



Supplementary Regulatory Capital Disclosure

For the period ended
October 31, 2017

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This document is unaudited and should be read in conjunction with our quarterly news release for Q4/17, and our 2017 annual report (including audited consolidated financial statements and accompanying management's discussion and analysis). Additional financial information is also available through our quarterly investor presentations as well as the quarterly conference call webcast. All relevant information in this document is prepared under International Financial Reporting Standards (IFRS) and all amounts are in millions of Canadian dollars, unless otherwise stated.

BASEL RELATED SCHEDULES

| | |
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|---|---|



REGULATORY CAPITAL AND RATIOS - BASEL III (ALL-IN BASIS ¹)

(\$ millions)

| | | | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|------------------------|---|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Row² | | | | | | | | | | | |
| | | Cross-reference³ | | | | | | | | | |
| | Common Equity Tier 1 (CET1) capital: instruments and reserves | | | | | | | | | | |
| 1 | Directly issued qualifying common share capital plus related stock surplus | A+B | 12,685 | 12,320 | 8,574 | 8,351 | 8,096 | 7,879 | 7,864 | 7,861 | 7,889 |
| 2 | Retained earnings | C | 16,101 | 15,535 | 15,011 | 14,483 | 13,584 | 13,145 | 12,197 | 11,785 | 11,433 |
| 3 | Accumulated other comprehensive income (and other reserves) | D | 452 | 167 | 1,083 | 698 | 790 | 509 | 522 | 1,124 | 1,038 |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | E | 109 | 107 | 114 | 108 | 113 | 101 | 97 | 109 | 94 |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | | 29,347 | 28,129 | 24,782 | 23,640 | 22,583 | 21,634 | 20,680 | 20,879 | 20,454 |
| | Common Equity Tier 1 capital: regulatory adjustments | | | | | | | | | | |
| 7 | Prudential valuation adjustments | See footnote 4 | 62 | 63 | 60 | 67 | 69 | 68 | 63 | 59 | 50 |
| 8 | Goodwill (net of related tax liabilities) | F+G+H | 5,284 | 5,019 | 1,468 | 1,444 | 1,461 | 1,449 | 1,785 | 1,887 | 1,824 |
| 9 | Other intangibles other than mortgage-servicing rights (net of related tax liabilities) | I+J+AL | 1,654 | 1,531 | 1,304 | 1,277 | 1,258 | 1,214 | 1,166 | 1,149 | 1,080 |
| 10 | Deferred tax assets excluding those arising from temporary differences (net of related tax liabilities) | K | 18 | 24 | 71 | 66 | 70 | 56 | 99 | 117 | 62 |
| 11 | Cash flow hedge reserve | L | 33 | 27 | 46 | 38 | 23 | 26 | 18 | 15 | 22 |
| 12 | Shortfall of allowances to expected losses | See footnote 4 | 474 | 447 | 242 | 301 | 283 | 256 | 193 | 213 | 121 |
| 14 | Gain and losses due to changes in own credit risk on fair valued liabilities | M+AK | 41 | 54 | 44 | 62 | 102 | 101 | 72 | 109 | 81 |
| 15 | Defined benefit pension fund net assets (net of related tax liabilities) | N+O | 160 | 300 | 191 | 287 | 156 | 115 | 110 | 124 | 385 |
| 16 | Investments in own shares (if not already netted off paid-in capital on reported balance sheet) | See footnote 4 | 3 | - | - | 5 | 13 | 4 | 9 | 9 | - |
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | P+Q | - | - | - | - | - | - | - | - | - |
| 22 | Amount exceeding the 15% threshold | | - | - | - | - | - | - | - | - | - |
| 23 | of which: significant investments in the common stock of financials | R+S | - | - | - | - | - | - | - | - | - |
| 25 | of which: deferred tax assets arising from temporary differences | T | - | - | - | - | - | - | - | - | - |
| 28 | Total regulatory adjustments to Common Equity Tier 1 | | 7,729 | 7,465 | 3,426 | 3,547 | 3,435 | 3,289 | 3,515 | 3,682 | 3,625 |
| 29 | Common Equity Tier 1 capital (CET1) | | 21,618 | 20,664 | 21,356 | 20,093 | 19,148 | 18,345 | 17,165 | 17,197 | 16,829 |
| | Additional Tier 1 (AT1) capital: instruments | | | | | | | | | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus ⁵ | | 1,797 | 1,796 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 31 | of which: classified as equity under applicable accounting standards | U | 1,797 | 1,796 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 33 | Directly issued capital instruments subject to phase out from Additional Tier 1 | V+see footnote 6 | 1,253 | 1,253 | 1,253 | 1,253 | 1,504 | 1,504 | 1,504 | 1,504 | 1,679 |
| 34 | Additional Tier 1 Instruments (and CET1 instruments not in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) | W | 14 | 13 | 15 | 14 | 14 | 13 | 13 | 15 | 12 |
| 36 | Additional Tier 1 capital before regulatory adjustments | | 3,064 | 3,062 | 2,268 | 2,267 | 2,518 | 2,517 | 2,517 | 2,519 | 2,691 |
| | Additional Tier 1 capital: regulatory adjustments | | | | | | | | | | |
| 41 | Other deductions from Tier 1 capital as determined by OSFI | | - | - | - | - | - | - | - | - | - |
| 41b | of which: valuation adjustment for less liquid positions | | - | - | - | - | - | - | - | - | - |
| 43 | Total regulatory adjustments to Additional Tier 1 capital | | - | - | - | - | - | - | - | - | - |
| 44 | Additional Tier 1 capital (AT1) | | 3,064 | 3,062 | 2,268 | 2,267 | 2,518 | 2,517 | 2,517 | 2,519 | 2,691 |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | | 24,682 | 23,726 | 23,624 | 22,360 | 21,666 | 20,862 | 19,682 | 19,716 | 19,520 |
| | Tier 2 capital: instruments and provisions | | | | | | | | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus ⁷ | X | 1,961 | 1,961 | 1,982 | 1,975 | 2,001 | 2,005 | 1,986 | 1,991 | 1,000 |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | Y | 1,204 | 1,197 | 1,279 | 1,287 | 1,323 | 1,354 | 1,327 | 1,351 | 2,828 |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in Tier 2) | Z | 19 | 19 | 19 | 18 | 19 | 18 | 17 | 19 | 16 |
| 50 | Collective allowances | AA+AB | 263 | 250 | 73 | 70 | 74 | 72 | 71 | 76 | 70 |
| 51 | Tier 2 capital before regulatory adjustments | | 3,447 | 3,427 | 3,353 | 3,350 | 3,417 | 3,449 | 3,401 | 3,437 | 3,914 |
| 57 | Total regulatory adjustments to Tier 2 capital | | - | - | - | - | - | - | - | - | - |
| 58 | Tier 2 capital (T2) | | 3,447 | 3,427 | 3,353 | 3,350 | 3,417 | 3,449 | 3,401 | 3,437 | 3,914 |
| 59 | Total capital (TC = T1 + T2) | | 28,129 | 27,153 | 26,977 | 25,710 | 25,083 | 24,311 | 23,083 | 23,153 | 23,434 |
| 60 | Total RWA | | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 60a | Common Equity Tier 1 (CET1) Capital RWA⁸ | | 203,321 | 198,459 | 175,431 | 169,350 | 168,996 | 168,077 | 165,419 | 162,583 | 156,107 |
| 60b | Tier 1 Capital RWA⁸ | | 203,321 | 198,686 | 175,431 | 169,575 | 169,322 | 168,407 | 165,746 | 162,899 | 156,401 |
| 60c | Total Capital RWA⁸ | | 203,321 | 198,867 | 175,431 | 169,755 | 169,601 | 168,690 | 166,027 | 163,169 | 156,652 |

For footnotes, see next page.



