:

	2024		2023	
	RWA	Minimum total capital required ⁽¹⁾	RWA	Minimum total capital required ⁽¹⁾
Credit risk ⁽²⁾⁽³⁾				
Standardized approach				
Corporate	\$ 6,868	\$ 549	\$ 43,124	\$ 3,450
Sovereign	1,293	103	2,140	171
Banks	328	26	219	18
Real estate secured personal lending	1,139	91	1,951	156
Commercial real estate	463	37	14,159	1,133
Other retail	3,607	289	3,864	309
Trading book	3,623	290	3,168	253
Equity	125	10	140	11
Securitization ⁽⁴⁾	4,655	372	2,916	233
Central counterparty (CCP)	684	55	558	45
CVA ⁽⁵⁾	3,381	271	5,949	476
Other credit RWA	15,114	1,209	13,312	1,065
	41,280	3,302	91,500	7,320
AIRB approach ⁽⁶⁾				
Corporate	74,100	5,928	49,732	3,979
Sovereign ⁽⁷⁾	5,153	412	5,579	446
Real estate secured personal lending	40,328	3,226	34,323	2,746
Commercial real estate	30,003	2,400	21,585	1,727
Qualifying revolving retail	19,749	1,580	16,661	1,333
Other retail	12,123	970	11,739	939
Trading book	777	62	686	55
Securitization ⁽⁴⁾	4,580	366	3,728	299
	186,813	14,944	144,033	11,524
FIRB approach ⁽⁶⁾				
Corporate	38,709	3,097	31,627	2,530
Banks	3,482	279	3,270	262
Commercial real estate	198	16	155	12
Trading book	4,021	322	4,129	330
	46,410	3,714	39,181	3,134
Total credit risk	274,503	21,960	274,714	21,978
Market risk ⁽⁵⁾				
Sensitivities-based methodology	9,584	767	n/a	n/a
Default risk charge	1,265	101	n/a	n/a
Risk residual add-on	1,339	107	n/a	n/a
VaR	n/a	n/a	1,538	123
Stressed VaR	n/a	n/a	4,829	386
Incremental risk charge	n/a	n/a	1,274	102
Securitization and other	n/a	n/a	363	29
Total market risk	12,188	975	8,004	640
Operational risk	46,811	3,745	43,402	3,472
Total RWA	\$ 333,502	\$ 26,680	\$ 326,120	\$ 26,090

(1) Refers to the minimum standard established by the BCBS before the application of the capital conservation buffer and any other capital buffers that may be established by regulators from time to time. It is calculated by multiplying RWA by 8%.

(2) Credit risk includes CCR, which comprises derivative and repo-style transactions. Credit risk for CIBC Caribbean are calculated under the standardized approach.

(3) Beginning in the first quarter of 2024, the IRB approach was applied to the majority of our credit portfolios within CIBC Bank USA, which previously followed the standardized approach.

(4) Includes securitization exposures that are risk-weighted at 1250%.

(5) Beginning in the first quarter of 2024, changes were implemented as a result of the Basel III reforms related to the Fundamental Review of the Trading Book (FRTB) rules for market risk and CVA.

(6) Includes RWA relating to certain commercial loans which are determined using the supervisory slotting approach.

(7) Includes residential mortgages insured by Canada Mortgage and Housing Corporation (CMHC), an agency of the Government of Canada, and government-guaranteed student loans.

n/a Not applicable.

Capital initiatives

The following were the main capital initiatives undertaken since our 2023 Annual Report:

Normal course issuer bid (NCIB)

On September 6, 2024, we announced that the Toronto Stock Exchange had accepted the notice of our intention to commence a normal course issuer bid. Purchases under this bid will be completed upon the earlier of: (i) CIBC purchasing 20 million common shares; (ii) CIBC providing a notice of termination; or (iii) September 9, 2025. 5,000,000 common shares have been purchased and cancelled during the fourth quarter at an average price of \$83.75 for a total amount of \$419 million.

Employee share purchase plan

Pursuant to the employee share purchase plan, we issued 2,626,726 common shares for consideration of \$173 million for the year ended October 31, 2024. Commencing October 11, 2024, employee contributions to our Canadian Employee Share Purchase Plan (ESPP) were used to acquire common shares in the open market. Previously, these shares were issued from Treasury.

Shareholder investment plan

Pursuant to the shareholder investment plan, we issued 10,986,157 common shares for consideration of \$698 million for the year ended October 31, 2024.

Dividends

On December 4, 2024, the CIBC Board of Directors approved an increase in our quarterly common share dividend from \$0.90 per share to \$0.97 per share for the quarter ending January 31, 2025.

Common and preferred share dividends are declared quarterly at the discretion of the Board. The declaration and payment of dividends is governed by Section 79 of the *Bank Act* (Canada), the terms of the preferred shares, as explained in Note 15 to the consolidated financial statements.

Limited Recourse Capital Notes Series 4 (NVCC) (subordinated indebtedness) (LRCN Series 4 Notes)

On June 25, 2024, we issued \$500 million principal amount of 6.987% LRCN Series 4 Notes. The LRCN Series 4 Notes mature on July 28, 2084, and bear interest at a fixed rate of 6.987% per annum (paid semi-annually) until July 28, 2029. Starting on July 28, 2029, and every five years thereafter until July 28, 2079, the interest rate will be reset to the then current five-year Government of Canada bond yield plus 3.70% per annum.

Concurrently with the issuance of the LRCN Series 4 Notes, we issued Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares Series 58 (NVCC) (the Series 58 Preferred Shares), which are held in a CIBC LRCN Limited Recourse Trust (the Limited Recourse Trust) that is consolidated by CIBC and, as a result, the Series 58 Preferred Shares are eliminated in CIBC's consolidated financial statements. In the event of non-payment by CIBC of the principal amount of, interest on, or redemption price for, the LRCN Series 4 Notes when due, the sole remedy of each LRCN Series 4 Note holder is limited to that holder's proportionate share of the Series 58 Preferred Shares held in the Limited Recourse Trust. Subject to regulatory approval, we may redeem the LRCN Series 4 Notes, in whole or in part, every five years during the period from June 28 to and including July 28, commencing on June 28, 2029, at par.

See the "Outstanding share data" section below and Note 15 to our consolidated financial statements for further details.

Limited Recourse Capital Notes Series 5 (NVCC) (subordinated indebtedness) (LRCN Series 5 Notes)

On November 5, 2024, we issued USD\$500 million principal amount of 6.950% LRCN Series 5 Notes. The LRCN Series 5 Notes mature on January 28, 2085, and bear interest at a fixed rate of 6.950% per annum (paid quarterly) until January 28, 2030. Starting on January 28, 2030, and every five years thereafter until January 28, 2080, the interest rate will be reset to the then current five-year U.S. Treasury Rate plus 2.833% per annum.

Concurrently with the issuance of the LRCN Series 5 Notes, we issued Non-Cumulative 5-Year Fixed Rate Reset Class A Preferred Shares Series 59 (NVCC) (the Series 59 Preferred Shares), which are held in the Limited Recourse Trust that is consolidated by CIBC and, as a result, the Series 59 Preferred Shares are eliminated in CIBC's consolidated financial statements. In the event of non-payment by CIBC of the principal amount of, interest on, or redemption price for, the LRCN Series 5 Notes when due, the sole remedy of each LRCN Series 5 Note holder is limited to that holder's proportionate share of the Series 59 Preferred Shares held in the Limited Recourse Trust. Subject to regulatory approval, we may redeem the LRCN Series 5 Notes, in whole or in part, on each January 28, April 28, July 28, and October 28, commencing on January 28, 2030, at par.

See the "Outstanding share data" section below and Note 15 to our consolidated financial statements for further details.

Preferred shares

On April 30, 2024, we redeemed all 13 million Non-cumulative Rate Reset Class A Preferred Shares Series 49 (NVCC) (Series 49 shares), at a redemption price of \$25.00 per Series 49 share, for a total redemption cost of \$325 million.

On July 31, 2024, we redeemed all 10 million Non-cumulative Rate Reset Class A Preferred Shares Series 51 (NVCC) (Series 51 shares), at a redemption price of \$25.00 per Series 51 share, for a total redemption cost of \$250 million.

On July 31, 2024, we redeemed all 16 million Non-cumulative Rate Reset Class A Preferred Shares Series 39 (NVCC) (Series 39 shares), at a redemption price of \$25.00 per Series 39 share, for a total redemption cost of \$400 million.

Non-cumulative Rate Reset Class A Preferred Shares Series 57 (NVCC) (Series 57 shares)

On March 12, 2024, we issued 500,000 Series 57 shares with a par value of \$1,000.00 per share, for gross proceeds of \$500 million. For the initial five-year period to April 12, 2029, the Series 57 shares pay semi-annual cash dividends on the 12th day of April and October in each year, as declared, at a rate of 7.337%. The first dividend, if declared, will be payable on October 12, 2024. On April 12, 2029, and on April 12 every five years thereafter, the dividend rate will reset to be equal to the then current five-year Government of Canada bond yield plus 3.90%.

Subject to regulatory approval and certain provisions of the shares, we may redeem all or any part of the then outstanding Series 57 shares at par during the period from March 12, 2029 to and including April 12, 2029 and during the period from March 12 to and including April 12 every five years thereafter.

See the "Outstanding share data" section below and Note 15 to our consolidated financial statements for further details.

Subordinated indebtedness

On January 16, 2024, we issued \$1.25 billion principal amount of 5.30% Debentures due January 16, 2034. The Debentures bear interest at a fixed rate of 5.30% per annum (paid semi-annually) until January 16, 2029, and at Daily Compounded CORRA plus 2.02% per annum (paid quarterly) thereafter until maturity on January 16, 2034. The debentures qualify as Tier 2 capital.

On June 12, 2024, we issued \$1.0 billion principal amount of 4.90% Debentures due June 12, 2034. The Debentures bear interest at a fixed rate of 4.90% per annum (paid semi-annually) until June 12, 2029, and at Daily Compounded CORRA plus 1.56% per annum (paid quarterly) thereafter until maturity on June 12, 2034. The debentures qualify as Tier 2 capital.

On June 19, 2024, we redeemed all \$1.5 billion of our 2.95% Debentures due June 19, 2029. In accordance with their terms, the Debentures were redeemed at 100% of their principal amount, plus accrued and unpaid interest thereon. The debentures qualified as Tier 2 capital.

Outstanding share data

The table below provides a summary of our outstanding shares, NVCC capital instruments, and the maximum number of common shares issuable on conversion/exercise:

	Shares outstanding	
	Number of shares	Amount
\$ millions, except number of shares and per share amounts, as at October 31, 2024		
Common shares	942,285,419	\$ 17,009
Treasury shares – common shares	9,179	2
Preferred shares		
Series 41 (NVCC)	12,000,000	300
Series 43 (NVCC)	12,000,000	300
Series 47 (NVCC)	18,000,000	450
Series 56 (NVCC)	600,000	600
Series 57 (NVCC)	500,000	500
Treasury shares – preferred shares	(3,778)	(4)
Limited recourse capital notes		
4.375% Limited recourse capital notes Series 1 (NVCC)	n/a	750
4.000% Limited recourse capital notes Series 2 (NVCC)	n/a	750
7.150% Limited recourse capital notes Series 3 (NVCC)	n/a	800
6.987% Limited recourse capital notes Series 4 (NVCC)	n/a	500
Subordinated indebtedness		
2.01% Debentures due July 21, 2030 (NVCC)	n/a	1,000
1.96% Debentures due April 21, 2031 (NVCC)	n/a	1,000
4.20% Debentures due April 7, 2032 (NVCC)	n/a	1,000
5.33% Debentures due January 20, 2033 (NVCC)	n/a	1,000
5.35% Debentures due April 20, 2033 (NVCC)	n/a	750
5.30% Debentures due January 16, 2034 (NVCC)	n/a	1,250
4.90% Debentures due June 12, 2034 (NVCC)	n/a	1,000
Stock options outstanding	15,967,581	

n/a Not applicable.

As at November 29, 2024, the number of common shares was 942,386,358, prior to the treasury shares net short position of 11,449. The number of stock options outstanding was 15,867,097.

The occurrence of a "Trigger Event" would result in conversion of all of the outstanding NVCC instruments described above into a maximum of approximately 6.2 billion common shares, in aggregate, which would represent a dilution impact of 87% based on the number of CIBC common shares outstanding as at October 31, 2024. As described in the CAR Guideline, a Trigger Event occurs when OSFI determines the bank is or is about to become non-viable and, if after conversion of all contingent instruments and consideration of any other relevant factors or circumstances, it is reasonably likely that its viability will be restored or maintained; or if the bank has accepted or agreed to accept a capital injection or equivalent support from a federal or provincial government, without which OSFI would have determined the bank to be non-viable.

Upon the occurrence of a Trigger Event, Class A Preferred Shares Series 41, 43, 47, 56 and 57 will be converted into a number of common shares, determined by dividing the par value plus accrued and unpaid interest by the average common share price (as defined in the relevant prospectus supplements) subject to a minimum price of \$2.50 per common share (subject to adjustment in certain events as defined in the relevant prospectus supplements). Series 53, 54, 55, 58 and 59 Preferred Shares held in the Limited Recourse Trust, will automatically and immediately be converted, without the consent of LRCN Note holders, into a variable number of common shares which will be delivered to LRCN Note holders in satisfaction of the principal amount of, and accrued and unpaid interest on, all of the LRCNs. All claims of LRCN Note holders against CIBC under the LRCNs will be extinguished upon receipt of such common shares. The Debentures are convertible into a number of common shares, determined by dividing 150% of the par value plus accrued and unpaid interest by the average common share price (as defined in the relevant prospectus supplement) subject to a minimum price of \$2.50 per common share (subject to adjustment in certain events as defined in the relevant prospectus supplement).

In addition to the potential dilution impacts related to the NVCC instruments discussed above, as at October 31, 2024, \$61.1 billion (2023: \$60.8 billion) of our outstanding liabilities were subject to conversion to common shares under the bail-in regime. Under the bail-in regime, there is no fixed and pre-determined contractual conversion ratio for the conversion of the specified eligible shares and liabilities of CIBC that are subject to a bail-in conversion into common shares, nor are there specific requirements regarding whether liabilities subject to a bail-in conversion are converted into common shares of CIBC or any of its affiliates. CDIC determines the timing of the bail-in conversion, the portion of the specified eligible shares and liabilities to be converted and the terms and conditions of the conversion, subject to parameters set out in the bail-in regime.

See the "Regulatory capital and total loss absorbing capacity (TLAC) requirements" section for further details.

Preferred share and other equity instruments rights and privileges

See Note 15 to the consolidated financial statements for details on our preferred share and other equity instruments rights and privileges.

Off-balance sheet arrangements

We enter into off-balance sheet arrangements in the normal course of our business. We consolidate all of our sponsored trusts that securitize our own assets.

Non-consolidated structured entities (SEs)

We manage and administer a single-seller conduit and several CIBC-sponsored multi-seller conduits in Canada and the U.S. The multi-seller conduits acquire direct or indirect ownership or security interests in pools of financial assets from our clients and finance the acquisitions by issuing asset-backed commercial paper (ABCP) to investors. The single-seller conduit acquires financial assets and finances these acquisitions through a credit facility provided by a syndicate of financial institutions. The sellers to the conduits may continue to service the assets. The sellers and/or third-party providers are exposed to credit losses realized on these assets, through the provision of over-collateralization or another form of credit enhancement.

We provide the multi-seller conduits with commercial paper backstop liquidity facilities. We may also provide securities distribution to multi-seller conduits and to both the single and multi-seller conduits accounting, cash management, and operations services. The liquidity facilities for the managed and administered multi-seller conduits require us to provide funding for ABCP not placed with external investors. We may also purchase ABCP issued by the multi-seller conduits for market-making and for voluntary risk retention purposes.

We are required to maintain certain short-term and/or long-term debt ratings with respect to the liquidity facilities that we provide to the sponsored multi-seller conduits in Canada. If we are downgraded below the level specified under the terms of those facilities, we must provide alternative satisfactory liquidity arrangements, such as procuring an alternative liquidity provider that meets the minimum rating requirements.

We may also act as the counterparty to derivative contracts entered into by a multi-seller conduit in order to mitigate the interest rate, basis, and currency risk within the conduit.

We earn fees for providing services related to the non-consolidated single-seller and multi-seller conduits, such as backstop liquidity facilities, distribution, transaction structuring, and conduit administration. These fees totalled \$170 million in 2024 (2023: \$86 million). All fees earned in respect of activities with the conduits are on a market basis.

As at October 31, 2024, the amount of ABCP issued to fund the various asset types in the multi-seller conduits was \$16.7 billion (2023: \$13.3 billion). The estimated weighted-average life of these assets was 1.6 years (2023: 1.6 years). Our holdings of commercial paper issued by the non-consolidated sponsored multi-seller conduits that offer commercial paper to external investors were \$276 million (2023: \$414 million). Our committed backstop liquidity facilities to these conduits were \$23.1 billion (2023: \$17.8 billion). We also provided credit facilities of \$50 million (2023: \$50 million) to these conduits.

We participated in a syndicated facility of \$700 million to the single-seller conduit that provides funding to franchisees of a major Canadian retailer, which will mature in April 2025. Our portion of the commitment was \$130 million (2023: \$130 million), of which \$101 million (2023: \$91 million) was funded as at October 31, 2024.

We engage one or more of the four major rating agencies, DBRS Limited (Morningstar DBRS), Fitch Ratings Inc. (Fitch), Moody's Investors Service, Inc. (Moody's), and S&P, to opine on the credit ratings of ABCP issued by our sponsored multi-seller conduits. In the event that ratings differ between rating agencies in respect of any direct investments we have in the ABCP or transactions funded in the ABCP conduits, we use the lower rating.

We also have investments in and provide loans, liquidity and credit facilities to certain other third-party and CIBC-managed SEs. The on-balance sheet exposure related to these SEs is included in the consolidated financial statements.

We provide interim financing for the purpose of purchasing loans during the warehousing phase for future securitization and term senior financing to third-party SEs. As senior lenders, we are repaid by proceeds from the issuance of debt securities to external investors when the securitization closes or by the cash flows from the repayment of the underlying assets held by the SE or alternative financing obtained by the SE from third-party lenders.

We purchase credit protection from capital vehicles on certain referenced loan assets, which issue guarantee-linked notes held only by third-party investors. We do not consolidate the capital vehicles and the underlying loan assets remain on the consolidated balance sheet.

Our on- and off-balance sheet amounts related to the SEs that are not consolidated are set out in the table below. For additional details on our SEs, see Note 6 to the consolidated financial statements.

\$ millions, as at October 31

	2024			2023		
	Cash, Investments and loans ⁽¹⁾	Liquidity, credit facilities and commitments	Written credit derivatives ⁽²⁾	Investments and loans ⁽¹⁾	Liquidity, credit facilities and commitments	Written credit derivatives ⁽²⁾
Single-seller and multi-seller conduits	\$ 377	\$ 16,637 ⁽³⁾	\$ –	\$ 505	\$ 13,131 ⁽³⁾	\$ –
Third-party structured vehicles	4,977	1,653	–	4,351	2,039	–
Loan financing	10,640	8,526	–	6,858	5,500	–
Other	1,795	255	71	1,127	150	76

(1) Excludes securities issued by, retained interest in, and derivatives with entities established by CMHC, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Bank, and Student Loan Marketing Association.

(2) Disclosed amounts reflect the outstanding notional of written credit derivatives. The negative fair value recorded on the consolidated balance sheet was \$50 million (2023: \$51 million). Notional of \$66 million (2023: \$71 million) was hedged with credit derivatives protection from third parties. The fair value of these hedges net of CVA was \$44 million (2023: \$46 million). An additional notional of \$6 million (2023: \$5 million) was hedged through a limited recourse note.

(3) Excludes an additional \$6.2 billion (2023: \$4.3 billion) relating to our backstop liquidity facilities provided to the multi-seller conduits as part of their commitment to fund purchases of additional assets. Also excludes \$276 million (2023: \$414 million) of our direct investments in the multi-seller conduits which we consider investment exposure.

Other financial transactions

We are the sponsor of several mutual and pooled funds, in the form of trusts. We are the administrator of these funds. In addition, we may act in other capacities, including custodian, trustee and broker. We earn fees at market rates from these trusts. We do not guarantee either principal or returns to investors in these funds. We act as a trustee of a number of personal trusts and have a fiduciary responsibility to act in the best interests of the beneficiaries of the trusts. We earn a fee for acting as a trustee. We also participate in transactions to modify the cash flows of trusts managed by third-party asset managers to create investments with specific risk profiles, or to assist clients in the efficient management of other risks. Typically, these involve the use of derivative products, which transfer the risks and returns to or from a trust.

Derivatives

We participate in derivatives transactions, as a market maker facilitating the needs of our clients or as a principal to manage the risks associated with our funding, investing and trading strategies. All derivatives are recorded at fair value on our consolidated balance sheet. See Notes 12 and 22 to the consolidated financial statements for details on derivative contracts and the risks associated with them.

Credit-related arrangements

Credit-related arrangements are generally off-balance sheet instruments and are typically entered into to meet the financing needs of clients. In addition, there are certain exposures for which we could be obligated to extend credit that are not recorded on the consolidated balance sheet. For additional details of these arrangements, see the "Liquidity risk" section and Note 20 to the consolidated financial statements.

Guarantees

A guarantee is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor failed to make payment when due in accordance with the original or modified terms of a debt instrument. Guarantees include credit derivatives protection sold and standby and performance letters of credit, as discussed in Notes 12 and 20 to the consolidated financial statements, respectively.

Management of risk

We have provided certain disclosures required under IFRS 7 "Financial Instruments – Disclosures" (IFRS 7) related to the nature and extent of risks arising from financial instruments in the MD&A, as permitted by that IFRS standard. These disclosures are included in the "Risk overview", "Credit risk", "Market risk", "Liquidity risk", "Operational risk", "Regulatory compliance risk", "Reputation and legal risks" and "Conduct risk" sections.

45 Risk overview	58 Process and control	69 Trading activities
46 Risk governance structure	59 Risk measurement	71 Non-trading activities
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49 Risk input into performance and compensation	66 Loans contractually past due but not impaired	73 Governance and management
50 Risk policies and limits	66 Exposure to certain countries and regions	73 Policies
51 Risk identification and measurement	66 U.S. office real estate exposure	73 Risk measurement
52 Stress testing	67 Settlement risk	74 Liquid assets
52 Risk treatment and mitigation	67 Securitization activities	78 Funding
52 Risk monitoring and reporting		79 Contractual obligations
53 Top and emerging risks	68 Market risk	80 Other risks
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56 Risks arising from business activities	68 Policies	80 Operational risk
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57 Credit risk	68 Process and control	84 Regulatory compliance risk
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57 Policies		84 Reputation and legal risks
		84 Conduct risk

Risk overview

CIBC faces a wide variety of risks across all of its areas of business. Identifying and understanding risks and their impact allows CIBC to frame its risk appetite and risk management practices. Defining acceptable levels of risk, and establishing sound principles, policies and practices for managing risks, is fundamental to achieving consistent and sustainable long-term performance, while remaining within our risk appetite.

Our risk appetite defines tolerance levels for various risks. This is the foundation for our risk management culture and our risk management framework.

Our risk management framework includes:

- CIBC, SBU, functional group-level and regional risk appetite statements;
- Risk frameworks, policies, procedures and limits to align activities with our risk appetite;
- Regular risk reports to identify and communicate risk levels;
- An independent control framework to identify and test the design and operating effectiveness of our key controls;
- Stress testing to consider the potential impact of changes in the business environment on capital, liquidity and earnings;
- Proactive consideration of risk mitigation options in order to optimize results; and
- Oversight through our risk-focused committees and governance structure.

Managing risk is a shared responsibility at CIBC. Business units and risk management professionals work in collaboration to ensure that business strategies and activities are consistent with our risk appetite. CIBC's approach to enterprise-wide risk management aligns with the three lines of defence model:

- As the first line of defence, CIBC's Management, in SBUs and functional groups own the risks and are accountable and responsible for identifying and assessing risks inherent in its activities in accordance with the CIBC risk appetite. In addition, Management establishes and maintains controls to mitigate such risks. Management may include Governance Groups within the business to facilitate the Control Framework, Operational Risk Framework and other risk-related processes. A Governance Group refers to a group within Business Unit Management (first line of defence) whose focus is to support Management in meeting their governance, risk and control activities. A Governance Group is considered the first line of defence, in conjunction with Business Unit Management. Control Groups, which typically reside within centralized functions, provide subject matter expertise to Business Unit Management and/or implement/maintain enterprise-wide control programs and activities. While Control Groups collaborate with Business Unit Management in identifying and managing risk, they also challenge risk decisions and risk mitigation strategies.
- The second line of defence is independent from the first line of defence and provides an enterprise-wide view of specific risk types, guidance and effective challenge to risk and control activities. Risk Management is the primary second line of defence. Risk Management may leverage subject matter expertise of other groups (e.g., third parties or Control Groups) to inform their independent assessments, as appropriate.
- As the third line of defence, CIBC's Internal Audit is responsible for providing reasonable assurance to senior management and the Audit Committee of the Board on the effectiveness of CIBC's governance practices, risk management processes, and Internal Control as a part of its risk-based audit plan and in accordance with its mandate as described in the Internal Audit Charter.

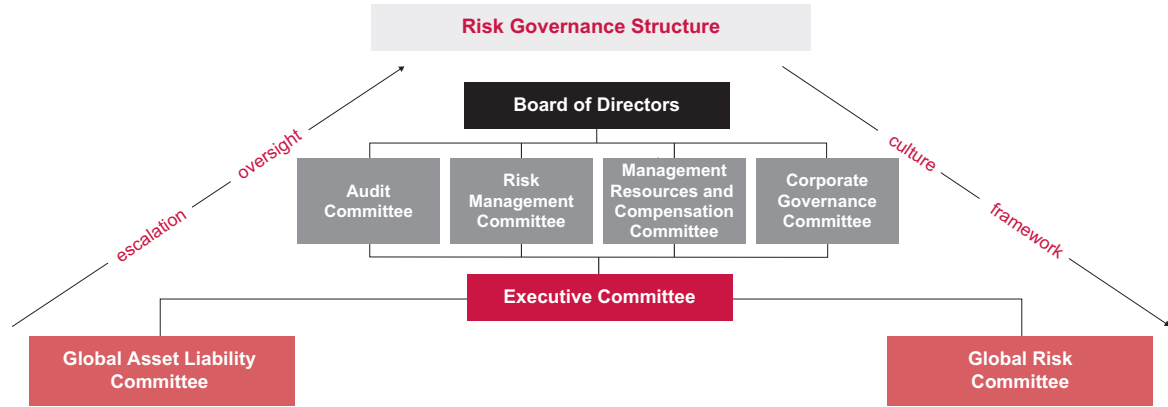
A strong risk culture and communication between the three lines of defence are important characteristics of effective risk management.

We continuously monitor our risk profile against our defined risk appetite and related limits, taking action as needed to maintain an appropriate balance of risk and return. Monitoring our risk profile includes forward-looking analysis of sensitivity to local and global market factors, economic conditions, and geopolitical and regulatory environments that influence our overall risk profile.

Regular and transparent risk reporting and discussion at senior management committees facilitates communication of risks and discussion of risk management strategies across the organization.

Risk governance structure

Our risk governance structure is illustrated below:



Board of Directors (the Board): The Board oversees the enterprise-wide risk management program through approval of our risk appetite, Control Framework and supporting risk management policies and limits. The Board accomplishes its mandate through its Audit, Risk Management, Management Resources and Compensation, and Corporate Governance committees, described below.

Audit Committee (AC): The Audit Committee reviews the overall design and operating effectiveness of internal controls and the control environment, including internal controls over financial reporting. The Audit Committee also has oversight of the underlying processes and controls of the ESG disclosures in our Annual Report, Sustainability Report, and other material ESG disclosure documents.

Risk Management Committee (RMC): This committee assists the Board in fulfilling its responsibilities for defining CIBC's risk appetite and overseeing CIBC's risk profile and performance against the defined risk appetite. This includes oversight of key frameworks, policies and risk limits related to the identification, measurement and monitoring of CIBC's principal business risks.

Management Resources and Compensation Committee (MRCC): This committee is responsible for assisting the Board in its global oversight of CIBC's human capital strategy, including talent and total rewards, and the alignment with CIBC's strategy, risk appetite and controls.

Corporate Governance Committee (CGC): This committee is responsible for assisting the Board in fulfilling its corporate governance oversight responsibilities and oversight of the ESG strategy.

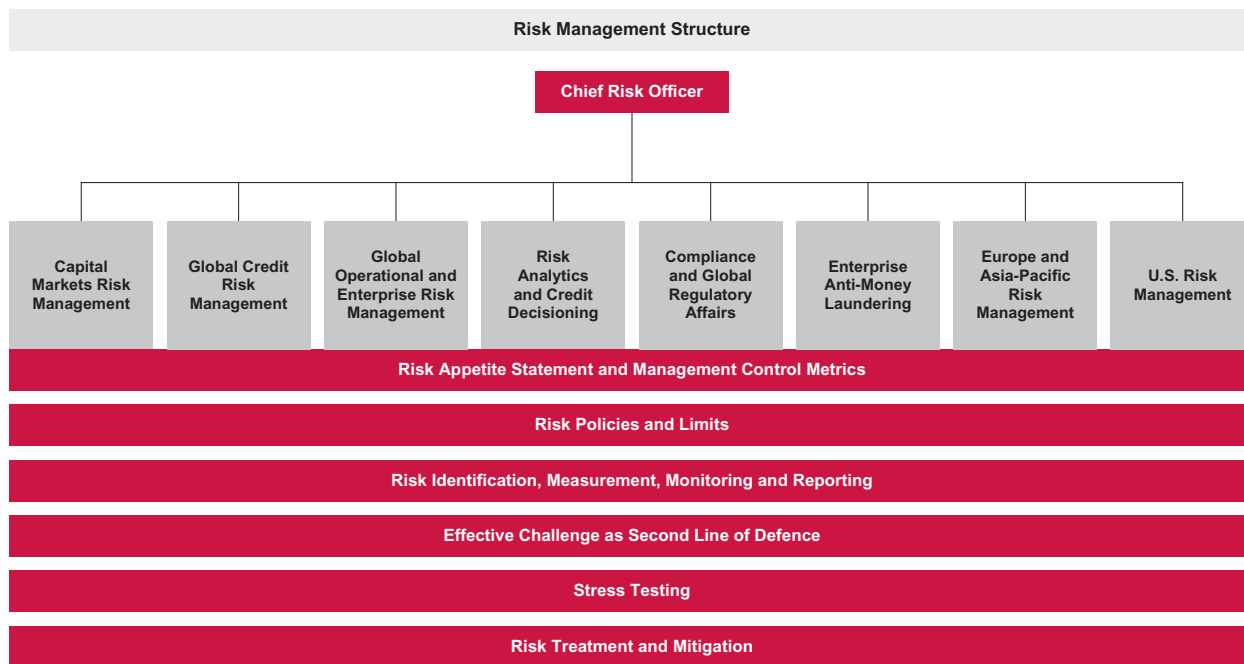
Executive Committee (ExCo): The ExCo, led by the Chief Executive Officer (CEO) and including selected executives reporting directly to the CEO, is responsible for setting business strategy and for monitoring, evaluating and managing risks across CIBC. The ExCo is supported by the following management governance committees:

- *Global Asset Liability Committee (GALCO):* This committee, which comprises members from the ExCo and senior Treasury, Risk Management and lines of business executives, provides oversight regarding capital management, funding and liquidity management, and asset/liability management (ALM). It also provides strategic direction regarding structural interest rate risk (SIRR) and structural foreign exchange risk postures, approval of funds transfer pricing policies/parameters and approval of wholesale funding plans.
- *Global Risk Committee (GRC):* This committee, which comprises selected members of the ExCo and senior leaders from the lines of business, Risk Management and other functional groups, provides a forum for discussion and oversight of risk appetite, risk profile and risk mitigation strategies. Key activities include reviewing and providing input regarding CIBC's risk appetite statements; monitoring risk profile against risk appetite; reviewing and evaluating business activities in the context of risk appetite; and identifying, reviewing, and advising on current and emerging risk issues and associated mitigation plans.

Risk management structure

The Risk Management group, led by our Chief Risk Officer (CRO), is responsible for setting risk strategies and for providing independent oversight of the businesses. Risk Management works to identify, assess, mitigate, monitor and control risks associated with business activities and strategies, and is responsible for providing an effective challenge to the lines of business.

The current structure is illustrated below:



The Risk Management group performs several important activities including:

- Developing our risk appetite and associated management control metrics;
- Setting risk strategy to manage risks in alignment with our risk appetite and business strategy;
- Establishing and communicating risk frameworks, policies, procedures and limits to mitigate risks in alignment with risk strategy;
- Measuring, monitoring and reporting on risk levels;
- Identifying and assessing emerging and potential strategic risks;
- Adjudicating transactions, as applicable;
- Reviewing and performing effective challenge on business risk assessments; and
- Ensuring compliance with applicable regulatory and anti-money laundering (AML) requirements.

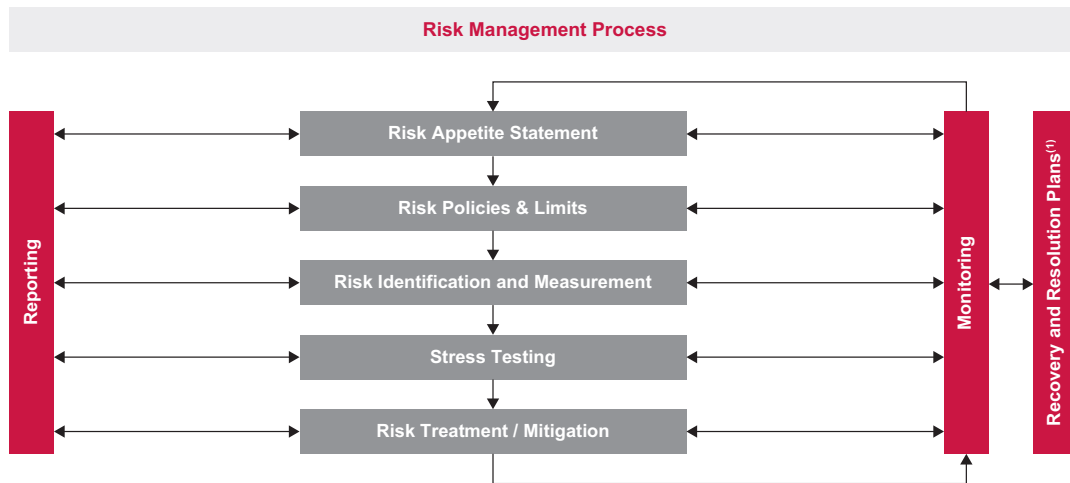
The following key groups within Risk Management, independent of the originating businesses, contribute to our management of risk:

- **Capital Markets Risk Management (CMRM)** – This group provides independent oversight of the measurement, monitoring and control of market risks (both trading and non-trading), and trading credit risk (also called counterparty credit risk which includes credit valuation adjustment risk or CVA risk) across CIBC's portfolios, and effective challenge and sound risk management oversight to Treasury, including with respect to liquidity and funding risk management and SIRR management.
- **Global Credit Risk Management** – This group is responsible for the adjudication and oversight of credit risks associated with CIBC's small business (manually adjudicated loans only), commercial, corporate, and wealth management credit portfolios, management of the risks in our investment portfolios, as well as management of special loan portfolios.
- **Global Operational and Enterprise Risk Management** – This group is responsible for designing and implementing effective operational and enterprise risk management and control programs. The group provides effective challenge and monitoring of all operational risks globally, including (but not limited to) technology risk, information security (including cyber) risk, fraud risk, model risk, and third-party risk. From an enterprise risk perspective, the group is responsible for enterprise-wide analysis, including the developing, measuring and monitoring of risk appetite, enterprise-wide stress testing and reporting, allowance for credit loss assessment and reporting, risk models and model quantification, environmental risk (including transaction-specific environmental and related social risk, and the physical and transition risks associated with climate change), economic and regulatory capital methodologies, as well as risk data management. The team also has global accountability for strategic risk, assessing developing emerging risks and potential mitigation strategies, corporate risk insurance programs, reputation risks, and risk policy and governance.
- **Risk Analytics and Credit Decisioning** – This group is responsible for the management and oversight of credit risk in the personal and small business lending portfolios (such as residential mortgages, credit cards, loans/lines of credit and indirect auto lending) including the development of analytics to optimize credit performance and AML outcomes within CIBC's risk appetite. This group is also responsible for all auto-adjudicated small business loans.
- **Compliance and Global Regulatory Affairs (CGRA)** – This group is responsible for designing and implementing an effective enterprise-wide framework to manage and mitigate regulatory compliance risk at CIBC, to be executed by CGRA and the other Oversight Functions (as defined in the Regulatory Compliance Management Policy). CGRA also provides oversight of conduct and culture risk, including sales practice risk and effective challenge of compensation plan changes. In addition, the Privacy Office under CGRA manages CIBC's privacy-related risks and supports the protection of the privacy of all CIBC client and employee information. Overall CGRA is responsible for maintaining strong relationships with our prudential, privacy, market, and conduct regulators and acts as a liaison between the regulators and CIBC.

- Enterprise Anti-Money Laundering (EAML) – This group is responsible for all aspects of AML, anti-terrorist financing (ATF), and Sanctions Programs globally for CIBC and its controlled subsidiaries, including providing advice with respect to, and oversight of compliance with, all regulatory requirements relating to AML/ATF and sanctions in all business units globally. Furthermore, EAML executes a risk-based approach to deter, detect and report suspected Money Laundering/Terrorist Financing and sanctioned activities, in accordance with their policies, as applicable, and their supporting standards.
- Europe and Asia-Pacific Risk Management – This group carries out the mandate of CIBC Risk Management at a regional level under the leadership of the Senior Vice-President & Chief Risk Officer, Europe & APAC Region, with oversight from the Management Committees and CIBC Luxembourg Board. The group provides independent oversight for the identification, management, measurement, monitoring and mitigation of risks in Europe and Asia.
- U.S. Risk Management – This group carries out the mandate of CIBC Risk Management at a regional level under the leadership of the U.S. CRO, with oversight from the Risk Management Committee of the CIBC Board and the Risk Committees of the Boards of CIBC Bank USA and CIBC Bancorp. The group provides independent oversight for the identification, management, measurement, monitoring and mitigation of risks in the U.S. region.

Risk management process

Our risk management process is illustrated below:



(1) For additional information refer to the "Capital management" section.

Risk appetite statement

Our risk appetite statement defines the amount of risk we are willing to assume in pursuit of our strategic and financial objectives. Our guiding principle is to practice sound risk management, supported by strong capital and funding positions, as we pursue our client-focused strategy. In defining our risk appetite, we take into consideration our purpose, vision, values, strategy and objectives, along with our risk capacity (defined by regulatory constraints). It defines how we conduct business, which is to be consistent with the following objectives:

- Safeguarding our reputation and brand;
- Doing the right thing for our clients/stakeholders;
- Engaging in client-oriented businesses after understanding the potential risks and rewards;
- Making our client's goals our own in a professional and radically simple manner;
- Managing a balance between risk and returns;
- Retaining a prudent attitude towards tail and event risk;
- Meeting regulatory expectations and/or identifying and having plans in place to address any issues in a timely manner;
- Achieving/maintaining an AA rating; and
- Meeting/exceeding stakeholders' expectations with respect to the ESG criteria including setting/sharing targets, and reporting progress towards these targets.

Our risk appetite statement contains metrics with limits that define our risk tolerance levels. In addition, we have SBU, functional group and regional risk appetite statements that are integrated with our overall risk appetite statement that further articulate our business level risk tolerances.

Our risk appetite statement is reviewed annually in conjunction with our strategic, financial and capital planning cycle to ensure alignment and is approved annually by the Board. To help drive strong oversight and governance around our risk appetite, the Board, RMC and senior management regularly receive and review reporting on our risk profile against the risk appetite limits.

All strategic business decisions, as well as day-to-day business decisions, are governed by our risk appetite framework. Strategic decisions are evaluated to ensure that the risk exposure is within our risk appetite. Day-to-day activities and decisions are governed by our framework of risk tolerance limits, policies, standards and procedures that support our risk appetite statement.

Risk culture

Risk culture refers to desired attitudes and behaviours relative to risk management practices. At CIBC, we strive to achieve a consistent and effective risk culture by:

- Promoting, through both formal and informal channels, a shared accountability of risk identification, management and mitigation;
- Cultivating an environment of transparency and effective challenge, open communication and robust discussion of risk;
- Setting the appropriate “tone at the top” and “tone from the middle” through clear communication and reinforcement; and
- Identifying and reinforcing behaviours that are aligned with risk appetite, and escalating misaligned behaviours.

Every year, all employees are required to complete formal training on risk appetite, reputation risk, operational risk, code of conduct, AML and other key risk topics. By taking this mandatory training, all employees strengthen their basic knowledge of risk management in support of our risk culture. This training is supplemented by our risk appetite statement, risk management priorities and documents on our internal website. In addition, we have policies, procedures and limits in place that govern our day-to-day business activity, with escalation procedures for limit breaches outlined accordingly.

Risk input into performance and compensation

Throughout the year, the Risk Management team manages various compensation risk reviews. These reviews are part of the second line of defence responsibilities to review and challenge new compensation plans, changes to existing compensation plans and compensation plan closure. In addition, periodic risk reviews are completed to ensure all compensation plans are risk assessed on a regular basis. All compensation plans are rated as either high-risk or low-risk with high-risk compensation plans requiring approval from the CRO.

At each year-end, Risk Management provides an assessment of adherence to risk appetite and material risk matters across CIBC. Risk Management also considers a number of risk inputs to identify matters that may directly impact incentive pools and/or individual compensation awards and/or performance ratings. Annually, Risk Management reviews the assessment with both the RMC and the MRCC.

The MRCC oversees the performance management and compensation process and is responsible for assisting the Board of Directors in their global oversight of CIBC's human capital strategy, including talent and total rewards, and the alignment with CIBC's strategy, risk appetite and controls. The MRCC's oversight of human capital strategy includes inclusion at work, employee health, safety and wellbeing and other ESG practices related to their mandate. The MRCC's key compensation-related responsibilities include:

- Reviewing and recommending for Board approval annual compensation, including changes to compensation targets, if any, for the CEO, Senior Management, and Heads of Oversight Functions;
- Approving annual compensation for any employee whose total direct compensation exceeds the materiality threshold determined by the Committee;
- Assessing the appropriateness of compensation based on business performance and risks undertaken;
- Reviewing and recommending for Board approval the aggregate annual incentive compensation and allocations to the SBUs and the functional groups;
- Approving CIBC's compensation philosophy and any material changes to CIBC's compensation principles or practices;
- Reviewing material compensation policies and approving any material changes to such policies or any new material compensation policies;
- Reviewing and recommending Board approval of new material compensation plans and changes to existing material compensation plans; and
- Reviewing a report on non-material plans.

Risk policies and limits

Our risk policies and limits framework is intended to ensure that risks are appropriately identified, measured, monitored and controlled in accordance with our risk appetite. For most risks, we have developed an overarching framework document that sets out the key principles for managing the associated risks and our key risk policies and limits. This framework is supported by standards, guidelines, processes, procedures and controls that govern day-to-day activities in our businesses. Oversight is provided by management committees, as well as the Board/Board committees.

Key risk policies and management committees are illustrated below:

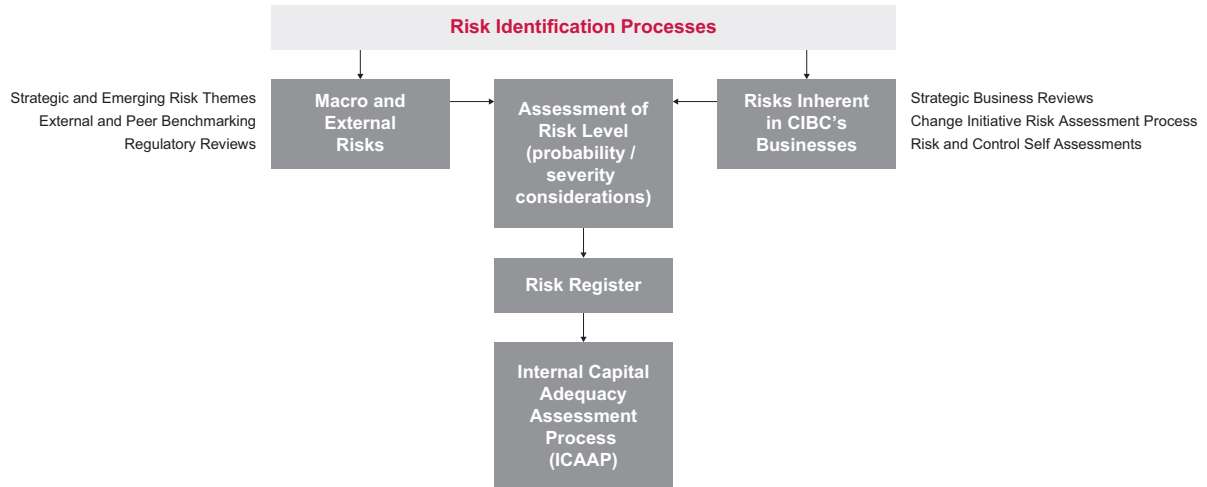
Risk Management Framework			
Risk Appetite Statement and Risk Appetite Framework			
Risk	Overarching Framework / Policy	Risk Limits	Management Oversight
Credit	Credit Risk Management Policy Trading Credit Risk Management Policy	Credit Concentration Limits Delegated Credit Approval Authorities Trading Credit Risk Limits Risk Appetite Statement	Credit Committee Personal and Business Banking Credit Risk Committee Global Risk Committee Traded Risk Committee
Market	Market Risk Management Policy Structural Risk Management Policies	Market Risk Limits Delegated Risk Authorities Risk Appetite Statement	Global Risk Committee Global Asset Liability Committee Traded Risk Committee
Operational	Operational Risk Management Framework Control Framework Conduct and Culture Risk Framework	Key Risk Indicators Risk Appetite Statement	Operational Risk and Control Committee Global Risk Committee Technology Operational Risk Committee Model and Parameter Risk Committee Cyber Security Committee Traded Risk Committee Third Party Risk Council Executive Fraud Risk Council
Reputation	Global Reputation Risk Management Framework and Policy	Key Risk Indicators	Reputation and Legal Risks Committee
Liquidity	Liquidity Risk Management Policy Pledging Policy	Liquidity and Funding Limits Risk Appetite Statement Pledging Limits	Global Asset Liability Committee Global Risk Committee
Strategic	Strategic Planning Policy	Risk Appetite Statement	Executive Committee Global Risk Committee
Regulatory	Regulatory Compliance Management Policy Enterprise Anti-Money Laundering, Anti-Terrorist Financing and Sanctions Framework and Enterprise Anti-Money Laundering and Anti-Terrorist Financing Policy Privacy Management Framework Compliance Risk Management Framework	Key Risk Indicators Risk Appetite Statement Key AML Metrics	Global Risk Committee Executive Oversight Committee

Risk identification and measurement

Risk identification and measurement are important elements of CIBC's risk management framework. Risk identification is a continuous process, generally achieved through:

- Regular assessment of risks associated with lending and trading credit exposures;
- Ongoing monitoring of trading and non-trading portfolios;
- Assessment of risks in new business activities and processes;
- Assessment of risks in complex and unusual business transactions;
- Regular monitoring of the overall risk profile considering market developments and trends, and external and internal events; and
- Ongoing monitoring of management operations and processes.

Risk Management maintains a "Risk Register" to list all material risks facing CIBC. The inventory is based on the risks inherent and emerging risks in our businesses and updated through various processes, illustrated in the following chart, to reflect changes in the nature of the risks we are facing. The Risk Register is used to support our ICAAP, either explicitly in the economic and regulatory capital calculations, or implicitly through the buffer of actual capital over economic capital and regulatory capital.



The decision to register a new risk is based on its risk assessment through our risk identification processes and includes criteria such as severity, measurability and probability. Furthermore, the decision on the amount of capital allocated to cover the new risk brought on the books will take into consideration the effectiveness and impact of the risk mitigants available.

We have enterprise-wide methodologies, models and techniques in place to measure both the quantitative and qualitative aspects of risks, appropriate for the various types of risks we face. These methodologies, models and techniques are subject to independent assessment and review to ensure that the underlying logic remains sound, that model risks have been identified and managed, that use of the models continues to be appropriate and outputs are valid.

Risk is usually measured in terms of expected loss, unexpected loss, and economic capital.

Expected loss

Expected loss represents the loss that is statistically expected to occur in the normal course of business, with adjustments for conservatism, in a given period of time.

In respect of credit risk, the parameters used to measure expected loss are PD, LGD and EAD. These parameters are updated regularly and are based either on our historical experience through the cycle and benchmarking of credit exposures or as prescribed by our regulators as applicable. Unlike the PD, LGD and EAD parameters used for calculating ECL on our consolidated financial statements, the PD, LGD and EAD parameters used for regulatory capital purposes are not adjusted for forward-looking information.

For trading market risks, VaR is a statistical technique used to measure risk. VaR is an estimate of the loss in market value for a given level of confidence that we would expect to incur in our trading portfolio due to an adverse one-day movement in market rates, implied volatility and prices using the most recent 500 trading days. We also use stressed VaR to estimate an expected loss over a 10-day holding period and using a one-year historical window when relevant market factors were in distress.

For trading credit risks associated with market value based products including CVA, we use models to estimate exposure relative to the value of the portfolio of trades with each counterparty, giving consideration to market rates and prices.

Unexpected loss and economic capital

Unexpected loss is the statistical estimate of the amount by which actual losses might exceed expected losses over a specified time horizon, computed at a given confidence level. We use economic capital to estimate the level of capital needed to protect us against unexpected losses.

We also use techniques such as sensitivity analysis and stress testing to help ensure that the risks remain within our risk appetite and that our capital is adequate to cover those risks. Our stress testing program includes evaluation of the potential effects of various economic and market scenarios on our risk profile, earnings and capital. Refer to the "Capital management" section for additional details.

Model risk management

Model risk management encompasses sound development, independent validation, and ongoing monitoring and review of the models as well as governance and controls that are proportionate to the risks. Our model inventory includes, but is not limited to, models that relate to risk measurement (including economic and regulatory capital), pricing, mark-to-market (MTM), credit risk rating and scoring models, credit models for the calculation of loss severity and stress testing, and models for the calculation of ECL under IFRS 9. CIBC's approach to provide effective governance and oversight for model risk management comprises the following key elements:

- Governance and oversight by management committees, including the Model and Parameter Risk Committee (MPRC), senior management and the Board;
- Policies, procedures and standards to outline applicable roles and responsibilities of the various oversight groups and to provide guidance to identify, measure, control and monitor model risk throughout the model's life cycle; and
- Controls for key operational aspects of model risk management including maintaining a model inventory, model risk ranking, model risk attestation and ongoing monitoring and reporting.

The MPRC is a subcommittee of the Operational Risk and Control Committee (ORCC) and is responsible for reviewing and approving proposals for new and/or modified regulatory, economic capital and IFRS 9 models and provides oversight of CIBC's regulatory, economic capital and IFRS 9 models and parameters for credit, market and operational risks. The MPRC has accountability and responsibility for model and parameter approvals, parameter performance monitoring, validation oversight, and policy oversight.

Model risk mitigation policies

We have policies, procedures, standards and controls to ensure effective model risk management for CIBC. A model review and validation is the independent effective challenge that documents the model risk and ensures models are sound and we can rely on their output. The model review and validation process includes:

- Review of model documentation;
- Comprehensive, systematic testing of key model parameters on implementation to ensure results are as expected;
- Replication of the risk quantification process to determine whether the model implementation is faithful to the model specifications;
- Review of whether the model/parameter concepts and assumptions are appropriate and robust;
- Accuracy testing to assess the calibration and accuracy of the risk components including, for example, the discriminative power of rating systems and the reasonableness of capital parameters;
- Sensitivity testing to analyze the sensitivity of model/parameter outputs to model/parameter assumptions and key inputs;
- Scenario and stress testing of the model outputs to key inputs;
- Back-testing by comparing actual results with model-generated risk measures;
- Benchmarking to other models and comparable internal and external data;
- Review of the internal usage of the model/parameter applications to ensure consistency of application;
- Reporting of model status to the MPRC, supported through an up-to-date inventory of regulatory models and parameters;
- A quarterly attestation process for model owners in order to ensure compliance with the Model Risk and Validation Policy; and
- A comprehensive validation report that identifies the conditions for valid application of the model and summarizes these findings to the model owners, developers and users.

Once a model has been approved for use, ongoing monitoring becomes a joint responsibility of model users, owners and validators.

Stress testing

Stress testing supplements our other risk management tools by providing an estimate of the potential impacts of plausible but stressed economic scenarios and risk factors. Results of stress testing are interpreted in the context of our risk appetite, including metrics for capital adequacy. Enterprise-wide stress testing, capital planning and financial planning processes are integrated for a comprehensive information system. See the "Capital management" section for detailed discussion on our enterprise-wide stress testing.

Risk treatment and mitigation

Risk treatment and mitigation is the implementation of options for modifying risk levels. We pursue risk mitigation options in order to control our risk profile in the context of our risk appetite. Our objective is to proactively consider risk mitigation options in order to optimize results.

Discussions regarding potential risk mitigation strategies are held between Risk Management and the lines of business, at the GRC or GALCO and at the RMC for governance and oversight, as appropriate. In evaluating possible strategies, considerations include costs and benefits, residual risks (i.e., risks that are retained), secondary risks (i.e., those caused by the risk mitigation actions), and appropriate monitoring and review to track results.

Risk controls

Our risk management framework also includes a comprehensive set of risk controls, designed to ensure that risks are being appropriately identified and managed. Our risk controls are part of CIBC's overall Control Framework, developed based on the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) widely accepted "Internal Control – Integrated Framework". The Control Framework also draws on elements of the OSFI Supervisory Framework and Corporate Governance Guidelines.

The Board, primarily through the RMC, approves certain credit risk limits and delegates specific transactional approval authorities to the CEO or jointly to the CEO and CRO. The RMC must approve transactions that exceed delegated authorities. Delegation of authority to business units is controlled to ensure decision-making authorities are restricted to those individuals with the necessary experience levels. In addition, CIBC has rigorous processes to identify, evaluate and remediate risk control deficiencies in a timely manner. Regular reporting is provided to the RMC to evidence compliance with risk limits. Risk limits and the delegation of authority to the CEO or jointly to the CEO and CRO are reviewed annually by the RMC.

Risk monitoring and reporting

To monitor CIBC's risk profile and facilitate evaluation against the risk appetite statement, a number of measurement metrics have been established, with regular reporting against these metrics provided to the GRC and the RMC. This reporting enables decisions on growth and risk mitigation strategies.

Exposures are also regularly monitored against limits, with escalation protocols for limit excesses, should they occur. Escalation protocols ensure awareness at appropriate levels and facilitate management of excesses that is consistent with our risk appetite.

Regular management reports on each risk type are also prepared to facilitate monitoring and control of risk at a more granular level.

Top and emerging risks

We monitor and review top and emerging risks that may affect our future results, and take action to mitigate potential risks. We perform in-depth analyses, which may include stress testing our exposures relative to the risks, and we provide updates and related developments to the Board on a regular basis. Top and emerging risks are those that we consider to have potential negative implications that are material for CIBC. This section describes those top and emerging risks, as well as regulatory and accounting developments that are material for CIBC.

Inflation, interest rates and economic growth

As inflation eased in 2024, central banks began reducing interest rates in the back half of the year. While interest rates will gradually begin to provide financial relief to clients, unemployment continues to be a headwind. Commercial office real estate, particularly in the United States, continues to face challenges due to post COVID-19 hybrid work arrangements and high interest rates, negatively impacting office asset valuations. The impact of interest rates on Canadian mortgages is discussed under "Canadian consumer debt and the housing market" below and in the "Credit risk – Real estate secured personal lending" section. We are closely monitoring the macroeconomic environment and assessing its potential adverse impact on our clients, counterparties and businesses. Further details on the macroeconomic environment are provided in the "Economic and market environment – Outlook for calendar year 2025" section.

Canadian consumer debt and the housing market

The latest household debt-to-income ratio data from Statistics Canada reflects a continued downward trend that started in the third quarter of 2023. It is at its lowest level since 2016 due to growth in disposable income and slower debt growth. The debt-to-service ratio is holding stable in recent quarters and is aligned with pre-pandemic levels. Mortgage debt-to-income and service ratios continue to trend at historically high levels, while non-mortgage debt-to-income and service ratios remain at historically low levels as clients maintain low utilization and high payment rates. Mortgage service ratios could see increases as mortgages continue to renew at higher rates and income growth decelerates from a slowing labour market.

2023 and 2024 year-to-date property sale volumes have slowed to 2018–2019 levels. Sustained high interest rates have maintained pressure on property sales and mortgage growth. While the interest rate cuts in the second half of 2024 will provide some relief, the levels are still high and there is an expected lag on performance relief from each incremental cut. Further interest rate cuts could result in an increase in sales activity and housing prices. Real estate secured lending losses remain low, supported by strong housing prices, with the House Price Index (HPI) slightly below peak 2022 levels and up year-over-year.

Unemployment rates have increased throughout the year to the highest levels since 2017 (excluding the increase in 2020 and 2021 resulting from the COVID-19 pandemic). Unemployment rates at current levels could elevate non-mortgage debt levels, and has increased unsecured payment pressures, typical of the credit cycle.

In recent years the regulatory environment has seen increased scrutiny, with regulators tightening guidelines and elevating oversight over financial institutions. Changes to guidelines could impact business processes, increasing costs to the bank and/or fines for non-compliance. Effective November 1, 2023, OSFI revised its Capital Adequacy Requirements and Mortgage Insurer Capital Adequacy Test guidelines, resulting in an increase to RWA for mortgages that have been in negative amortization for three consecutive months with loan-to-value (LTV) over 65%. OSFI is implementing a loan-to-income (LTI) limit on the portfolios of federally regulated financial institutions for all new uninsured mortgage loans. This measure is intended to address the risks associated with high levels of household indebtedness and loans that are vulnerable to shifts in factors for debt serviceability at a portfolio level. LTI will restrict the proportion of originations that can exceed the 4.5x LTI multiple for each institution relative to the competitive position within the market. This measure will augment existing measures such as Minimum Qualifying Rates (MQR). OSFI has set the specific LTI limit for CIBC and expects FRFIs to perform their own internal monitoring and management, and report compliance on a quarterly basis beginning in the first quarter of 2025.

Geopolitical risk

The level of geopolitical risk escalates at certain points in time. While the specific impact on the global economy and on global credit and capital markets would depend on the nature of the event, in general, any major event could result in instability and volatility, leading to widening spreads, declining equity valuations, flight to safe-haven currencies and increased purchases of gold. In the short run, market disruption could hurt the net income of our trading and non-trading market risk positions. Geopolitical risk could reduce economic growth, and in combination with the potential impacts on commodity prices and protectionism (further details are provided in the "Economic and market environment – Outlook for calendar year 2025" section), could have serious negative implications for general economic and banking activities. Current areas of concern include:

- Conflict in the Middle East;
- Relations between the U.S. and Iran;
- The war in Ukraine;
- Ongoing U.S., Canada and China relations and trade issues, with potential negative impacts on supply chains; and
- Rising civil unrest and activism globally.

While it is difficult to predict where new geopolitical disruption will occur, we pay particular attention to markets and regions with existing or recent historical instability to assess the impact of these environments on the markets and businesses in which we operate.

Climate risk

The physical effects of climate change along with regulations designed to mitigate its negative impacts will have a measurable impact on communities and the economy. The physical risks of climate change resulting from severe weather events and systemic issues such as rising sea levels can impact CIBC's profitability through disruptions in our own operations and damage to critical infrastructure. Transition risks, which arise as society adjusts towards a low-carbon future, can impact the financial health of our clients as changes in policy and technology aimed at limiting global warming can increase their operating costs and reduce profitability, while translating into potentially higher credit losses for the bank. We are also exposed to reputational risks due to changing stakeholder expectations related to action or inaction in addressing climate-related risks.

In the past year, a number of regulators and standard-setting organizations introduced and updated disclosure frameworks related to climate change risks, as well as environmental and social risks.

On March 13, 2024, the Canadian Sustainability Standards Board (CSSB) released proposed Canadian Sustainability Disclosure Standards (CSDS) 1 "General Requirements for Disclosure of Sustainability-related Financial Information" and CSDS 2 "Climate-related Disclosures" for consultation, which align with the International Sustainability Standards Board's (ISSB) inaugural standards IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" (IFRS S1) and IFRS S2 "Climate-related Disclosures" (IFRS S2). The proposals include certain

Canadian-specific modifications to the effective dates and transition relief of IFRS S1 and IFRS S2, including the deferral of the initial application by one year to our reporting period ending October 31, 2026, to the extent that the proposed CSDS become effective in Canada.

On March 20, 2024, OSFI published updates to Guideline B-15 on Climate Risk Management (Guideline B-15), to align its minimum mandatory climate-related financial disclosure expectations with IFRS S2. OSFI is expected to continue to review Guideline B-15 as practices and standards evolve. Guideline B-15 continues to be initially effective for us for our reporting period ending October 31, 2024 for certain disclosure elements, to be included in our 2024 Climate Report which is expected to be issued in March 2025.

On March 20, 2024, OSFI also released the Climate Risk Returns to collect standardized climate-related data on emissions and exposures. The purpose of the Climate Risk Returns is to collect standardized climate-related emissions and exposure data, directly from all institutions to enable OSFI to carry out evidence-based policy development, regulation, and prudential supervision as it pertains to climate risk management.

On June 20, 2024, the Canadian federal government enacted Bill C-59, which contains anti-greenwashing amendments to the *Competition Act* to regulate misleading environmental claims. In addition, Bill C-59 provides third parties with a private right of action, with leave from the Competition Tribunal, as of June 20, 2025, for environmental claims that are alleged to have violated the misleading advertising provisions of the Act.

Additionally, the European Commission adopted the European Sustainability Reporting Standards (ESRS) in 2023 for entities subject to the Corporate Sustainability Reporting Directive (CSRD). These requirements will apply to CIBC as early as 2026 for certain CIBC subsidiaries. Potential divergence among the regulators in disclosure expectations, coupled with the pace at which the regulatory landscape changes, pose operational risks to us. We continue to monitor these developments and evolve our approach to support future regulatory requirements.

Technology, information and cyber security risk

We are continuing to evolve our use of technology and business processes to improve the client experience and streamline operations. At the same time, cyber threats and the associated financial, reputation and business interruption risks have also increased. We continue to actively manage these risks through strategic risk reviews and enterprise-wide technology and information security programs, with the goal of maintaining overall cyber-resilience that prevents, detects, and responds to threats such as data breaches, malware, unauthorized access, and denial-of-service attacks, which can result in damage to CIBC systems and information, theft or disclosure of confidential information, unauthorized or fraudulent activity, and service disruption at CIBC or its service providers, including those that offer cloud services.

Given the importance of electronic financial systems, including secure online and mobile banking provided by CIBC to its clients, CIBC monitors the changing environment globally, including cyber threats, mitigation strategies and evolving regulatory requirements, in order to improve our controls and processes to protect our systems and client information. In addition, we perform cyber security preparedness, testing, and recovery exercises to validate our defences, benchmark against best practices and provide regular updates to the Board. We have well-defined cyber incident response protocols and playbooks in the event that a security incident or breach occurs. We also have cyber insurance coverage to help mitigate against certain potential losses associated with cyber incidents. Our insurance coverage is subject to various terms and provisions, including limits on the types and amounts of coverage relating to losses arising from cyber incidents. We periodically assess our insurance coverage based on our risk tolerance and limits. Despite our commitment to information and cyber security, and given the rapidly evolving threat and regulatory landscape, coupled with a changing business environment, it is not possible for us to identify all cyber risks or implement measures to prevent or eliminate all potential cyber incidents from occurring. However, we monitor our risk profile for changes and continue to refine approaches to security protection and service resilience to minimize the impact of any technology or cyber incidents that may occur.

Disintermediation risk

The level of disintermediation risk from fintechs for Canadian financial institutions is generally considered low. Canada has a growing fintech sector, with numerous startups and established tech companies offering digital financial services as alternatives to traditional banking services, such as automated investing, peer-to-peer lending, and financial management tools. Canadian consumers have demonstrated increasing use of digital services, evidenced by high rates of online banking usage. Canada's robust regulatory framework somewhat limits the speed and extent of disruption by fintechs. However, regulations are evolving, and the authorities' increasing openness to fintech innovations and open-banking could heighten disintermediation risks if we don't continue to invest in our digital capabilities. Ease of use is the primary factor we considered when evaluating disintermediation risk from fintechs. With fintechs primarily focused on digital engagement, the risk of clients choosing fintech solutions remains low. The threat may increase as fintechs delve into providing financial advice and wealth management services which has not been successfully demonstrated by any major fintech in Canada. CIBC's proactivity in adopting new technologies and integrating digital financial services somewhat mitigates this risk.

Data and Artificial Intelligence risk

Data is being used every day to further advance CIBC's strategic objectives and create competitive advantages. To support this, we continue to invest in our data management and governance capabilities to ensure we have a strong data foundation, mitigating the risk of impact to our reporting needs, business decision-making and grow our analytics practices to use data as a transformative asset.

With rapid advances in technology, we continue to observe growth in applications of Artificial Intelligence (AI) to drive productivity and competitive enhancements. Alongside the potential benefits of AI tools and technology comes risks; as AI systems make decisions based on data and models, they can inherit or amplify bias or raise concerns about fairness or ethical use. In addition, transparency in AI models is required to ensure the reasoning, accuracy or appropriateness of the output is clearly understood. CIBC has published an AI Framework and is implementing AI governance and risk management practices. From a model risk perspective, OSFI released an updated draft of Guideline E-23 on Model Risk Management which recognizes the surge in AI and Machine Learning (ML) analytics increasing the risk arising from the use of models. As such, the definition of "model" in the updated draft Guideline E-23 expressly includes AI/ML methods. As we navigate the increased adoption of solutions using AI, our approach will remain rooted in ensuring responsible use and ensuring operational risks are mitigated.

Third-party risk

The Board and senior management recognize the establishment of third-party relationships as important to CIBC's business model and therefore leverage them to achieve CIBC's business objectives. With the introduction of new technologies and increasing reliance on sub-contractors, the third-party landscape continues to evolve. While such relationships may benefit us through reduced costs, increased innovation, improved performance and increased business competitiveness, they can also introduce risks of failure or disruption to CIBC through breakdowns in people, processes or technology or through external events that impact these third parties.

To mitigate third-party risks, prepare for future third-party risks and changing regulatory expectations, and to ensure existing processes and internal controls are operating effectively, we rely on our strong risk culture and established the Third Party Risk Management program, which includes policies, procedures, expertise and resources dedicated to third-party risk management. The program identifies and manages risks that arise from third-party relationships from the point of planning through the life cycle of the business arrangement and supports the maintenance of collaborative relationships that advance our strategic direction and operational needs within our risk appetite.

Anti-money laundering, anti-terrorist financing and sanctions

Money laundering, terrorist financing activities and other related crimes pose a threat to the stability and integrity of a country's financial sector and its broader economy. In recognition of this threat, the international community has made the fight against these illegal activities a priority. CIBC is committed to adhering to all regulatory requirements pertaining to anti-money laundering (AML), anti-terrorist financing (ATF) and sanctions in the jurisdictions where we operate, and continues to invest in controls to deter, detect and report money laundering, terrorist financing and sanctions evasion. Risks of non-compliance can include enforcement actions, criminal prosecutions, legal actions, and reputational damage. CIBC takes a proactive approach to compliance with amendments to AML/ATF and Sanctions legislation and regulation, in particular with respect to the numerous amendments to Canada's *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* throughout fiscal 2024. We have implemented procedures, processes, and controls with respect to client due diligence, record keeping and reporting as well as mandatory annual AML/ATF and sanctions training for all employees to ensure that relevant regulatory obligations are met in each jurisdiction where we operate. Canada, the U.S., the U.K. and the EU continue to expand and adjust economic sanctions related to the war in Ukraine, and the conflict in the Middle East. In fiscal 2024, we have continued to monitor and enhance the AML/ATF and Sanctions program as required to respond to the evolving environment and regulatory expectations.

U.S. banking regulation

Our U.S. operations are subject to supervision by the Board of Governors of the Federal Reserve System (Federal Reserve), and are also subject to a comprehensive federal and state regulatory framework. Our wholly owned subsidiary, CIBC Bancorp USA Inc. (CIBC Bancorp), is a financial holding company subject to regulation and supervision by the Federal Reserve under the Bank Holding Company Act of 1956, as amended. CIBC Bank USA, our Illinois-chartered bank, is subject to regulation by the Federal Reserve, the U.S. Federal Deposit Insurance Corporation, and the Illinois Department of Financial and Professional Regulation. CIBC's New York branch is subject to regulation and supervision by the New York Department of Financial Services and the Federal Reserve. Certain market activities of our U.S. operations are subject to regulation by the SEC and the U.S. Commodity Futures Trading Commission, as well as other oversight bodies.

The scope of these regulations impact our business in a number of ways. For example, both CIBC Bancorp and CIBC Bank USA are required to maintain minimum capital ratios in accordance with Basel III rules adopted by the U.S. bank regulatory agencies, which differ in some respects from Canada's Basel III rules. Under the U.S. bank regulatory framework, both CIBC and CIBC Bancorp are expected to provide a source of strength to the subsidiary bank and may be required to commit additional capital and other resources to CIBC Bank USA in the event that its financial condition were to deteriorate, whether due to overall challenging economic conditions in the U.S., or because of business-specific issues. The Federal Reserve (in the case of CIBC Bancorp), and both the Federal Reserve and the Illinois Department of Financial and Professional Regulation (in the case of CIBC Bank USA) also have the ability to restrict dividends paid by CIBC Bancorp or CIBC Bank USA, which could limit our ability to receive distributions on our capital investment in our U.S. banking operations.

As our combined U.S. operations grow, we will become subject to additional enhanced prudential standards under the Federal Reserve's regulations applicable to foreign banking organizations. Furthermore, the Federal Reserve may also restrict our U.S. operations, organic or inorganic growth, if, among other things, they have supervisory concerns about risk management, AML or compliance programs and practices, governance and controls, and/or capital and liquidity adequacy at CIBC Bancorp, CIBC Bank USA or our New York branch, as applicable. In some instances, banking regulators may take supervisory actions that may not be publicly disclosed, which may restrict or limit our New York branch and our U.S. subsidiaries from engaging in certain categories of new activities or acquiring shares or control of other companies. Any restrictions imposed by banking regulators could negatively impact us by loss of revenue, limitations on the products or services we offer, and increased operational and compliance costs.

The U.S. regulatory environment continues to evolve and future legislative and regulatory developments may impact CIBC.

Interbank Offered Rate transition

Interest rate benchmarks including the London Interbank Offered Rate (LIBOR) and other similar benchmark rates have been reformed and replaced by alternative benchmark rates (alternative rates) that meet regulatory definitions. Sterling, Japanese yen, Swiss franc, Euro and some USD LIBOR settings transitioned to alternative rates in 2022, and the remaining USD LIBOR settings transitioned in 2023. CDOR transitioned to CORRA in June 2024. See the "Other regulatory developments" section and Note 1 to the consolidated financial statements for further details.

Tax reform

Bill C-69, which included certain tax measures from the 2024 federal budget and the 2023 fall economic statement, as well as other tax measures, including the *Global Minimum Tax Act (GMTA)*, was enacted on June 20, 2024. The GMTA implements the Organisation for Economic Co-operation and Development's (OECD) Pillar Two 15% global minimum tax regime in Canada. Additional proposals in respect of the GMTA were released on August 12, 2024. The Pillar Two rules are in different stages of adoption globally by more than 135 OECD member countries. Canada and certain other countries have enacted Pillar Two legislation that will apply to CIBC beginning in fiscal year 2025. A number of other countries in which CIBC operates are in different stages of adopting the Pillar Two regime. At this time, we do not expect Pillar Two to have a material impact on the consolidated effective tax rate. See the "Financial results review – Taxes" section for further details.

The tax environment continues to evolve with the potential for more near-term tax legislative changes that could impact CIBC given the incoming U.S. administration and the upcoming Canadian federal election in 2025.

Corporate transactions

CIBC seeks out acquisition and divestiture opportunities that align with its strategy, risk appetite and financial goals. The ability to successfully execute on our strategy to integrate acquisitions, and the ability to anticipate and manage risks associated with such corporate transactions are subject to various factors such as receiving regulatory and shareholder approval on a timely basis and on favourable terms, retaining clients and key personnel, realizing synergies and efficiencies, controlling integration and acquisition costs, and changes in general business and economic conditions, among others.

Although many of the factors are beyond our control, their impact is partially mitigated by conducting due diligence before completing the transaction and developing and executing appropriate plans. However, given the inherent uncertainty involved in such corporate transactions, we cannot anticipate all potential events, facts and circumstances that may arise and there could be an adverse impact on our operations and financial performance as a result of such corporate transactions.