REGULATORY CAPITAL AND RATIOS - BASEL III (ALL-IN BASIS ¹) (continued)

(\$ millions)

Row ²

| | | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|--|--|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Cross-reference ³ | | | | | | | | | |
| Capital ratios | | | | | | | | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk-weighted assets) | 10.6% | 10.4% | 12.2% | 11.9% | 11.3% | 10.9% | 10.4% | 10.6% | 10.8% |
| 62 | Tier 1 (as a percentage of risk-weighted assets) | 12.1% | 11.9% | 13.5% | 13.2% | 12.8% | 12.4% | 11.9% | 12.1% | 12.5% |
| 63 | Total capital (as a percentage of risk-weighted assets) | 13.8% | 13.7% | 15.4% | 15.2% | 14.8% | 14.4% | 13.9% | 14.2% | 15.0% |
| 64 | Buffer requirement (minimum CET1 requirement plus capital conservation buffer plus G-SIB buffer requirement plus D-SIB buffer requirement expressed as a percentage of risk-weighted assets) | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 7.0% |
| 65 | of which: capital conservation buffer requirement | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% |
| 66 | of which: institution specific countercyclical buffer requirement | 0.0% | 0.0% | 0.0% | 0.0% | n/a | n/a | n/a | n/a | n/a |
| 67a | of which: D-SIB buffer requirement | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | n/a |
| 68 | Common Equity Tier 1 available to meet buffers (as percentage of risk-weighted assets) | 10.6% | 10.4% | 12.2% | 11.9% | 11.3% | 10.9% | 10.4% | 10.6% | 10.8% |
| OSFI all-in target (minimum + capital conservation buffer + D-SIB surcharge (if applicable)) | | | | | | | | | | |
| 69 | Common Equity Tier 1 all-in target ratio | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 7.0% |
| 70 | Tier 1 capital all-in target ratio | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 9.5% | 8.5% |
| 71 | Total capital all-in target ratio | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 11.5% | 10.5% |
| Amounts below the thresholds for deduction (before risk-weighting) | | | | | | | | | | |
| 72 | Non-significant investments in the capital of other financials | 306 | 450 | 453 | 409 | 348 | 368 | 425 | 432 | 406 |
| 73 | Significant investments in the common stock of financials | 802 | 810 | 828 | 806 | 814 | 828 | 1,463 | 1,521 | 1,520 |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liabilities) | 1,170 | 1,157 | 912 | 894 | 978 | 981 | 892 | 841 | 783 |
| Applicable caps on the inclusion of allowances in Tier 2 | | | | | | | | | | |
| 76 | Allowances eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap) | 263 | 250 | 73 | 70 | 74 | 72 | 71 | 76 | 70 |
| 77 | Cap on inclusion of allowances in Tier 2 under standardized approach | 263 | 250 | 73 | 70 | 74 | 72 | 71 | 76 | 70 |
| 78 | Allowances eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | - | - | - | - | - | - | - | - | - |
| 79 | Cap on inclusion of allowances in Tier 2 under ratings-based approach | - | - | - | - | - | - | - | - | - |
| Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022) | | | | | | | | | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | 1,253 | 1,253 | 1,253 | 1,253 | 1,504 | 1,504 | 1,504 | 1,504 | 1,754 |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | 369 | 376 | 376 | 392 | 158 | 167 | 165 | 173 | - |
| 84 | Current cap on T2 instruments subject to phase out arrangements | 2,253 | 2,253 | 2,253 | 2,253 | 2,704 | 2,704 | 2,704 | 2,704 | 3,154 |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - | - | - | - | - | - | - | - | - |

1 All-in is defined by OSFI as capital calculated to include all of the regulatory adjustments that will be required by 2019, but retaining the phase-out rules for non-qualifying capital instruments. OSFI mandated all institutions to have established a target CET1 ratio of 7%, comprised of the 2019 all-in minimum ratio plus conservation buffer. For the Tier 1 and Total capital ratios, the all-in targets were 8.5% and 10.5%, respectively, effective the first quarter of 2014. With the application of the 1% D-SIB CET1 surcharge, the targets are 8%, 9.5% and 11.5% effective January 2016.

2 Per OSFI's "Public Capital Disclosure Requirements related to Basel III Pillar 3" advisory in accordance with Basel III all-in-basis calculations.

3 Cross-referenced to the consolidated balance sheet, refer to pages 3 and 4.

4 Not recorded on the consolidated balance sheet.

5 Comprises non-cumulative Class A Preferred Shares 39, 41, 43, and 45 (effective Q3/17) which are treated as non-viability contingent capital in accordance with OSFI's capital adequacy guidelines.

6 Comprises CIBC Tier 1 Notes - Series A and Series B due June 30, 2108 (together, the Tier 1 Notes). The adoption of IFRS 10 "Consolidated Financial Statements" required CIBC to deconsolidate CIBC Capital Trust, which resulted in the removal of Capital Trust securities issued by CIBC Capital Trust from the consolidated balance sheet and instead recognizing the senior deposit notes issued by CIBC to CIBC Capital Trust within Business and government deposits.

7 Comprises Debentures due on October 28, 2024 and January 26, 2026 which are treated as non-viability contingent capital in accordance with OSFI's capital adequacy guidelines.

8 As a result of the option that CIBC chose for calculating the credit valuation adjustment (CVA) capital charge, the calculation of CET1, Tier 1 and Total Capital ratios is based on different RWAs, before any capital floor adjustment, beginning in Q3/14. The charge will be phased-in during 2014-2019 and relates to bilateral over-the-counter (OTC) derivatives included in credit risk RWA. Q4/17 and Q2/17 RWA include capital floor adjustments. See page 7 for further details.

9 Synthetic positions not recorded on the consolidated balance sheet.

n/a Not applicable.