Regulatory developments

See the "Taxes", "Capital management", "Credit risk", "Liquidity risk" and "Accounting and control matters" sections for additional information on regulatory developments.

Accounting developments

See the "Accounting and control matters" section and Note 30 to the consolidated financial statements for additional information on accounting developments.

Risks arising from business activities

The chart below shows our business activities and related risk measures based upon regulatory RWA and average allocated common equity as at October 31, 2024:

	CIBC				Corporate and Other
SBU	Canadian Personal and Business Banking	Canadian Commercial Banking and Wealth Management	U.S. Commercial Banking and Wealth Management	Capital Markets and Direct Financial Services	
Business activities	<ul style="list-style-type: none"> • Deposits • Residential mortgages • Personal loans • Credit cards • Business lending • Insurance 	<ul style="list-style-type: none"> • Commercial banking • Full-service brokerage • Asset management • Private wealth management 	<ul style="list-style-type: none"> • Commercial banking • Asset management • Private wealth management • Personal and small business banking 	<ul style="list-style-type: none"> • Corporate banking • Global markets • Investment banking • Direct financial services 	<ul style="list-style-type: none"> • International banking • Investment portfolios • Joint ventures • Functional and support groups (see page 33)
Balance sheet ⁽¹⁾	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)
	Average assets 324,458	Average assets 94,474	Average assets 60,820	Average assets 325,711	Average assets 199,670
	Average deposits 226,097	Average deposits 99,217	Average deposits 50,629	Average deposits 120,118	Average deposits 245,034
RWA	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)	(\$ millions)
	Credit risk 76,105	Credit risk 63,390	Credit risk ⁽²⁾ 53,357	Credit risk ⁽³⁾ 62,159	Credit risk ⁽⁴⁾ 19,492
	Market risk –	Market risk –	Market risk 1	Market risk 11,787	Market risk 400
	Operational risk 17,834	Operational risk 7,384	Operational risk 2,700	Operational risk 7,095	Operational risk 11,798
Average allocated common equity ⁽⁵⁾	(%)	(%)	(%)	(%)	(%)
	Proportion of total CIBC 22	Proportion of total CIBC 18	Proportion of total CIBC 20	Proportion of total CIBC 18	Proportion of total CIBC 22
	Comprising:	Comprising:	Comprising:	Comprising:	Comprising:
	Credit risk 77	Credit risk 80	Credit risk 58	Credit risk 74	Credit risk 61
	Market risk –	Market risk –	Market risk –	Market risk 14	Market risk 2
	Operational risk 18	Operational risk 9	Operational risk 3	Operational risk 8	Operational risk 19
	Other ⁽⁶⁾ 5	Other ⁽⁶⁾ 11	Other ⁽⁶⁾ 39	Other ⁽⁶⁾ 4	Other ⁽⁶⁾ 18
Risk profile	We are exposed to credit, market, liquidity, operational, and other risks, which primarily include strategic, insurance, technology, third party, fraud, data, AML/ATF, conduct, information and cyber security, reputation and legal, regulatory compliance, and environmental and social risks.				

(1) Average balances are calculated as a weighted average of daily closing balances.

(2) Includes CCR of \$13 million, which comprises derivatives and repo-style transactions.

(3) Includes CCR of \$13,082 million, which comprises derivatives and repo-style transactions.

(4) Includes CCR of \$453 million, which comprises derivatives and repo-style transactions.

(5) Average allocated common equity is a non-GAAP measure. For additional information on the composition of this non-GAAP measure, see the "Non-GAAP measures" section.

(6) Represents average allocated common equity relating to capital deductions, such as goodwill and intangible assets, in accordance with the rules in OSFI's CAR Guideline.

Credit risk

Credit risk is the risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with contractual terms.

Credit risk arises out of the lending businesses in each of our SBUs and in International banking, which is included in Corporate and Other. Other sources of credit risk consist of our trading activities, which include our over-the-counter (OTC) derivatives, debt securities, and our repo-style transaction activity. In addition to losses on the default of a borrower or counterparty, unrealized gains or losses may occur due to changes in the credit spread of the counterparty, which could impact the carrying or fair value of our assets.

Governance and management

Credit risk is managed through the three lines of defence model. The first line of defence consists of the frontline businesses and governance groups that assess and manage the risks associated with their activities. They own the risks and the controls that mitigate the risks.

The second line of defence is Risk Management, which provides an independent risk perspective, strategic direction and leadership to ensure alignment of practices with CIBC's risk appetite. This includes being responsible for certain credit decisions and oversight of credit risks associated with CIBC's personal, small business, commercial, corporate and wealth management activities.

Internal audit is the third line of defence, providing reasonable assurance to senior management and the Audit Committee of the Board on the effectiveness of CIBC's governance practices, risk management processes, and internal control as part of its risk-based audit plan and in accordance with its mandate as described in the Internal Audit Charter.

Senior management reports to the GRC and RMC at least quarterly on material credit risk matters, including compliance with limits, portfolio trends, and credit loss provisioning levels. Senior management also reports to the RMC on material credit transactions and impaired loans. Provision for (reversal of) credit losses is reviewed by the RMC and the Audit Committee quarterly.

Specific to the management of credit risk, Risk Management is mandated to provide enterprise-wide oversight of the management of credit risk in CIBC's credit portfolios, including the measurement, monitoring and control of credit risk and the management of credit risk models. Key groups in Risk Management with credit risk responsibility include:

Capital Markets Risk Management: This group is responsible for independent oversight of the measurement, monitoring and control of traded and non-traded market risk, liquidity risk and trading credit risk (including credit valuation adjustment risk), including adjudication of trading credit facilities for banks, non-bank financial entities, prime brokerage clients and central clearing counterparties. In addition, Capital Markets Risk Management is responsible for the risk management of sovereign and country risk, securitizations and the oversight of the Global Collateral Finance framework covering repos and securities lending.

Global Credit Risk Management: This group is responsible for the adjudication and oversight of credit risks associated with our commercial, corporate, small business and wealth management credit portfolios, management of the risks in our investment portfolios, as well as management of special loan portfolios.

Global Operational and Enterprise Risk Management: This group includes the following teams:

- Model Validation is responsible for the oversight of model validation practices. Model validation constitutes the independent set of processes, activities and ongoing documentary evidence that models and parameters are sound and CIBC can rely on their output.
- Model Quantification is responsible for the design, development and continuous improvement to risk rating methodologies and credit models that support credit adjudication and ECL, across corporate commercial, personal and business lending segments.
- Enterprise Risk Management is responsible for enterprise-wide reporting and analysis, including enterprise-wide stress testing, ECL, risk data systems and economic capital.
- Risk Regulatory Initiatives is responsible for oversight, governance and delivery of regulatory and strategic initiatives and large enterprise-wide regulatory initiatives.
- Environmental Risk Management is responsible for developing the environmental strategy, setting environmental performance standards and targets, and reporting on performance for material indicators.

Risk Analytics and Credit Decisioning: This group manages credit risk in personal products offered through the various distribution channels (e.g., residential mortgages, credit cards, personal loans/lines of credit and indirect auto lending) and performs analytics to optimize retail credit performance, along with collections and AML outcomes.

U.S. Risk Management: This group carries out the mandate of CIBC Risk Management at a regional level and provides independent oversight of the identification, management, measurement, monitoring and control of credit risks in the U.S. Commercial Banking and Wealth Management SBU.

Adjudication and oversight above delegated levels is provided by the CRO, GRC and RMC.

Policies

To control credit risk, prudent credit risk management principles are used as a base to establish policies, standards and guidelines that govern credit activities as outlined by the credit risk management policy.

The credit risk management policy supplements CIBC's risk management framework and risk appetite framework, and together with CIBC's portfolio concentration limits for credit exposures, CIBC's common risk/concentration risk limits for credit exposures, and other supporting credit risk policies, standards and procedures, assists CIBC in achieving its desired risk profile by providing an effective foundation for the management of credit risk.

Credit risk limits

The RMC approves Board limits, and exposures above Board limits require reporting to, or approval of, the RMC. Management limits are approved by the CRO. Usage is monitored to ensure risks are within allocated management and Board limits. Exposures above management limits require the approval of the CRO. Business lines may also impose lower limits to reflect the nature of their exposures and target markets.

This tiering of limits provides for an appropriate hierarchy of decision making and reporting between management and the RMC. Credit approval authority flows from the Board and is further cascaded to officers in writing. The Board's Investment and Lending Authority Resolution sets thresholds above which credit exposures require reporting to, or approval of, the RMC, ensuring an increasing level of oversight for credit exposures of higher risk. CIBC maintains country limits to control exposures within countries outside of Canada and the U.S.

Credit concentration limits

At a bank-wide level, credit exposures are managed to promote alignment to our risk appetite statement, to maintain the target business mix and to ensure that there is no undue concentration of risk. We set limits to control borrower concentrations by risk-rating band for large exposures (i.e., risk-rated credits). Direct loan sales, credit derivative hedges, or structured transactions may also be used to reduce concentrations. We also have a set of portfolio concentration limits in place to control exposures by country, industry, product and activity. Further, our policies require limits to be established as appropriate for new initiatives and implementation of strategies involving material levels of credit risk. Concentration limits represent the maximum exposure levels we wish to hold on our books. In the normal course, it is expected that exposures will be held at levels below the maximums. The credit concentration limits are reviewed and approved by the RMC at least annually.

Credit concentration limits are also applied to our retail lending portfolios to mitigate concentration risk. We not only have concentration limits applied to individual borrowers and geographic regions, but also to different types of credit facilities, such as unsecured credits. In addition, we limit the maximum insured mortgage exposure to private insurers in order to reduce counterparty risk.

Credit risk mitigation

We may mitigate credit risk by obtaining a pledge of collateral, which improves recoveries in the event of a default. Our credit risk management policies include verification of the collateral and its value and ensuring that we have legal certainty with respect to the assets pledged.

Valuations are updated periodically depending on the nature of the collateral, legal environment, and the creditworthiness of the counterparty. The main types of collateral include: (i) cash or marketable securities for securities lending and repurchase transactions; (ii) cash or marketable securities taken as collateral in support of our OTC derivatives activity; (iii) charges over operating assets such as inventory, receivables and real estate properties for lending to small business and commercial borrowers; and (iv) mortgages over residential properties for retail lending.

In certain circumstances we may use third-party guarantees to mitigate risk. We also obtain insurance to reduce the risk in our real estate secured lending portfolios, the most material of which relates to the portion of our residential mortgage portfolio that is insured by CMHC, an agency of the Government of Canada.

We mitigate the trading credit risk of OTC derivatives, securities lending and repurchase transactions with counterparties by employing the International Swaps and Derivatives Association (ISDA) Master Agreement, as well as Credit Support Annexes (CSAs) or similar master and collateral agreements. See Note 12 to the consolidated financial statements for additional details on the risks related to the use of derivatives and how we manage these risks.

ISDA Master Agreements and similar master and collateral agreements, such as the Global Master Repurchase Agreement and Global Master Securities Lending Agreement, facilitate cross transaction payments, prescribe close-out netting processes, and define the counterparties' contractual trading relationship. In addition, the agreements formalize non-transaction-specific terms. Master agreements serve to mitigate our credit risk by outlining default and termination events, which enable parties to close out of all outstanding transactions in the case of a negative credit event on either party's side. The mechanism for calculating termination costs in the event of a close-out are outlined in the master agreement; this allows for the efficient calculation of a single net obligation of one party to another.

CSAs and other collateral agreements are often included in ISDA Master Agreements or similar master agreements governing securities lending and repurchase transactions. They mitigate CCR by providing for the exchange of collateral between parties when a party's exposure to the other exceeds agreed upon thresholds, subject to a minimum transfer amount. CSAs and other collateral agreements that operate with master agreements also designate acceptable collateral types, and set out rules for re-hypothecation and interest calculation on collateral. Collateral types permitted under CSAs and other master agreements are set through our trading credit risk management documentation procedures. These procedures include requirements around collateral type concentrations.

Consistent with global initiatives to improve resilience in the financial system, we clear derivatives through CCPs where feasible. Credit derivatives may be used to reduce industry sector concentrations and single-name exposure.

Forbearance techniques

We employ forbearance techniques to manage client relationships and to minimize credit losses due to default, foreclosure or repossession. In certain circumstances, it may be necessary to modify a loan for reasons related to a borrower's financial difficulties, reducing the potential of default. Total debt restructurings are subject to our normal quarterly impairment review which considers, amongst other factors, covenants and/or payment delinquencies. Loan loss provisions are adjusted as appropriate.

In retail lending, forbearance techniques include interest capitalization, amortization amendments and debt consolidations. We have a set of eligibility criteria that allow our Client Account Management team to determine suitable remediation strategies and propose products based on each borrower's situation.

The solutions available to corporate and commercial clients vary based on the individual nature of the client's situation and are undertaken selectively where it has been determined that the client has or is likely to have repayment difficulties servicing its obligations. Covenants often reveal changes in the client's financial situation before there is a change in payment behaviour and typically allow for a right to reprice or accelerate payments. Solutions may be temporary in nature or may involve other special management options.

Process and control

The credit approval process is managed by Risk Management and Retail Operations, with all significant credit requests submitted subject to adjudication independent of the originating businesses. Approval authorities are a function of the risk and amount of credit requested. In certain cases, credit requests must be escalated to senior management, the CRO, or to the RMC for approval.

After initial approval, individual credit exposures continue to be monitored. A formal risk assessment is completed at least annually for all risk-rated accounts, including review of assigned ratings. Higher risk-rated accounts are subject to closer monitoring and are reviewed at least quarterly. Collections and specialized loan workout groups handle the day-to-day management of high-risk loans to maximize recoveries.

Risk measurement

Exposures subject to IRB approaches

Under the IRB approaches, we are required to categorize exposures to credit risk into broad classes of assets with different underlying risk characteristics. This asset categorization may differ from the presentation in our consolidated financial statements. Under the IRB approaches, credit risk is measured using the following three key risk parameters⁽¹⁾:

- PD – the probability that the obligor will default within the next 12 months.
- EAD – the estimate of the amount that will be drawn at the time of default.
- LGD – the expected severity of loss as the result of the default, expressed as a percentage of the EAD.

Exposures under the IRB approaches can be further differentiated into two categories, AIRB and FIRB. For portfolios subject to the AIRB approach, PD, LGD and EAD are internal estimates. Certain portfolios are prescribed to use the FIRB approach, where LGD and EAD are regulatory defined parameters. Our credit risk exposures are divided into business and government and retail portfolios. Regulatory models used to measure credit risk exposure under the IRB approach are subject to CIBC's model risk management process.

(1) These parameters differ from those used in the calculation of ECL under IFRS 9. See the "Accounting and control matters" section for further details.

Business and government portfolios (excluding scored small business) – risk-rating method

The portfolios comprise exposures to corporate, sovereign, and bank obligors. Our adjudication process and criteria includes assigning an obligor rating that reflects our estimate of the financial strength of the borrower, and a facility rating or LGD rating that reflects the collateral amount and quality applicable to secured exposures, the seniority position of the claim, and the capital structure of the borrower for unsecured exposures.

The obligor rating takes into consideration our financial assessment of the obligor, the industry, and the economic environment of the region in which the obligor operates. Where a guarantee from a third-party exists, both the obligor and the guarantor will be assessed. While our obligor rating is determined independently of external ratings for the obligor, our risk-rating methodology includes a review of those external ratings.

CIBC employs a 20-point master internal obligor default rating scale that broadly maps to external agencies' ratings as presented in the table below.

Grade	CIBC rating	S&P equivalent	Moody's equivalent
Investment grade	00–47	AAA to BBB-	Aaa to Baa3
Non-investment grade	51–67	BB+ to B-	Ba1 to B3
Watch list	70–80	CCC+ to C	Caa1 to Ca
Default	90	D	C

We use quantitative modelling techniques to assist in the development of internal risk-rating systems. The risk-rating systems have been developed through analysis of internal and external credit risk data, supplemented with expert judgment. The risk ratings are used for portfolio management, risk limit setting, product pricing, and in the determination of regulatory and economic capital.

Our credit process is designed to ensure that we approve applications and extend credit only where we believe that our client has the ability to repay according to the agreed terms and conditions.

Our credit framework of policies and limits defines our appetite for exposure to any single name or group of related borrowers, which is a function of the internal risk rating. We generally extend new credit only to borrowers in the investment and non-investment grade categories noted above. Our credit policies are also defined to manage our exposure to concentration in borrowers in any particular industry or region.

In accordance with our process, each obligor is assigned an obligor default rating and the assigned rating is mapped to a PD estimate that represents a long-run average one-year default likelihood. For corporate obligors, PD estimates are calculated using joint maximum likelihood techniques based on our internal default rate history by rating category and longer dated external default rates as a proxy for the credit cycle to arrive at long-run average PD estimates. Estimates drawn from third-party statistical default prediction models are used to supplement the internal default data for some rating bands where internal data is sparse. For small and medium corporate enterprises, PD estimates are developed using only internal default history. For bank and sovereign obligors, PD estimates are derived from an analysis based on external default data sets and supplemented with internal data where possible. We examine several different estimation methodologies and compare results across the different techniques. In addition, we apply the same techniques and estimation methodologies to analogous corporate default data and compare the results for banks and sovereigns to the corporate estimates for each technique. A regulatory floor is applied to PD estimates for corporate and bank obligors.

Each facility is assigned an LGD rating and each assigned rating is mapped to an LGD estimate that considers economic downturn conditions. For corporate obligors subject to the AIRB approach, LGD estimates are primarily derived from internal historical recovery data. Time to resolution is typically one to two years for most corporate obligors, and one to four years in the real estate sector. LGD values are based on discounted post-default cash flows for resolved accounts and include material direct and indirect costs associated with collections. External data is used in some cases to supplement our analysis. Economic downturn periods are identified for each portfolio by examining the history of actual losses, default rates and LGD. For sovereign exposures, LGD estimates are primarily driven by expert judgment supplemented with external data and benchmarks where available. Appropriate adjustments are made to LGD estimates to account for various uncertainties associated with estimation techniques and data limitations, including adjustments for unresolved accounts. For obligors subjected to the FIRB approach, LGD is a regulatory prescribed calculation.

EAD is estimated based on the current exposure to the obligor together with possible future changes in that exposure. For obligors subject to the AIRB approach, internal EAD estimates are driven by factors such as the available undrawn credit commitment amount and the obligor default rating. EAD estimates are primarily based on internal historical loss data supplemented with comparable external data. Economic downturn periods are identified for each portfolio by examining the historical default rates and actual EAD factors. For obligors subjected to the FIRB approach, EAD is a regulatory prescribed calculation.

Appropriate adjustments are made to internal PD, LGD and EAD estimates to account for various uncertainties associated with estimation techniques and data limitations, including adjustments for unresolved accounts (for LGD).

Regulatory capital slotting approach is used for part of our uninsured Canadian commercial mortgage portfolio, which comprises non-residential mortgages and multi-family residential mortgages. These exposures are individually rated on our rating scale using a risk-rating methodology that considers the property's key attributes, which include its loan-to-value (LTV) and debt service ratios, the quality of the property, and the financial strength of the owner/sponsor. All exposures are secured by a lien over the property. In addition, we have insured multi-family residential mortgages, which are not treated under the slotting approach, but are instead treated as sovereign exposures.

Retail portfolios

Retail portfolios are characterized by a large number of relatively small exposures. They comprise: real estate secured personal lending (residential mortgages and personal loans and lines secured by residential property); qualifying revolving retail exposures (credit cards, overdrafts and unsecured lines of credit); and other retail exposures (loans secured by non-residential assets, unsecured loans, and scored small business loans).

We use scoring models in the adjudication of new retail credit exposures, which are based on statistical methods of analyzing the unique characteristics of the borrower, to estimate future behaviour. In developing our models, we use internal historical information from previous borrowers, as well as information from external sources, such as credit bureaus. The use of credit scoring models allows for consistent assessment across borrowers. There are specific guidelines in place for each product, and our adjudication decision will take into account the characteristics of the borrower, any guarantors, and the quality and sufficiency of the collateral pledged (if any). The lending process will include documentation of, where appropriate, satisfactory identification, proof of income, independent appraisal of the collateral and registration of security.

Retail portfolios are managed as pools of homogeneous risk exposures, using external credit bureau scores and/or other behavioural assessments to group exposures according to similar credit risk profiles. These pools are established through statistical techniques. Characteristics used to group individual exposures vary by asset category; as a result, the number of pools, their size, and the statistical techniques applied to their management differ accordingly.

The following table maps the PD bands to various risk levels:

Risk level	PD bands
Exceptionally low	0.01%–0.20%
Very low	0.21%–0.50%
Low	0.51%–2.00%
Medium	2.01%–10.00%
High	10.01%–99.99%
Default	100%

For the purposes of the AIRB approach for retail portfolios, additional PD, LGD and EAD segmentation into homogeneous risk exposures is established through statistical techniques. The principal statistical estimation technique is decision trees benchmarked against alternative techniques such as regression and random forests.

Within real estate secured lending, we have two key parameter estimation models: mortgages and real estate secured personal lines of credit. Within qualifying revolving retail, we have three key parameter estimation models: credit cards, overdraft, and unsecured personal lines. A small percentage of credit cards, overdraft, and unsecured line accounts that do not satisfy the requirements for qualifying revolving retail are grouped into other retail parameter models. Within other retail, we have three key parameter models: margin lending, personal loans, and scored small business loans. Each parameter model pools accounts according to characteristics such as: delinquency, current credit bureau score, internal behaviour score, estimated current LTV ratio, account type, account age, utilization, transactor/revolver, outstanding balance, or authorized limit.

PD is estimated as the average default rate over an extended period based on internal historical data, generally for a 5-to-10-year period, which is adjusted using internal historical data on default rates over a longer period or comparable external data that includes a period of stress. A regulatory floor is applied to our PD estimate for all retail exposures with the exception of insured mortgages and government-guaranteed loans. A higher regulatory floor is applied to qualifying revolving transactors.

LGD is estimated based on observed recovery rates over an extended period using internal historical data. In determining our LGD estimate, we exclude any accounts that have not had enough time since default for the substantial majority of expected recovery to occur. This recovery period is product-specific and is typically in the range of 1 to 3 years. Accounts that cure from default and return to good standing are considered to have zero loss. We simulate the loss rate in a significant downturn based on the relationship(s) between LGD and one or more of the following: PD; housing prices, cure rate, and recovery time; or observed LGD in periods with above-average loss rates. We apply appropriate adjustments to address various types of estimation uncertainty including sampling error and trending. A regulatory floor is applied to all real estate secured exposures with the exception of insured mortgages. Higher regulatory floors are applied to unsecured accounts.

EAD for revolving products is estimated as a percentage of the authorized credit limit based on the observed EAD rates over an extended period using historical data. We simulate the EAD rate in a significant downturn based on the relationship(s) between the EAD rate and PD and/or the observed EAD rate in periods with above-average EAD rates. For term loan products, EAD is set equal to the outstanding balance. A regulatory floor is applied to the percentage of the undrawn exposure that is included in EAD.

We apply appropriate adjustments to PD, LGD and EAD to address various types of estimation uncertainty including sampling error and trending.

Back-testing

We monitor the three key risk parameters – PD, EAD and LGD – on a quarterly basis for our business and government portfolios and on a monthly basis for our retail portfolios. Every quarter, the back-testing results are reported to OSFI and are presented to the business and Risk Management senior management for review and challenge. For each parameter, we identify any portfolios whose realized values are significantly above or significantly below expectations and then test to see if this deviation is explainable by changes in the economy. If the results indicate that a parameter model may be losing its predictive power, we prioritize that model for review and update.

Stress testing

As part of our regular credit portfolio management process, we conduct stress testing and scenario analyses on our portfolio to quantitatively assess the impact of various historical, as well as hypothetical, stressed conditions, versus limits determined in accordance with our risk appetite. Scenarios are selected to test our exposures to specific industries (e.g., oil and gas and real estate), products (e.g., mortgages and cards), or geographic regions (e.g., Europe and the Caribbean). Results from stress testing are a key input into management decision making, including the determination of limits and strategies for managing our credit exposure. See the “Real estate secured personal lending” section for further discussion on our residential mortgage portfolio stress testing.

Exposure to credit risk

The portfolios are categorized based upon how we manage the business and the associated risks. Gross credit exposure amounts presented in the table below represent our estimate of EAD, which is net of derivative master netting agreements and CVA but is before allowance for credit losses or credit risk mitigation for IRB approaches. Gross credit exposure amounts relating to our business and government portfolios are reduced for collateral held for repo-style transactions, which reflects the EAD value of such collateral. Non-trading equity exposures are not included in the table below as they have been deemed immaterial under the OSFI guidelines, and hence are subject to 100% risk-weighting.

\$ millions, as at October 31

			2024		2023	
	IRB approach ⁽¹⁾	Standardized approach	Total	IRB approach	Standardized approach	Total
Business and government portfolios						
Corporate						
Drawn	\$ 186,995	\$ 6,717	\$ 193,712	\$ 139,744	\$ 48,032	\$ 187,776
Undrawn commitments	54,122	1,005	55,127	49,460	9,388	58,848
Repo-style transactions	308,047	1	308,048	262,175	–	262,175
Other off-balance sheet	13,307	331	13,638	12,527	752	13,279
OTC derivatives	10,970	126	11,096	8,921	128	9,049
	573,441	8,180	581,621	472,827	58,300	531,127
Sovereign						
Drawn	187,765	7,802	195,567	166,226	31,376	197,602
Undrawn commitments	8,101	178	8,279	8,956	270	9,226
Repo-style transactions	54,661	–	54,661	31,203	–	31,203
Other off-balance sheet	1,595	156	1,751	1,538	181	1,719
OTC derivatives	2,545	–	2,545	2,444	–	2,444
	254,667	8,136	262,803	210,367	31,827	242,194
Banks						
Drawn	12,076	1,298	13,374	12,396	851	13,247
Undrawn commitments	555	–	555	407	3	410
Repo-style transactions	45,493	–	45,493	46,889	–	46,889
Other off-balance sheet	2,176	–	2,176	1,417	4	1,421
OTC derivatives	5,291	–	5,291	6,323	12	6,335
	65,591	1,298	66,889	67,432	870	68,302
Gross business and government portfolios	893,699	17,614	911,313	750,626	90,997	841,623
Less: collateral held for repo-style transactions	388,767	–	388,767	325,118	–	325,118
Net business and government portfolios	504,932	17,614	522,546	425,508	90,997	516,505
Retail portfolios						
Real estate secured personal lending						
Drawn	290,545	3,028	293,573	285,019	5,742	290,761
Undrawn commitments	36,393	2	36,395	39,210	23	39,233
	326,938	3,030	329,968	324,229	5,765	329,994
Qualifying revolving retail						
Drawn	22,894	3,119	26,013	18,277	4,238	22,515
Undrawn commitments	63,866	3,979	67,845	61,231	3,740	64,971
Other off-balance sheet	411	114	525	385	116	501
	87,171	7,212	94,383	79,893	8,094	87,987
Other retail						
Drawn	15,199	829	16,028	14,423	1,032	15,455
Undrawn commitments	3,430	1	3,431	2,170	63	2,233
Other off-balance sheet	6	–	6	4	–	4
	18,635	830	19,465	16,597	1,095	17,692
Small and medium enterprises (SME) retail						
Drawn	3,183	–	3,183	3,066	–	3,066
Undrawn commitments	1,217	–	1,217	1,235	–	1,235
Other off-balance sheet	27	–	27	24	–	24
	4,427	–	4,427	4,325	–	4,325
Total retail portfolios	437,171	11,072	448,243	425,044	14,954	439,998
Securitization exposures ⁽²⁾	30,901	21,251	52,152	24,171	13,870	38,041
Gross credit exposure ⁽³⁾	1,361,771	49,937	1,411,708	1,199,841	119,821	1,319,662
Less: collateral held for repo-style transactions	388,767	–	388,767	325,118	–	325,118
Net credit exposure ⁽³⁾	\$ 973,004	\$ 49,937	\$ 1,022,941	\$ 874,723	\$ 119,821	\$ 994,544

(1) Beginning the first quarter of 2024, the IRB approach was applied to the majority of our credit portfolios within CIBC Bank USA, which previously followed the standardized approach.

(2) OSFI guidelines define a hierarchy of approaches for treating securitization exposures in our banking book. Depending on the underlying characteristics, exposures are eligible for either the SA or the IRB approach. The SEC-ERBA, which is inclusive of SEC-IAA, includes exposures that qualify for the IRB approach, as well as exposures under the SA.

(3) Excludes exposures arising from derivative and repo-style transactions which are cleared through qualified central counterparties (QCCPs) as well as credit risk exposures arising from other assets that are subject to the credit risk framework, including other balance sheet assets which are risk-weighted at 100%, significant investments in the capital of non-financial institutions which are risk-weighted at 1250%, settlement risk, and amounts below the thresholds for deduction which are risk-weighted at 250%. Non-trading equity exposures are also excluded and are subject to a range of risk-weightings dependent on the nature of the security starting in the second quarter of 2023. Risk-weighting for non-trading equity securities was at 100% prior to the second quarter of 2023.

Exposures subject to the standardized approach⁽¹⁾

Exposures within CIBC Caribbean, Risk Rated Individuals, Sovereign Wealth funds, Acquired Canadian Costco credit card portfolios, and other small portfolios are subject to the standardized approach. The standardized approach utilizes a set of risk weightings defined by the regulators, as opposed to the more data intensive IRB approach. A detailed breakdown of our net credit risk exposures under the standardized approach by risk-weight category is provided below.

\$ millions, as at October 31	Risk-weight category						2024	2023	
	0%	1–20%	21–50%	51–75%	76–100%	101–150%	>150%	Total	Total
Corporate	\$ –	\$ –	\$ –	\$ 11	\$ 7,857	\$ 311	\$ –	\$ 8,179	\$ 58,300
Sovereign	6,053	821	333	–	862	68	–	8,137	31,827
Banks	–	1,225	21	–	12	40	–	1,298	870
Real estate secured personal lending	–	740	1,903	295	87	5	–	3,030	5,765
Other retail	–	4,203	–	3,696	16	127	–	8,042	9,189
	\$ 6,053	\$ 6,989	\$ 2,257	\$ 4,002	\$ 8,834	\$ 551	\$ –	\$ 28,686	\$ 105,951

(1) Beginning the first quarter of 2024, the IRB approach was applied to the majority of our credit portfolios within CIBC Bank USA, which previously followed the standardized approach.

We use credit ratings from S&P and Moody's to calculate credit risk RWA for certain exposures under the standardized approach, including securities issued by sovereigns and their central banks (sovereigns), banks and corporates, and deposits with sovereigns and banks. This includes S&P and Moody's issuer-specific credit ratings for securities issued by sovereigns and corporates, the S&P country credit rating for the country of incorporation for securities issued by banks, and deposits with banks, and the S&P country credit rating for deposits with central banks. The RWA calculated using credit ratings from these agencies represents 1.61% of credit risk RWA under the standardized approach.

Trading credit exposures

We have trading credit exposure (also called counterparty credit exposure) that arises from our OTC derivatives and our repo-style transactions. The nature of our derivatives exposure and how it is mitigated is further explained in Note 12 to the consolidated financial statements. Our repo-style transactions consist of our securities bought or sold under repurchase agreements, and our securities borrowing and lending activity.

The PD of our counterparties is estimated using models consistent with the models used for our direct lending activity, or as prescribed. Due to the fluctuations in the market values of interest rates, exchange rates, and equity and commodity prices, counterparty credit exposure cannot be quantified with certainty at the inception of the trade. Counterparty credit exposure is estimated using the current fair value of the exposure, plus an estimate of the maximum potential future exposure due to changes in the fair value. Credit risk associated with these counterparties is managed within the same process as our lending business, and for the purposes of credit adjudication, the exposure is aggregated with any exposure arising from our lending business. The majority of our counterparty credit exposure benefits from the credit risk mitigation techniques discussed above, including daily re-margining, and posting of collateral.

We are also exposed to wrong-way risk. Specific wrong-way risk arises when CIBC receives financial collateral issued (or an underlying reference obligation of a transaction is issued) by the counterparty itself, or by a related entity that would be considered to be part of the same common risk group. General wrong-way risk arises when the exposure and/or collateral pledged to CIBC is highly correlated to that of the counterparty. Exposure to wrong-way risk with derivative counterparties is monitored by Capital Markets Risk Management. Where we may be exposed to wrong-way risk, our adjudication procedures subject those transactions to a more rigorous approval process. The exposure may be hedged with other derivatives to further mitigate the risk that can arise from these transactions.

Our trading credit exposure also includes CVA risk. We establish a CVA for expected future credit losses from each of our derivative counterparties. The expected future credit loss is a function of our estimates of the PD, the estimated loss in the event of default, and other factors such as risk mitigants. CVA exposure is identified and measured in trading systems and monitored and controlled in our risk systems, including setting limits on risk measures and sensitivities. The Trading Credit Risk Measurement Standards governs the eligibility of credit default swaps for the purposes of hedging both CVA and counterparty credit risk. CVA risk can also be hedged using derivatives of the underlying credit exposures risk factor (e.g. foreign exchange options), and all CVA hedges are monitored for effectiveness on a regular basis, utilizing scenario and profit and loss analysis.

Senior management in CMRM reviews CVA exposures including the capital consumed from the underlying CVA exposures and its hedges on a regular basis. Senior management also approves CVA capital as part of the overall control framework in place, along with the approval of limits on the CVA sensitivities. CVA risk is evaluated independently from the trading desks utilizing market data and parameters that are reviewed and controlled by Risk Management.

Concentration of exposures

Concentration of credit risk exists when a number of obligors are engaged in similar activities, or operate in the same geographic areas or industry sectors, and have similar economic characteristics so that their ability to meet contractual obligations is similarly affected by changes in economic, political, or other conditions.

Geographic distribution⁽¹⁾⁽²⁾

The following table provides a geographic distribution of our business and government exposures under the IRB approach, net of collateral held for repo-style transactions.

\$ millions, as at October 31, 2024	Canada	U.S. ⁽³⁾	Europe	Other	Total
Drawn	\$ 176,142	\$ 180,010	\$ 17,166	\$ 13,518	\$ 386,836
Undrawn commitments	36,250	20,678	3,860	1,990	62,778
Repo-style transactions	4,933	6,670	2,695	5,136	19,434
Other off-balance sheet	8,676	6,033	1,470	899	17,078
OTC derivatives	11,345	3,017	2,348	2,096	18,806
	\$ 237,346	\$ 216,408	\$ 27,539	\$ 23,639	\$ 504,932
October 31, 2023	\$ 251,282	\$ 128,255	\$ 24,930	\$ 21,041	\$ 425,508

(1) Excludes securitization exposures, and exposures under the SA. Substantially all of our retail exposures under the AIRB approach are based in Canada.

(2) Classification by country is primarily based on domicile of debtor or customer.

(3) Beginning the first quarter of 2024, the IRB approach was applied to the majority of our credit portfolios within CIBC Bank USA, which previously followed the standardized approach.

Business and government exposure by industry groups⁽¹⁾

The following table provides an industry-wide breakdown of our business and government exposures under the IRB approach, net of collateral held for repo-style transactions.

\$ millions, as at October 31	Drawn	Undrawn commitments	Repo-style transactions	Other off-balance sheet	OTC derivatives	2024 Total	2023 Total
Commercial mortgages	\$ 7,814	\$ 18	\$ –	\$ –	\$ –	\$ 7,832	\$ 7,825
Financial institutions	95,435	12,244	18,516	5,437	10,980	142,612	110,274
Retail and wholesale	12,708	4,377	–	480	279	17,844	13,871
Business services	14,423	3,617	78	925	256	19,299	12,585
Manufacturing – capital goods	5,715	2,584	–	345	214	8,858	6,039
Manufacturing – consumer goods	6,939	1,994	–	229	119	9,281	7,195
Real estate and construction	53,325	10,062	–	2,109	430	65,926	55,145
Agriculture	8,148	1,647	–	42	97	9,934	10,268
Oil and gas	2,612	3,063	–	539	608	6,822	9,485
Mining	1,752	1,424	–	745	980	4,901	4,863
Forest products	567	386	–	123	38	1,114	1,031
Hardware and software	5,068	2,054	–	100	160	7,382	5,865
Telecommunications and cable	2,450	820	–	221	405	3,896	3,689
Broadcasting, publishing and printing	652	180	–	14	13	859	471
Transportation	7,249	3,360	–	463	592	11,664	10,121
Utilities	16,891	7,980	–	4,431	1,326	30,628	31,335
Education, health, and social services	10,536	1,630	6	267	96	12,535	5,735
Governments	134,552	5,338	834	608	2,213	143,545	129,711
	\$ 386,836	\$ 62,778	\$ 19,434	\$ 17,078	\$ 18,806	\$ 504,932	\$ 425,508

(1) Beginning the first quarter of 2024, the IRB approach was applied to the majority of our credit portfolios within CIBC Bank USA, which previously followed the standardized approach.

As part of our risk mitigation strategy, we may use credit protection purchases as a hedge against customer or industry sector concentration. As at October 31, 2024, we had no credit protection purchased (2023: nil) related to our business and government loans.

Credit quality of portfolios
Credit quality of the retail portfolios

The following table presents the credit quality of our retail portfolios under the IRB approach.

\$ millions, as at October 31	EAD				2024	2023
Risk level	Real estate secured personal lending	Qualifying revolving retail	Other retail	SME retail	Total	Total
Exceptionally low	\$ 206,683	\$ 54,416	\$ 2,806	\$ 456	\$ 264,361	\$ 301,157
Very low	67,795	9,064	5,388	981	83,228	54,718
Low	34,319	13,192	7,004	1,381	55,896	49,439
Medium	16,249	8,831	2,325	1,135	28,540	15,576
High	1,168	1,594	1,028	399	4,189	3,485
Default	724	74	84	75	957	669
	\$ 326,938	\$ 87,171	\$ 18,635	\$ 4,427	\$ 437,171	\$ 425,044

Real estate secured personal lending

Real estate secured personal lending comprises residential mortgages, and personal loans and lines secured by residential property (HELOC). This portfolio is lower risk compared with other retail portfolios, as we have a first charge on the majority of the properties and a second lien on only a small portion of the portfolio. We use the same lending criteria in the adjudication of both first lien and second lien loans.

Under the *Bank Act* (Canada), banks are limited to providing residential real estate loans of no more than 80% of the collateral value. An exception is made for mortgage loans with a higher LTV ratio if they are insured by either CMHC or a private mortgage insurer. Mortgage insurance protects banks from the risk of default by the borrower, over the term of the coverage. Mortgage insurers are subject to regulatory capital requirements, which aim to ensure that they are well capitalized. If a private mortgage insurer becomes insolvent, the Government of Canada has, provided certain conditions are met, obligations in respect of policies underwritten by certain insolvent private mortgage insurers as more fully described in the *Protection of Residential Mortgage or Hypothecary Insurance Act* (PRMHIA). There is a possibility that losses could be incurred in respect of insured mortgages if, among other things, CMHC or the applicable private mortgage insurer denies a claim, or further, if a private mortgage insurer becomes insolvent and either the conditions under the PRMHIA are not met or the Government of Canada denies the claim.

The following disclosures are required by OSFI pursuant to the Guideline B-20 "Residential Mortgage Underwriting Practices and Procedures" (Guideline B-20).

The following table provides details on our residential mortgage and HELOC portfolios:

\$ billions, as at October 31, 2024	Residential mortgages ⁽¹⁾				HELOC ⁽²⁾		Total			
	Insured		Uninsured		Uninsured		Insured		Uninsured	
Ontario ⁽³⁾	\$ 17.4	11 %	\$ 134.9	89 %	\$ 11.3	100 %	\$ 17.4	11 %	\$ 146.2	89 %
British Columbia and territories ⁽⁴⁾	5.6	11	45.6	89	4.0	100	5.6	10	49.6	90
Alberta	9.6	37	16.1	63	1.8	100	9.6	35	17.9	65
Quebec	4.5	20	18.5	80	1.3	100	4.5	19	19.8	81
Central prairie provinces	2.6	38	4.3	62	0.5	100	2.6	35	4.8	65
Atlantic provinces	2.6	29	6.3	71	0.7	100	2.6	27	7.0	73
Canadian portfolio ⁽⁵⁾⁽⁶⁾	42.3	16	225.7	84	19.6	100	42.3	15	245.3	85
U.S. portfolio ⁽⁵⁾	–	–	2.8	100	–	–	–	–	2.8	100
Other international portfolio ⁽⁵⁾	–	–	2.9	100	–	–	–	–	2.9	100
Total portfolio	\$ 42.3	15 %	\$ 231.4	85 %	\$ 19.6	100 %	\$ 42.3	14 %	\$ 251.0	86 %
October 31, 2023	\$ 47.4	17 %	\$ 223.9	83 %	\$ 19.0	100 %	\$ 47.4	16 %	\$ 242.9	84 %

(1) Balances reflect principal values.

(2) We did not have any insured HELOCs as at October 31, 2024 and 2023.

(3) Includes \$7.6 billion (2023: \$8.7 billion) of insured residential mortgages, \$83.2 billion (2023: \$80.1 billion) of uninsured residential mortgages, and \$6.5 billion (2023: \$6.2 billion) of HELOCs in the Greater Toronto Area (GTA).

(4) Includes \$2.4 billion (2023: \$2.8 billion) of insured residential mortgages, \$30.9 billion (2023: \$30.9 billion) of uninsured residential mortgages, and \$2.5 billion (2023: \$2.5 billion) of HELOCs in the Greater Vancouver Area (GVA).

(5) Geographic location is based on the address of the property.

(6) 55% (2023: 58%) of insurance on Canadian residential mortgages is provided by CMHC and the remaining by two private Canadian insurers, both rated at least AA (low) by Morningstar DBRS.

The average LTV ratios⁽¹⁾ for our uninsured residential mortgages and HELOCs originated and acquired during the year are provided in the following table:

For the year ended October 31	2024		2023	
	Residential mortgages	HELOC	Residential mortgages	HELOC
Ontario ⁽²⁾	66 %	66 %	65 %	65 %
British Columbia and territories ⁽³⁾	63	63	62	62
Alberta	71	71	71	72
Quebec	68	70	68	70
Central prairie provinces	70	73	71	72
Atlantic provinces	66	68	69	69
Canadian portfolio ⁽⁴⁾	66	66	66	65
U.S. portfolio ⁽⁴⁾	66	n/m	65	n/m
Other international portfolio ⁽⁴⁾	72 %	n/m	72 %	n/m

(1) LTV ratios for newly originated and acquired residential mortgages and HELOCs are calculated based on weighted average.

(2) Average LTV ratios for our uninsured GTA residential mortgages originated during the year were 67% (2023: 65%).

(3) Average LTV ratios for our uninsured GVA residential mortgages originated during the year were 62% (2023: 61%).

(4) Geographic location is based on the address of the property.

n/m Not meaningful.

The following table provides the average LTV ratios on our total Canadian residential mortgage portfolio:

	Insured	Uninsured
October 31, 2024 ⁽¹⁾⁽²⁾	54 %	52 %
October 31, 2023 ⁽¹⁾⁽²⁾	52 %	50 %

(1) LTV ratios for residential mortgages are calculated based on weighted averages. The house price estimates for October 31, 2024 and 2023 are based on the Forward Sortation Area (FSA) level indices from the Teranet – National Bank National Composite House Price Index (Teranet) as of September 30, 2024 and 2023, respectively. Teranet is an independent estimate of the rate of change in Canadian home prices.

(2) Average LTV ratio on our uninsured GTA residential mortgage portfolio was 53% (2023: 49%). Average LTV ratio on our uninsured GVA residential mortgage portfolio was 45% (2023: 44%).

The tables below summarize the remaining amortization profile of our total Canadian, U.S. and other international residential mortgages. The first table provides the remaining amortization periods based on the minimum contractual payment amounts with the assumption that variable rate mortgages renew at payment amounts that maintain the original amortization schedule. The second table summarizes the remaining amortization profile of our total Canadian, U.S. and other international residential mortgages based upon current customer payment amounts.

Contractual payment basis

	0–5 years	>5–10 years	>10–15 years	>15–20 years	>20–25 years	>25–30 years	>30–35 years	>35 years
Canadian portfolio								
October 31, 2024	– %	– %	2 %	12 %	45 %	41 %	– %	– %
October 31, 2023	– %	1 %	1 %	11 %	50 %	37 %	– %	– %
U.S. portfolio								
October 31, 2024	– %	– %	– %	2 %	15 %	83 %	– %	– %
October 31, 2023	– %	1 %	– %	2 %	10 %	87 %	– %	– %
Other international portfolio								
October 31, 2024	7 %	12 %	20 %	21 %	23 %	16 %	1 %	– %
October 31, 2023	7 %	12 %	20 %	23 %	21 %	16 %	1 %	– %

Current customer payment basis

	0–5 years	>5–10 years	>10–15 years	>15–20 years	>20–25 years	>25–30 years	>30–35 years	>35 years ⁽¹⁾
Canadian portfolio								
October 31, 2024	1 %	3 %	7 %	17 %	32 %	26 %	3 %	11 %
October 31, 2023	1 %	3 %	6 %	13 %	31 %	22 %	2 %	22 %
U.S. portfolio								
October 31, 2024	1 %	3 %	7 %	9 %	14 %	66 %	– %	– %
October 31, 2023	1 %	2 %	7 %	8 %	11 %	71 %	– %	– %
Other international portfolio								
October 31, 2024	7 %	12 %	20 %	21 %	23 %	16 %	1 %	– %
October 31, 2023	7 %	12 %	20 %	23 %	21 %	16 %	1 %	– %

(1) Includes variable rate mortgages of \$28.9 billion (2023: \$59.9 billion), of which \$17.6 billion (2023: \$42.9 billion) relates to mortgages in which all of the fixed contractual payments are currently being applied to interest based on the rates in effect at October 31, 2024 and October 31, 2023, respectively, and the terms of the mortgages, with the portion of the contractual interest requirement not met by the payments being added to the principal. Since the amortization profile reflected in this table is based on the current amount of existing contractual payments, it does not reflect that the contractual payment amount is required to be increased at the time of renewal by the amount necessary to reduce the amortization period down to the period in effect at the time the mortgage was originally provided.

The extended amortization profile is driven by variable rate mortgages with elevated levels of interest rates relative to the rates at the time of origination. The elevated levels of interest rates had no impact on the remaining amortization period for fixed rate mortgages, which are assumed to be renewed at the same or a shorter amortization period.

We have two types of condominium exposures in Canada: mortgages and developer loans. Both are primarily concentrated in the Toronto and Vancouver areas. As at October 31, 2024, our Canadian condominium mortgages were \$42.0 billion (2023: \$40.2 billion), of which 16% (2023: 18%) were insured. Our drawn developer loans were \$1.9 billion (2023: \$2.2 billion), or 0.9% (2023: 1.1%) of our business and government portfolio, and our related undrawn exposure was \$5.8 billion (2023: \$6.3 billion). The condominium developer exposure is diversified across 108 projects.

We stress test our mortgage and HELOC portfolios to determine the potential impact of different economic events. Our stress tests can use variables such as unemployment rates, debt service ratios and housing price changes, to model potential outcomes for a given set of circumstances. The stress testing involves variables that could behave differently in certain situations. Our main tests use economic variables in a similar range or more conservative to historical events when Canada experienced economic downturns. Our results show that in an economic downturn, our capital position should be sufficient to absorb mortgage and HELOC losses.

Credit quality performance

Impaired loans

The following table provides details of our impaired loans and allowance for credit losses:

	2024			2023		
	Business and government loans	Consumer loans	Total	Business and government loans	Consumer loans	Total
Gross impaired loans						
Balance at beginning of year	\$ 1,956	\$ 1,034	\$ 2,990	\$ 920	\$ 823	\$ 1,743
Classified as impaired during the year	1,848	2,775	4,623	1,842	2,053	3,895
Transferred to performing during the year	(162)	(475)	(637)	(101)	(405)	(506)
Net repayments ⁽¹⁾	(1,139)	(747)	(1,886)	(429)	(409)	(838)
Amounts written off	(874)	(1,302)	(2,176)	(316)	(1,033)	(1,349)
Foreign exchange and other	(1)	1	–	40	5	45
Balance at end of year	\$ 1,628	\$ 1,286	\$ 2,914	\$ 1,956	\$ 1,034	\$ 2,990
Allowance for credit losses – impaired loans	\$ 392	\$ 424	\$ 816	\$ 667	\$ 405	\$ 1,072
Net impaired loans ⁽²⁾						
Balance at beginning of year	\$ 1,289	\$ 629	\$ 1,918	\$ 569	\$ 510	\$ 1,079
Net change in gross impaired	(328)	252	(76)	1,036	211	1,247
Net change in allowance	275	(19)	256	(316)	(92)	(408)
Balance at end of year	\$ 1,236	\$ 862	\$ 2,098	\$ 1,289	\$ 629	\$ 1,918
Net impaired loans as a percentage of net loans and acceptances	0.38 %			0.36 %		

(1) Includes disposal of loans.

(2) Net impaired loans are gross impaired loans net of stage 3 allowance for credit losses.

Gross impaired loans

As at October 31, 2024, gross impaired loans were \$2,914 million, down \$76 million from the prior year, primarily due to decreases in the real estate and construction, and the retail and wholesale sectors, partially offset by increases in Canadian residential mortgages and personal lending portfolios, the capital goods manufacturing, the agriculture and the mining sectors.

53% of gross impaired loans related to Canada, of which the residential mortgages and personal lending portfolios, as well as the real estate and construction, the agriculture, and the retail and wholesale sectors accounted for the majority.

35% of gross impaired loans related to the U.S., of which the real estate and construction, the capital goods manufacturing, the education, health and social services, and the financial institutions sectors accounted for the majority.

The remaining gross impaired loans related to CIBC Caribbean, of which the residential mortgages and personal lending portfolios, as well as the business services, and the real estate and construction sectors accounted for the majority.

See the "Supplementary annual financial information" section for additional details on the geographic distribution and industry classification of impaired loans.

Allowance for credit losses – impaired loans

Allowance for credit losses on impaired loans was \$816 million, down \$256 million from the prior year, primarily due to decreases in the retail and wholesale, and the real estate and construction sectors, partially offset by an increase in the mining sector.

Loans contractually past due but not impaired

The following table provides an aging analysis of loans that are not impaired, where repayment of principal or payment of interest is contractually in arrears. Loans less than 30 days past due are excluded as such loans are not generally indicative of the borrowers' ability to meet their payment obligations.

\$ millions, as at October 31	31 to 90 days	Over 90 days	2024 Total	2023 Total
Residential mortgages	\$ 1,216	\$ –	\$ 1,216	\$ 1,019
Personal	261	–	261	280
Credit card	231	161	392	361
Business and government	226	–	226	184
	\$ 1,934	\$ 161	\$ 2,095	\$ 1,844

During the year, gross interest income that would have been recorded if impaired loans were treated as current was \$189 million (2023: \$155 million), of which \$89 million (2023: \$69 million) was in Canada and \$100 million (2023: \$86 million) was outside Canada. During the year, interest recognized on impaired loans was \$121 million (2023: \$69 million), and interest recognized on loans before being classified as impaired was \$126 million (2023: \$110 million), of which \$77 million (2023: \$43 million) was in Canada and \$49 million (2023: \$67 million) was outside Canada.

Exposure to certain countries and regions

The following table provides our exposure to certain countries and regions outside of Canada and the U.S.

Our direct exposures presented in the table below comprise (A) funded – on-balance sheet loans (stated at amortized cost net of stage 3 allowance for credit losses, if any), deposits with banks (stated at amortized cost net of stage 3 allowance for credit losses, if any) and securities (stated at carrying value); (B) unfunded – unutilized credit commitments, letters of credit, and guarantees (stated at notional amount net of stage 3 allowance for credit losses, if any); and (C) derivative MTM receivables (stated at fair value) and repo-style transactions (stated at fair value).

The following table provides a summary of our positions in these regions:

\$ millions, as at October 31, 2024	Direct exposures										Net exposure (C)	Total direct exposure (A)+(B)+(C)
	Funded				Unfunded			Derivative MTM receivables and repo-style transactions ⁽¹⁾				
	Corporate	Sovereign	Banks	Total funded (A)	Corporate	Banks	Total unfunded (B)	Corporate	Sovereign	Banks		
U.K.	\$ 11,013	\$ 1,120	\$ 2,012	\$ 14,145	\$ 7,117	\$ 711	\$ 7,828	\$ 693	\$ 65	\$ 334	\$ 1,092	\$ 23,065
Europe excluding U.K. ⁽²⁾	7,290	3,646	5,222	16,158	6,874	1,656	8,530	120	164	568	852	25,540
Caribbean	5,452	2,061	3,811	11,324	2,410	3,432	5,842	57	–	375	432	17,598
Latin America ⁽³⁾	755	11	26	792	676	–	676	11	116	–	127	1,595
Asia	980	2,269	2,654	5,903	337	655	992	1	566	1,236	1,803	8,698
Oceania ⁽⁴⁾	6,891	1,148	758	8,797	2,841	170	3,011	9	–	94	103	11,911
Other	351	–	1	352	347	1	348	–	–	–	–	700
Total⁽⁵⁾	\$ 32,732	\$ 10,255	\$ 14,484	\$ 57,471	\$ 20,602	\$ 6,625	\$ 27,227	\$ 891	\$ 911	\$ 2,607	\$ 4,409	\$ 89,107
October 31, 2023 ⁽⁶⁾	\$ 29,883	\$ 11,469	\$ 14,007	\$ 55,359	\$ 20,111	\$ 5,822	\$ 25,933	\$ 986	\$ 523	\$ 1,884	\$ 3,393	\$ 84,685

(1) The amounts shown are net of CVA and collateral. Collateral on derivative MTM receivables was \$5.8 billion (2023: \$7.8 billion), collateral on repo-style transactions was \$86.1 billion (2023: \$81.1 billion), and both comprise cash and investment grade debt securities.

(2) Exposures to Russia and Ukraine are de minimis.

(3) Includes Mexico, Central America and South America.

(4) Includes Australia and New Zealand.

(5) Excludes exposure of \$6,419 million (2023: \$5,293 million) to supranationals (a multinational organization or a political union comprising member nation-states).

(6) Certain prior year information has been restated to conform to the current year presentation.

U.S. office real estate exposure

Our drawn real estate and construction portfolio in the U.S. was \$22,504 million, net of impaired allowances, as at October 31, 2024 (2023: \$23,468 million), including \$3,699 million (US\$2,656 million) (2023: \$4,723 million (US\$3,405 million)) related to U.S. office real estate exposure. Our total drawn commercial loans outstanding related to U.S. office commercial real estate was \$4,010 million (US\$2,880 million) (2023: \$5,067 million (US\$3,653 million)), including \$311 million (US\$223 million) (2023: \$344 million (US\$248 million)) in sectors outside of real estate and construction, out of which \$237 million (US\$170 million) (2023: \$913 million (US\$659 million)) was impaired. The decrease in impaired U.S. office commercial real estate loans was primarily due to loan sales and repayments over the past year. The average LTV at origination of the portfolio was 59% (2023: 60%), however values have dropped significantly due to sector headwinds. We are closely monitoring this portfolio as conditions evolve.

Settlement risk

Settlement risk is the risk that during an agreed concurrent exchange of currency or principal payments, the counterparty will fail to make its payment to CIBC. This risk can arise in general trading activities and from payment and settlement system participation.

Many global settlement systems offer significant risk reduction benefits through complex risk mitigation frameworks. Bilateral payment netting agreements may be put in place to mitigate risk by reducing the aggregate settlement amount between counterparties. Further, we participate in several North American payment and settlement systems, including a global foreign exchange multilateral netting system. We also use financial intermediaries to access some payment and settlement systems, and for certain trades, we may utilize an established clearing house to minimize settlement risk.

Transactions settled outside of payment and settlement systems or clearing houses require approval of credit facilities for counterparties, either as pre-approved settlement risk limits or payment-versus-payment arrangements.

Securitization activities

We engage in three types of securitization activities: we securitize assets that we originate, we securitize assets originated by third parties and we engage in trading activities related to securitized products.

We securitize assets that we originate principally as a funding mechanism. The credit risk on the underlying assets in these transactions is transferred to the SE, with CIBC retaining first loss exposure and other investors exposed to the remaining credit risk.

Securitization activities relating to assets originated by third parties can include the securitization of those assets through ABCP conduits (or similar programs) that we sponsor (including both consolidated and non-consolidated SEs; see the "Off-balance sheet arrangements" section and Note 6 to our consolidated financial statements for additional details), or through direct exposure to a client-sponsored structured entity. Risks associated with securitization exposures to client-originated assets are mitigated through the transaction structure, which includes credit enhancements. For the transactions where we retain credit risk on the exposures that we hold, we earn interest income on these holdings. For the transactions in the non-consolidated ABCP conduits, we are also exposed to liquidity risk associated with the potential inability to roll over maturing ABCP in the market. We earn fee income for the services that we provide to these ABCP conduits.

We are also involved in the trading of asset-backed securities (ABS) and ABCP to earn income in our role as underwriter and market maker. We are exposed to credit and market risk on the securities that we hold in inventory on a temporary basis until such securities are sold to an investor.

Capital requirements for exposures arising from securitization activities are determined using one of the following approaches: SEC-IRBA, SEC-ERBA, SEC-IAA, or SEC-SA.

The SEC-IAA process relies on internal risk ratings and is utilized for securitization exposures relating to ABCP conduits when external ratings are not available for the securitization exposures but the ABCP itself is externally rated. The internal assessment process involves an evaluation of a number of factors, including, but not limited to, pool characteristics, including asset eligibility criteria and concentration limits, transaction triggers, the asset seller's risk profile, servicing capabilities, and cash flow stress testing. Cash flows are stress-tested based on historical asset performance using our internal cash flow stress testing models by asset type. These models are subject to our model risk mitigation policies and are independently reviewed by the Model Validation team in Risk Management. The stress test factors used to determine the transaction risk profile and required credit enhancement levels are tailored for each asset type and transaction based on the assessment of the factors described above and are done in accordance with our internal risk rating methodologies and guidelines. Internal risk ratings are mapped to equivalent external ratings of external credit assessment institutions (Morningstar DBRS, Fitch, Moody's and S&P) and are used to determine the appropriate risk weights for capital purposes. Securitization exposures and underlying asset performance are monitored on an ongoing basis. Risk Management serves as a second line of defence providing independent oversight regarding risk rating assumptions and adjudicating on the assignment of the internal risk ratings. SEC-IAA applies to various consumer and corporate/commercial asset types in our ABCP conduits including, but not limited to, auto loans and leases, consumer loans, credit cards, equipment loans and leases, fleet lease receivables, franchise loans, residential mortgages and residential rental equipment.

Internal risk ratings determined for securitization exposures are also used in the estimation of ECL as required under IFRS 9, determining economic capital, and for setting risk limits.

Market risk

Market risk is the risk of economic and/or financial loss in our trading and non-trading portfolios from adverse changes in underlying market factors, including interest rates, foreign exchange rates, equity market prices, commodity prices, credit spreads, and customer behaviour for retail products. Market risk arises in CIBC's trading and treasury activities, and encompasses all market-related positioning and market-making activity.

The trading portfolio consists of positions in financial instruments and commodities held to meet the near-term needs of our clients.

The non-trading portfolio consists of positions in various currencies that are related to ALM and investment activities.

Governance and management

Market risk is managed through the three lines of defence model. The first line of defence comprises frontline businesses and governance groups that are responsible for managing the market risk associated with their activities.

The second line of defence is Risk Management, which has a dedicated market risk manager for each trading business, supplemented by regional risk managers located in all of our major trading centres, facilitating comprehensive risk coverage, including the measurement, monitoring and control of market risk.

Internal audit is the third line of defence providing reasonable assurance to senior management and the Audit Committee of the Board on the effectiveness of CIBC's governance practices, risk management processes, and internal control as part of its risk-based audit plan and in accordance with its mandate as described in the Internal Audit Charter.

Senior management reports material risk matters to the GRC and RMC at least quarterly, including material transactions, limit compliance, and portfolio trends.

To ensure that our market risk exposure stays within our risk appetite, we use cash and derivative instruments transactions to hedge our market risk. In certain situations, we may hedge interest rates, credit spread, equity, foreign exchange and commodity risks in non-trading books with trading desks using Internal Risk Transfers (IRT). These IRTs are conducted directly between the non-trading and trading portfolio via IRT desks that have been approved by OSFI. Senior management governs these transactions to ensure they comply with OSFI's CAR Guidelines on an ongoing basis, with the majority of IRTs being interest rate swaps.

Position and portfolio management is also subject to inventory monitoring via regular reporting and analysis, identifying where portfolios are not turning over on a regular basis, which includes stale positions.

Policies

We have comprehensive policies for the management of market risk. These policies are related to the identification and measurement of various types of market risk, their inclusion in the trading portfolio, and the establishment of limits within which we monitor, manage and report our overall exposures. Our policies also outline the requirements for the construction of valuation models, model review and validation, independent checking of the valuation of positions, the establishment of valuation adjustments, and alignment with accounting policies including MTM and mark-to-model methodologies. Under the Basel III reforms for market risk, commonly known as the Fundamental Review of the Trading Book (FRTB), we have our Risk Trading Book / Banking Book Boundary Procedures and Internal Risk Transfer Trading Procedures, which govern the classification of trading activity and set restrictions on trades crossing the trading book banking book boundary. There are currently no deviations from the presumptive list of instrument classifications, and over the past year there have been no trading desks that have crossed the boundary.

Trading desk strategies, including hedging strategies, are part of the trading desks operating model and included in each desk's policies and procedures. The use of VaR, stress testing, and profit and loss monitoring also help identify and monitor the effectiveness of their trading strategies, including hedging performance, and fall under the Trading Credit Risk and Market Risk Management Policies and their supporting standards.

Market risk limits

We have risk tolerance levels, expressed in terms of statistically based VaR measures, potential stress losses, and notional or other limits as appropriate. We use a multi-tiered approach to set limits on the amounts of risk that we can assume in our trading and non-trading activities, as follows:

- Board limits control consolidated market risk;
- Management limits control market risk for CIBC overall and are lower than the Board limits to allow for a buffer in the event of extreme market moves and/or extraordinary client needs;
- Tier 2 limits control market risk at the business unit level; and
- Tier 3 limits control market risk at the sub-business unit or desk level.

Management limits are established by the CRO, consistent with the risk appetite statement approved by the Board. Tier 2 and Tier 3 limits are approved at levels of management commensurate with the risk assumed.

Process and control

Market risk exposures are monitored daily against approved risk limits, and processes are in place to monitor that only authorized activities are undertaken. We generate daily risk and limit-monitoring reports including intraday limit monitoring for active trading desks, based on the previous day's positions. Summary market risk and limit compliance reports are produced and reviewed periodically with the GRC and RMC.

Risk measurement

We use the following measures for market risk:

- VaR enables the meaningful comparison of the risks in different businesses and asset classes. VaR is determined by the combined modelling of VaR for each of interest rate, credit spread, equity, foreign exchange, and commodity, along with the portfolio effect arising from the interrelationship of the different risks (diversification effect):
 - Interest rate risk measures the impact of changes in interest rates and volatilities on cash instruments and derivatives.
 - Credit spread risk measures the impact of changes in credit spreads of provincial, municipal and agency bonds, sovereign bonds, corporate bonds, securitized products, and credit derivatives such as credit default swaps.
 - Equity risk measures the impact of changes in equity prices and volatilities.
 - Foreign exchange risk measures the impact of changes in foreign exchange rates and volatilities.
 - Commodity risk measures the impact of changes in commodity prices and volatilities, including the basis between related commodities.
 - Diversification effect reflects the risk reduction achieved across various financial instrument types, counterparties, currencies and regions. The extent of the diversification benefit depends on the correlation between the assets and risk factors in the portfolio at a particular time.

- Price, rate and volatility sensitivities measure the change in value of a portfolio to a small change in a given underlying parameter, so that component risks may be examined in isolation, and the portfolio rebalanced accordingly to achieve a desired exposure.
- Stressed VaR enables the meaningful comparison of the risks in different businesses and asset classes under stressful conditions. Changes to rates, prices, volatilities, and spreads over a 10-day horizon from a stressful historical period are applied to current positions to determine stressed VaR.
- Back-testing validates the effectiveness of risk measurement through analysis of observed and theoretical profit and loss outcomes.
- Stress testing and scenario analysis provide insight into portfolio behaviour under extreme circumstances.
- Market risk capital is calculated under the standardized approach, including a default risk charge (DRC) and the residual risk add-on (RRAO), which is a charge for risk factors not captured well under the sensitivities based method.

The following table provides balances on the consolidated balance sheet that are subject to market risk. Certain differences between accounting and risk classifications are detailed in the footnotes below:

	2024					2023 ⁽¹⁾			
	Subject to market risk				Consolidated balance sheet	Subject to market risk			Non-traded risk primary risk sensitivity
	Consolidated balance sheet	Trading	Non-trading	Not subject to market risk		Trading	Non-trading	Not subject to market risk	
Cash and non-interest-bearing deposits with banks	\$ 8,565	\$ –	\$ 3,328	\$ 5,237	\$ 20,816	\$ –	\$ 2,777	\$ 18,039	Foreign exchange
Interest-bearing deposits with banks	39,499	–	39,499	–	34,902	–	34,902	–	Interest rate
Securities	254,345	100,969	153,376	–	211,348	65,728	145,620	–	Interest rate, equity
Cash collateral on securities borrowed	17,028	–	17,028	–	14,651	–	14,651	–	Interest rate
Securities purchased under resale agreements	83,721	24,977 ⁽²⁾	58,744	–	80,184	–	80,184	–	Interest rate
Loans									
Residential mortgages	280,672	–	280,672	–	274,244	–	274,244	–	Interest rate
Personal	46,681	–	46,681	–	45,587	–	45,587	–	Interest rate
Credit card	20,551	–	20,551	–	18,538	–	18,538	–	Interest rate
Business and government	214,299	101	214,198	–	194,870	117	194,753	–	Interest rate
Allowance for credit losses	(3,917)	–	(3,917)	–	(3,902)	–	(3,902)	–	Interest rate
Derivative instruments	36,435	33,482	2,953	–	33,243	30,756	2,487	–	Interest rate, foreign exchange
Customers' liability under acceptances	6	–	6	–	10,816	–	10,816	–	Interest rate
Other assets	44,100	3,132	26,055	14,913	40,393	1,947	24,833	13,613	Interest rate, equity, foreign exchange
	\$ 1,041,985	\$ 162,661	\$ 859,174	\$ 20,150	\$ 975,690	\$ 98,548	\$ 845,490	\$ 31,652	
Deposits	\$ 764,857	\$ 28,041 ⁽³⁾	\$ 673,215	\$ 63,601	\$ 723,376	\$ 23,190 ⁽³⁾	\$ 635,028	\$ 65,158	Interest rate
Obligations related to securities sold short	21,642	21,425	217	–	18,666	17,710	956	–	Interest rate
Cash collateral on securities lent	7,997	–	7,997	–	8,081	–	8,081	–	Interest rate
Obligations related to securities sold under repurchase agreements	110,153	–	110,153	–	87,118	–	87,118	–	Interest rate
Derivative instruments	40,654	39,115	1,539	–	41,290	39,081	2,209	–	Interest rate, foreign exchange
Acceptances	6	–	6	–	10,820	–	10,820	–	Interest rate
Other liabilities	30,204	3,261	13,802	13,141	26,693	2,789	11,827	12,077	Interest rate
Subordinated indebtedness	7,465	–	7,465	–	6,483	–	6,483	–	Interest rate
	\$ 982,978	\$ 91,842	\$ 814,394	\$ 76,742	\$ 922,527	\$ 82,770	\$ 762,522	\$ 77,235	

(1) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(2) Beginning in the first quarter of 2024, certain balances have been reclassified to trading as part of the implementation of the Basel III reforms for market risk.

(3) Comprises FVO deposits which are considered trading for market risk purposes, including certain deposit notes that have equity risk exposures and are economically hedged by trading books.

Trading activities

We hold positions in traded financial contracts to meet client investment and risk management needs. Trading revenue (net interest income and non-interest income) is generated from these transactions. Trading instruments are recorded at fair value and include debt and equity securities, as well as interest rate, foreign exchange, equity, commodity, and credit derivative products.

Value-at-risk

Our VaR methodology is a statistical technique that measures the potential overnight loss at a 99% confidence level. We use a full revaluation historical simulation methodology to compute VaR and other risk measures.

Although a valuable guide to risk, VaR should always be viewed in the context of its limitations. For example:

- The use of historical data for estimating future events will not encompass all potential events, particularly those that are extreme in nature.
- The use of a one-day holding period assumes that all positions can be liquidated, or the risks offset in one day. This may not fully reflect the market risk arising at times of severe illiquidity, when a one-day period may be insufficient to liquidate or hedge all positions fully.
- The use of a 99% confidence level does not take into account losses that might occur beyond this level of confidence.
- VaR is calculated on the basis of exposures outstanding at the close of business and assumes no management action to mitigate losses.

The VaR table below presents market risks by type of risk and in aggregate. The risks are interrelated and the diversification effect reflects the reduction of risk due to portfolio effects among the trading positions. Our trading risk exposures to interest rates and credit spreads arise from activities in the global debt and derivative markets, particularly from transactions in the Canadian, U.S. and European markets. The primary instruments are government and corporate debt, and interest rate derivatives. The majority of the trading exposure to foreign exchange risk arises from transactions involving the Canadian dollar, U.S. dollar, Euro, Pound sterling, Australian dollar, Chinese yuan and Japanese yen, whereas the primary risks of losses in equities are in the U.S., Canadian and European markets. Trading exposure to commodities arises primarily from transactions involving North American natural gas, crude oil products, and precious metals.

	2024				2023			
	High	Low	As at	Average	High	Low	As at	Average
Interest rate risk	\$ 18.7	\$ 4.6	\$ 6.3	\$ 9.2	\$ 11.7	\$ 4.9	\$ 7.9	\$ 7.2
Credit spread risk	3.8	1.6	1.9	2.4	2.5	1.0	2.1	1.5
Equity risk	8.4	4.5	6.9	6.0	8.6	3.3	4.6	5.4
Foreign exchange risk	7.3	0.5	0.6	1.3	3.4	0.3	1.2	0.8
Commodity risk	5.2	1.2	1.2	2.8	4.1	1.2	1.9	2.3
Diversification effect ⁽¹⁾	n/m	n/m	(9.4)	(10.7)	n/m	n/m	(7.2)	(8.0)
Total VaR (one-day measure)	\$ 18.8	\$ 5.8	\$ 7.5	\$ 11.0	\$ 13.2	\$ 6.6	\$ 10.5	\$ 9.2

(1) Total VaR is less than the sum of the VaR of the different market risk types resulting from a portfolio diversification effect. Prior year amounts have been restated to conform with the current year presentation.

n/m Not meaningful. It is not meaningful to compute a diversification effect because the high and low may occur on different days for different risk types.

Average total VaR for the year ended October 31, 2024 was up \$1.8 million from the prior year, driven primarily by portfolio changes in interest rates and fixed income.

Back-testing

To determine the reliability of the trading VaR model, outcomes are monitored regularly through a back-testing process to test the validity of the assumptions and the parameters used in the trading VaR calculation. The back-testing process includes calculating a hypothetical or static profit and loss and comparing that result with calculated VaR. Static profit and loss represents the change in value of the prior day's closing portfolio due to each day's price movements, on the assumption that the portfolio remained unchanged. The back-testing process is conducted on a daily basis at the consolidated CIBC level as well as business lines and individual portfolios.

Static profit and loss in excess of the one-day VaR are investigated. The back-testing process, including the investigation of results, is performed by risk professionals who are independent of those responsible for development of the model.

Based on our back-testing results, we are able to ensure that our VaR model continues to appropriately measure risk.

During the year, there were zero negative back-testing breaches of the total VaR measure at the consolidated CIBC level.

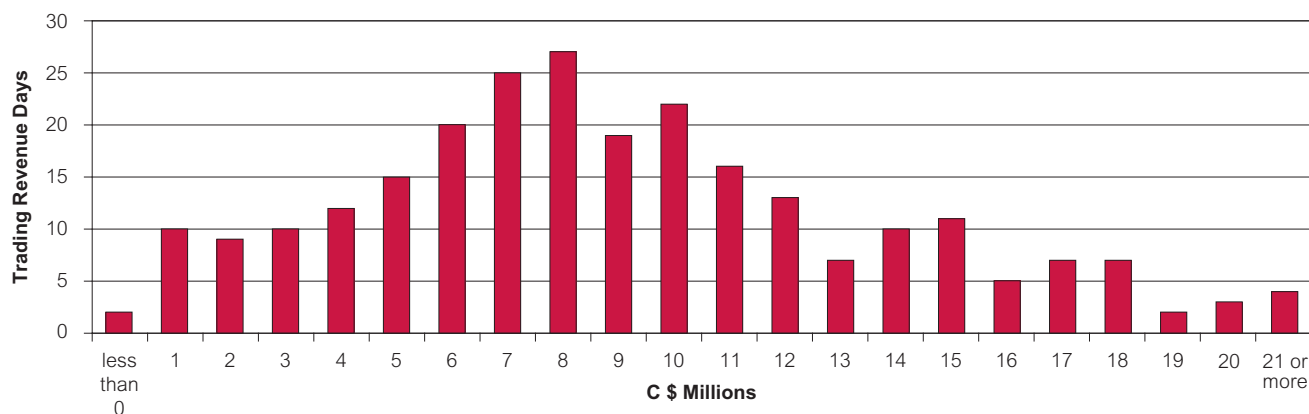
Trading revenue

Trading revenue (TEB) comprises both trading net interest income and non-interest income and excludes underwriting fees and commissions. See the "Financial performance overview" section for details. Trading revenue (TEB) in the charts below only includes TEB for certain dividends received prior to January 1, 2024 as a result of the enactment of Bill C-59 on June 20, 2024 which eliminated the dividends received deduction effective January 1, 2024.