RECONCILIATION OF CAPITAL (ALL-IN BASIS) TO CONSOLIDATED REGULATORY BALANCE SHEET ¹

(\$ millions)

| | Q4/17 | | | | Cross reference to capital schedule ³ |
|---|--|---------------------------------------|---|---|--|
| | Balance sheet as in report to shareholders | Insurance entities Deconsolidation | adjustment ² Equity accounting | Balance sheet as in the regulatory scope of consolidation | |
| Assets | | | | | |
| Cash and non-interest-bearing deposits with banks | 3,440 | - | - | 3,440 | |
| Interest-bearing deposits with banks | 10,712 | - | - | 10,712 | |
| Securities | 93,419 | (232) | - | 93,187 | |
| Significant investments in capital of other financial institutions not exceeding regulatory thresholds | | | | - | AF |
| Non-significant investments in capital of other financial institutions not exceeding regulatory thresholds | | | | 62 | AG |
| Significant investments in capital of non-financial institutions | | | | - | |
| Other securities | | | | 93,125 | |
| Cash collateral on securities borrowed | 5,035 | - | - | 5,035 | |
| Securities purchased under resale agreements | 40,383 | - | - | 40,383 | |
| Loans | 358,352 | - | - | 358,352 | |
| Allowance for credit losses | (1,618) | - | - | (1,618) | |
| Collective allowance reflected in Tier 2 capital | | | | (263) | AA |
| Excess in allowance over expected losses reflected in Tier 2 capital | | | | - | AB |
| Allowances not reflected in regulatory capital | | | | (1,355) | |
| Derivative instruments | 24,342 | - | - | 24,342 | |
| Customers' liability under acceptances | 8,824 | - | - | 8,824 | |
| Land, buildings and equipment | 1,783 | - | - | 1,783 | |
| Goodwill | 5,367 | - | - | 5,367 | F |
| Software and other intangible assets | 1,978 | - | - | 1,978 | I |
| Investments in equity-accounted associates and joint ventures | 715 | - | 412 | 1,127 | |
| Significant investments in capital of other financial institutions exceeding regulatory thresholds (10% of CET1) | | | | - | P |
| Significant investments in capital of other financial institutions exceeding regulatory thresholds (15% basket of CET1) | | | | - | R |
| Significant investments in capital of other financial institutions not exceeding regulatory thresholds | | | | 390 | AD |
| Significant investments in capital of other financial institutions related to goodwill | | | | 10 | G |
| Significant investments in capital of other financial institutions related to intangibles | | | | 4 | AL |
| Significant investments in capital of non-financial institutions | | | | 131 | |
| Investment in deconsolidated subsidiaries exceeding regulatory thresholds (10% of CET1) | | | | - | Q |
| Investment in deconsolidated subsidiaries exceeding regulatory thresholds (15% basket of CET1) | | | | - | S |
| Investment in deconsolidated subsidiaries not exceeding regulatory thresholds | | | | 412 | AE |
| Non-significant investments in capital of other financial institutions not exceeding regulatory thresholds | | | | 171 | AJ |
| Non significant investments in capital of non-financial institutions | | | | 9 | |
| Deferred tax assets | 727 | - | - | 727 | |
| Deferred tax assets excluding those arising from temporary differences | | | | 18 | K |
| Deferred tax assets arising from temporary differences exceeding regulatory thresholds (15% basket of CET1) | | | | - | T |
| Deferred tax assets arising from temporary differences not exceeding regulatory thresholds | | | | 1,170 | AC |
| Deferred tax liabilities related to goodwill | | | | (93) | H |
| Deferred tax liabilities related to software and other intangible assets | | | | (328) | J |
| Deferred tax liabilities related to defined benefit pension fund net assets | | | | (40) | O |
| Other assets | | | | | |
| Defined benefit pension fund net assets | 200 | - | - | 200 | N |
| Other | 11,605 | (100) | - | 11,505 | |
| Non-significant investments in capital of other financial institutions not exceeding regulatory thresholds | | | | 5 | AI |
| Other | | | | 11,500 | |
| Total assets | 565,264 | (332) | 412 | 565,344 | |

For footnotes, see next page.



RECONCILIATION OF CAPITAL (ALL-IN BASIS) TO CONSOLIDATED REGULATORY BALANCE SHEET ¹ (continued)

(\$ millions)

Liabilities

| | Q4/17 | | | | Of which | Cross reference to capital schedule ³ |
|--|--|--|-------------------|---|----------|--|
| | Balance sheet as in report to shareholders | Insurance entities adjustment ² | | Balance sheet as in the regulatory scope of consolidation | | |
| | | Deconsolidation | Equity accounting | | | |
| Deposits | 439,706 | - | - | 439,706 | | |
| Obligations related to securities sold short | 13,713 | - | - | 13,713 | | |
| Cash collateral on securities lent | 2,024 | - | - | 2,024 | | |
| Obligations related to securities sold under repurchase agreements | 27,971 | - | - | 27,971 | | |
| Derivative instruments | 23,271 | - | - | 23,271 | | |
| Acceptances | 8,828 | - | - | 8,828 | | |
| Deferred tax liabilities | 30 | - | - | 30 | | |
| Other liabilities | 15,275 | 346 | (266) | 15,355 | | |
| Subordinated indebtedness | 3,209 | - | - | 3,209 | | |
| Subordinated indebtedness allowed for inclusion in Tier 2 capital | | | | | 1,961 | X |
| Subordinated indebtedness allowed for inclusion in Tier 2 capital subject to phase out | | | | | 1,204 | Y |
| Regulatory capital amortization of maturing subordinated indebtedness not allowed for Tier 2 capital | | | | | - | |
| Subordinated indebtedness excluded from Tier 2 capital due to cap | | | | | - | |
| Subordinated indebtedness not allowed for Tier 2 capital | | | | | 44 | |
| Total liabilities | 534,027 | 346 | (266) | 534,107 | | |
| Equity | | | | | | |
| Preferred shares | 1,797 | - | - | 1,797 | | |
| Preferred shares allowed for inclusion into additional Tier 1 capital | | | | | 1,797 | U |
| Preferred shares allowed for inclusion into additional Tier 1 capital subject to phase out | | | | | - | V |
| Preferred shares excluded from additional Tier 1 capital due to cap | | | | | - | AH |
| Common shares | 12,548 | - | - | 12,548 | | |
| Common shares – treasury positions | | | | | - | |
| Common shares | | | | | 12,548 | A |
| Contributed surplus | 137 | - | - | 137 | | B |
| Retained earnings | 16,101 | (679) | 679 | 16,101 | | C |
| Gains and losses due to changes in own credit risk on fair valued liabilities | | | | | 51 | M |
| Other retained earnings | | | | | 16,050 | |
| AOCI | 452 | 1 | (1) | 452 | | D |
| Cash flow hedges | | | | | 33 | L |
| Net fair value gains (losses) arising from changes in institution's own credit risk | | | | | (10) | AK |
| Other | | | | | 429 | |
| Non-controlling interests | 202 | - | - | 202 | | |
| Portion allowed for inclusion into CET1 | | | | | 109 | E |
| Portion allowed for inclusion into additional Tier 1 capital | | | | | 14 | W |
| Portion allowed for inclusion into Tier 2 capital | | | | | 19 | Z |
| Portion not allowed for regulatory capital | | | | | 60 | |
| Total equity | 31,237 | (678) | 678 | 31,237 | | |
| Total liabilities and equity | 565,264 | (332) | 412 | 565,344 | | |