During the year, trading revenue (TEB) was positive for 99% of the days, with the largest loss of \$3.0 million occurring on October 30, 2024, arising from our fixed income and equity derivatives trading desks. Average daily trading revenue (TEB) was \$8.6 million during the year, compared to \$8.6 million during the previous year, primarily due to lower TEB gross up in 2024 offset by higher trading revenue in Capital markets. Average daily trading revenue (TEB) is calculated as the total trading revenue (TEB) divided by the number of business days in the year.

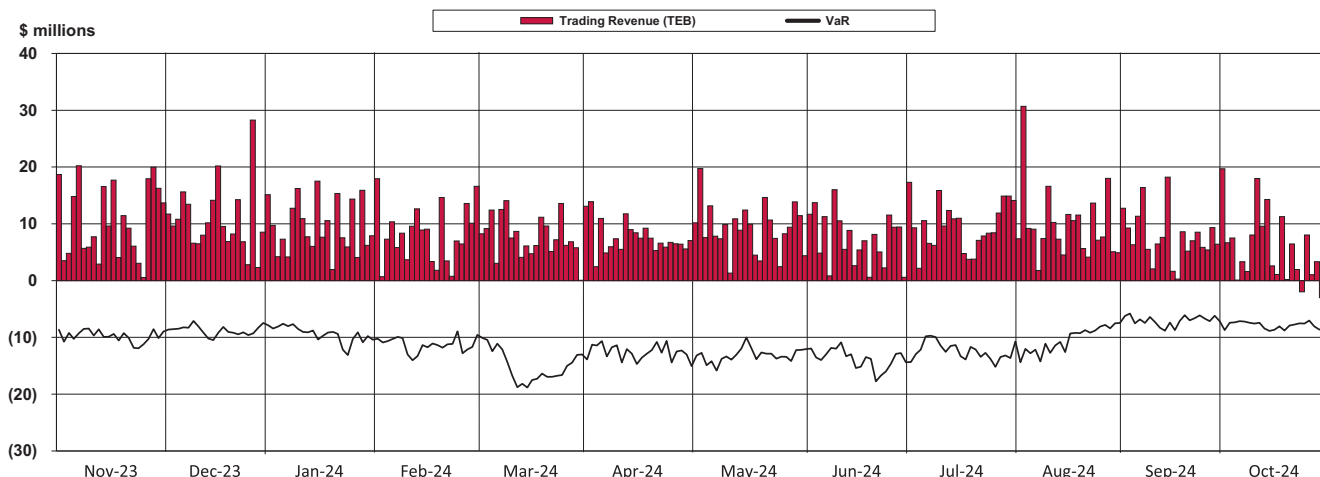
Frequency distribution of daily 2024 trading revenue (TEB)

The histogram below presents the frequency distribution of daily trading revenue (TEB) for 2024.



Trading revenue (TEB) versus VaR

The trading revenue (TEB) versus VaR graph below shows the current year's daily trading revenue (TEB) against the close of business day VaR measures.



Stress testing and scenario analysis

Stress testing and scenario analysis is designed to add insight into possible outcomes of abnormal market conditions, and to highlight possible concentration of risk.

We measure the effect on portfolio valuations under a wide range of extreme moves in market risk factors. Our approach simulates the impact on earnings of extreme market events over a one-month time horizon. Furthermore, in most cases we do not assume that risk-mitigating actions during this period to reflect the reduced market liquidity that typically accompanies such events.

Scenarios are developed by utilizing historical market data sourced from periods of market disruption, or are based on hypothetical impacts of economic events, political events, and natural disasters as predicted by economists, business leaders, and risk managers.

Among the historical scenarios are the market events following the 2008 market crisis and the COVID-19 pandemic, along with the 2022 period of U.S. Federal Reserve tightening. The hypothetical scenarios include potential market crises originating in North America, Europe and Asia, which are informed from current themes in geopolitics, central bank action and various other macro themes. These include considering the impact of further escalation in Middle East tensions, the war in Ukraine and a possible conflict between Taiwan and China. Furthermore, during the past year, stress scenarios have been created and iterated to navigate the U.S. presidential election and subsequent policy impacts.

Stress testing scenarios are periodically reviewed and amended as necessary to ensure they remain relevant. Under stress limit monitoring, limits are placed on the maximum acceptable loss based on risk appetite in aggregate, at the detailed portfolio level, and for specific asset classes.

Non-trading activities

Structural interest rate risk (SIRR)

SIRR primarily consists of the risk arising due to mismatches in the timing of the repricing of assets and liabilities, which do not arise from trading and trading-related businesses. The objective of SIRR management is to lock in product spreads and deliver stable and predictable net interest income over time, while managing the risk to the economic value of our assets arising from changes in interest rates.

SIRR results from differences in the maturities or repricing dates of assets and liabilities, both on- and off-balance sheet, as well as from embedded optionality in retail products, and other product features that could affect the expected timing of cash flows, such as options to pre-pay loans or redeem term deposits prior to contractual maturity. A number of assumptions affecting cash flows, product repricing and the administration of rates underlie the models used to measure SIRR. The key assumptions pertain to the expected funding profile of mortgage rate commitments, fixed rate loan prepayment behaviour, term deposit redemption behaviour, the treatment of non-maturity deposits and equity. Assumptions rely on empirical data, based on historical client behaviour, balance sheet composition and product pricing with the consideration of possible forward-looking changes. All models and assumptions used to measure SIRR are subject to independent oversight by Risk Management. A variety of cash instruments and derivatives, primarily interest rate swaps, are used to manage these risks.

The Board has oversight of the management of SIRR, approves the risk appetite and the associated SIRR risk limits. GALCO and its subcommittee, the Asset Liability Management Committee, regularly review structural market risk positions and provide senior management oversight.

In addition to Board-approved limits on earnings and economic value exposure, more granular management limits are in place to guide day-to-day management of this risk. The ALM group within Treasury is responsible for the ongoing modelling of structural market risk across the enterprise, with independent oversight and compliance with SIRR policy provided by Risk Management.

ALM activities are designed to manage the effects of potential interest rate movements while balancing the cost of any hedging activities on current net revenue. To monitor and control SIRR, two primary metrics, net interest income (NII) risk and economic value of equity (EVE) risk, are assessed, in addition to stress testing, gap analysis and other market risk metrics. The net interest income sensitivity is a measure of the impact of potential changes in interest rates on the projected 12-month pre-tax net interest income of the bank's portfolio of assets, liabilities and off-balance sheet positions in response to prescribed parallel interest rate movements with interest rates floored at zero. The EVE sensitivity is a measure of the impact of potential changes in interest rates on the market value of the bank's assets, liabilities and off-balance sheet positions in response to prescribed parallel interest rate movements with interest rates floored at zero.

The following table shows the potential before-tax impact of an immediate and sustained 100 basis point increase and 100 basis point decrease in interest rates on projected 12-month NII and the EVE for our structural balance sheet, assuming no subsequent hedging management actions or changes in business mix or changes in product margins.

Structural interest rate sensitivity – measures

\$ millions (pre-tax), as at October 31

	2024			2023		
	CAD ⁽¹⁾	USD	Total	CAD ⁽¹⁾	USD	Total
100 basis point increase in interest rates						
Increase (decrease) in net interest income	\$ 159	\$ 45	\$ 204	\$ 303	\$ 91	\$ 394
Increase (decrease) in EVE	(956)	(400)	(1,356)	(588)	(295)	(883)
100 basis point decrease in interest rates						
Increase (decrease) in net interest income	(193)	(49)	(242)	(327)	(88)	(415)
Increase (decrease) in EVE	829	408	1,237	507	319	826

(1) Includes CAD and other currency exposures.

Foreign exchange risk

Structural foreign exchange risk primarily consists of the risk inherent in: (a) net investments in foreign operations (NIFO) due to changes in foreign exchange rates; and (b) foreign currency denominated RWA and foreign currency denominated capital deductions. This risk, predominantly in U.S. dollars, is managed using derivative hedges and by funding the investments in matching currencies. We actively manage this position to ensure that the potential impact on our capital ratios is within an acceptable tolerance in accordance with the policy approved by the CRO, while giving consideration to the impact on earnings and shareholders' equity. Structural foreign exchange risk is managed by Treasury under the guidance of GALCO with monitoring and oversight by Risk Management.

A 1% appreciation of the Canadian dollar would reduce our shareholders' equity as at October 31, 2024 by approximately \$198 million (2023: \$206 million) on an after-tax basis.

Our non-functional currency denominated earnings are converted into the functional currencies through spot or forward foreign exchange transactions. Typically, there is no significant impact of exchange rate fluctuations on our consolidated statement of income.

Derivatives held for ALM purposes

Where derivatives are held for ALM purposes, and when transactions meet the criteria specified under IFRS, we apply hedge accounting for the risks being hedged, as discussed in Notes 1, 12 and 13 to the consolidated financial statements. Derivative hedges that do not qualify for hedge accounting treatment are referred to as economic hedges and are recorded at fair value on the consolidated balance sheet with changes in fair value recognized in the consolidated statement of income.

Economic hedges for other than FVO financial instruments may lead to income volatility because the hedged items are recorded either on a cost or amortized cost basis or recorded at fair value on the consolidated balance sheet with changes in fair value recognized through other comprehensive income (OCI). This accounting income volatility may not be representative of the overall economic risk.

Equity risk

Non-trading equity risk arises primarily in our strategy and corporate development activities and strategic investments portfolio. The investments comprise public and private equities, investments in limited partnerships, and equity-accounted investments.

The following table provides the amortized cost and fair values of our non-trading equities:

		Cost	Fair value
2024	Equity securities designated at FVOCI	\$ 653	\$ 672
	Equity-accounted investments in associates ⁽¹⁾	145	253
		\$ 798	\$ 925
2023	Equity securities designated at FVOCI	\$ 556	\$ 572
	Equity-accounted investments in associates ⁽¹⁾	137	240
		\$ 693	\$ 812

(1) Excludes our equity-accounted joint ventures. See Note 24 to the consolidated financial statements for further details.

Pension risk

We sponsor defined benefit pension plans in a number of jurisdictions. As at October 31, 2024, our consolidated defined benefit pension plans were in a net asset position of \$1,337 million, compared with \$1,015 million as at October 31, 2023. The change in the net asset position of our pension plans is disclosed in Note 17 to the consolidated financial statements.

Our Canadian pension plans represent approximately 92% of our pension plans, the most significant of which is our principal Canadian pension plan (the CIBC Pension Plan). The estimated impact on our Canadian defined benefit obligations of a 100 basis point change in the discount rate is disclosed in Note 17 to the consolidated financial statements.

The MRCC is responsible for sound governance and oversight, and delegates management authority to the Pension Benefits Management Committee (PBMC). An appropriate investment strategy for the CIBC Pension Plan is set through a statement of investment objectives, policies and procedures.

Within Treasury, the Pension Investment Management department is responsible for developing and implementing custom investment strategies to sustainably deliver pension benefits within manageable risk tolerances and capital impacts. Key risks include actuarial risks (such as longevity risk), interest rate risk, currency risk, and market (investment) risk.

A principal risk for the CIBC Pension Plan is interest rate risk, which it manages through its liability-driven investment strategy which includes a combination of physical bonds and a bond overlay program funded through the use of repurchase agreements. The plan also operates a currency overlay strategy, which may use forwards or similar instruments, to manage and mitigate its currency risk. Investment risk is mitigated through a multi-asset portfolio construction process that diversifies across a variety of market risk drivers.

The use of derivatives within the CIBC Pension Plan are permitted for risk management and rebalancing purposes, as well as the ability to enhance returns and are governed by the plan's derivatives policy.

Liquidity risk

Liquidity risk is the risk of having insufficient cash or its equivalent in a timely and cost-effective manner to meet financial obligations as they come due. Common sources of liquidity risk inherent in banking services include unanticipated withdrawals of deposits, the inability to replace maturing debt, credit and liquidity commitments, and additional pledging or other collateral requirements.

Our approach to liquidity risk management supports our business strategy, aligns with our risk appetite and adheres to regulatory expectations.

Our management strategies, objectives and practices are regularly reviewed to align with changes to the liquidity environment, including regulatory, business and/or market developments. Liquidity risk remains within CIBC's risk appetite.

Governance and management

We manage liquidity risk in a manner that enables us to withstand a liquidity stress event without an adverse impact on the viability of our operations. Actual and anticipated cash flows generated from on- and off-balance sheet exposures are routinely measured and monitored to ensure compliance with established limits. We incorporate stress testing into the management and measurement of liquidity risk. Stress test results assist with the development of our liquidity assumptions, identification of potential constraints to funding planning, and contribute to the design of our contingency funding plan.

Liquidity risk is managed using the three lines of defence model, and the ongoing management of liquidity risk is the responsibility of the Treasurer, supported by guidance from GALCO.

The Treasurer is responsible for managing the activities and processes required for measurement and the reporting and monitoring of CIBC's liquidity risk position as the first line of defence.

The Liquidity and Non-Trading Market Risk group provides independent oversight of the measurement, monitoring and control of liquidity risk, as the second line of defence.

Internal audit is the third line of defence providing reasonable assurance to senior management and the Audit Committee of the Board on the effectiveness of CIBC's governance practices, risk management processes, and internal control as part of its risk-based audit plan and in accordance with its mandate as described in the Internal Audit Charter.

The GALCO governs CIBC's liquidity risk management, ensuring the liquidity risk management methodologies, assumptions, and key metrics are regularly reviewed and aligned with CIBC's requirements. The Liquidity Risk Management Committee, a subcommittee of GALCO, monitors global liquidity risk and is responsible for ensuring that CIBC's liquidity risk profile is comprehensively measured and managed in alignment with CIBC's strategic direction, risk appetite and regulatory requirements.

The RMC provides governance through bi-annual review of CIBC's liquidity risk management policy, and recommends liquidity risk tolerance to the Board through the risk appetite statement which is reviewed annually.

Policies

Our liquidity risk management policy establishes requirements that enable us to meet anticipated liquidity needs in both normal and stressed conditions by maintaining a sufficient amount of available unencumbered liquid assets and diversified funding sources. Branches and subsidiaries possessing unique liquidity characteristics, due to distinct businesses or jurisdictional requirements, maintain local liquidity practices in alignment with CIBC's liquidity risk management policy.

Our pledging policy sets out consolidated limits for the pledging of CIBC's assets across a broad range of financial activities. These limits ensure unencumbered liquid assets are available for liquidity purposes.

We maintain a detailed global contingency funding plan that sets out the strategies for addressing liquidity shortfalls in emergency and unexpected situations, and delineates the requirements necessary to manage a range of stress conditions, establishes lines of responsibility, articulates implementation, defines escalation procedures, and is aligned to CIBC's risk appetite. In order to reflect CIBC's organizational complexity, regional and subsidiary contingency funding plans are maintained to respond to liquidity stresses unique to the jurisdictions within which CIBC operates, and support CIBC as an enterprise.

Risk measurement

Our liquidity risk tolerance is defined by our risk appetite statement, which is approved annually by the Board, and forms the basis for the delegation of liquidity risk authority to senior management. We use both regulatory-driven and internally developed liquidity risk metrics to measure our liquidity risk exposure. Internally, our liquidity position is measured using the Liquidity Horizon, which combines contractual and behavioural cash flows to measure the future point in time when projected cumulative cash outflows exceed cash inflows under a combined CIBC-specific and market-wide stress scenario. Expected and potential anticipated inflows and outflows of funds generated from on- and off-balance sheet exposures are measured and monitored on a regular basis to ensure compliance with established limits. These cash flows incorporate both contractual and behavioural on- and off-balance sheet cash flows.

Our liquidity measurement system provides liquidity risk exposure reports that include the calculation of the internal liquidity stress tests and regulatory reporting such as the LCR, NSFR and net cumulative cash flow (NCCF). Our liquidity management also incorporates the monitoring of our unsecured wholesale funding position and funding capacity.

Risk appetite

CIBC's risk appetite statement ensures prudent management of liquidity risk by outlining qualitative considerations and quantitative metrics including the LCR and Liquidity Horizon. Quantitative metrics are measured and managed to a set of limits approved by Risk Management.

Stress testing

A key component of our liquidity risk management, and complementing our assessments of liquidity risk exposure, is liquidity risk stress testing. Liquidity stress testing involves the application of name-specific and market-wide stress scenarios at varying levels of severity to assess the amount of available liquidity required to satisfy anticipated obligations as they come due. The scenarios model potential liquidity and funding requirements in the event of changes to unsecured wholesale funding and deposit run-off, contingent liquidity utilization, and liquid asset marketability.

Liquid assets

Available liquid assets include unencumbered cash and marketable securities from on- and off-balance sheet sources, that can be used to access funding in a timely fashion. Encumbered liquid assets, composed of assets pledged as collateral and those assets that are deemed restricted due to legal, operational, or other purposes, are not considered as sources of available liquidity when measuring liquidity risk. The asset mix is supported by concentration monitoring on issuers, tenors and product types to ensure that bank-wide liquid asset portfolios contain a mix of assets that have appropriate liquidity, including in times of stress.

Encumbered and unencumbered liquid assets from on- and off-balance sheet sources are summarized as follows:

\$ millions, as at October 31		Bank owned liquid assets	Securities received as collateral	Total liquid assets	Encumbered liquid assets	Unencumbered liquid assets ⁽¹⁾
2024	Cash and deposits with banks	\$ 48,064	\$ –	\$ 48,064	\$ 560	\$ 47,504
	Securities issued or guaranteed by sovereigns, central banks, and multilateral development banks	178,324	108,499	286,823	146,992	139,831
	Other debt securities	6,093	11,328	17,421	3,696	13,725
	Equities	58,102	33,424	91,526	54,269	37,257
	Canadian government guaranteed National Housing Act mortgage-backed securities	35,155	2,038	37,193	20,263	16,930
	Other liquid assets⁽²⁾	16,021	2,849	18,870	8,971	9,899
		\$ 341,759	\$ 158,138	\$ 499,897	\$ 234,751	\$ 265,146
2023	Cash and deposits with banks	\$ 55,718	\$ –	\$ 55,718	\$ 862	\$ 54,856
	Securities issued or guaranteed by sovereigns, central banks, and multilateral development banks	155,487	94,880	250,367	134,415	115,952
	Other debt securities	5,729	11,681	17,410	4,343	13,067
	Equities	43,798	28,432	72,230	33,317	38,913
	Canadian government guaranteed National Housing Act mortgage-backed securities	31,733	4,908	36,641	17,365	19,276
	Other liquid assets⁽²⁾	12,597	2,685	15,282	8,238	7,044
		\$ 305,062	\$ 142,586	\$ 447,648	\$ 198,540	\$ 249,108

(1) Unencumbered liquid assets are defined as on-balance sheet assets, assets borrowed or purchased under resale agreements, and other off-balance sheet collateral received less encumbered liquid assets.

(2) Includes cash pledged as collateral for derivatives transactions, select ABS and precious metals.

The following table summarizes unencumbered liquid assets held by CIBC (parent) and its domestic and foreign subsidiaries:

\$ millions, as at October 31	2024	2023
CIBC (parent)	\$ 185,357	\$ 175,523
Domestic subsidiaries	7,882	13,571
Foreign subsidiaries	71,907	60,014
	\$ 265,146	\$ 249,108

Asset haircuts and monetization depth assumptions under a liquidity stress scenario are applied to determine asset liquidity value. Haircuts take into consideration those margins applicable at central banks – such as the Bank of Canada and the U.S. Federal Reserve Bank – historical observations, and securities characteristics including asset type, issuer, credit ratings, currency and remaining term to maturity, as well as available regulatory guidance.

Our unencumbered liquid assets increased by \$16.0 billion since October 31, 2023, primarily due to an increase in liquid government securities holdings, partially offset by a decrease in cash. These changes are because of an increase in client deposits over the period.

Furthermore, we maintain access eligibility to the Bank of Canada's Emergency Lending Assistance program and the U.S. Federal Reserve Bank's Discount Window.

Asset encumbrance

In the course of our day-to-day operations, securities and other assets are pledged to secure obligations, participate in clearing and settlement systems and for other collateral management purposes.

The following table provides a summary of our total on- and off-balance sheet encumbered and unencumbered assets:

\$ millions, as at October 31		Encumbered		Unencumbered		Total assets
		Pledged as collateral	Other ⁽¹⁾	Available as collateral	Other ⁽²⁾	
2024	Cash and deposits with banks	\$ –	\$ 560	\$ 47,504	\$ –	\$ 48,064
	Securities⁽³⁾	206,861	7,117	200,712	–	414,690
	Loans, net of allowance for credit losses⁽⁴⁾	–	57,998	26,919	473,369	558,286
	Other assets	7,067	–	4,195	69,279	80,541
		\$ 213,928	\$ 65,675	\$ 279,330	\$ 542,648	\$ 1,101,581
2023	Cash and deposits with banks	\$ –	\$ 862	\$ 54,856	\$ –	\$ 55,718
	Securities⁽³⁾	173,467	7,226	169,180	–	349,873
	Loans, net of allowance for credit losses⁽⁴⁾	–	51,357	30,111	447,869	529,337
	Other assets⁽⁵⁾	6,846	–	2,481	75,125	84,452
		\$ 180,313	\$ 59,445	\$ 256,628	\$ 522,994	\$ 1,019,380

(1) Includes assets supporting CIBC's long-term funding activities and assets restricted for legal or other reasons, such as restricted cash.

(2) Other unencumbered assets are not subject to any restrictions on their use to secure funding or as collateral, however, they are not considered immediately available to existing borrowing programs.

(3) Total securities comprise certain on-balance sheet securities, as well as off-balance sheet securities received under resale agreements, secured borrowings transactions, and collateral-for-collateral transactions.

(4) Loans included as available as collateral represent the loans underlying National Housing Act mortgage-backed securities and Federal Home Loan Banks eligible loans.

(5) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

Restrictions on the flow of funds

Our subsidiaries are not subject to significant restrictions that would prevent transfers of funds, dividends or capital distributions. However, certain subsidiaries have different capital and liquidity requirements, established by applicable banking and securities regulators.

We monitor and manage our capital and liquidity requirements across these entities to ensure that resources are used efficiently and entities are in compliance with local regulatory and policy requirements.

Liquidity coverage ratio

The objective of the LCR is to promote short-term resilience of a bank's liquidity risk profile, ensuring that it has adequate unencumbered high-quality liquid resources to meet its liquidity needs in a 30-day acute stress scenario. Canadian banks are required by OSFI to achieve a minimum LCR value of 100%. We are in compliance with this requirement.

In accordance with the calibration methodology contained in OSFI's LAR Guideline, we report the LCR to OSFI on a monthly basis. The ratio is calculated as the total of unencumbered HQLA over the total net cash outflows in the next 30 calendar days.

The LCR's numerator consists of unencumbered HQLA, which follow an OSFI-defined set of eligibility criteria that considers fundamental and market-related characteristics, and the relative ability to operationally monetize assets on a timely basis during a period of stress. Our centrally-managed liquid asset portfolio includes those liquid assets reported in the HQLA, such as central government treasury bills and bonds, central bank deposits and high-rated sovereign, agency, provincial, and corporate securities. Asset eligibility limitations inherent in the LCR metric do not necessarily reflect our internal assessment of our ability to monetize our marketable assets under stress.

The ratio's denominator reflects net cash outflows expected in the LCR's stress scenario over the 30-calendar-day period. Expected cash outflows represent LCR-defined withdrawal or draw-down rates applied against outstanding liabilities and off-balance sheet commitments, respectively. Significant contributors to our LCR outflows include business and financial institution deposit run-off, draws on undrawn lines of credit and unsecured debt maturities. Cash outflows are partially offset by cash inflows, which are calculated at OSFI-prescribed LCR inflow rates, and include performing loan repayments and maturing non-HQLA marketable assets.

During a period of financial stress, institutions may use their stock of HQLA, thereby falling below 100%, as maintaining the LCR at 100% under such circumstances could produce undue negative effects on the institution and other market participants.

The LCR is calculated and disclosed using a standard OSFI-prescribed template.

\$ millions, average of the three months ended October 31, 2024

		Total unweighted value ⁽¹⁾	Total weighted value ⁽²⁾
HQLA			
1	HQLA	n/a	\$ 198,395
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	\$ 217,314	16,613
3	Stable deposits	98,592	2,958
4	Less stable deposits	118,722	13,655
5	Unsecured wholesale funding, of which: ⁽³⁾	247,312	115,253
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	115,421	27,718
7	Non-operational deposits (all counterparties)	104,552	60,196
8	Unsecured debt	27,339	27,339
9	Secured wholesale funding	n/a	23,356
10	Additional requirements, of which:	167,772	37,764
11	Outflows related to derivative exposures and other collateral requirements	20,559	7,838
12	Outflows related to loss of funding on debt products	4,805	4,805
13	Credit and liquidity facilities	142,408	25,121
14	Other contractual funding obligations	3,319	2,666
15	Other contingent funding obligations	429,972	8,644
16	Total cash outflows	n/a	204,296
Cash inflows			
17	Secured lending (e.g. reverse repos)	121,604	24,172
18	Inflows from fully performing exposures	21,961	11,180
19	Other cash inflows	15,455	15,455
20	Total cash inflows	\$ 159,020	\$ 50,807
		Total adjusted value	
21	Total HQLA	n/a	\$ 198,395
22	Total net cash outflows	n/a	\$ 153,489
23	LCR	n/a	129 %

\$ millions, average of the three months ended July 31, 2024

		Total adjusted value	
24	Total HQLA	n/a	\$ 187,428
25	Total net cash outflows	n/a	\$ 148,338
26	LCR	n/a	126 %

(1) Unweighted inflow and outflow values are calculated as outstanding balances maturing or callable within 30 days of various categories or types of liabilities, off-balance sheet items or contractual receivables.

(2) Weighted values are calculated after the application of haircuts (for HQLA) and inflow and outflow rates prescribed by OSFI.

(3) In the first quarter of 2024, we implemented the changes related to the treatment of high-interest savings account exchange-traded funds as unsecured wholesale funding sources.

n/a Not applicable as per the LCR common disclosure template.

Our average LCR as at October 31, 2024, increased to 129% from 126% in the prior quarter, due to higher HQLA, partially offset by an increase in net cash outflows. The increase in total HQLA compared to the prior quarter mainly reflects an increase in average deposits and wholesale funding.

Furthermore, we report the LCR to OSFI in multiple currencies, thus measuring the extent of potential currency mismatch under the ratio. CIBC predominantly operates in major currencies with deep and fungible foreign exchange markets.

Net stable funding ratio (NSFR)

Derived from the BCBS's Basel III framework and incorporated into OSFI's LAR Guideline, the NSFR standard aims to promote long-term resilience of the financial sector by requiring banks to maintain a sustainable funding profile in relation to the composition of their assets and off-balance sheet activities. Canadian D-SIBs are required to maintain a minimum NSFR value of 100% on a consolidated bank basis. CIBC is in compliance with this requirement.

In accordance with the calibration methodology contained in OSFI's LAR Guideline, we report the NSFR to OSFI on a quarterly basis. The ratio is calculated as total available stable funding (ASF) over the total required stable funding (RSF).

The numerator consists of the portion of capital and liabilities considered reliable over a one-year time horizon. The NSFR considers longer-term sources of funding to be more stable than short-term funding and deposits from retail and commercial customers to be behaviourally more stable than wholesale funding of the same maturity. In accordance with our funding strategy, key drivers of our ASF include client deposits supplemented by secured and unsecured wholesale funding, and capital instruments.

The denominator represents the amount of stable funding required based on the OSFI-defined liquidity characteristics and residual maturities of assets and off-balance sheet exposures. The NSFR ascribes varying degrees of RSF such that HQLA and short-term exposures are assumed to have a lower funding requirement than less liquid and longer-term exposures. Our RSF is largely driven by retail, commercial and corporate lending, investments in liquid assets, derivative exposures, and undrawn lines of credit and liquidity.

The ASF and RSF may be adjusted to zero for certain liabilities and assets that are determined to be interdependent if they meet the NSFR-defined criteria, which take into account the purpose, amount, cash flows, tenor and counterparties among other aspects to ensure the institution is acting solely as a pass-through unit for the underlying transactions. We report, where applicable, interdependent assets and liabilities arising from transactions OSFI has designated as eligible for such treatment in the LAR Guideline.

The NSFR is calculated and disclosed using an OSFI-prescribed template, which captures the key quantitative information based on liquidity characteristics unique to the NSFR as defined in the LAR Guideline. As a result, amounts presented in the table below may not allow for direct comparison with the annual consolidated financial statements.

	Unweighted value by residual maturity				Weighted value
	a No maturity	b <6 months	c 6 months to <1 year	d >1 year	
\$ millions, as at October 31, 2024					
ASF item					
1 Capital	\$ 58,771	\$ –	\$ –	\$ 6,920	\$ 65,691
2 Regulatory capital	58,771	–	–	6,920	65,691
3 Other capital instruments	–	–	–	–	–
4 Retail deposits and deposits from small business customers	185,364	58,947	24,111	18,942	266,198
5 Stable deposits	87,975	23,521	11,496	9,221	126,063
6 Less stable deposits	97,389	35,426	12,615	9,721	140,135
7 Wholesale funding ⁽¹⁾	190,085	211,459	49,925	96,435	238,281
8 Operational deposits	121,408	3,844	–	–	62,626
9 Other wholesale funding	68,677	207,615	49,925	96,435	175,655
10 Liabilities with matching interdependent assets	–	1,397	597	12,785	–
11 Other liabilities	–	–	85,653 ⁽²⁾	–	8,967
12 NSFR derivative liabilities	–	–	12,127 ⁽²⁾	–	–
13 All other liabilities and equity not included in the above categories	–	64,498	122	8,906	8,967
14 Total ASF					579,137
RSF item					
15 Total NSFR HQLA					19,860
16 Deposits held at other financial institutions for operational purposes	–	2,981	–	200	1,691
17 Performing loans and securities	80,260	124,770	79,780	347,305	417,248
18 Performing loans to financial institutions secured by Level 1 HQLA	–	16,823	2,259	20	1,991
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,139	44,057	10,266	21,565	32,740
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities, of which:					
21 With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	39,782	32,479	31,627	128,385	175,233
22 Performing residential mortgages, of which:	–	–	–	–	–
23 With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk	18,575	29,498	35,204	189,158	181,518
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	18,575	29,423	35,126	183,506	176,637
25 Assets with matching interdependent liabilities	–	1,397	597	12,785	–
26 Other assets	14,719	–	81,188 ⁽²⁾	–	49,381
27 Physical traded commodities, including gold	4,195	–	–	–	3,566
28 Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties	–	–	11,522 ⁽²⁾	–	9,794
29 NSFR derivative assets	–	–	9,378 ⁽²⁾	–	–
30 NSFR derivative liabilities before deduction of variation margin posted	–	–	35 ⁽²⁾	–	1,092
31 All other assets not included in the above categories	10,524	52,414	163	7,676	34,929
32 Off-balance sheet items	–	–	446,021 ⁽²⁾	–	15,255
33 Total RSF					\$ 503,435
34 NSFR					115 %
\$ millions, as at July 31, 2024					
35 Total ASF					\$ 569,690
36 Total RSF					\$ 491,722
37 NSFR					116 %
\$ millions, as at October 31, 2023					
38 Total ASF					\$ 563,515
39 Total RSF					\$ 476,312
40 NSFR					118 %

(1) In the first quarter of 2024, we implemented the changes related to the treatment of high-interest savings account exchange-traded funds as unsecured wholesale funding sources.

(2) No assigned time period per disclosure template design.

Our NSFR as at October 31, 2024, decreased to 115% from 116% in the prior quarter, and decreased from 118% in 2023, mainly due to an increase in loans.

CIBC considers the impact of its business decisions on the LCR, NSFR and other liquidity risk metrics that it regularly monitors as part of a robust liquidity risk management function. Variables that can impact the metrics month-over-month include, but are not limited to, items such as wholesale funding activities and maturities, strategic balance sheet initiatives, and transactions and market conditions affecting collateral.

Reporting of the LCR and NSFR is calibrated centrally by Treasury, in conjunction with the SBUs and other functional groups.

Funding

We fund our operations with client-sourced deposits, supplemented with a wide range of wholesale funding.

Our principal approach aims to fund our consolidated balance sheet with deposits primarily raised from personal and commercial banking channels. We maintain a foundation of relationship-based core deposits, whose stability is regularly evaluated through internally developed statistical assessments.

We routinely access a range of short-term and long-term secured and unsecured funding sources diversified by geography, depositor type, instrument, currency and maturity. We raise long-term funding from existing programs including covered bonds, asset securitizations and unsecured debt.

We continuously evaluate opportunities to diversify into new funding products and investor segments in an effort to maximize funding flexibility and minimize concentration and financing costs. We regularly monitor wholesale funding levels and concentrations to internal limits consistent with our desired liquidity risk profile.

GALCO and RMC review and approve CIBC's funding plan, which incorporates projected asset and liability growth, funding maturities, and output from our liquidity position forecasting.

The following table provides the contractual maturity profile of our wholesale funding sources at their carrying values:

\$ millions, as at October 31, 2024	Less than 1 month	1–3 months	3–6 months	6–12 months	Less than 1 year total	1–2 years	Over 2 years	Total
Deposits from banks ⁽¹⁾	\$ 5,232	\$ 833	\$ 163	\$ 596	\$ 6,824	\$ –	\$ –	\$ 6,824
Certificates of deposit and commercial paper	19,464	6,749	28,533	22,102	76,848	471	13	77,332
Bearer deposit notes and bankers' acceptances	312	637	2,577	363	3,889	–	–	3,889
Senior unsecured medium-term notes ⁽²⁾	139	2,311	11,276	8,237	21,963	13,245	27,965	63,173
Senior unsecured structured notes	–	63	–	40	103	–	70	173
Covered bonds/asset-backed securities								
Mortgage securitization ⁽³⁾	–	447	818	584	1,849	1,852	11,721	15,422
Covered bonds	–	–	540	2,950	3,490	17,522	15,677	36,689
Cards securitization	809	117	–	1,950	2,876	1,468	–	4,344
Subordinated liabilities	–	–	–	–	–	–	7,465	7,465
Other ⁽⁴⁾	–	–	–	–	–	–	6	6
	\$ 25,956	\$ 11,157	\$ 43,907	\$ 36,822	\$ 117,842	\$ 34,558	\$ 62,917	\$ 215,317
Of which:								
Secured	\$ 809	\$ 564	\$ 1,358	\$ 5,484	\$ 8,215	\$ 20,842	\$ 27,398	\$ 56,455
Unsecured	25,147	10,593	42,549	31,338	109,627	13,716	35,519	158,862
	\$ 25,956	\$ 11,157	\$ 43,907	\$ 36,822	\$ 117,842	\$ 34,558	\$ 62,917	\$ 215,317
October 31, 2023	\$ 12,518	\$ 25,094	\$ 30,427	\$ 36,338	\$ 104,377	\$ 26,650	\$ 71,028	\$ 202,055

(1) Includes non-negotiable term deposits from banks.

(2) Includes wholesale funding liabilities which are subject to conversion under bail-in regulations. See the "Capital management" section for additional details.

(3) Includes \$500 million (2023: nil) of HELOC securitization.

(4) Includes Federal Home Loan Bank (FHLB) deposits.

The following table provides the diversification of CIBC's wholesale funding by currency:

\$ billions, as at October 31	2024		2023	
CAD	\$ 48.8	23 %	\$ 45.8	23 %
USD	124.3	57	113.2	56
Other	42.2	20	43.1	21
	\$ 215.3	100 %	\$ 202.1	100 %

We manage liquidity risk in a manner that enables us to withstand severe liquidity stress events. Wholesale funding may present a higher risk of run-off in stress situations, and we maintain significant portfolios of unencumbered liquid assets to mitigate this risk. See the "Liquid assets" section for additional details.

Funding plan

Our funding plan is updated at least quarterly, or in response to material changes in underlying assumptions and business developments. The plan incorporates projected asset and liability growth from our ongoing operations, and the output from our liquidity position forecasting.

Credit ratings

Our access to and cost of wholesale funding are dependent on multiple factors, among them credit ratings provided by rating agencies. Rating agencies' opinions are based upon internal methodologies, and are subject to change based on factors including, but not limited to, financial strength, competitive position, macroeconomic backdrop and liquidity positioning.

Our credit ratings are summarized in the following table:

As at October 31, 2024	Morningstar DBRS	Fitch	Moody's	S&P
Deposit/Counterparty ⁽¹⁾	AA	AA	Aa2	A+
Senior debt ⁽²⁾	AA	AA	Aa2	A+
Bail-in senior debt ⁽³⁾	AA(L)	AA-	A2	A-
Subordinated indebtedness	A(H)	A	Baa1	A-
Subordinated indebtedness – NVCC ⁽⁴⁾	A(L)	A	Baa1	BBB+
Limited recourse capital notes – NVCC ⁽⁴⁾⁽⁵⁾	BBB(H)	BBB+	Baa3	BBB-
Preferred shares – NVCC ⁽⁴⁾⁽⁵⁾	Pfd-2	BBB+	Baa3	P-2(L)
Short-term debt	R-1(H)	F1+	P-1	A-1
Outlook	Stable	Stable	Stable	Stable

(1) Morningstar DBRS Long-Term Issuer Rating; Fitch Long-Term Deposit Rating and Derivative Counterparty Rating; Moody's Long-Term Deposit and Counterparty Risk Assessment Rating; S&P's Issuer Credit Rating.

(2) Includes senior debt issued on or after September 23, 2018 which is not subject to bail-in regulations.

(3) Comprises liabilities which are subject to conversion under bail-in regulations. See the "Capital management" section for additional details.

(4) Comprises instruments which are treated as NVCC in accordance with OSFI's CAR Guideline.

(5) Morningstar DBRS rating does not apply to limited recourse capital notes and associated preferred shares issued in USD. Fitch rating only applies to limited recourse capital notes and associated preferred shares issued in USD.

Additional collateral requirements for rating downgrades

We are required to deliver collateral to certain derivative counterparties in the event of a downgrade to our current credit risk rating. The collateral requirement is based on MTM exposure, collateral valuations, and collateral arrangement thresholds, as applicable. The following table presents the additional cumulative collateral requirements for rating downgrades:

\$ billions, as at October 31	2024	2023
One-notch downgrade	\$ –	\$ –
Two-notch downgrade	0.1	0.2
Three-notch downgrade	0.3	0.4

Contractual obligations

Contractual obligations give rise to commitments of future payments affecting our short- and long-term liquidity and capital resource needs. These obligations include financial liabilities, credit and liquidity commitments, and other contractual obligations.

Assets and liabilities

The following table provides the contractual maturity profile of our on-balance sheet assets, liabilities and equity at their carrying values.

Contractual analysis is not representative of our liquidity risk exposure, however this information serves to inform our management of liquidity risk, and provide input when modelling a behavioural balance sheet.

\$ millions, as at October 31, 2024	Less than 1 month	1–3 months	3–6 months	6–9 months	9–12 months	1–2 years	2–5 years	Over 5 years	No specified maturity	Total
Assets										
Cash and non-interest-bearing deposits with banks ⁽¹⁾	\$ 8,565	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 8,565
Interest-bearing deposits with banks	39,499	–	–	–	–	–	–	–	–	39,499
Securities	5,034	4,244	9,176	15,914	10,000	40,372	58,208	49,937	61,460	254,345
Cash collateral on securities borrowed	17,028	–	–	–	–	–	–	–	–	17,028
Securities purchased under resale agreements	46,653	15,321	12,526	3,906	3,735	1,559	7	14	–	83,721
Loans										
Residential mortgages	4,890	10,761	18,694	12,763	27,832	91,451	104,067	10,214	–	280,672
Personal	996	488	892	801	948	575	4,828	5,303	31,850	46,681
Credit card	432	863	1,295	1,295	1,295	5,179	10,192	–	–	20,551
Business and government	4,282	6,850	12,453	15,271	15,697	41,432	75,522	29,998	12,794	214,299
Allowance for credit losses	–	–	–	–	–	–	–	–	(3,917)	(3,917)
Derivative instruments	2,623	7,153	2,957	2,144	1,677	5,650	8,151	6,080	–	36,435
Customers' liability under acceptances	6	–	–	–	–	–	–	–	–	6
Other assets	–	–	–	–	–	–	–	–	44,100	44,100
	\$ 130,008	\$ 45,680	\$ 57,993	\$ 52,094	\$ 61,184	\$ 186,218	\$ 260,975	\$ 101,546	\$ 146,287	\$ 1,041,985
October 31, 2023 ⁽²⁾	\$ 148,846	\$ 41,962	\$ 44,949	\$ 38,144	\$ 42,260	\$ 151,110	\$ 301,854	\$ 80,914	\$ 125,651	\$ 975,690
Liabilities										
Deposits ⁽³⁾	\$ 56,215	\$ 32,842	\$ 72,169	\$ 47,048	\$ 44,437	\$ 46,848	\$ 66,255	\$ 21,056	\$ 377,987	\$ 764,857
Obligations related to securities sold short	21,642	–	–	–	–	–	–	–	–	21,642
Cash collateral on securities lent	7,997	–	–	–	–	–	–	–	–	7,997
Obligations related to securities sold under repurchase agreements	99,376	9,528	77	46	–	1,126	–	–	–	110,153
Derivative instruments	3,243	6,415	3,300	2,005	1,654	7,146	6,801	10,090	–	40,654
Acceptances	6	–	–	–	–	–	–	–	–	6
Other liabilities	23	48	70	69	67	268	616	867	28,176	30,204
Subordinated indebtedness	–	–	–	–	–	–	33	7,432	–	7,465
Equity	–	–	–	–	–	–	–	–	59,007	59,007
	\$ 188,502	\$ 48,833	\$ 75,616	\$ 49,168	\$ 46,158	\$ 55,388	\$ 73,705	\$ 39,445	\$ 465,170	\$ 1,041,985
October 31, 2023 ⁽²⁾	\$ 143,144	\$ 58,442	\$ 57,764	\$ 58,203	\$ 50,934	\$ 49,917	\$ 87,009	\$ 39,861	\$ 430,416	\$ 975,690

(1) Cash includes interest-bearing demand deposits with the Bank of Canada.

(2) Certain prior year information has been restated to reflect the adoption of IFRS 17. See Note 1 to the consolidated financial statements for additional details.

(3) Comprises \$252.9 billion (2023: \$239.0 billion) of personal deposits; \$492.0 billion (2023: \$462.1 billion) of business and government deposits and secured borrowings; and \$20 billion (2023: \$22.3 billion) of bank deposits.

The changes in the contractual maturity profile were primarily due to the natural migration of maturities and also reflect the impact of our regular business activities.

Credit-related commitments

The following table provides the contractual maturity of notional amounts of credit-related commitments. Since a significant portion of commitments are expected to expire without being drawn upon, the total of the contractual amounts is not representative of future liquidity requirements.

\$ millions, as at October 31, 2024	Less than 1 month	1–3 months	3–6 months	6–9 months	9–12 months	1–2 years	2–5 years	Over 5 years	No specified maturity ⁽¹⁾	Total
Unutilized credit commitments	\$ 2,511	\$ 9,034	\$ 5,538	\$ 6,773	\$ 8,494	\$ 25,926	\$ 76,505	\$ 3,341	\$ 245,760	\$ 383,882
Standby and performance letters of credit	5,406	3,689	3,293	4,641	3,545	718	668	221	–	22,181
Backstop liquidity facilities	125	22,677	55	300	10	111	456	–	–	23,734
Documentary and commercial letters of credit	38	62	24	6	35	11	7	–	–	183
Other	10,375 ⁽²⁾	–	–	–	–	–	–	–	56	10,431
	\$ 18,455	\$ 35,462	\$ 8,910	\$ 11,720	\$ 12,084	\$ 26,766	\$ 77,636	\$ 3,562	\$ 245,816	\$ 440,411
October 31, 2023 ⁽³⁾	\$ 8,270	\$ 24,767	\$ 8,078	\$ 11,853	\$ 8,917	\$ 29,890	\$ 72,394	\$ 3,516	\$ 232,656	\$ 400,341

(1) Includes \$189.6 billion (2023: \$179.2 billion) of personal, home equity and credit card lines, which are unconditionally cancellable at our discretion.

(2) Includes forward-dated securities financing trades.

(3) Certain information has been revised to conform to the current year presentation.

Other off-balance sheet contractual obligations

The following table provides the contractual maturities of other off-balance sheet contractual obligations affecting our funding needs:

\$ millions, as at October 31, 2024	Less than 1 month	1–3 months	3–6 months	6–9 months	9–12 months	1–2 years	2–5 years	Over 5 years	Total
Purchase obligations ⁽¹⁾	\$ 129	\$ 234	\$ 239	\$ 277	\$ 229	\$ 707	\$ 727	\$ 284	\$ 2,826
Investment commitments	–	1	12	–	2	1	32	480	528
Future lease commitments ⁽²⁾	–	–	–	3	7	29	91	439	569
Pension contributions ⁽³⁾	14	28	41	41	41	–	–	–	165
Underwriting commitments	464	–	–	–	–	–	–	–	464
	\$ 607	\$ 263	\$ 292	\$ 321	\$ 279	\$ 737	\$ 850	\$ 1,203	\$ 4,552
October 31, 2023 ⁽²⁾	\$ 145	\$ 172	\$ 237	\$ 251	\$ 201	\$ 527	\$ 705	\$ 1,106	\$ 3,344

(1) Obligations that are legally binding agreements whereby we agree to purchase products or services with specific minimum or baseline quantities defined at fixed, minimum or variable prices over a specified period of time are defined as purchase obligations. Purchase obligations are included through to the termination date specified in the respective agreements, even if the contract is renewable. Many of the purchase agreements for goods and services include clauses that would allow us to cancel the agreement prior to expiration of the contract within a specific notice period. However, the amount above includes our obligations without regard to such termination clauses (unless actual notice of our intention to terminate the agreement has been communicated to the counterparty). The table excludes purchases of debt and equity instruments that settle within standard market time frames.

(2) Excludes lease obligations that are accounted for under IFRS 16, which are recognized on the consolidated balance sheet, and operating and tax expenses relating to lease commitments. The table includes lease obligations that are not accounted for under IFRS 16, including those related to future starting lease commitments for which we have not yet recognized a lease liability and right-of-use asset.

(3) Includes estimated minimum funding contributions for our funded defined benefit pension plans in Canada, the U.S., the U.K., and the Caribbean. Estimated minimum funding contributions are included only for the next annual period as the minimum contributions are affected by various factors, such as market performance and regulatory requirements, and are therefore subject to significant variability.

Other risks

Strategic risk

Strategic risk is the risk of ineffective or improper implementation of business strategies, including mergers, acquisitions and divestitures. It includes the potential financial loss due to the failure of organic growth initiatives or failure to respond appropriately to changes in the business environment. For additional details on corporate transactions, see the "Top and emerging risks" section.

Oversight of strategic risk is the responsibility of the ExCo and the Board. At least annually, the CEO outlines the process and presents the strategic business plan to the Board for review and approval. As part of the annual planning process, Risk Management assesses the overall and business unit strategic plans to ensure alignment with our risk appetite. The Board reviews the plan in light of management's assessment of emerging market trends, the competitive environment, potential risks and other key issues.

One of the tools for measuring, monitoring and controlling strategic risk is attribution of regulatory capital against this risk. Our regulatory capital models include a strategic risk component for those businesses utilizing capital to fund an acquisition or a significant organic growth strategy.

Operational risk

Operational risk is the risk of loss resulting from people, inadequate or failed internal processes and systems, or from external events.

Operational risk is inherent in all CIBC activities and transactions. Failure to manage operational risk can result in direct or indirect financial loss, reputational impact, or regulatory review and penalties. The Operational Risk Management Framework (the Framework) sets out the requirements and roles and responsibilities in managing operational risk at CIBC.

Governance and Management

Operational risk is managed through the three lines of defence model and articulated in the Operational Risk Management Framework. A strong risk culture and communication between the three lines of defence are important characteristics of effective risk management. All three lines of defence, including all team members are accountable for identifying, managing and mitigating operational risk within the approved Operational Risk Appetite. For further details, see the "Management of risk – Risk overview" section.

Global Operational Risk Management (GORM), as part of Global Operational and Enterprise Risk Management, is responsible for oversight of the enterprise-wide operational risk and control environment globally. To effectively discharge its mandate, GORM establishes frameworks, policies, related procedures and guidelines, and develops tools, systems and processes to enable effective identification, measurement, mitigation, reporting and monitoring of operational risks. GORM is also involved in determining the level of operational risk capital in compliance with OSFI's guidelines. The standardized method requires both financial and operational loss data. The bank's general ledger is used to capture the financial components (e.g., income, expenses, and assets). A dedicated loss data application called the Operational Risk System (ORS) is used to capture the 10-years of operational losses used in the loss component of the calculation. From a governance perspective, the ORCC, chaired by the Senior Vice-President, GORM, is a forum for senior management, with representation from each of the three lines of defence, to monitor and discuss significant operational risk

and control matters. ORCC is a sub-committee of the GRC. The GRC, chaired by the CRO, is a senior management forum for discussion and oversight of risk appetite, risk profile and risk mitigation strategies.

Operational risk management approach

Information transparency, timely escalation, clear accountability and a robust internal control environment are the principles forming the basis of the Operational Risk Management Framework, which supports and governs the processes of identifying, measuring, mitigating, monitoring and reporting operational risks. We mitigate operational losses by consistently applying risk-based approaches and employing risk-specific assessment tools. Regular review of our risk governance structure ensures clarity of, and ownership in, key risk areas.

Risk identification

Risk identification includes the process of assessing, understanding and confirming risks, on business unit operations, transactions, change initiatives and emerging risks to ensure operational risks are proactively identified and managed. CIBC's business lines regularly conduct reviews of operational risks inherent in their products, services or processes and assess ways to mitigate and manage them in alignment with CIBC's risk appetite. These reviews include using risk and control self-assessments, audit findings, operational risk scenarios, past internal and external loss events, key risk indicators (KRIs) trends, change initiative risk assessments and in-depth risk reviews to form a holistic operational risk profile for the business lines. Under the three lines of defence model, GORM and relevant Control Groups challenge business lines' risk assessments and mitigation actions.

Risk measurement

Risk measurement is the quantification of operational risks through operational risk capital calculations, internal loss data collection and analysis, and stress testing to understand potential operational risk exposures.

Operational loss is one of the key operational risk metrics informing us of areas of heightened risk. We collect and analyze internal operational loss event data for themes and trends. The occurrence of a material or potential material loss triggers an investigation to determine the root causes of the incident and the effectiveness of existing mitigating controls, as well as the identification of any additional mitigating actions. Additionally, we monitor the external environment for emerging or potential risks to CIBC. The analysis of material operational risk events is performed by the first line of defence and the outputs of the analysis are subject to formal independent challenge by our second line of defence. The analysis of material operational risk events forms one component of our ongoing operational risk reporting to senior management and the Board.

A robust risk measurement practice is in place to quantify operational risk and ensure adequate capital. We use the standardized method to quantify our operational risk exposure in the form of operational risk regulatory capital, as agreed with local regulators.

Risk mitigation

Risk mitigation is the determination of appropriate strategies and development of action plans to address operational risks to ensure residual risks are within the CIBC risk appetite. Our primary tool for mitigating operational risk exposure is a robust internal control environment. Our Control Framework outlines key principles, structure and processes underpinning our approach to managing risks through effective controls. Under our framework, all key controls are subject to ongoing testing and review to ensure they effectively mitigate our operational risk exposures. In addition, our corporate insurance program may afford additional protection from loss. These mitigants also satisfy statutory and regulatory requirements, where applicable. Other risk transfer mechanisms can include approaches such as contractual indemnities in which the third party is responsible for losses. Finally, our global business continuity and broader operational resilience programs are aimed at minimizing impact from severe disruptions to our critical operations.

Risk monitoring and reporting

Risk monitoring and reporting ensures that operational risk issues, including emerging risks, are monitored and communicated to the relevant stakeholders in a timely and transparent manner.

Both forward-looking KRIs as well as backward-looking key performance indicators provide insight into our risk exposure and are used to monitor the main drivers of exposure associated with key operational risks and their adherence to the operational risk appetite. KRIs assist in early detection of potential operational risk events by identifying unfavourable trends and highlighting controls that may not be designed or operating effectively. Business lines are required to identify and implement KRIs for material risk exposures on an ongoing basis. Escalation triggers are used to highlight risk exposures requiring additional attention from senior management and/or the Board. The second line of defence challenges the selection of KRIs and the appropriateness of thresholds.

Our risk monitoring processes support a transparent risk-reporting program, informing both senior management and the Board of our control environment, operational risk exposures, and mitigation strategies. Operational risk practices are continuously enhanced to increase robustness of the operational risk management program for effective and efficient identification, measurement, mitigation, monitoring and reporting of operational risks at CIBC.

Operational risks that may adversely impact CIBC include the following:

Anti-money laundering/anti-terrorist financing

The risk of CIBC's potential non-conformance with global AML and ATF regulatory requirements and sanctions regulations may lead to enhanced regulatory scrutiny, regulatory censure (i.e., cease and desist orders) and/or financial loss (i.e., regulatory, criminal or civil penalties and/or forfeiture of assets). See the "Top and emerging risks – Anti-money laundering, anti-terrorist financing and sanctions" section for further details.

Data risk

The potential risk that may arise from failing to appropriately manage and maintain data, which can hinder CIBC's ability to provide consistent and accurate data that is used for a variety of purposes, such as financial reporting, regulatory reporting, or for use in analytical tools or models that can drive business decisions. See the "Top and emerging risks – Data and Artificial Intelligence risk" section for further details.

Fraud risk

The risk relating to the intentions to defraud, misappropriate property/assets or circumvent regulations, the law or CIBC policy and can be committed by either employees or by outsiders such as clients or third parties.

Information security risk (including cyber security)

The risk to the confidentiality, integrity and availability of CIBC-owned information, and the information entrusted to CIBC by clients, employees, shareholders, business partners, and third parties that if leaked, accessed without authorization or lost, could cause damage to CIBC's business and its customers. See the "Top and emerging risks – Technology, information and cyber security risk" section for further details.

Technology risk

The risk of compromised availability, degradation, recovery, capacity, performance, integrity of new or existing systems. See the "Top and emerging risks – Technology, information and cyber security risk" section for further details.

Third-party risk

The potential risk that may arise from relying on a third party business arrangement between CIBC and another entity, by contract or otherwise. This includes activities that involve outsourced products and services, use of outside consultants, networking arrangements, managed services, services provided by affiliates and subsidiaries, joint ventures, sponsorships, no-fee contracts, and any other arrangement that involves the delivery of business activities, functions or processes to CIBC and/or its clients. See the "Top and emerging risks – Third-party risk" section for further details.

Other operational risks include business interruption risk, conduct risk (see the "Conduct risk" section), financial reporting risk, legal risk (see the "Reputation and legal risks" section), model risk, people risk, privacy risk, project risk, physical security and safety risk, regulatory compliance risk (see the "Regulatory compliance risk" section) and transaction processing and execution risk.

Environmental and social risk

Environmental risk is the risk of financial loss or damage to reputation associated with environmental issues, including but not limited to climate-related issues (see the "Top and emerging risks – Climate risk" section for additional details), whether arising from our credit and investment activities or related to our own operations. Social risk is the potential for negative impact on our financial position, operations, legal and regulatory compliance, or reputation stemming from social considerations associated with CIBC, an activity, transaction, product, client, third party or supplier. These social considerations include, but are not limited to, inclusive banking (for example, accessibility, reconciliation, racial equity), human rights (for example, modern slavery, including forced labour and child labour, human trafficking, freedom of opinion and expression), and social impacts related to climate change.

Governance

CIBC has a Global Environmental and Social Framework, an internal policy document that provides an overview of how the bank sets and operationalizes its ESG strategy and related policies, including how environmental and social risks are managed, in addition to outlining the established ESG governance framework. The Global Environmental and Social Framework was originally developed in 2023 and is reviewed and updated biennially. As environmental and social risk management requires a multi-disciplinary approach, these risk factors are considered in our ESG governance framework, which outlines responsibilities for ESG from the Board to executive management and on to those with day-to-day accountability for execution.

CIBC's Board and its committees provide ongoing oversight of the continued execution of our bank-wide ESG governance framework, each playing a distinct, but integrated role. The Corporate Governance Committee leads oversight of the execution of our ESG strategy (which includes climate strategy), material public ESG disclosure and stakeholder engagement, and our overall ESG governance framework, and in this capacity considers external challenges, trends and developments that should be incorporated in our strategic plans. Other Board committees lead the oversight of specific elements of our ESG strategy and governance based on mandate, and as it pertains to environmental and social risks; in particular, the RMC supervises key frameworks related to CIBC's principal risks, which include climate-related risks, and the Audit Committee has oversight of the underlying processes and controls to ensure the integrity, accuracy and reliability of ESG disclosures in the Annual Report, Sustainability Report, and other material ESG disclosure documents.

At the senior management level, our Executive Committee is accountable for the progress on CIBC's ESG agenda, and the Executive Vice-President and Chief Legal Officer (CLO) is the executive lead for ESG across the enterprise, which includes leading our ESG strategy, ESG disclosure and the execution of our ESG governance framework. In this capacity, the CLO also works closely with our CRO, who has overall responsibility for enterprise risk management. Executive management of ESG is also facilitated through CIBC's Senior Executive ESG Council, which is chaired by the CLO, and has representation from all SBUs and functional groups, enabling bank-wide input and coordination on strategic ESG initiatives in response to CIBC's environmental and social impacts. Our Enterprise ESG team, which reports into the CLO, and is led by the Senior Vice-President, ESG and Corporate Governance, works alongside the SBUs, functional groups and ESG subject matter experts across the bank, such as the Environmental Risk Management team within Global Operational and Enterprise Risk Management, to advance CIBC's ESG agenda.

Understanding that environmental and social topics and related risks are evolving, we have regular, two-way engagement with our stakeholders and continuously assess and engage on other environmental and social issues through partnerships and industry initiatives. This helps to ensure that we have a common understanding of this risk area and are prepared to respond.

Risk management

The Global Environmental and Social Framework outlines roles and responsibilities for risk management of environmental and social risks as a shared responsibility between multiple risk management teams including Global Operational and Enterprise Risk Management, Conduct and Culture Risk Management, and Third Party Risk Management, in addition to regional risk management teams.

Within CIBC's Risk Management function, the Global Operational and Enterprise Risk Management group provides independent oversight of the measurement, monitoring and control of environmental risks. This group is led by the Executive Vice-President, Global Operational and Enterprise Risk Management, who has direct accountability to the CRO for environmental risk oversight. This team works closely with the Enterprise ESG team, to ensure that environmental and social risks are integrated into our ESG strategy, as well as with the SBUs and functional groups to ensure that environmental and social practices are applied to the banking services that we provide to our clients, the relationships we have with our stakeholders, and to the way we manage our facilities.

Environmental risk, including but not limited to climate-related issues, and social risk are components of reputation and legal risks. These risks are therefore assessed and mitigated according to the policies and related procedures followed for managing reputation and legal risks, including through the Reputation Risk Management Framework, Global Reputation and Legal Risks Policy and business-specific procedures. See the "Reputation and legal risks" section for additional information.

In addition, our Corporate Environmental Policy, which is under the overall management of the Environmental Risk Management team, describes our approach to prudent environmental management, including climate-related issues, and assigns responsibilities for managing our environmental

impacts. Our Corporate Environmental Policy states that CIBC will develop, implement and maintain standards and procedures to review, assess and manage the environmental risks inherent in lending and investment activities and seek through such activities to promote sound environmental management practices among those with whom business is conducted. For example, environmental and social evaluations are integrated into our credit risk assessment processes, with standards and procedures in place for all sectors. In addition, environmental and social risk assessments in project finance, project-related corporate loans and bridge loans are required, in accordance with our commitment as a signatory to the Equator Principles (adopted in 2003), which are a voluntary set of guidelines for financial institutions based on the screening criteria from the International Finance Corporation. An escalation process is in place for transactions with the potential to have significant environmental and social risk, with escalation up to the Reputation and Legal Risks Committee for senior executive review, if required.

Some social risks, such as child labour or human rights violations, are components of third party risk management and are identified, assessed, mitigated, monitored and reported as per CIBC's Third Party Risk Management Policy (see the "Top and emerging risks – Third-party risk" section), as well as through our Supplier Code of Conduct (see the "Human rights and codes of conduct" section).

Climate change

Climate risk is integrated into our risk management processes, beginning with our climate-related risk appetite, which is defined based on qualitative and quantitative considerations and reflects our guiding principle of practicing sound risk management, as well as enabling us to address stakeholders' expectations with respect to climate risk management. Tolerance levels have been implemented into our Risk Appetite Statements regionally and enterprise-wide for relevant SBUs. We continue to evaluate relevant metrics and will include additional quantitative measures to our Risk Appetite Statements, as needed, as climate-related risk management practices evolve and mature.

We are actively identifying and assessing climate-related risks and how they might impact business operations, cause physical damage, disrupt supply chains and affect global economies, and ultimately impact credit and market risk. To do this, we are continuing to develop a suite of tools including carbon risk scoring, heat maps, scenario analysis and measuring financed emissions to give us insights into the risks at a client, sector and portfolio level, as there is not one individual tool that can adequately measure the risks that our clients face due to climate change.

Our carbon risk scoring considers the short, medium and long-term impacts that a corporate or commercial client might face due to climate change such as policy, technology and market shifts. It allows us to score each client on a scale of advanced to poor, referring those clients that score poorly to our High Carbon Score Committee, made up of representatives from the relevant SBUs and risk management, to develop appropriate action plans to mitigate the risk.

Our heat map approach also provides a visual representation of the business and government sectors that are vulnerable to climate-related risks. Based on this heat map assessment, we assign a score to each industry and sector within our portfolio based on general exposure to physical and transition risks. The combined weighted average score is used to infer potential credit migrations, which is used as an input into scenario analysis to estimate potential changes in PD, expected loss and RWA. The latter is based on the Bank of Canada and OSFI pilot scenario and provides a useful "what-if" framework to explore how climate-related risks may manifest in the future.

These risk management tools provide us with a higher level of granularity to understand how our individual portfolios behave with regard to climate-related risks and where to focus mitigation efforts, as well as informing business decisions towards potential opportunities and areas where we can support our clients. We will continue expanding our knowledge and exploring and assessing climate-related risk impacts as industry standards, the regulatory environment, data quality, tools and our approach mature.

Human rights and codes of conduct

CIBC is committed to respecting human rights and stands against slavery and human trafficking throughout our business and supply chains.

We are committed to upholding human rights by incorporating global industry practices enterprise-wide, including the United Nations Guiding Principles on Business and Human Rights, and promoting a fair, diverse and inclusive work environment. We publicly report in accordance with applicable human rights legislation, including the United Kingdom's *Modern Slavery Act 2015*, the *Australian Modern Slavery Act 2018*, and Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*. We comply with all applicable human rights laws and standards in the jurisdictions in which we operate, including laws addressing issues such as forced and child labour, modern slavery and human trafficking, pay equity, employment equity, health and safety, discrimination, and harassment. We expect our team members, clients, suppliers, and other third parties with whom we have a business relationship to share our commitment to respect human rights. More information can be found in the CIBC on Human Rights: Modern Slavery and Human Trafficking Statement, which is available on our website.

CIBC's Code of Conduct (Code) is an important reference point in our culture and sets out an integrated framework of key principles, policies, guidelines and processes designed to empower team members to act in a manner consistent with the highest standards of ethical and professional conduct. Our Code is applicable to all team members of CIBC and its wholly owned subsidiaries, except for team members in CIBC Cayman Bank Limited and CIBC Capital Markets (Europe) S.A. (Luxembourg), which have their own codes of conduct to comply with local requirements. Each year, all team members must attest that they have read, understood and continually abide by our Code. We also have mechanisms in place to detect and identify potential violations of our Code, which are reviewed through the appropriate channels, in accordance with applicable laws and CIBC policies, guidelines and processes, to determine outcomes and consequences.

Our Supplier Code of Conduct sets out the principles, standards and behaviours that our suppliers should follow, as we expect that they act ethically and adhere to all applicable laws, rules and regulations, such as maintaining responsible labour practices and human rights, in the jurisdictions in which they operate. We have procedures in place to assess supplier risk and to govern our contracted supplier relationships. Due diligence reviews of new, existing and prospective suppliers require consideration of applicable ESG factors in order to mitigate these potential risks within our supply chain.

More information on our ESG governance, policy, management and performance can be found in our Sustainability Report, which is available on our website.

Regulatory compliance risk

Regulatory compliance risk is the risk of CIBC's potential non-conformance with applicable regulatory requirements.

Our approach to managing and mitigating regulatory compliance risk aligns with CIBC's Risk Appetite Statement and centers around fostering a robust risk culture. The foundation of this approach is a comprehensive Regulatory Compliance Management (RCM) Framework. The RCM Framework, owned by the Senior Vice-President, Chief Compliance and Privacy Officer and Global Regulatory Affairs, and approved by the RMC, maps regulatory requirements to our internal mitigants (i.e., policies, procedures and/or controls) that evidence regulatory compliance.

Our Compliance department is responsible for developing and maintaining a comprehensive RCM Program, including oversight of the RCM Framework. This department operates independently from business management and regularly reports to the RMC.

The primary responsibility for complying with all applicable regulatory requirements rests with senior management of the business and functional groups, and extends to all employees. The Compliance department's activities support these groups, with a particular focus on regulatory requirements that govern the relationship between CIBC and its clients.

See the "Regulatory developments" section for further details.

Insurance risk

Insurance risk is the risk of loss arising from the obligation to pay out benefits and expenses on insurance policies in excess of expected amounts. Unfavourable actual experience could emerge due to adverse fluctuations in timing, size and frequency of actual claims (e.g., mortality, morbidity), policyholder behaviour (e.g., cancellation of coverage), or associated expenses.

Insurance contracts provide financial compensation to the beneficiary in the event of an insured risk occurring in exchange for premiums. We are exposed to insurance risk in our insurance business and in our reinsurance business within the respective subsidiaries.

Senior management of the insurance and reinsurance subsidiaries have primary responsibility for managing insurance risk with oversight by Risk Management. The insurance and reinsurance subsidiaries also have their own boards of directors, and an independent Appointed Actuary who provide additional input to risk management oversight. Processes and oversight are in place to manage the risk to our insurance business.

Underwriting risk on business assumed is managed through risk policies that limit exposure to an individual life, to certain types of business and to regions.

Our risk governance practices ensure strong independent oversight and control of risk within the insurance businesses. The subsidiaries' boards outline the internal risk and control structure to manage insurance risk, which includes risk, capital and control policies, processes as well as limits and governance. Senior management of the insurance and reinsurance subsidiaries and Risk Management attend the subsidiaries' board meetings.

Reputation and legal risks

Our reputation and financial soundness are of fundamental importance to us and to our clients, shareholders, third parties, regulators, team members and communities.

Reputation risk is the risk of negative publicity regarding our business conduct or practices which, whether true or not, could significantly harm our reputation as a leading financial institution, or could materially and adversely affect our business, operations or financial condition.

Legal risk is the risk of financial loss arising from one or more of the following factors: (a) civil, criminal or regulatory enforcement proceedings against us; (b) our failure to correctly document, enforce or comply with contractual obligations; (c) failure to comply with our legal obligations to clients, investors, team members, counterparties or other stakeholders; (d) failure to take appropriate legal measures to protect our assets or security interests; or (e) misconduct by our team members or agents.

All team members at CIBC play an important role in protecting our reputation by ensuring that the highest ethical standards are followed in how we act and what we do. Not only must we act with integrity at all times, we must also ensure that activities being conducted do not pose undue risks to CIBC's reputation for ethical, sound and responsible business practices. As a result, requirements for the management and oversight of potential reputation risk are integrated throughout our framework of policies and related procedures. These processes include the management of various risks as set out in CIBC's Risk Appetite Statement, Risk Management Framework and Code of Conduct. Our Reputation Risk Management Framework, Global Reputation and Legal Risks Policy and business-specific procedures outline how we safeguard our reputation through identification, assessment, escalation and mitigation of potential reputation and legal risks. Proactive management of potential reputation and legal risks is a key responsibility of CIBC and all our team members.

Overall governance and oversight of reputation risk is provided by the Board, primarily through the RMC of the Board. Senior management oversight of reputation and legal risks is provided by the Reputation and Legal Risks Committee, which is a sub-committee of GRC and reports its activities regularly to the GRC. Additionally, there are specific senior management committees across the enterprise that provide further oversight to ensure required practices are followed and any material reputation and legal risks are identified, managed, and if required, escalated, effectively.

Conduct risk

Conduct risk is the risk that the actions or omissions (i.e., behaviour) of CIBC, team members or third parties: do not align with our desired culture; deliver poor, inappropriate or unfair outcomes for clients, team members or shareholders; result in adverse market practices and outcomes; impact CIBC's reputation as a leading financial institution; or materially and adversely affect our business, operations or financial condition.

Our Conduct and Culture Risk Framework applies enterprise-wide and outlines the proactive management and oversight of potential conduct risk. Every team member is accountable for the identification and management of conduct risk. The overarching principles and requirements for maintaining appropriate conduct and addressing inappropriate conduct are covered in the CIBC Code of Conduct (the Code) and other global, regional and business specific policies, frameworks, processes and procedures. All team members must continually abide by the Code, and CIBC policies, frameworks, processes and procedures in carrying out the accountabilities of their role. Overall governance of conduct risk is provided by the Board and its committees, including the CGC, as well as senior management committees.

Accounting and control matters

Critical accounting policies and estimates

The consolidated financial statements of CIBC have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB). These consolidated financial statements also comply with Section 308(4) of the *Bank Act* (Canada) and the requirements of OSFI. A summary of material accounting policies is presented in Note 1 to the consolidated financial statements.

Certain accounting policies require us to make judgments and estimates, some of which relate to matters that are uncertain. In particular, changes in the judgments and estimates related to IFRS 9 can have a significant impact on the level of ECL allowance recognized and period-over-period volatility of the provision for credit losses. Changes in the judgments and estimates required in the critical accounting policies discussed below could have a material impact on our financial results. We have established control procedures to ensure accounting policies are applied consistently and processes for changing methodologies are well controlled.

IFRS 17 “Insurance Contracts”

CIBC adopted IFRS 17 “Insurance Contracts” (IFRS 17) as at November 1, 2023, in place of prior guidance, IFRS 4 “Insurance Contracts” (IFRS 4). IFRS 17 provides guidance on the recognition and measurement of insurance contracts we issue and reinsurance contracts we hold. We applied IFRS 17 on a retrospective basis beginning on November 1, 2023, with the restatement of the 2023 comparative period. The impact of adoption is discussed in Note 1 to the consolidated financial statements.

Use and classification of financial instruments

As a financial institution, our assets and liabilities primarily comprise financial instruments, which include deposits, securities, loans, derivatives, repurchase agreements, and subordinated indebtedness.

We use these financial instruments for both trading and non-trading activities. Trading activities primarily include the purchase and sale of securities and commodities, transacting in foreign exchange and derivative instruments in the course of facilitating client trades and taking proprietary trading positions with the objective of income generation. Non-trading activities generally include the business of lending, investing, funding, and ALM.

The use of financial instruments may either introduce or mitigate exposures to market, credit and/or liquidity risks. See the “Management of risk” section for details on how these risks are managed.

Financial instruments are accounted for according to their classification. Judgment is applied in determining the appropriate classification of financial instruments under IFRS 9, in particular as it relates to the assessment of whether debt financial assets meet the solely payment of principal and interest (SPPI) test, and the assessment of the business model used to manage financial assets. For details on the accounting for these instruments under IFRS 9, see Note 1 to the consolidated financial statements.

Determination of fair value of financial instruments

Under IFRS 9, debt, equity securities and business and government loans measured at FVTPL, obligations related to securities sold short, derivative contracts, FVOCI securities and FVO financial instruments are carried at fair value. FVO financial instruments include certain debt securities, certain secured borrowings, obligations related to securities sold under repurchase agreements, structured deposits and business and government deposits. Certain retail mortgage interest rate commitments are also designated as FVO financial instruments.

IFRS 13 defines fair value to be the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly arm’s-length transaction between market participants in the principal market under current market conditions (i.e., the exit price). Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the valuation inputs (Level 1, 2 or 3). We have an established and documented process for determining fair value. Fair value is based on unadjusted quoted prices in an active market for the same instrument, where available (Level 1). If active market prices or quotes are not available for an instrument, fair value is then based on valuation models in which the significant inputs are observable (Level 2) or in which one or more of the significant inputs are non-observable (Level 3). Estimating fair value requires the application of judgment. The type and level of judgment required is largely dependent on the amount of observable market information available.