REGULATORY CAPITAL AND RATIOS - BASEL III (TRANSITIONAL BASIS)

(\$ millions)

| Row ¹ | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 29 Common Equity Tier 1 capital (CET1) | 23,254 | 22,221 | 22,141 | 20,877 | 20,751 | 19,910 | 18,773 | 18,886 | 19,147 |
| 45 Tier 1 capital (T1 = CET1 + AT1) | 25,198 | 24,220 | 24,076 | 22,809 | 22,596 | 21,764 | 20,506 | 20,577 | 20,671 |
| 59 Total capital (TC = T1 + T2) | 28,594 | 27,598 | 27,402 | 26,125 | 25,949 | 25,154 | 23,861 | 23,964 | 24,538 |
| 60 Total risk-weighted assets ^{4, 5} | 207,910 | 200,100 | 179,346 | 171,157 | 173,902 | 170,333 | 168,161 | 168,688 | 163,867 |
| Capital ratios | | | | | | | | | |
| 61 Common Equity Tier 1 (as a percentage of risk-weighted assets) | 11.2% | 11.1% | 12.4% | 12.2% | 11.9% | 11.7% | 11.2% | 11.2% | 11.7% |
| 62 Tier 1 (as a percentage of risk-weighted assets) | 12.1% | 12.1% | 13.4% | 13.3% | 13.0% | 12.8% | 12.2% | 12.2% | 12.6% |
| 63 Total capital (as a percentage of risk-weighted assets) | 13.8% | 13.8% | 15.3% | 15.3% | 14.9% | 14.8% | 14.2% | 14.2% | 15.0% |

¹ Per OSFI's "Public Capital Disclosure Requirements related to Basel III Pillar 3" advisory.

² Comprises our insurance subsidiaries: CIBC Reinsurance Company Limited (CIBC Re), and CIBC Life Insurance Company Limited (CIBC Life), which are excluded from the regulatory scope of consolidation. CIBC Re provides Life and Health reinsurance to Canadian insurance and international reinsurance companies. CIBC Re is also an active participant in the North American retrocession market. CIBC Life is primarily involved in direct underwriting of life insurance products and has assumed a closed creditor product block of business from a Canadian underwriter; current policies in-force include accidental death, hospital accident, hospital cash benefit plans, critical accident plan, accident recovery plan, term life, and creditor life and disability insurance products. As at October 31, 2017, CIBC Re had \$209 million in assets, \$(269) million in liabilities, and \$478 million in equity, and CIBC Life had \$123 million in assets, \$(77) million in liabilities, and \$200 million in equity.

³ Refer to pages 1 and 2.

⁴ The minimum total capital requirement is \$16,633 million (Q3/17: \$16,008 million) and is calculated by multiplying RWA by 8%. It refers to the minimum standard established by the Basel Committee on Banking Supervision (BCBS) before the application of the capital conservation buffer, and any other capital buffers including but not limited to the capital surcharge for global/domestic systemically important banks that may be established by regulators from time to time.

⁵ Total RWAs on a transitional basis may include a capital floor adjustment.



CHANGES IN REGULATORY CAPITAL - BASEL III (ALL-IN BASIS ¹)

(\$ millions)

| | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Common Equity Tier 1 (CET1) capital | | | | | | | | | |
| Opening amount | 20,664 | 21,356 | 20,093 | 19,148 | 18,345 | 17,165 | 17,197 | 16,829 | 16,588 |
| Issue of common shares pursuant to the acquisition of The PrivateBank | - | 3,443 | - | - | - | - | - | - | - |
| Issue of common shares pursuant to the acquisition of Geneva Advisors | 126 | - | - | - | - | - | - | - | - |
| Other issue of common shares | 40 | 37 | 40 | 91 | 48 | 23 | 18 | 20 | 8 |
| Redeemed capital | - | - | - | - | - | - | - | - | - |
| Purchase of common shares for cancellation | - | - | - | - | - | - | (15) | (46) | (2) |
| Premium on purchase of common shares for cancellation | - | - | - | - | - | - | (50) | (159) | (9) |
| Gross dividends (deduction) | (593) | (560) | (518) | (502) | (488) | (487) | (476) | (466) | (454) |
| Shares issued in lieu of cash dividends (add back) | 201 | 187 | 191 | 170 | 164 | - | - | - | - |
| Profit for the quarter (attributable to shareholders of the parent company) | 1,159 | 1,093 | 1,045 | 1,402 | 927 | 1,435 | 936 | 977 | 776 |
| Removal of own credit spread (net of tax) | 13 | (10) | 18 | 40 | (1) | (29) | 37 | (28) | (10) |
| Movements in other comprehensive income | | | | | | | | | |
| Currency translation differences | 431 | (1,057) | 503 | (253) | 223 | 86 | (632) | 402 | - |
| Available-for-sale investments | (24) | (42) | 35 | (70) | 9 | 40 | 40 | (22) | (86) |
| Cash flow hedges | 6 | (19) | 8 | 15 | (3) | 8 | 3 | (7) | 6 |
| Post-employment defined benefit plans | (125) | 203 | (158) | 219 | 55 | (148) | (11) | (286) | 240 |
| Goodwill and other intangible assets (deduction, net of related tax liabilities) | (388) | (3,778) | (51) | (2) | (56) | 288 | 85 | (132) | (39) |
| Shortfall of allowance to expected losses | (27) | (205) | 59 | (18) | (27) | (63) | 20 | (92) | (48) |
| Other, including regulatory adjustments and transitional arrangements | | | | | | | | | |
| Deferred tax assets that rely on future profitability (excluding those arising from temporary differences) | 6 | 47 | (5) | 4 | (14) | 43 | 18 | (55) | (2) |
| Defined benefit pension fund net assets | 140 | (109) | 96 | (131) | (41) | (5) | 14 | 261 | (151) |
| Significant investments in financial institutions (amount above 10% threshold) | - | - | - | - | - | - | - | - | - |
| Amount exceeding 15% threshold | - | - | - | - | - | - | - | - | - |
| Prudential valuation adjustments | 1 | (3) | 7 | 2 | (1) | (5) | (4) | (9) | 6 |
| Other | (12) | 81 | (7) | (22) | 8 | (6) | (15) | 10 | 6 |
| Closing amount | 21,618 | 20,664 | 21,356 | 20,093 | 19,148 | 18,345 | 17,165 | 17,197 | 16,829 |
| Additional Tier 1 (AT1) capital | | | | | | | | | |
| Opening amount | 3,062 | 2,268 | 2,267 | 2,518 | 2,517 | 2,517 | 2,519 | 2,691 | 2,696 |
| AT1 eligible capital issues | - | 800 | - | - | - | - | - | - | - |
| Redeemed capital | - | - | - | - | - | - | - | - | - |
| Impact of the cap on inclusion for instruments subject to phase out | - | - | - | (251) | - | - | - | (173) | - |
| Other, including regulatory adjustments and transitional arrangements | 2 | (6) | 1 | - | 1 | - | (2) | 1 | (5) |
| Closing amount | 3,064 | 3,062 | 2,268 | 2,267 | 2,518 | 2,517 | 2,517 | 2,519 | 2,691 |
| Total Tier 1 capital | 24,682 | 23,726 | 23,624 | 22,360 | 21,666 | 20,862 | 19,682 | 19,716 | 19,520 |
| Tier 2 capital | | | | | | | | | |
| Opening amount | 3,427 | 3,353 | 3,350 | 3,417 | 3,449 | 3,401 | 3,437 | 3,914 | 3,889 |
| New Tier 2 eligible capital issues | - | - | - | - | - | - | - | 1,000 | - |
| Redeemed capital | - | - | - | - | - | - | - | (1,500) | - |
| Amortization adjustments | - | - | - | - | - | - | - | - | - |
| Impact of the cap on inclusion for instruments subject to phase out | - | - | - | - | - | - | - | - | - |
| Other, including regulatory adjustments and transitional arrangements | 20 | 74 | 3 | (67) | (32) | 48 | (36) | 23 | 25 |
| Closing amount | 3,447 | 3,427 | 3,353 | 3,350 | 3,417 | 3,449 | 3,401 | 3,437 | 3,914 |
| Total capital | 28,129 | 27,153 | 26,977 | 25,710 | 25,083 | 24,311 | 23,083 | 23,153 | 23,434 |

¹ All-in is defined by OSFI as capital calculated to include all of the regulatory adjustments that will be required by 2019, but retaining the phase-out rules for non-qualifying capital instruments.

BASEL III LEVERAGE RATIO

(\$ millions)

| Row ¹ | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| On-balance sheet exposures | | | | | | | | | |
| 1 On-balance sheet items (excluding derivatives, securities financing transactions (SFTs) and grandfathered securitization exposures, but including collateral) | 493,003 | 486,823 | 456,527 | 442,244 | 437,179 | 426,904 | 411,069 | 409,667 | 401,111 |
| 2 Asset amounts deducted in determining Basel III transitional Tier 1 capital | (7,274) | (6,995) | (3,044) | (3,127) | (2,677) | (2,581) | (2,851) | (2,971) | (2,592) |
| 3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 485,729 | 479,828 | 453,483 | 439,117 | 434,502 | 424,323 | 408,218 | 406,696 | 398,519 |
| Derivative exposures | | | | | | | | | |
| 4 Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin) | 5,339 | 5,066 | 6,452 | 4,981 | 6,418 | 7,065 | 6,634 | 7,923 | 6,225 |
| 5 Add-on amounts for potential future exposure (PFE) associated with all derivative transactions | 17,224 | 15,638 | 16,567 | 14,549 | 14,406 | 14,668 | 13,964 | 13,393 | 13,260 |
| 6 Gross up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | - | - | - | - | - | - | - | - | - |
| 7 (Deductions of receivables assets for cash variation margin provided in derivative transactions) | (4,016) | (4,585) | (4,990) | (5,408) | (5,667) | (5,450) | (5,280) | (6,267) | (4,980) |
| 8 (Exempted central counterparty (CCP)-leg of client cleared trade exposures) | - | - | - | - | - | - | - | - | - |
| 9 Adjusted effective notional amount of written credit derivatives | 389 | 125 | - | - | 216 | 356 | 239 | 397 | 991 |
| 10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | (389) | - | - | - | (22) | (154) | (25) | (169) | (764) |
| 11 Total derivatives exposures (sum of lines 4 to 10) | 18,547 | 16,244 | 18,029 | 14,122 | 15,351 | 16,485 | 15,532 | 15,277 | 14,732 |
| Securities financing transaction exposures | | | | | | | | | |
| 12 Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions | 45,418 | 45,072 | 43,842 | 44,556 | 33,810 | 36,460 | 35,722 | 34,811 | 33,334 |
| 13 (Netted amounts of cash payables and cash receivables of gross SFT assets) | (2,392) | - | - | - | - | - | - | - | - |
| 14 Counterparty credit risk (CCR) exposure for SFTs | 1,903 | 1,989 | 2,013 | 1,682 | 1,772 | 1,135 | 860 | 1,005 | 1,167 |
| 15 Agent transaction exposures | - | - | - | - | - | - | - | - | - |
| 16 Total securities financing transaction exposures (sum of lines 12 to 15) | 44,929 | 47,061 | 45,855 | 46,238 | 35,582 | 37,595 | 36,582 | 35,816 | 34,501 |
| Other off-balance sheet exposures | | | | | | | | | |
| 17 Off-balance sheet exposure at gross notional amount | 233,667 | 231,083 | 218,975 | 211,165 | 212,888 | 208,903 | 203,249 | 204,266 | 198,437 |
| 18 (Adjustments for conversion to credit equivalent amounts) | (172,103) | (171,486) | (163,901) | (154,456) | (152,187) | (149,527) | (146,151) | (145,416) | (142,685) |
| 19 Off-balance sheet items (sum of lines 17 and 18) | 61,564 | 59,597 | 55,074 | 56,709 | 60,701 | 59,376 | 57,098 | 58,850 | 55,752 |
| Capital and total exposures - Transitional basis | | | | | | | | | |
| 20 Tier 1 capital | 25,198 | 24,220 | 24,076 | 22,809 | 22,596 | 21,764 | 20,506 | 20,577 | 20,671 |
| 21 Total exposures (sum of lines 3, 11, 16 and 19) | 610,769 | 602,730 | 572,441 | 556,186 | 546,136 | 537,779 | 517,430 | 516,639 | 503,504 |
| Leverage ratios - Transitional basis | | | | | | | | | |
| Basel III leverage ratio | 4.1% | 4.0% | 4.2% | 4.1% | 4.1% | 4.0% | 4.0% | 4.0% | 4.1% |
| All-in basis (required by OSFI) | | | | | | | | | |
| 23 Tier 1 capital - All-in basis | 24,682 | 23,726 | 23,624 | 22,360 | 21,666 | 20,862 | 19,682 | 19,716 | 19,520 |
| 24 (Regulatory adjustments) | (7,690) | (7,411) | (3,381) | (3,483) | (3,333) | (3,188) | (3,443) | (3,573) | (3,544) |
| 25 Total exposures (sum of lines 21 and 24, less the amount reported in line 2) - All-in basis | 610,353 | 602,314 | 572,104 | 555,830 | 545,480 | 537,172 | 516,838 | 516,037 | 502,552 |
| 26 Leverage ratio - All-in basis | 4.0% | 3.9% | 4.1% | 4.0% | 4.0% | 3.9% | 3.8% | 3.8% | 3.9% |

SUMMARY COMPARISON OF ACCOUNTING ASSETS VS. LEVERAGE RATIO EXPOSURE MEASURE (TRANSITIONAL BASIS)