For instruments valued using internally developed models that use significant non-observable market inputs and are therefore classified within Level 3 of the hierarchy, the judgment used to estimate fair value is more significant than when estimating the fair value of instruments classified within Levels 1 and 2. To ensure that valuations are appropriate, a number of policies and controls are in place, including independent validation of valuation inputs to external sources such as exchange quotes, broker quotes or other management-approved independent pricing sources.

The following table presents amounts, in each category of financial instruments, which are valued using valuation techniques based on Level 3 inputs. For further details of the valuation of and sensitivity associated with Level 3 financial assets and liabilities, see Note 2 to the consolidated financial statements.

	2024		2023	
	Level 3	Total ⁽¹⁾	Level 3	Total ⁽¹⁾
Assets				
Securities and loans measured at FVTPL	\$ 612	0.6 %	\$ 691	0.8 %
Equity securities designated at FVOCI	203	0.3	191	0.3
Derivative instruments	101	0.3	71	0.2
	\$ 916	0.4 %	\$ 953	0.5 %
Liabilities				
Deposits and other liabilities ⁽²⁾	\$ 416	1.0 %	\$ 242	0.7 %
Derivative instruments	1,083	2.7	1,874	4.5
	\$ 1,499	1.3 %	\$ 2,116	2.1 %

(1) Represents the percentage of Level 3 assets and liabilities over total assets and liabilities for each reported category that are carried on the consolidated balance sheet at fair value.

(2) Includes FVO deposits and bifurcated embedded derivatives.

Note 2 to the consolidated financial statements presents the valuation methods used to determine fair value showing separately those financial instruments that are carried at fair value on the consolidated balance sheet and those that are not.

In order to reflect the observed market practice of pricing collateralized and uncollateralized derivatives, our valuation approach uses overnight indexed swap curves as the discount rate in the valuation of collateralized derivatives and market cost of funding in the valuation of uncollateralized derivatives. The use of a market cost of funds curve reduces the fair value of uncollateralized derivative assets incremental to the reduction in fair value for credit risk already reflected through the CVA. In contrast, the use of a market cost of funds curve reduces the fair value of uncollateralized derivative liabilities in a manner that generally includes adjustments for our own credit. As market practices continue to evolve in regard to derivative valuation, further adjustments may be required in the future.

Fair value adjustments

We apply judgment in establishing valuation adjustments that take into account various factors that may have an impact on the valuation of financial instruments that are carried at fair value on the consolidated balance sheet. Such factors include, but are not limited to, the bid-offer spread, illiquidity due to lack of market depth and other market risks, parameter uncertainty, model risk, and credit risk.

The establishment of fair value adjustments involves estimates that are based on accounting processes and judgments by management. We evaluate the adequacy of the fair value adjustments on an ongoing basis. The level of fair value adjustments could change as events warrant and may not reflect ultimate realizable amounts.

As at October 31, 2024, the total valuation adjustments related to financial instruments carried at fair value on the consolidated balance sheet was \$336 million (2023: \$373 million), primarily related to credit risk, bid-offer spreads, and parameter uncertainty of our derivative assets and liabilities, as well as adjustments recognized for valuing our uncollateralized derivative assets and liabilities based on an estimated market cost of funds curve.

Impairment of financial assets

Under IFRS 9, we establish and maintain ECL allowances for all debt instrument financial assets classified as amortized cost or FVOCI. In addition, the ECL allowances apply to loan commitments and financial guarantees that are not measured at FVTPL.

ECL allowances represent credit losses that reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. One of the objectives of IFRS 9 is to record lifetime losses on all financial instruments that have experienced a significant increase in credit risk since their initial recognition. As a result, ECL allowances are measured at amounts equal to either: (i) 12-month ECL; or (ii) lifetime ECL for those financial instruments that have experienced a significant increase in credit risk since initial recognition or when there is objective evidence of impairment.

Key drivers of expected credit loss

The ECL impairment requirements of IFRS 9 require that we make judgments and estimates related to matters that are uncertain. In particular, the ECL requirements of IFRS 9 incorporate the following elements that are subject to a high level of judgment:

- Determining when a significant increase in credit risk of a loan has occurred;
- Measuring both 12-month and lifetime credit losses; and
- Forecasting forward-looking information for multiple scenarios and determining the probability weighting of each scenario.

In addition, the interrelationship between these elements is also subject to a high degree of judgment. Changes in the judgments and estimates related to IFRS 9 can have a significant impact on the level of ECL allowance recognized and the period-over-period volatility of the provision for credit losses. Changes in a particular period could have a material impact on our financial results. We continue to operate in an uncertain macroeconomic environment. As a result, a heightened level of judgment is required to estimate ECLs. Actual results could differ from these estimates and assumptions. See Note 5 to our consolidated financial statements for more information concerning the high level of judgment inherent in the estimation of ECL allowance under IFRS 9.

Use of the regulatory framework

Our ECL models leverage the data, systems and processes that are used to calculate Basel expected loss regulatory adjustments for the portion of our retail and business and government portfolios under the IRB approach. Significant judgment is applied in leveraging the data and modelling techniques used to calculate Basel risk parameters to meet IFRS 9 requirements, including the conversion of through-the-cycle estimates to the point-in-time parameters used under IFRS 9 that consider forward-looking information. In addition, credit losses under IFRS 9 are 12 months for stage 1 financial instruments and lifetime for stage 2 and stage 3 financial instruments, compared to 12 months for IRB portfolios under Basel. The main differences between Basel risk parameters and IFRS 9 parameters are explained in the table below:

	<i>Regulatory Capital</i>	<i>IFRS 9</i>
PD	Through-the-cycle PD represents long-run average PD throughout a full economic cycle	Point-in-time 12-month or lifetime PD based on current conditions and relevant forward-looking assumptions
LGD	Downturn LGD based on losses that would be expected in an economic downturn and subject to certain regulatory floors Discounted using the cost of capital or opportunity cost	Unbiased probability-weighted LGD based on estimated LGD including impact of relevant forward-looking assumptions such as changes in collateral value Discounted using the original effective interest rate
EAD	Based on the drawn balance plus expected utilization of any undrawn portion prior to default, and cannot be lower than the drawn balance	Amortization and repayment of principal and interest from the balance sheet date to the default date is also captured
Other		ECL is discounted from the default date to the reporting date

Attribution of provision for credit losses

We recognize provision for credit losses on both impaired (stage 3) and performing (stages 1 and 2) loans in the respective SBUs. Provision for credit losses recognized directly on our consolidated statement of income is in respect to financial instruments classified as loans and bankers' acceptances. Provision for credit losses for FVOCI debt securities and amortized cost securities are recognized in Gains (losses) from debt securities measured at FVOCI and amortized cost, net in the consolidated statement of income.

Hedge accounting

The IFRS 9 hedge accounting guidance is intended to better align the accounting with risk management activities. However, IFRS 9 allows the existing hedge accounting requirements under IAS 39 to continue in place of the hedge accounting requirements under IFRS 9. As permitted, we previously elected to not adopt the IFRS 9 hedge accounting requirements and instead retained the IAS 39 hedge accounting requirements. As required, we have adopted the hedge accounting disclosure requirements under amendments to IFRS 7 that were effective in 2018. As a result of interest rate benchmark reform, we applied the relief provided in the "Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7" (Phase 1 amendments) and the "Interest Rate Benchmark Reform: Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16" (Phase 2 amendments) that we previously adopted as of November 1, 2019 and November 1, 2020, respectively.

Securitizations and structured entities

Securitization of our own assets

Under IFRS 10 "Consolidated Financial Statements" (IFRS 10), judgment is exercised in determining whether an investor controls an investee including assessing whether the investor has: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to affect those returns through its power over the investee. Power may be exercised through voting or similar rights or, in the case of SEs, through contractual arrangements that direct the relevant activities of the investee. When voting rights are not relevant in deciding whether CIBC has power over an entity, particularly for complex SEs, the assessment of control considers all facts and circumstances, including the purpose and design of the investee, its relationship with other parties and each party's ability to make decisions over significant activities, and whether CIBC is acting as a principal or as an agent.

We sponsor several SEs that have purchased and securitized our own assets including Cards II Trust and HELOCS Trust, which we consolidate under IFRS 10.

We also securitize our own mortgage assets through a government-sponsored securitization program. We sell these securitized assets to a government-sponsored securitization vehicle that we do not consolidate, as well as to other third parties. IFRS 9 provides guidance on when to derecognize financial assets. A financial asset is derecognized when the contractual rights to receive cash flows from the asset have expired, or when we have transferred the rights to receive cash flows from the asset such that:

- We have transferred substantially all the risks and rewards of the asset; or
- We have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

We have determined that our securitization activities related to residential mortgages, cards receivables and HELOCs are accounted for as secured borrowing transactions because we have not met the aforementioned criteria.

Securities lending and repurchase transactions generally do not result in the transfer of substantially all the risks and rewards of the securities and as a result do not result in derecognition of the securities.

Securitization of third-party assets

We also sponsor several SEs that acquire direct or indirect ownership or security interests in pools of financial assets from our clients and finance the acquisitions by issuing ABCP to investors. We consider a number of factors in determining whether CIBC controls these SEs. We monitor the extent to which we support these SEs, through direct investment in the debt issued by the SEs and through the provision of liquidity protection to the other debtholders, to assess whether we should consolidate these entities.

IFRS 10 also requires that we reconsider our consolidation assessment if facts and circumstances relevant to the entities indicate that there are changes to one or more of the three elements of control described above. Factors that trigger reassessment include, but are not limited to, significant changes in ownership structure of the entities, changes in contractual or governance arrangements, provision of a liquidity facility beyond the original terms, transactions with the entities that were not contemplated originally and changes in the financing structure of the entities.

Specifically, in relation to our multi-seller conduits, we would reconsider our consolidation assessment if our level of interest in the ABCP issued by the conduits changes significantly, or in the rare event that the liquidity facility that we provide to the conduits is drawn or amended.

A significant increase in our holdings of the outstanding commercial paper issued by the conduits would become more likely in a scenario in which the market for bank-sponsored ABCP suffered a significant deterioration such that the conduits were unable to roll their ABCP.

For additional information on the securitizations of our own assets and third-party assets, see the "Financial condition – Off-balance sheet arrangements" section and Note 6 to the consolidated financial statements.

Leases

As a lessee, we recognize a right-of-use asset and a corresponding lease liability based on the present value of future lease payments, less any lease incentives receivable, when the lessor makes the leased asset available for use to CIBC. We apply judgment in determining the appropriate lease term, which is based on the non-cancellable portion of the lease term, adjusted for any renewal or termination options that are reasonably certain to be exercised. In accounting for the lease, we also determine the appropriate discount rates based on the rate implicit in the lease, if determinable, or on CIBC's incremental borrowing rate.

As an intermediate lessor for office space, we apply judgment to classify a sublease as an operating or finance sublease based on whether substantially all of the risks and rewards related to the underlying right-of-use asset are transferred to the sub-lessee. If classified as a finance sublease, the related right-of-use asset is derecognized and an investment in sublease is recognized based on the head lease discount rate unless the rate implicit in the sublease is determinable. Where a finance sublease includes lease and non-lease components, we allocate the total consideration in the contract to each component based on our estimation of the standalone prices for each of these components. The investment in sublease is subsequently measured using the effective interest rate method, with interest income recognized over the term of the sublease. Rental income from operating subleases is recognized on a systematic basis over the lease term. For both finance and operating subleases, we apply similar judgments as when we are acting as a lessee to determine the appropriate lease term.

We are also lessors in both financing leases and operating leases related to equipment financing activities for our clients. Judgement is applied to classify these leases as a financing lease or as an operating lease based on whether substantially all the risks and rewards related to ownership of the

leased asset are transferred to the lessee. In a financing lease, the leased asset is derecognized and a net investment in the lease is recognized, which is initially measured as the present value of the lease payments to be received from the lessee and any unguaranteed residual value we expect to recover at the end of the lease, discounted at the interest rate implicit in the lease. The net investment in the financing lease is presented as part of Business and government loans on our consolidated balance sheet.

Asset impairment

Goodwill

As at October 31, 2024, we had goodwill of \$5,443 million (2023: \$5,425 million). Goodwill is not amortized, but is tested, at least annually, for impairment by comparing the recoverable amount of the cash-generating unit (CGU) to which goodwill has been allocated, with the carrying amount of the CGU including goodwill. Any deficiency is recognized as impairment of goodwill. The recoverable amount of a CGU is defined as the higher of its estimated fair value less cost to sell and its value in use. Goodwill is also required to be tested for impairment whenever there are indicators that it may be impaired.

Estimation of the recoverable amount is an area of significant judgment. Recoverable amounts are estimated using internally developed models that require the use of significant assumptions including forecasted earnings, discount rates, growth rates, forecasted regulatory capital requirements, and price-earnings multiples. Reductions in the estimated recoverable amount could arise from various factors, such as reductions in forecasted cash flows, an increase in the assumed level of required capital, and any adverse changes to the discount rate or terminal growth rates either in isolation or in any combination thereof. Where our estimated recoverable amount is not significantly in excess of the carrying amount of the CGU, additional judgment is required, and reductions in the recoverable amount are more likely to result in an impairment charge.

In the fourth quarter of 2024, we performed our annual impairment test. We concluded that the recoverable amounts of our CGUs were in excess of their carrying amounts.

For additional information, see Note 8 to the consolidated financial statements.

Other intangible assets and long-lived assets

As at October 31, 2024, we had other intangible assets with an indefinite life of \$116 million (2023: \$116 million) and with a definite life of \$199 million (2023: \$259 million). Acquired intangible assets are separately recognized if the benefits of the intangible assets are obtained through contractual or other legal rights, or if the intangible assets can be sold, transferred, licensed, rented, or exchanged. Determining the useful lives of intangible assets requires judgment and fact-based analysis.

Intangible assets with an indefinite life are not amortized but are assessed for impairment by comparing the recoverable amount to the carrying amount. The recoverable amount is defined as the higher of the estimated fair value less cost to sell and value in use. An impairment test is required at least annually, or whenever there are indicators that these assets may be impaired. On October 31, 2023, CIBC Caribbean announced its intent to rebrand as CIBC, and we therefore recognized an impairment charge of \$27 million in the fourth quarter of 2023 related to the impairment of the indefinite-lived brand name intangible asset acquired as part of the CIBC Caribbean acquisition.

Long-lived assets and other identifiable intangible assets with a definite life are amortized over their estimated useful lives. These assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount is higher than the recoverable amount.

Determining the recoverable amount of intangible assets and long-lived assets is an area of judgment as we estimate the future cash flows expected to result from the use of the asset and, where appropriate, cash flows arising from the asset's eventual disposition.

For additional information, see Note 8 to the consolidated financial statements.

Income taxes

We are committed to responsible tax practices. We exercise active tax governance and tax compliance processes in accordance with the statutory obligations of all jurisdictions in which we operate. We seek to manage tax risk to ensure any financial exposure is well understood and remains consistent with our strategy and overall risk appetite.

We are subject to income tax laws in the various jurisdictions where we operate, and the complex tax laws are potentially subject to different interpretations by us and the relevant taxation authority. Management judgment is applied in the interpretation of the relevant tax laws and in estimating the expected timing and amount of the provision for current and deferred income taxes based on an assessment of the relevant factors.

Current tax is calculated using tax rates enacted or substantively enacted as at the reporting date. For Canadian income taxes, substantively enacted is generally interpreted to occur at the point of a third reading in a Canadian Parliament held by a minority government, or the first reading in a Canadian Parliament held by a majority government.

Deferred tax assets or liabilities are determined for each temporary difference based on the tax rates that are expected to be in effect in the period that the assets are realized or the liabilities are settled, based on the laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax liabilities are not recognized on temporary differences arising on our NIFOs if they are not expected to reverse in the foreseeable future and we expect to control the timing of reversal. Deferred tax assets are not recognized on temporary differences arising on our NIFOs if they are not expected to reverse in the foreseeable future or it is not probable future taxable profits will be available against which these deductible temporary differences can be utilized.

We assess quarterly the probability that our deferred tax assets will be realized prior to their expiration and determine if any portion of our deferred tax assets should not be recognized.

For further details on our income taxes, see Note 18 to the consolidated financial statements.

Contingent liabilities and provisions

Legal proceedings and other contingencies

In the ordinary course of its business, CIBC is a party to a number of legal proceedings, including regulatory investigations, in which claims for substantial monetary damages are asserted against CIBC and its subsidiaries. Legal provisions are established if, in the opinion of management, it is both probable that an outflow of economic benefits will be required to resolve the matter, and a reliable estimate can be made of the amount of the obligation. If the reliable estimate of probable loss involves a range of potential outcomes within which a specific amount appears to be a better estimate, that amount is accrued. If no specific amount within the range of potential outcomes appears to be a better estimate than any other amount, the mid-point in the range is accrued. In some instances, however, it is not possible either to determine whether an obligation is probable or to reliably estimate the amount of loss, in which case no accrual can be made.

While there is inherent difficulty in predicting the outcome of legal proceedings, based on current knowledge and in consultation with legal counsel, we do not expect the outcome of these matters, individually or in aggregate, to have a material adverse effect on our consolidated financial statements.

However, the outcome of these matters, individually or in aggregate, may be material to our operating results for a particular reporting period. We regularly assess the adequacy of CIBC's litigation accruals and make the necessary adjustments to incorporate new information as it becomes available.

A description of significant ongoing matters to which CIBC is a party can be found in Note 21 to the consolidated financial statements. The provisions disclosed in Note 21 include accruals for legal matters as at October 31, 2024, including amounts related to the significant legal proceedings described in that note and to other legal matters. Tax examinations and disputes are excluded. Income tax matters are reflected in Note 18 to the consolidated financial statements.

Note 21 also includes information on reasonably possible losses over and above amounts that have been accrued, which are losses that are neither probable, nor remote, for significant legal matters for which an estimate can be made.

Post-employment and other long-term benefit plan assumptions

We sponsor a number of benefit plans to eligible employees, including registered and supplemental pension plans, and post-retirement medical and dental plans (other post-employment benefit plans). We also continue to sponsor long-term disability medical and dental benefit plans (collectively, other long-term benefit plans).

The calculation of net defined benefit plan expense and obligations depends on various actuarial assumptions such as discount rates, health-care cost trend rates, turnover of employees, projected salary increases, retirement age and mortality rates. The actuarial assumptions used for determining the net defined benefit plan expense for a fiscal year are set at the beginning of the annual reporting period, are reviewed in accordance with accepted actuarial practice and are approved by management.

The discount rate assumption used in measuring the net defined benefit plan expense and obligations reflects market yields, as of the measurement date, on high-quality debt instruments with a currency and term to maturity that match the currency and expected timing of benefit payments. Our discount rate is estimated by developing a yield curve based on high-quality corporate bonds. While there is a deep market of high-quality corporate bonds denominated in Canadian dollars with short and medium terms to maturity, there is not a deep market in bonds with terms to maturity that match the timing of all the expected benefit payments for all of our Canadian plans. As a result, for our Canadian pension, other post-employment and other long-term benefit plans, we estimate the yields of high-quality corporate bonds with longer-term maturities by extrapolating current yields on bonds with short- and medium-term durations along the yield curve. Judgment is required in constructing the yield curve, and as a result, different methodologies applied in constructing the yield curve can give rise to different discount rates.

For further details of our annual pension and other post-employment expense and obligations, see Note 1 and Note 17 to the consolidated financial statements.

Self-managed loyalty points program

We sponsor certain self-managed credit card loyalty points programs for which we recognize credit card loyalty point liabilities that are subject to periodic remeasurement to reflect the expected cost of redemption as this expectation changes over time. The calculation of the expected cost of redemption requires the use of judgment and depends on various assumptions, including estimation of the cost per point and the long-term redemption rate.

For further details on our self-managed loyalty points programs, see Note 1 to the consolidated financial statements.

Accounting developments

For details on future accounting policy changes, refer to Note 30 to our consolidated financial statements.

Other regulatory developments

Interest rate benchmark reform

Various interest rate and other indices previously deemed to be "benchmarks" including the London Interbank Offered Rate (LIBOR) and Canadian Dollar Offered Rate (CDOR) were the subject of international regulatory guidance and reforms. Regulators in various jurisdictions had advocated for the transition from these rates to alternative benchmark rates, based upon risk-free rates determined using actual market transactions. Prior to the change in regulatory guidance, a significant number of CIBC's derivatives, securities, and lending and deposit contracts referenced the legacy benchmark rates, including contracts with maturity dates that extended beyond the cessation dates announced by the regulators.

To manage and coordinate all aspects of the transition to alternative rates, CIBC had established an Enterprise IBOR Transition Program (Program). The Program was supported by a formal governance structure and dedicated working groups that included stakeholders from frontline businesses as well as functional groups such as Treasury, Technology and Operations, Risk Management, Legal, and Finance, to facilitate the transition.

Consistent with regulatory expectations, we transitioned our exposures from Sterling, Japanese yen, Swiss franc and Euro LIBOR settings to the new alternative rates in fiscal 2022. We completed the transition of our USD LIBOR referenced contracts to alternative rates as of June 30, 2023. As a result of the Financial Conduct Authority's announcement that the LIBOR administrator will continue to publish certain USD LIBOR settings on a non-representative synthetic basis after June 30, 2023, for a limited period to allow market participants to use such rates in legacy contracts, we continue to have subordinated debenture liabilities amounting to US\$48 million that continue to reference LIBOR.

Consistent with regulatory expectations, no new derivatives or securities referenced to CDOR were originated after June 30, 2023, with limited permitted exceptions. We completed the transition of CDOR and bankers' acceptance based contracts, including centrally cleared derivatives, to alternative rates in the third quarter of 2024 in alignment with regulatory expectations. We continue to make information available to our clients, advising them on recent developments.

Federal Deposit Insurance Corporation (FDIC) Special Assessment

On November 16, 2023, the FDIC Board of Directors approved the final ruling to implement a special assessment on certain insured U.S. depository institutions to recover the cost associated with protecting uninsured depositors following the closures of Silicon Valley Bank and Signature Bank. Our U.S. depository institution, CIBC Bank USA, is subject to this special assessment and recognized a cumulative net pre-tax charge of \$103 million (US\$77 million) in fiscal 2024 based on our expectations of the total payable amount. The first and the second assessment payments were made in June and September 2024, respectively, with eight additional quarterly payments to follow. The special assessment remains subject to adjustment by the FDIC based on the revised estimated and actual losses incurred from the receivership process.

OSFI Guideline E-21 – Operational Risk and Resilience

On August 22, 2024, OSFI published the final Guideline E-21, which sets expectations for FRFIs to prepare for and recover from severe disruptive events. The guideline enhances expectations for operational risk management and establishes new expectations related to operational resilience, business continuity risk management, crisis management, change management, and data risk management. FRFIs are expected to immediately adhere to operational risk management expectations in sections 1 and 2 (Governance and Operational Risk Management, respectively), section 4 (Key areas of operational risk management that strengthen operational resilience – business continuity, crisis management, change management and data risk) by September 1, 2025, Operational resiliency by September 2026 and testing for all critical operations by September 1, 2027.

Related-party transactions

We have various processes in place to ensure that the relevant related-party information is identified and reported to the CGC of the Board on a quarterly basis, as required by the *Bank Act* (Canada). The CGC has the responsibility for reviewing our policies and practices in identifying transactions with our related parties that may materially affect us, and reviewing the associated procedures for promoting compliance with the *Bank Act* (Canada).

In the ordinary course of business, we provide banking services and enter into transactions with related parties on terms similar to those offered to unrelated parties. Related parties include key management personnel⁽¹⁾, their close family members, and entities that they or their close family members control or jointly control. Related parties also include associates and joint ventures accounted for under the equity method, and post-employment benefit plans for CIBC employees. Loans to these related parties are made in the ordinary course of business and on substantially the same terms as for comparable transactions with unrelated parties. We offer a subsidy on annual fees and preferential interest rates on credit card balances to senior officers which is the same offer extended to all employees of CIBC. In addition, CIBC offers deferred share and other plans to non-employee directors, executives, and certain other key employees. Details of our compensation of key management personnel⁽¹⁾ and our investments in equity-accounted associates and joint ventures are disclosed in Notes 16, 17, 23 and 24 to the consolidated financial statements.

⁽¹⁾ Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of CIBC directly or indirectly and comprise the members of the Board (referred to as directors), ExCo and certain named officers per the *Bank Act* (Canada) (collectively referred to as senior officers). Board members who are also ExCo members are included as senior officers.

Policy on the Scope of Services of the Shareholders' Auditor

The "Policy on the Scope of Services of the Shareholders' Auditor" sets out the parameters for the engagement of the shareholders' auditor by CIBC that are consistent with applicable law, including the U.S. Sarbanes-Oxley Act of 2002 and SEC rules. The policy requires the Audit Committee's pre-approval of all work performed by the shareholders' auditor and prohibits CIBC from engaging the shareholders' auditor for "prohibited" services. The Audit Committee is accountable for the oversight of the work of the shareholders' auditor and for an annual assessment of the engagement team's qualifications, performance and independence, including lead audit partner rotation. The Audit Committee is also responsible for conducting a periodic comprehensive review of the external auditor at least every five years. The Audit Committee's oversight activities over the shareholders' auditor are disclosed in our Management Proxy Circular.

Controls and procedures

Disclosure controls and procedures

CIBC's disclosure controls and procedures are designed to provide reasonable assurance that relevant information is accumulated and communicated to CIBC's management, including the President and CEO and the Chief Financial Officer (CFO), to allow timely decisions regarding required disclosure.

CIBC's management, with the participation of the President and CEO and the CFO, has evaluated the effectiveness of CIBC's disclosure controls and procedures as at October 31, 2024 (as defined in the rules of the SEC and the Canadian Securities Administrators (CSA)). Based on that evaluation, the President and CEO and the CFO have concluded that such disclosure controls and procedures were effective.

Management's annual report on internal control over financial reporting

CIBC's management is responsible for establishing and maintaining adequate internal control over financial reporting for CIBC.

Internal control over financial reporting is a process designed by, or under the supervision of, the President and CEO and the CFO and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. CIBC's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records, that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of CIBC; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as issued by the IASB, and that receipts and expenditures of CIBC are being made only in accordance with authorizations of CIBC's management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of CIBC's assets that could have a material effect on the consolidated financial statements.

All internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

CIBC's management has used the Internal Control – Integrated Framework that was published in 2013 by the COSO as the basis to evaluate the effectiveness of CIBC's internal control over financial reporting.

As at October 31, 2024, management assessed the effectiveness of CIBC's internal control over financial reporting and concluded that such internal control was effective.

Ernst & Young LLP, the shareholders' auditor, has audited the consolidated financial statements of CIBC for the year ended October 31, 2024, and has also issued a report on internal control over financial reporting under standards of the Public Company Accounting Oversight Board (United States).

Changes in internal control over financial reporting

There have been no changes in CIBC's internal control over financial reporting during the year ended October 31, 2024, that have materially affected, or are reasonably likely to materially affect, its internal control.

Supplementary annual financial information

Average balance sheet, net interest income and margin

\$ millions, for the year ended October 31	Average balance ⁽¹⁾			Interest			Average rate		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Domestic assets ⁽²⁾									
Cash and deposits with banks	\$ 12,159	\$ 23,261	\$ 24,833	\$ 774	\$ 1,265	\$ 384	6.37 %	5.44 %	1.55 %
Securities	114,317	99,012	88,483	5,473	4,629	2,072	4.79	4.68	2.34
Securities borrowed or purchased under resale agreements	30,394	30,377	29,606	1,691	1,646	509	5.56	5.42	1.72
Loans									
Residential mortgages	269,759	265,871	256,600	12,454	11,236	6,722	4.62	4.23	2.62
Personal	43,476	43,029	41,687	3,638	3,382	2,075	8.37	7.86	4.98
Credit card	18,687	16,335	13,236	2,480	2,080	1,687	13.27	12.73	12.75
Business and government	103,026	97,113	86,543	6,831	5,888	2,795	6.63	6.06	3.23
Total loans	434,948	422,348	398,066	25,403	22,586	13,279	5.84	5.35	3.34
Other interest-bearing assets	4,699	5,556	9,488	254	254	123	5.41	4.57	1.30
Derivative instruments	14,484	15,569	15,426	–	–	–	–	–	–
Customers' liability under acceptances	5,907	11,497	11,909	–	–	–	–	–	–
Other non-interest-bearing assets	21,076	23,779	25,385	–	–	–	–	–	–
Total domestic assets	637,984	631,399	603,196	33,595	30,380	16,367	5.27	4.81	2.71
Foreign assets ⁽²⁾									
Cash and deposits with banks	43,717	36,817	34,703	2,115	1,612	324	4.84	4.38	0.93
Securities	125,979	97,449	88,234	4,087	2,712	1,350	3.24	2.78	1.53
Securities borrowed or purchased under resale agreements	67,679	53,527	49,196	4,120	2,920	666	6.09	5.46	1.35
Loans									
Residential mortgages	5,569	5,294	4,941	267	251	187	4.79	4.74	3.78
Personal	1,319	1,335	1,347	98	65	65	7.43	4.87	4.83
Credit card	151	143	133	32	30	28	21.19	20.98	21.05
Business and government	96,332	94,599	84,337	7,701	6,894	3,103	7.99	7.29	3.68
Total loans	103,371	101,371	90,758	8,098	7,240	3,383	7.83	7.14	3.73
Other interest-bearing assets	2,566	2,480	2,522	170	155	89	6.63	6.25	3.53
Derivative instruments	15,075	16,866	24,127	–	–	–	–	–	–
Other non-interest-bearing assets	8,762	8,212	7,477	–	–	–	–	–	–
Total foreign assets	367,149	316,722	297,017	18,590	14,639	5,812	5.06	4.62	1.96
Total assets	\$ 1,005,133	\$ 948,121	\$ 900,213	\$ 52,185	\$ 45,019	\$ 22,179	5.19 %	4.75 %	2.46 %
Domestic liabilities ⁽²⁾									
Deposits									
Personal	\$ 224,154	\$ 214,833	\$ 204,075	\$ 5,759	\$ 4,474	\$ 1,535	2.57 %	2.08 %	0.75 %
Business and government	228,570	232,733	224,303	11,710	11,395	3,662	5.12	4.90	1.63
Bank	1,990	1,219	1,513	71	35	9	3.57	2.87	0.59
Secured borrowings	46,278	44,538	43,892	2,554	2,324	862	5.52	5.22	1.96
Total deposits	500,992	493,323	473,783	20,094	18,228	6,068	4.01	3.69	1.28
Derivative instruments	17,904	19,507	15,581	–	–	–	–	–	–
Acceptances	5,913	11,497	11,910	–	–	–	–	–	–
Obligations related to securities sold short	19,526	15,236	18,496	517	334	333	2.65	2.19	1.80
Obligations related to securities lent or sold under repurchase agreements	18,527	22,139	18,594	1,155	1,181	301	6.23	5.33	1.62
Other liabilities	17,963	19,159	23,979	263	292	86	1.46	1.52	0.36
Subordinated indebtedness	7,349	6,470	5,901	505	453	200	6.87	7.00	3.39
Total domestic liabilities	588,174	587,331	568,244	22,534	20,488	6,988	3.83	3.49	1.23
Foreign liabilities ⁽²⁾									
Deposits									
Personal	22,420	19,891	18,689	635	419	108	2.83	2.11	0.58
Business and government	189,217	172,446	157,085	8,409	6,871	1,535	4.44	3.98	0.98
Bank	23,951	23,110	20,842	1,113	932	121	4.65	4.03	0.58
Secured borrowings	4,515	4,172	3,290	225	183	55	4.98	4.39	1.67
Total deposits	240,103	219,619	199,906	10,382	8,405	1,819	4.32	3.83	0.91
Derivative instruments	18,634	21,133	24,369	–	–	–	–	–	–
Obligations related to securities sold short	2,609	2,524	2,789	108	74	47	4.14	2.93	1.69
Obligations related to securities lent or sold under repurchase agreements	93,953	62,000	53,750	5,179	3,102	642	5.51	5.00	1.19
Other liabilities	5,230	4,146	3,013	282	120	39	5.39	2.89	1.29
Subordinated indebtedness	75	100	97	5	5	3	6.67	5.00	3.09
Total foreign liabilities	360,604	309,522	283,924	15,956	11,706	2,550	4.42	3.78	0.90
Total liabilities	948,778	896,853	852,168	38,490	32,194	9,538	4.06	3.59	1.12
Shareholders' equity	56,116	51,055	47,851	–	–	–	–	–	–
Non-controlling interests	239	213	194	–	–	–	–	–	–
Total liabilities and equity	\$ 1,005,133	\$ 948,121	\$ 900,213	\$ 38,490	\$ 32,194	\$ 9,538	3.83 %	3.40 %	1.06 %
Net interest income and net interest margin ⁽³⁾				\$ 13,695	\$ 12,825	\$ 12,641	1.36 %	1.35 %	1.40 %
Additional disclosures: Non-interest-bearing deposit liabilities									
Domestic	\$ 78,749	\$ 83,530	\$ 92,579						
Foreign	19,779	22,990	25,950						

(1) Average balances are calculated as a weighted average of daily closing balances.

(2) Classification as domestic or foreign is based on domicile of debtor or customer.

(3) Net interest income as a percentage of average assets.

Volume/rate analysis of changes in net interest income

\$ millions		2024/2023			2023/2022		
		Increase (decrease) due to change in:			Increase (decrease) due to change in:		
		Average balance	Average rate	Total	Average balance	Average rate	Total
Domestic assets ⁽¹⁾							
Cash and deposits with banks		\$ (604)	\$ 113	\$ (491)	\$ (24)	\$ 905	\$ 881
Securities		716	128	844	247	2,310	2,557
Securities borrowed or purchased under resale agreements		1	44	45	13	1,124	1,137
Loans							
	Residential mortgages	164	1,054	1,218	243	4,271	4,514
	Personal	35	221	256	67	1,240	1,307
	Credit card	299	101	400	395	(2)	393
	Business and government	359	584	943	341	2,752	3,093
Total loans		857	1,960	2,817	1,046	8,261	9,307
Other interest-bearing assets		(39)	39	–	(51)	182	131
Change in domestic interest income		931	2,284	3,215	1,231	12,782	14,013
Foreign assets ⁽¹⁾							
Cash and deposits with banks		302	201	503	20	1,268	1,288
Securities		794	581	1,375	141	1,221	1,362
Securities borrowed or purchased under resale agreements		772	428	1,200	59	2,195	2,254
Loans							
	Residential mortgages	13	3	16	13	51	64
	Personal	(1)	34	33	(1)	1	–
	Credit card	2	–	2	2	–	2
	Business and government	126	681	807	378	3,413	3,791
Total loans		140	718	858	392	3,465	3,857
Other interest-bearing assets		5	10	15	(1)	67	66
Change in foreign interest income		2,013	1,938	3,951	611	8,216	8,827
Total change in interest income		\$ 2,944	\$ 4,222	\$ 7,166	\$ 1,842	\$ 20,998	\$ 22,840
Domestic liabilities ⁽¹⁾							
Deposits							
	Personal	\$ 194	\$ 1,091	\$ 1,285	\$ 81	\$ 2,858	\$ 2,939
	Business and government	(204)	519	315	138	7,595	7,733
	Bank	22	14	36	(2)	28	26
	Secured borrowings	91	139	230	13	1,449	1,462
Total deposits		103	1,763	1,866	230	11,930	12,160
Obligations related to securities sold short		94	89	183	(59)	60	1
Obligations related to securities lent or sold under repurchase agreements		(193)	167	(26)	57	823	880
Other liabilities		(18)	(11)	(29)	(17)	223	206
Subordinated indebtedness		62	(10)	52	19	234	253
Change in domestic interest expense		48	1,998	2,046	230	13,270	13,500
Foreign liabilities ⁽¹⁾							
Deposits							
	Personal	53	163	216	7	304	311
	Business and government	668	870	1,538	150	5,186	5,336
	Bank	34	147	181	13	798	811
	Secured borrowings	15	27	42	15	113	128
Total deposits		770	1,207	1,977	185	6,401	6,586
Obligations related to securities sold short		2	32	34	(4)	31	27
Obligations related to securities lent or sold under repurchase agreements		1,599	478	2,077	99	2,361	2,460
Other liabilities		31	131	162	15	66	81
Subordinated indebtedness		(1)	1	–	–	2	2
Change in foreign interest expense		2,401	1,849	4,250	295	8,861	9,156
Total change in interest expense		\$ 2,449	\$ 3,847	\$ 6,296	\$ 525	\$ 22,131	\$ 22,656
Change in total net interest income		\$ 495	\$ 375	\$ 870	\$ 1,317	\$ (1,133)	\$ 184

(1) Classification as domestic or foreign is based on domicile of debtor or customer.

Analysis of net loans and acceptances

\$ millions, as at October 31	Canada ⁽¹⁾		U.S. ⁽¹⁾		Other ⁽¹⁾		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Residential mortgages	\$ 274,371	\$ 268,250	\$ 2,810	\$ 2,641	\$ 3,042	\$ 2,897	\$ 280,223	\$ 273,788
Personal	44,412	43,298	522	528	805	744	45,739	44,570
Credit card	19,457	17,673	28	27	164	153	19,649	17,853
Total net consumer loans	338,240	329,221	3,360	3,196	4,011	3,794	345,611	336,211
Non-residential mortgages	5,042	4,998	–	–	246	219	5,288	5,217
Financial institutions	15,019	14,661	25,382	20,852	6,124	4,310	46,525	39,823
Retail and wholesale	9,638	8,688	2,999	3,044	843	804	13,480	12,536
Business services	9,873	8,924	6,145	5,418	2,271	2,157	18,289	16,499
Manufacturing – capital goods	2,007	2,430	2,591	2,618	42	39	4,640	5,087
Manufacturing – consumer goods	5,646	5,177	1,618	1,730	239	177	7,503	7,084
Real estate and construction	31,070	32,397	22,504	23,468	1,367	1,270	54,941	57,135
Agriculture	8,206	8,034	122	367	41	19	8,369	8,420
Oil and gas	2,302	2,502	1,316	1,380	39	57	3,657	3,939
Mining	1,331	1,128	71	204	968	727	2,370	2,059
Forest products	506	423	151	126	–	–	657	549
Hardware and software	1,048	980	3,829	3,304	747	475	5,624	4,759
Telecommunications and cable	723	1,826	1,315	1,108	566	377	2,604	3,311
Publishing, printing and broadcasting	250	188	387	268	68	50	705	506
Transportation	3,160	2,694	2,329	2,521	2,173	2,324	7,662	7,539
Utilities	6,312	7,301	5,638	5,090	4,955	4,943	16,905	17,334
Education, health and social services	4,117	3,979	5,908	4,995	298	27	10,323	9,001
Governments	2,217	2,038	289	251	1,865	1,932	4,371	4,221
Stage 1 and 2 allowance for credit losses ⁽²⁾⁽³⁾	(307)	(280)	(858)	(717)	(67)	(80)	(1,232)	(1,077)
Total net business and government loans, including acceptances	108,160	108,088	81,736	76,027	22,785	19,827	212,681	203,942
Total net loans and acceptances	\$ 446,400	\$ 437,309	\$ 85,096	\$ 79,223	\$ 26,796	\$ 23,621	\$ 558,292	\$ 540,153

(1) Classification by country is primarily based on domicile of debtor or customer.

(2) Stage 3 allowance for credit losses is allocated to business and government loans, including acceptances, by category above.

(3) Includes the allocation of Stage 1 and 2 allowance based on the geographic location where they are recorded.

Summary of allowance for credit losses

\$ millions, as at or for the year ended October 31	2024	2023
Balance at beginning of year	\$ 4,117	\$ 3,276
Provision for credit losses	2,001	2,010
Write-offs		
Residential mortgages	18	33
Personal	545	428
Credit card	739	572
Business and government	874	316
Total write-offs	2,176	1,349
Recoveries		
Residential mortgages	7	5
Personal	62	65
Credit card	126	120
Business and government	77	23
Total recoveries	272	213
Net write-offs	1,904	1,136
Interest income on impaired loans	(121)	(69)
Foreign exchange and other	21	36
Balance at end of year	\$ 4,114	\$ 4,117
Comprises:		
Loans	\$ 3,917	\$ 3,902
Undrawn credit facilities and other off-balance sheet exposures	197	215
Ratio of net write-offs during the year to average loans outstanding during the year		
Residential mortgages	– %	0.01 %
Personal	1.08	0.82
Credit card	3.25	2.74
Business and government	0.40	0.15

Net loans and acceptances by geographic location⁽¹⁾

\$ millions, as at October 31	2024	2023
Canada		
Atlantic provinces	\$ 16,885	\$ 16,829
Quebec	45,892	44,488
Ontario	243,890	237,333
Prairie provinces	16,009	16,412
Alberta, Northwest Territories and Nunavut	49,068	49,529
British Columbia and Yukon	76,762	74,681
Stage 1 and 2 allowance allocated to Canada ⁽²⁾⁽³⁾	(2,106)	(1,963)
Total Canada	446,400	437,309
U.S. ⁽²⁾⁽³⁾	85,096	79,223
Other countries ⁽²⁾⁽³⁾	26,796	23,621
Total net loans and acceptances	\$ 558,292	\$ 540,153

(1) Classification by country is primarily based on domicile of debtor or customer.

(2) Includes the allocation of Stage 1 and 2 allowance based on the geographic location where they are recorded.

(3) For Canada, Stage 3 allowance for credit losses is allocated to provinces above, including acceptances. For U.S. and Other countries, amounts are net of Stage 3 allowances for credit losses.

Loans interest rate sensitivity

	2024				2023			
	Floating	Fixed rate ⁽¹⁾	Non-rate sensitive	Total	Floating	Fixed rate ⁽¹⁾	Non-rate sensitive	Total
Loans								
Residential mortgages	\$ 88,696	\$ 191,976	\$ –	\$ 280,672	\$ 90,003	\$ 184,241	\$ –	\$ 274,244
Personal	37,450	9,231	–	46,681	36,623	8,964	–	45,587
Credit card	–	–	20,551	20,551	–	–	18,538	18,538
Business and government	200,093	13,927	279	214,299	139,399	55,222	249	194,870
Gross loans	326,239	215,134	20,830	562,203	266,025	248,427	18,787	533,239
Allowance for credit losses				(3,917)				(3,902)
				\$ 558,286				\$ 529,337

(1) Bankers' acceptances funded by CIBC are included as part of fixed rate loans.

Net impaired loans

	Canada ⁽¹⁾		U.S. ⁽¹⁾		Other ⁽¹⁾		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
\$ millions, as at October 31								
Gross impaired loans								
Residential mortgages	\$ 770	\$ 564	\$ 20	\$ 21	\$ 204	\$ 202	\$ 994	\$ 787
Personal	247	200	11	12	34	35	292	247
Total gross impaired consumer loans	1,017	764	31	33	238	237	1,286	1,034
Non-residential mortgages	32	3	–	–	14	21	46	24
Financial institutions	27	13	86	78	–	–	113	91
Retail, wholesale and business services	115	281	69	99	56	61	240	441
Manufacturing – consumer and capital goods	28	23	141	54	3	3	172	80
Real estate and construction	152	60	543	1,004	26	32	721	1,096
Agriculture	90	29	–	–	–	–	90	29
Resource-based industries	64	12	–	–	–	–	64	12
Telecommunications, media and technology	3	7	56	35	–	–	59	42
Transportation	9	6	2	14	2	1	13	21
Other	18	120	92	–	–	–	110	120
Total gross impaired – business and government loans	538	554	989	1,284	101	118	1,628	1,956
Total gross impaired loans	1,555	1,318	1,020	1,317	339	355	2,914	2,990
Other past due loans ⁽²⁾	158	123	–	–	3	3	161	126
Total gross impaired and other past due loans	1,713	1,441	1,020	1,317	342	358	3,075	3,116
Allowance for credit losses								
Residential mortgages	120	112	7	4	107	108	234	224
Personal	160	148	5	8	25	25	190	181
Total allowance – consumer loans	280	260	12	12	132	133	424	405
Non-residential mortgages	–	–	–	–	7	6	7	6
Financial institutions	14	5	12	14	2	–	28	19
Retail, wholesale and business services	74	225	25	4	19	36	118	265
Manufacturing – consumer and capital goods	12	12	15	–	1	1	28	13
Real estate and construction	21	10	104	243	15	13	140	266
Agriculture	17	12	–	–	–	–	17	12
Resource-based industries	36	10	–	–	–	–	36	10
Telecommunications, media and technology	1	4	4	8	–	–	5	12
Transportation	2	2	–	1	1	–	3	3
Other	6	61	4	–	–	–	10	61
Total allowance – business and government loans	183	341	164	270	45	56	392	667
Total allowance	463	601	176	282	177	189	816	1,072
Net impaired loans								
Residential mortgages	650	452	13	17	97	94	760	563
Personal	87	52	6	4	9	10	102	66
Total net impaired consumer loans	737	504	19	21	106	104	862	629
Non-residential mortgages	32	3	–	–	7	15	39	18
Financial institutions	13	8	74	64	(2)	–	85	72
Retail, wholesale and business services	41	56	44	95	37	25	122	176
Manufacturing – consumer and capital goods	16	11	126	54	2	2	144	67
Real estate and construction	131	50	439	761	11	19	581	830
Agriculture	73	17	–	–	–	–	73	17
Resource-based industries	28	2	–	–	–	–	28	2
Telecommunications, media and technology	2	3	52	27	–	–	54	30
Transportation	7	4	2	13	1	1	10	18
Other	12	59	88	–	–	–	100	59
Total net impaired – business and government loans	355	213	825	1,014	56	62	1,236	1,289
Total net impaired loans	\$ 1,092	\$ 717	\$ 844	\$ 1,035	\$ 162	\$ 166	\$ 2,098	\$ 1,918

(1) Classification by country is primarily based on domicile of debtor or customer.

(2) Represents loans where repayment of principal or payment of interest is contractually in arrears between 90 and 180 days.

Deposits

\$ millions, for the year ended October 31	Average balance ⁽¹⁾		Interest		Rate	
	2024	2023	2024	2023	2024	2023
Deposits in domestic bank offices⁽²⁾						
Payable on demand						
Personal	\$ 11,132	\$ 11,877	\$ 8	\$ 8	0.07 %	0.07 %
Business and government	68,152	74,673	2,131	2,401	3.13	3.22
Bank	12,658	12,616	475	431	3.75	3.42
Payable after notice						
Personal	117,556	120,410	1,328	1,136	1.13	0.94
Business and government	79,210	71,829	4,006	3,436	5.06	4.78
Bank	447	86	22	4	4.92	4.65
Payable on a fixed date						
Personal	101,461	88,133	4,616	3,476	4.55	3.94
Business and government	150,813	137,225	8,551	7,663	5.67	5.58
Bank	3,640	1,725	186	74	5.11	4.29
Secured borrowings	46,278	44,538	2,554	2,324	5.52	5.22
Total domestic	591,347	563,112	23,877	20,953	4.04	3.72
Deposits in foreign bank offices						
Payable on demand						
Personal	2,342	2,489	2	3	0.09	0.12
Business and government	28,842	29,060	575	419	1.99	1.44
Bank	38	11	3	1	7.89	4.29
Payable after notice						
Personal	9,421	9,300	240	207	2.55	2.23
Business and government	22,926	20,418	1,114	799	4.86	3.91
Payable on a fixed date						
Personal	4,662	2,515	200	63	4.29	2.50
Business and government	67,844	71,974	3,742	3,548	5.52	4.93
Bank	9,158	9,891	498	457	5.44	4.62
Secured borrowings	4,515	4,172	225	183	4.98	4.39
Total foreign	149,748	149,830	6,599	5,680	4.41	3.79
Total deposits	\$ 741,095	\$ 712,942	\$ 30,476	\$ 26,633	4.11 %	3.74 %

(1) Average balances are calculated as a weighted average of daily closing balances.

(2) Deposits by foreign depositors in our domestic bank offices amounted to \$90.7 billion (2023: \$70.1 billion).

Fees paid to the shareholders' auditor

\$ millions, for the year ended October 31	2024	2023
Audit fees ⁽¹⁾	\$ 28.8	\$ 27.3
Audit-related fees ⁽²⁾	3.3	3.6
Tax fees ⁽³⁾	2.1	2.2
All other fees ⁽⁴⁾	0.7	0.3
Total	\$ 34.9	\$ 33.4

(1) For the audit of CIBC's annual financial statements and the audit of certain of our subsidiaries, as well as other services normally provided by the principal auditor in connection with CIBC's statutory and regulatory filings. Audit fees also include the audit of internal control over financial reporting under the standards of the Public Company Accounting Oversight Board (United States).

(2) For the assurance and related services that are reasonably related to the performance of the audit or review of CIBC's consolidated financial statements, including accounting consultation, various agreed upon procedures and translation of financial reports.

(3) For tax compliance and advisory services.

(4) Includes fees for non-audit services.

Glossary

Allowance for credit losses

Under International Financial Reporting Standard (IFRS) 9, allowance for credit losses represents 12 months of expected credit losses (ECL) for instruments that have not been subject to a significant increase in credit risk since initial recognition, while allowance for credit losses represents lifetime ECL for instruments that have been subject to a significant increase in credit risk, including impaired instruments. ECL allowances for loans and acceptances are included in Allowance for credit losses on the consolidated balance sheet. ECL allowances for fair value through other comprehensive income (FVOCI) debt securities are included as a component of the carrying value of the securities, which are measured at fair value. ECL allowances for other financial assets are included in the carrying value of the instrument. ECL allowances for guarantees and loan commitments are included in Other liabilities.

Allowance for credit losses are adjusted for provisions for (reversals of) credit losses and are reduced by write-offs, net of recoveries.

Amortized cost

The amount at which a financial asset or financial liability is measured at initial recognition minus repayments, plus or minus any unamortized origination date premiums or discounts, plus or minus any basis adjustments resulting from a fair value hedge, and minus any reduction for impairment (directly or through the use of an allowance account). The amount of a financial asset or liability measured at initial recognition is the cost of the financial asset or liability including capitalized transaction costs and deferred fees.

Assets under administration (AUA)

Assets administered by CIBC that are beneficially owned by clients and are, therefore, not reported on the consolidated balance sheet. The services provided by CIBC are of an administrative nature, such as safekeeping of securities, client reporting and record keeping, collection of investment income, and the settlement of purchase and sale transactions. In addition, assets under management (AUM) amounts are included in the amounts reported under AUA.

Assets under management (AUM)

Assets managed by CIBC that are beneficially owned by clients and are, therefore, not reported on the consolidated balance sheet. The service provided in respect of these assets is discretionary portfolio management on behalf of the clients.

Average interest-earning assets

Average interest-earning assets include interest-bearing deposits with banks, interest-bearing demand deposits with the Bank of Canada, securities, cash collateral on securities borrowed or securities purchased under resale agreements, loans net of allowance for credit losses, and certain sublease-related assets. Average balances are calculated as a weighted average of daily closing balances.

Average trading interest-earning assets

Average trading interest-earning assets are average interest-earning assets related to trading activities. Prior to the first quarter of 2024, trading activities are those that meet the risk definition of trading for regulatory capital as defined in accordance with OSFI's Capital Adequacy Requirements (CAR) Guideline and certain fixed income financing activities. Starting in the first quarter of 2024, a revised risk definition for trading was implemented as part of our implementation of the Fundamental Review of the Trading Book (FRTB) rules under the Basel III reforms for market risk. The revised trading definition extended the definition to also include those fixed income financing activities that were previously non-trading prior to the FRTB rules.

Basis point

One-hundredth of a percentage point (0.01%).

Collateral

Assets pledged to secure loans or other obligations, which are forfeited if the obligations are not repaid.

Common shareholders' equity

Common shareholders' equity includes common shares, contributed surplus, retained earnings and accumulated other comprehensive income (AOCI).

Credit derivatives

A category of financial instruments that allow one party (the beneficiary) to separate and transfer the credit risk of nonpayment or partial payment of an underlying financial instrument to another party (the guarantor).

Credit valuation adjustment (CVA)

A valuation adjustment that is required to be considered in measuring fair value of over-the-counter (OTC) derivatives to recognize the risk that any given derivative counterparty may not ultimately be able to fulfill its obligations. In assessing the net counterparty credit risk (CCR) exposure, we take into account credit mitigants such as collateral, master netting arrangements, and settlements through clearing houses.

Current replacement cost

The estimated cost of replacing an asset at the present time according to its current worth.

Derivatives

A financial contract that derives its value from the performance of an underlying instrument, index or financial rate.

Dividend payout ratio

Common share dividends paid as a percentage of net income after preferred share dividends, premium on preferred share redemptions, and distributions on other equity instruments.

Dividend yield

Dividends per common share divided by the closing common share price.

Effective interest rate method

A method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Efficiency ratio

Non-interest expenses as a percentage of total revenue (net interest income and non-interest income).

Exchange-traded derivative contracts

Standardized derivative contracts (e.g., futures contracts and options) that are transacted on an organized exchange and cleared through a central clearing house, and are generally subject to standard margin requirements.

Fair value

The price that would be received to sell an asset, or paid to transfer a liability, between market participants in an orderly transaction in the principal market at the measurement date under current market conditions.

Forward contracts

A non-standardized contract to buy or sell a specified asset at a specified price and specified date in the future.

Forward rate agreement

An OTC forward contract that determines an interest rate to be paid or received commencing on a specified date in the future for a specified period.

Full-time equivalent employees

A measure that normalizes the number of full-time and part-time employees, base salary plus commissioned employees, and 100% commissioned employees into equivalent full-time units based on actual hours of paid work during a given period, for individuals whose compensation is included in the Employee compensation and benefits line on the consolidated statement of income.

Futures

A standardized contract to buy or sell a specified commodity, currency or financial instrument of standardized quantity and quality at a specific price and date in the future. Futures contracts are traded on an exchange.

Guarantees and standby letters of credit

Primarily represent CIBC's obligation, subject to certain conditions, to make payments to third parties on behalf of clients, if these clients cannot make those payments, or are unable to meet other specified contractual obligations.

Hedge

A transaction intended to offset potential losses/gains that may be incurred in a transaction or portfolio.

Loan loss ratio

The ratio is calculated as the provision for credit losses on impaired loans to average loans and acceptances, net of allowance for credit losses.

Mark-to-market

The fair value (as defined above) at which an asset can be sold or a liability can be transferred.

Net interest income

The difference between interest earned on assets (such as loans and securities) and interest incurred on liabilities (such as deposits and subordinated indebtedness).

Net interest margin

Net interest income as a percentage of average assets.

Net interest margin on average interest-earning assets

Net interest income as a percentage of average interest-earning assets.

Net interest margin on average interest-earning assets (excluding trading)

Net interest margin on average interest-earning assets (excluding trading) is computed using total net interest income minus trading net interest income, excluding the taxable equivalent basis (TEB) adjustment included therein, divided by total average interest-earning assets excluding average trading interest-earning assets.

Normal course issuer bid (NCIB)

Involves a listed company buying its own shares for cancellation through a stock exchange or other published market, from time to time, and is subject to the various rules of the exchanges and securities commissions.

Notional amount

Principal amount or face amount of a financial contract used for the calculation of payments made on that contract.

Off-balance sheet financial instruments

A financial contract that is based mainly on a notional amount and represents a contingent asset or liability of an institution. Such instruments include credit-related arrangements.

Office of the Superintendent of Financial Institutions (OSFI)

OSFI supervises and regulates all banks, all federally incorporated or registered trust and loan companies, insurance companies, cooperative credit associations, fraternal benefit societies, and federal pension plans in Canada.

Operating leverage

Operating leverage is the difference between the year-over-year percentage change in revenue and year-over-year percentage change in non-interest expenses.

Options

A financial contract under which the writer (seller) confers the right, but not the obligation, to the purchaser to either buy (call option) or sell (put option) a specified amount of an underlying asset or instrument at a specified price either at or by a specified date.

Provision for (reversal of) credit losses

An amount charged or credited to income to adjust the allowance for credit losses to the appropriate level, for both performing and impaired financial assets. Provision for (reversal of) credit losses for loans and acceptances and related off-balance sheet loan commitments is included in the Provision for (reversal of) credit losses line on the consolidated statement of income. Provision for (reversal of) credit losses for debt securities measured at FVOCI or amortized cost is included in Gains (losses) from debt securities measured at FVOCI and amortized cost, net.

Return on average assets or average interest-earning assets

Net income expressed as a percentage of average assets or average interest-earning assets.

Return on common shareholders' equity

Net income attributable to equity shareholders expressed as a percentage of average common shareholders' equity.

Securities borrowed

Securities are typically borrowed to cover short positions. Borrowing requires the pledging of collateral by the borrower to the lender. The collateral may be cash or a highly rated security.

Securities lent

Securities are typically lent to a borrower to cover their short positions. Borrowing requires the pledging of collateral by the borrower to the lender. The collateral provided may be cash or a highly rated security.

Securities purchased under resale agreements

A transaction where a security is purchased by the buyer and, at the same time, the buyer commits to resell the security to the original seller at a specific price and date in the future.

Securities sold short

A transaction in which the seller sells securities that it does not own. Initially the seller typically borrows the securities in order to deliver them to the purchaser. At a later date, the seller buys identical securities in the market to replace the borrowed securities.

Securities sold under repurchase agreements

A transaction where a security is sold by the seller and, at the same time, the seller commits to repurchase the security from the original purchaser at a specific price and date in the future.

Structured entities (SEs)

Entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

Swap contracts

A financial contract in which counterparties exchange a series of cash flows based on a specified notional amount over a specified period.

Taxable equivalent basis (TEB)

The gross-up of tax-exempt revenue on certain securities to a TEB. There is an equivalent offsetting adjustment to the income tax expense. Commencing in the third quarter of 2024, TEB reporting was no longer applicable to certain dividends received on or after January 1, 2024.

Total shareholder return (TSR)

The total return earned on an investment in CIBC's common shares. The return measures the change in shareholder value, assuming dividends paid are reinvested in additional shares.

Trading activities and trading net interest income

Trading activities include those that meet the risk definition of trading for regulatory capital and trading market risk management purposes as defined in accordance with OSFI's CAR Guideline. Starting in the first quarter of 2024, a revised risk definition for trading was implemented resulting in a change in the classification of certain fixed income financing activities that were previously considered non-trading that are now classified as trading, which included the fixed income financing activities that were already included in trading activities starting in the first quarter of 2023. The revised definition was adopted as part of our implementation of the Fundamental Review of the Trading Book (FRTB) rules under the Basel III reforms for market risk that became effective on November 1, 2023. Trading net interest income is net interest income related to trading activities.

Risk and capital glossary

Advanced internal ratings-based (AIRB) approach for credit risk

Version of the internal ratings-based (IRB) approach to credit risk where institutions provide their own estimates of probability of default (PD), loss given default (LGD) and exposure at default (EAD), and their own calculation of effective maturity, subject to meeting minimum standards. Effective in the second quarter of 2023, AIRB is no longer permitted for some exposure categories.

Asset/liability management (ALM)

The practice of managing risks that arise from mismatches between the assets and liabilities, mainly in the non-trading areas of the bank. Techniques are used to manage the relative duration of CIBC's assets (such as loans) and liabilities (such as deposits), in order to minimize the adverse impact of changes in interest rates.

Bail-in eligible liabilities

Bail-in eligible liabilities include long-term (i.e., original maturity over 400 days), unsecured senior debt issued on or after September 23, 2018 that is tradable and transferrable, and any preferred shares and subordinated debt that are not considered non-viability contingent capital (NVCC). Consumer deposits, secured liabilities (including covered bonds), certain financial contracts (including derivatives) and certain structured notes are not bail-in eligible.

Bank exposures

All direct credit risk exposures to deposit-taking institutions and regulated securities firms, and exposures guaranteed by those entities.

Business and government portfolio

A category of exposures that includes lending to businesses and governments, where the primary basis of adjudication relies on the determination and assignment of an appropriate risk rating that reflects the credit risk of the exposure.

Central counterparty (CCP)

A clearing house that interposes itself between counterparties to clear contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts.

Common Equity Tier 1 (CET1), Tier 1 and Total capital ratios

CET1, Tier 1 and total regulatory capital, divided by RWA, as defined by OSFI's Capital Adequacy Requirements (CAR) Guideline, which is based on Basel Committee on Banking Supervision (BCBS) standards.

Comprehensive approach for securities financing transactions

A framework for the measurement of CCR with respect to securities financing transactions, which utilizes a volatility-adjusted collateral value to reduce the amount of the exposure.

Corporate exposures

All direct credit risk exposures to corporations, partnerships and proprietorships, and exposures guaranteed by those entities.

Credit risk

The risk of financial loss due to a borrower or counterparty failing to meet its obligations in accordance with contractual terms.

Drawn exposure

The amount of credit risk exposure resulting from loans and other receivables advanced to the customer.

Economic capital

Economic capital provides a framework to evaluate the returns of each strategic business unit, commensurate with risk assumed. Economic capital is a non-GAAP risk measure based upon an internal estimate of equity capital required by the businesses to absorb unexpected losses consistent with our targeted risk rating over a one-year horizon. Economic capital comprises primarily credit, market, operational and strategic risk capital.

Exposure at default (EAD)

An estimate of the amount of exposure to a customer at the event of, and at the time of, default.

Foundation internal ratings-based (FIRB) approach for credit risk

Version of the IRB approach to credit risk where institutions provide their own estimates of PD and their own calculation of effective maturity and rely on prescribed supervisory estimates for other risk components such as LGD and EAD. Effective in the second quarter of 2023, FIRB methodology must be used for some exposure categories.

Incremental risk charge (IRC)

A capital charge applied in addition to market risk capital specifically to cover default and migration risk in unsecuritized credit assets of varying liquidity held in the trading book.

Internal Capital Adequacy Assessment Process (ICAAP)

A framework and process designed to provide a comprehensive view on capital adequacy, as defined by Pillar II of the Basel Accord, wherein we identify and measure our risks on an ongoing basis in order to ensure that the capital available is sufficient to cover all risks across CIBC.

Internal models approach (IMA) for market risk

Models, which have been developed by CIBC and approved by OSFI, for the measurement of risk and regulatory capital in the trading portfolio for general market risk, debt specific risk, and equity specific risk.

Internal model method (IMM) for counterparty credit risk (CCR)

Models, which have been developed by CIBC and approved by OSFI, for the measurement of CCR with respect to OTC derivatives.

Internal ratings-based (IRB) approach for credit risk

Approach to determining credit risk capital requirements based on risk components such as PD, LGD, EAD and effective maturity.

Internal ratings-based approach for securitization exposures

This approach comprises two calculation methods available for securitization exposures that require OSFI approval: the Internal Ratings-Based Approach (SEC-IRBA) is available to the banks approved to use the IRB approach for underlying exposures securitized and the Internal Assessment Approach (SEC-IAA) is available for certain securitization exposures extended to asset-backed commercial paper (ABCP) programs.

Leverage ratio exposure

The leverage ratio exposure is defined under the OSFI rules as on-balance sheet assets (unweighted) less Tier 1 capital regulatory adjustments plus derivative exposures, securities financing transaction exposures with a limited form of netting under certain conditions, and other off-balance sheet exposures (such as commitments, direct credit substitutes, undrawn credit card exposures, securitization exposures and unsettled trades).

Leverage ratio

Defined as Tier 1 capital divided by the leverage ratio exposure determined in accordance with guidelines issued by OSFI, which are based on BCBS standards.

Liquidity coverage ratio (LCR)

Derived from the BCBS's Basel III framework and incorporated into OSFI's Liquidity Adequacy Requirements (LAR) Guideline, the LCR is a liquidity standard that aims to ensure that an institution has an adequate stock of unencumbered high-quality liquid assets (HQLA) that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs for a 30-calendar-day liquidity stress scenario.

Liquidity risk

The risk of having insufficient cash or its equivalent in a timely and cost-effective manner to meet financial obligations as they come due.

Loss given default (LGD)

An estimate of the amount of exposure to a customer that will not be recovered following a default by that customer, expressed as a percentage of the EAD. LGD is generally based on through-the-cycle assumptions for regulatory capital purposes, and generally based on point-in-time assumptions reflecting forward-looking information for IFRS 9 ECL purposes.

Market risk

The risk of economic and/or financial loss in our trading and non-trading portfolios from adverse changes in underlying market factors, including interest rates, foreign exchange rates, equity market prices, commodity prices, credit spreads and customer behaviour for retail products.

Master netting agreement

An industry standard agreement designed to reduce the credit risk of multiple transactions with a counterparty through the creation of a legal right of offset of exposures in the event of a default by that counterparty and through the provision for net settlement of all contracts through a single payment.

Net cumulative cash flow (NCCF)

The NCCF is a liquidity horizon metric defined under OSFI's LAR Guideline as a monitoring and supervision tool for liquidity risk that measures an institution's detailed cash flows in order to capture the risk posed by funding mismatches between assets and liabilities.

Net stable funding ratio (NSFR)

Derived from the BCBS's Basel III framework and incorporated into OSFI's LAR Guideline, the NSFR standard aims to promote long-term resilience of the financial sector by requiring banks to maintain a sustainable stable funding profile in relation to the composition of their assets and off-balance sheet activities.

Non-viability contingent capital (NVCC)

Effective January 1, 2013, in order to qualify for inclusion in regulatory capital, all non-common Tier 1 and Tier 2 capital instruments must be capable of absorbing losses at the point of non-viability of a financial institution. This will ensure that investors in such instruments bear losses before taxpayers where the government determines that it is in the public interest to rescue a non-viable bank.

Operational risk

The risk of loss resulting from people, inadequate or failed internal processes and systems, or from external events.

Other off-balance sheet exposure

The amount of credit risk exposure resulting from the issuance of guarantees and letters of credit.

Other retail

This exposure class includes all loans other than qualifying revolving retail and real estate secured personal lending that are extended to individuals under the regulatory capital reporting framework.

Over-the-counter (OTC) derivatives exposure

The amount of credit risk exposure resulting from derivatives that trade directly between two counterparties, rather than through exchanges.

Probability of default (PD)

An estimate of the likelihood of default for any particular customer which occurs when that customer is not able to repay its obligations as they become contractually due. PD is based on through-the-cycle assumptions for regulatory capital purposes, and based on point-in-time assumptions reflecting forward-looking information for IFRS 9 ECL purposes.

Qualifying central counterparty (QCCP)

An entity that is licensed to operate as a CCP and is permitted by the appropriate regulator or oversight body to operate as such with respect to the products offered by that CCP.

Qualifying revolving retail

This exposure class includes credit cards, unsecured lines of credit and overdraft protection products extended to individuals. Under the standardized approach, these exposures would be included under "other retail".

Real estate secured personal lending

This exposure class includes residential mortgages and home equity loans and lines of credit extended to individuals.

Regulatory capital

Regulatory capital, as defined by OSFI's CAR Guideline, is comprised of CET1, Additional Tier 1 (AT1) and Tier 2 capital. CET1 capital includes common shares, retained earnings, AOCI (excluding AOCI relating to cash flow hedges and changes in fair value option liabilities attributable to changes in own credit risk) and qualifying instruments issued by a consolidated banking subsidiary to third parties, less regulatory adjustments for items such as goodwill and other intangible assets, certain deferred tax assets, net assets related to defined benefit pension plans, and certain investments. AT1 capital primarily includes NVCC preferred shares, Limited Recourse Capital Notes, and qualifying instruments issued by a consolidated subsidiary to third parties. Tier 1 capital is comprised of CET1 plus AT1. Tier 2 capital includes NVCC subordinated indebtedness, eligible general allowances, and qualifying instruments issued by a consolidated subsidiary to third parties. Total capital is comprised of Tier 1 capital plus Tier 2 capital. Qualifying regulatory capital instruments must be capable of absorbing loss at the point of non-viability of the financial institution.

Repo-style transactions exposure

The amount of credit risk exposure resulting from our securities bought or sold under resale agreements, as well as securities borrowing and lending activities.

Reputation risk

The risk of negative publicity regarding CIBC's business conduct or practices which, whether true or not, could significantly harm CIBC's reputation as a leading financial institution, or could materially and adversely affect CIBC's business, operations, or financial condition.

Resecuritization

A securitization exposure in which the risk associated with an underlying pool of exposures is tranching and at least one of the underlying exposures is a securitization exposure.

Retail portfolios

A category of exposures that primarily includes consumer but also small business lending, where the primary basis of adjudication relies on credit-scoring models.

Risk-weighted assets (RWA)

RWA consist of three components: (i) RWA for credit risk, which are calculated using the IRB and standardized approaches, (ii) RWA for market risk, and (iii) RWA for operational risk. The IRB RWA are calculated using PDs, LGDs, EADs, and in some cases maturity adjustments, while the standardized approach applies risk weighting factors specified in the OSFI guidelines to on- and off-balance sheet exposures. Beginning the first quarter of 2024, the RWA for market risk in the trading portfolio is based on standardized capital requirements defined by OSFI. Prior to the first quarter of 2024, the RWA for market risk in the trading portfolio were based on internal models approved by OSFI with the exception of the RWA for traded securitization assets where we were using the methodology defined by OSFI. The RWA for operational risk, which relate to the risk of losses resulting from people, inadequate or failed internal processes, and systems or from external events, are calculated under a standardized approach.

Since the introduction of Basel II in 2008, OSFI has prescribed a capital floor requirement for institutions that use the IRB approach for credit risk. The capital floor is determined by applying an adjustment factor specified by OSFI to the capital requirement calculated by reference to the standardized approach. Any shortfall in the IRB capital requirement is added to RWA.

Securitization

The process of selling assets (normally financial assets such as loans, leases, trade receivables, credit card receivables or mortgages) to trusts or other SEs. A SE normally issues securities or other forms of interests to investors and/or the asset transferor, and the SE uses the proceeds from the issue of securities or other forms of interest to purchase the transferred assets. The SE will generally use the cash flows generated by the assets to meet the obligations under the securities or other interests issued by the SE, which may carry a number of different risk profiles.

Simple, transparent and comparable (STC) securitizations

Securitization exposures satisfying a set of regulatory STC criteria. Such exposures qualify for a preferential capital treatment under the securitization framework.

Small and medium enterprises (SME) retail

This exposure class includes all loans extended to scored small businesses under the regulatory capital reporting framework.

Sovereign exposures

All direct credit risk exposures to governments, central banks and certain public sector entities, and exposures guaranteed by those entities.

Specialized lending (SL)

A subset of Corporate exposures falling into one of the following sub-classes: project finance (PF), object finance (OF), commodities finance (CF), income-producing real estate (IPRE), and high-volatility commercial real estate (HVCRE). Primary source of repayment for such credits is the income generated by the asset(s), rather than the independent capacity of a broader commercial enterprise.

Standardized approach for credit risk

Applied to exposures when there is not sufficient information to allow for the use of the AIRB approach for credit risk. Credit risk capital requirements are calculated based on a standardized set of risk weights as prescribed in the CAR Guideline. The standardized risk weights are based on external credit assessments, where available, and other risk-related factors, including export credit agencies, exposure asset class, collateral, etc.

Standardized approach for operational risk

Effective in the second quarter of 2023, this approach is based on a prescribed formula made up of three components: (i) the Business Indicator (BI) which is a financial-statement-based proxy for operational risk, (ii) the Business Indicator Component (BIC) which is calculated by multiplying the BI by a set of regulatory determined marginal coefficients, and (iii) the Internal Loss Multiplier which is a scaling factor that is based on the average historical operational losses and the BIC.

Standardized approach for securitization exposures

This approach comprises the calculation methods available for securitization exposures that do not require OSFI approval: the external ratings-based approach (SEC-ERBA) and the standardized approach (SEC-SA).

Strategic risk

The risk of ineffective or improper implementation of organic and inorganic business strategies. It includes the potential financial loss and impact to resiliency due to the failure of growth initiatives or failure to respond appropriately to changes in the business or industry environments.

Stressed Value-at-Risk

A VaR calculation using a one-year observation period related to significant losses for the given portfolio at a specified level of confidence and time horizon.

Structural foreign exchange risk

Structural foreign exchange risk is the risk primarily inherent in net investments in foreign operations due to changes in foreign exchange rates, and foreign currency denominated RWA and foreign currency denominated capital deductions.

Structural interest rate risk

Structural interest rate risk primarily consists of the risk arising due to mismatches in the repricing of assets and liabilities, which do not arise from trading and trading-related businesses.

Total loss absorbing capacity (TLAC) measure

The sum of Total capital and bail-in eligible liabilities (as defined above) that have a residual maturity greater than one year.

Total loss absorbing capacity ratio

Defined as TLAC measure divided by RWA determined in accordance with guidelines issued by OSFI.

Total loss absorbing capacity leverage ratio

Defined as TLAC measure divided by leverage ratio exposure determined in accordance with guidelines issued by OSFI.

Undrawn exposures

The amount of credit risk exposure resulting from loans that have not been advanced to a customer, but which a customer may be entitled to draw in the future.

Value-at-Risk (VaR)

Generally accepted risk measure that uses statistical models to estimate the distribution of possible returns on a given portfolio at a specified level of confidence and time horizon.