(\$ millions)

| Row ¹ | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1 Total consolidated assets as per published financial statements | 565,264 | 560,912 | 528,591 | 513,294 | 501,357 | 494,490 | 478,144 | 479,032 | 463,309 |
| 2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | 80 | 80 | 120 | 136 | 129 | 165 | 130 | 132 | 228 |
| 3 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | - | - | - | - | - | - | - | - | - |
| 4 Adjustment for derivative financial instruments | (5,796) | (10,126) | (7,583) | (9,775) | (12,412) | (12,067) | (13,209) | (16,662) | (11,609) |
| 5 Adjustment for securities financing transactions (i.e. repos and similar secured lending) | (489) | 1,989 | 2,013 | 1,682 | 1,772 | 1,135 | 860 | 1,005 | 1,167 |
| 6 Adjustment for off-balance sheet items (i.e. credit equivalent amounts of off-balance sheet exposures) | 61,564 | 59,597 | 55,074 | 56,709 | 60,701 | 59,376 | 57,098 | 58,850 | 55,752 |
| 7 Other adjustments | (9,854) | (9,722) | (5,774) | (5,860) | (5,411) | (5,320) | (5,593) | (5,718) | (5,343) |
| 8 Leverage ratio exposure | 610,769 | 602,730 | 572,441 | 556,186 | 546,136 | 537,779 | 517,430 | 516,639 | 503,504 |

¹ Per OSFI's "Public Disclosure Requirements related to Basel III Leverage Ratio".



RISK-WEIGHTED ASSETS

(\$ millions)

| | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 | | |
|---|---|----------------|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Minimum total capital required ² | | RWA (All-in basis ¹) | | | | | | | | |
| | RWA | | | | | | | | | | |
| Credit risk ³ | | | | | | | | | | | |
| Standardized approach | | | | | | | | | | | |
| Corporate | 28,029 | 2,242 | 26,631 | 3,727 | 3,578 | 3,645 | 3,674 | 3,515 | 3,952 | 3,614 | |
| Sovereign | 1,597 | 128 | 1,550 | 777 | 621 | 780 | 658 | 627 | 690 | 753 | |
| Banks | 488 | 39 | 438 | 439 | 442 | 521 | 472 | 438 | 411 | 327 | |
| Real estate secured personal lending | 2,735 | 219 | 2,645 | 2,085 | 2,100 | 2,181 | 2,144 | 2,075 | 2,373 | 2,213 | |
| Other retail | 933 | 75 | 873 | 833 | 666 | 667 | 647 | 616 | 695 | 649 | |
| Trading book | 187 | 15 | 188 | 152 | 130 | 123 | 105 | 70 | 67 | 10 | |
| | 33,969 | 2,718 | 32,325 | 8,013 | 7,537 | 7,917 | 7,700 | 7,341 | 8,188 | 7,566 | |
| AIRB approach | | | | | | | | | | | |
| Corporate | 64,924 | 5,194 | 64,133 | 64,418 | 64,074 | 64,856 | 65,185 | 64,496 | 63,157 | 58,917 | |
| Sovereign ⁴ | 2,093 | 167 | 2,048 | 1,900 | 2,075 | 2,185 | 2,245 | 2,150 | 2,187 | 2,081 | |
| Banks | 3,215 | 257 | 3,110 | 3,582 | 3,601 | 3,526 | 3,753 | 3,602 | 3,950 | 4,088 | |
| Real estate secured personal lending | 14,738 | 1,179 | 14,566 | 13,691 | 13,156 | 12,115 | 11,497 | 10,483 | 10,242 | 10,477 | |
| Qualifying revolving retail | 17,355 | 1,388 | 16,931 | 17,050 | 17,432 | 17,512 | 17,200 | 16,839 | 16,961 | 16,106 | |
| Other retail | 7,579 | 606 | 8,296 | 8,182 | 7,965 | 7,813 | 7,738 | 7,596 | 7,334 | 7,272 | |
| Equity | 759 | 61 | 813 | 699 | 734 | 705 | 693 | 717 | 726 | 725 | |
| Trading book | 3,345 | 268 | 3,164 | 3,641 | 3,359 | 3,576 | 3,387 | 3,301 | 3,213 | 2,930 | |
| Securitization | 1,341 | 107 | 1,296 | 1,340 | 1,398 | 2,218 | 2,290 | 1,981 | 2,108 | 2,011 | |
| Adjustment for scaling factor | 6,911 | 553 | 6,852 | 6,860 | 6,818 | 6,860 | 6,830 | 6,660 | 6,582 | 6,266 | |
| | 122,260 | 9,780 | 121,209 | 121,363 | 120,612 | 121,366 | 120,818 | 117,825 | 116,460 | 110,873 | |
| Other credit RWA | 11,427 | 914 | 11,356 | 10,893 | 10,322 | 10,815 | 11,276 | 12,539 | 12,785 | 12,381 | |
| Total credit risk (before adjustment for CVA phase-in) ⁵ | 167,656 | 13,412 | 164,890 | 140,269 | 138,471 | 140,098 | 139,794 | 137,705 | 137,433 | 130,820 | |
| Market risk (Internal Models and IRB Approach) | | | | | | | | | | | |
| Value-at-risk (VaR) | 935 | 75 | 1,203 | 1,005 | 989 | 881 | 911 | 1,346 | 790 | 719 | |
| Stressed VaR | 2,058 | 165 | 2,420 | 2,066 | 2,104 | 1,623 | 1,729 | 2,019 | 1,978 | 2,051 | |
| Incremental risk charge | 1,843 | 147 | 2,186 | 3,167 | 2,383 | 1,624 | 1,209 | 1,134 | 1,295 | 1,606 | |
| Securitization & other | 556 | 44 | 169 | 85 | 75 | 47 | 86 | 15 | 27 | 32 | |
| Total market risk | 5,392 | 431 | 5,978 | 6,323 | 5,551 | 4,175 | 3,935 | 4,514 | 4,090 | 4,408 | |
| Operational risk | 24,664 | 1,973 | 24,327 | 22,452 | 22,081 | 21,746 | 21,327 | 20,202 | 18,180 | 18,194 | |
| Total RWA before adjustments for CVA phase-in and capital floor ^{5,6} | A | 197,712 | 15,816 | 195,195 | 169,044 | 166,103 | 166,019 | 165,056 | 162,421 | 159,703 | 153,422 |
| CVA adjustment ⁵ | | | | | | | | | | | |
| CET1 RWA | B | 3,498 | 280 | 3,264 | 3,655 | 3,247 | 2,977 | 3,021 | 2,998 | 2,880 | 2,685 |
| Tier 1 RWA | C | 3,741 | 299 | 3,491 | 3,909 | 3,472 | 3,303 | 3,351 | 3,325 | 3,196 | 2,979 |
| Total RWA | D | 3,935 | 315 | 3,672 | 4,112 | 3,652 | 3,582 | 3,634 | 3,606 | 3,466 | 3,230 |
| Capital floor adjustment ⁶ | | | | | | | | | | | |
| CET1 RWA | E | 2,111 | 169 | n/a | 2,732 | n/a | n/a | n/a | n/a | n/a | n/a |
| Tier 1 RWA | F | 1,868 | 150 | n/a | 2,478 | n/a | n/a | n/a | n/a | n/a | n/a |
| Total RWA | G | 1,674 | 134 | n/a | 2,275 | n/a | n/a | n/a | n/a | n/a | n/a |
| Total RWA after adjustments for CVA phase-in and capital floor ^{5,6} | | | | | | | | | | | |
| CET1 capital RWA | A+B+E | 203,321 | 16,265 | 198,459 | 175,431 | 169,350 | 168,996 | 168,077 | 165,419 | 162,583 | 156,107 |
| Tier 1 capital RWA | A+C+F | 203,321 | 16,265 | 198,686 | 175,431 | 169,575 | 169,322 | 168,407 | 165,746 | 162,899 | 156,401 |
| Total capital RWA | A+D+G | 203,321 | 16,265 | 198,867 | 175,431 | 169,755 | 169,601 | 168,690 | 166,027 | 163,169 | 156,652 |

¹ All-in is defined by OSFI as capital calculated to include all of the regulatory adjustments that will be required by 2019. Certain deductions from capital are phased in at 20% per year starting 2014. Transitional RWAs differ from RWAs on an all-in basis largely due to the risk weighting of amounts not yet deducted from capital under OSFI's transitional rules.

² Refers to the minimum standard established by the BCBS before the application of the capital conservation buffer and any other capital buffers including but not limited to the capital surcharge for global/domestic systemically important banks that may be established by regulators from time to time. It is calculated by multiplying RWA by 8%.

³ Credit risk for CIBC Bank USA is calculated under the standardized approach.

⁴ Includes residential mortgages insured by Canadian Mortgage and Housing Corporation (CMHC), an agency of the government of Canada, and government guaranteed student loans.

⁵ As a result of the option that CIBC chose for calculating the CVA capital charge, the calculation of CET1, Tier 1 and Total Capital ratios is based on different RWAs, before any capital floor adjustment, beginning in Q3/14. The charge will be phased-in during 2014-2019 and relates to bilateral OTC derivatives included in credit risk RWA.

⁶ Since the introduction of Basel II in 2008, OSFI has prescribed a capital floor requirement for institutions that use the AIRB approach for credit risk. The capital floor is determined by comparing a capital requirement calculated by reference to Basel I against the Basel III calculation, as specified by OSFI. Any shortfall in the Basel III capital requirement compared with the Basel I floor is added to RWAs.

n/a Not applicable.



CHANGES IN CET1 RISK-WEIGHTED ASSETS (ALL-IN BASIS ^{1,2})

(\$ millions)

| | Q4/17 vs. Q3/17 | | Q3/17 vs. Q2/17 | | Q2/17 vs. Q1/17 | | Q1/17 vs. Q4/16 | |
|---------------------------------------|-----------------|--|-----------------|--|-----------------|--|-----------------|--|
| | Credit risk | Of which counterparty credit risk ³ | Credit risk | Of which counterparty credit risk ³ | Credit risk | Of which counterparty credit risk ³ | Credit risk | Of which counterparty credit risk ³ |
| Credit risk | | | | | | | | |
| Balance at beginning of period | 168,154 | 9,436 | 143,924 | 10,097 | 141,718 | 9,074 | 143,075 | 8,861 |
| Book size ⁴ | 3,131 | 668 | 5,963 | 193 | 2,906 | 750 | 1,151 | 270 |
| Book quality ⁵ | (1,117) | (361) | (2,070) | (301) | (1,016) | (325) | (425) | (129) |
| Model updates ⁶ | (558) | - | (631) | - | (1,840) | (37) | (51) | - |
| Methodology and policy ⁷ | 70 | - | 308 | - | 191 | - | 586 | 361 |
| Acquisitions and disposals | - | - | 26,517 | 90 | - | - | - | - |
| Foreign exchange movements | 2,160 | 130 | (5,032) | (292) | 1,977 | 192 | (1,224) | (117) |
| Other | (686) | 252 | (825) | (351) | (12) | 443 | (1,394) | (172) |
| Balance at end of period ⁸ | 171,154 | 10,125 | 168,154 | 9,436 | 143,924 | 10,097 | 141,718 | 9,074 |

| | Q4/17 vs. Q3/17 | Q3/17 vs. Q2/17 | Q2/17 vs. Q1/17 | Q1/17 vs. Q4/16 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Market risk | | | | |
| Balance at beginning of period | 5,978 | 6,323 | 5,551 | 4,175 |
| Movement in risk levels ⁹ | (505) | (473) | 849 | 1,278 |
| Model updates ⁶ | 32 | (261) | (1) | (22) |
| Methodology and policy ⁷ | - | - | - | - |
| Acquisitions and disposals | - | 59 | - | - |
| Foreign exchange movements | (113) | 330 | (76) | 120 |
| Other | - | - | - | - |
| Balance at end of period | 5,392 | 5,978 | 6,323 | 5,551 |

| | Q4/17 vs. Q3/17 | Q3/17 vs. Q2/17 | Q2/17 vs. Q1/17 | Q1/17 vs. Q4/16 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Operational risk | | | | |
| Balance at beginning of period | 24,327 | 22,452 | 22,081 | 21,746 |
| Movement in risk levels ¹⁰ | 215 | 306 | 371 | 335 |
| Methodology and policy ⁷ | - | - | - | - |
| Acquisitions and disposals | 122 | 1,569 | - | - |
| Balance at end of period | 24,664 | 24,327 | 22,452 | 22,081 |

¹ All-in is defined by OSFI as capital calculated to include all of the regulatory adjustments that will be required by 2019, but retaining the phase-out rules for non-qualifying capital instruments.

² Excludes capital floor adjustment.

³ Comprises derivatives and repo-style transactions.

⁴ Relates to net increase/decrease in the underlying exposures.

⁵ Relates to changes in credit risk mitigation and credit quality of the borrower/counterparty.

⁶ Relates to internal model or parameter changes.

⁷ Relates to regulatory changes implemented on an industry wide basis (i.e. Basel III) and any capital methodology changes implemented within CIBC for our portfolios.

⁸ Includes \$3,498 million (Q3/17: \$3,264 million) of CET1 CVA RWAs relating to bilateral OTC derivatives.

⁹ Relates to changes in open positions and market data.

¹⁰ Relates to changes in loss experience, business environment, internal control factors and revenue.

CREDIT EXPOSURE (EXPOSURE AT DEFAULT ¹)

(\$ millions)

| | Q4/17 | | Q3/17 | | Q2/17 | | Q1/17 | | Q4/16 | | Q3/16 | | Q2/16 | | Q1/16 | |
|---|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|
| | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach | AIRB approach | Standardized approach |
| Business and government portfolios | | | | | | | | | | | | | | | | |
| Corporate | | | | | | | | | | | | | | | | |
| Drawn | 78,312 | 23,390 | 76,424 | 22,316 | 74,544 | 3,362 | 71,977 | 3,204 | 72,807 | 3,370 | 72,146 | 3,126 | 69,382 | 3,086 | 68,379 | 3,467 |
| Undrawn commitments | 39,078 | 4,085 | 38,629 | 3,693 | 39,935 | 147 | 37,667 | 135 | 36,845 | 145 | 37,054 | 86 | 36,304 | 86 | 38,239 | 135 |
| Repo-style transactions | 76,899 | 39 | 75,016 | 28 | 72,087 | 38 | 65,326 | 15 | 53,644 | 33 | 51,372 | 10 | 49,798 | 14 | 35,900 | 3 |
| Other off-balance sheet | 13,484 | 697 | 13,848 | 675 | 15,688 | 216 | 15,706 | 235 | 18,350 | 229 | 15,175 | 440 | 13,336 | 443 | 10,585 | 504 |
| OTC derivatives | 8,990 | 64 | 8,111 | 75 | 9,885 | - | 8,245 | - | 9,001 | - | 8,180 | - | 7,870 | - | 8,257 | - |
| | 216,763 | 28,275 | 212,028 | 26,787 | 212,139 | 3,763 | 198,921 | 3,589 | 190,647 | 3,777 | 183,927 | 3,662 | 176,690 | 3,629 | 161,360 | 4,109 |
| Sovereign | | | | | | | | | | | | | | | | |
| Drawn | 41,439 | 11,827 | 46,090 | 11,061 | 42,224 | 5,026 | 41,810 | 4,759 | 44,055 | 4,773 | 38,454 | 4,740 | 36,908 | 4,498 | 38,940 | 5,167 |
| Undrawn commitments | 5,642 | - | 5,733 | - | 5,547 | - | 4,722 | - | 4,670 | - | 4,830 | - | 4,817 | - | 4,779 | - |
| Repo-style transactions | 14,374 | - | 12,269 | - | 13,268 | - | 10,439 | - | 10,020 | - | 6,522 | - | 7,588 | - | 5,699 | - |
| Other off-balance sheet | 533 | - | 554 | - | 682 | - | 693 | - | 753 | - | 803 | - | 759 | - | 742 | - |
| OTC derivatives | 2,660 | - | 2,487 | - | 3,677 | - | 2,951 | - | 3,581 | - | 3,893 | - | 3,855 | - | 4,559 | - |
| | 64,648 | 11,827 | 67,133 | 11,061 | 65,398 | 5,026 | 60,615 | 4,759 | 63,079 | 4,773 | 54,502 | 4,740 | 53,927 | 4,498 | 54,719 | 5,167 |
| Banks | | | | | | | | | | | | | | | | |
| Drawn | 10,422 | 2,021 | 10,276 | 1,854 | 10,326 | 1,776 | 10,150 | 1,689 | 10,715 | 1,940 | 13,894 | 1,847 | 11,488 | 1,717 | 13,081 | 1,778 |
| Undrawn commitments | 840 | 8 | 984 | 9 | 1,040 | - | 1,089 | - | 1,011 | - | 1,036 | - | 889 | - | 1,002 | - |
| Repo-style transactions | 21,469 | - | 22,459 | - | 22,296 | - | 24,008 | - | 22,720 | - | 22,386 | - | 22,741 | - | 30,807 | - |
| Other off-balance sheet | 64,176 | - | 62,155 | - | 64,972 | - | 61,464 | - | 62,107 | - | 59,315 | - | 59,184 | - | 58,833 | - |
| OTC derivatives | 7,527 | 232 | 6,350 | 233 | 7,603 | 219 | 6,053 | 160 | 6,005 | 167 | 5,900 | 211 | 5,304 | 56 | 5,759 | 168 |
| | 104,434 | 2,261 | 102,224 | 2,096 | 106,237 | 1,995 | 102,764 | 1,849 | 102,558 | 2,107 | 102,531 | 2,058 | 99,606 | 1,773 | 109,482 | 1,946 |
| Gross business and government portfolios | 385,845 | 42,363 | 381,385 | 39,944 | 383,774 | 10,784 | 362,300 | 10,197 | 356,284 | 10,657 | 340,960 | 10,460 | 330,223 | 9,900 | 325,561 | 11,222 |
| Less: repo-style transaction collateral | 101,315 | - | 98,861 | - | 95,043 | - | 88,596 | - | 76,263 | - | 71,017 | - | 71,646 | - | 62,423 | - |
| Net business and government portfolios | 284,530 | 42,363 | 282,524 | 39,944 | 288,731 | 10,784 | 273,704 | 10,197 | 280,021 | 10,657 | 269,943 | 10,460 | 258,577 | 9,900 | 263,138 | 11,222 |
| Retail portfolios | | | | | | | | | | | | | | | | |
| Real estate secured personal lending | | | | | | | | | | | | | | | | |
| Drawn | 223,291 | 3,423 | 219,304 | 3,284 | 211,790 | 2,696 | 206,740 | 2,556 | 201,580 | 2,645 | 195,464 | 2,579 | 189,218 | 2,474 | 185,953 | 2,802 |
| Undrawn commitments | 18,922 | 3 | 19,967 | 4 | 19,543 | - | 17,926 | - | 18,375 | - | 24,050 | - | 22,743 | - | 21,176 | - |
| | 242,213 | 3,426 | 239,271 | 3,288 | 231,333 | 2,696 | 224,666 | 2,556 | 219,955 | 2,645 | 219,514 | 2,579 | 211,961 | 2,474 | 207,129 | 2,802 |
| Qualifying revolving retail | | | | | | | | | | | | | | | | |
| Drawn | 21,982 | - | 21,922 | - | 21,578 | - | 21,504 | - | 21,597 | - | 21,139 | - | 20,661 | - | 20,596 | - |
| Undrawn commitments | 49,140 | - | 46,383 | - | 46,623 | - | 48,231 | - | 47,140 | - | 46,887 | - | 46,545 | - | 45,956 | - |
| Other off-balance sheet | 293 | - | 311 | - | 302 | - | 258 | - | 319 | - | 308 | - | 281 | - | 265 | - |
| | 71,415 | - | 68,616 | - | 68,503 | - | 69,993 | - | 69,056 | - | 68,334 | - | 67,487 | - | 66,817 | - |
| Other retail | | | | | | | | | | | | | | | | |
| Drawn | 10,755 | 1,158 | 10,466 | 1,080 | 10,117 | 851 | 9,762 | 797 | 9,671 | 794 | 9,616 | 766 | 9,490 | 726 | 9,221 | 813 |
| Undrawn commitments | 2,396 | 28 | 2,142 | 30 | 2,088 | 27 | 2,073 | 25 | 2,026 | 26 | 1,999 | 26 | 1,975 | 25 | 1,910 | 27 |
| Other off-balance sheet | 37 | - | 33 | - | 34 | - | 36 | - | 32 | - | 32 | - | 32 | - | 38 | - |
| | 13,188 | 1,186 | 12,641 | 1,110 | 12,239 | 878 | 11,871 | 822 | 11,729 | 820 | 11,647 | 792 | 11,497 | 751 | 11,169 | 840 |
| Total retail portfolios | 326,816 | 4,612 | 320,528 | 4,398 | 312,075 | 3,574 | 306,530 | 3,378 | 300,740 | 3,465 | 299,495 | 3,371 | 290,945 | 3,225 | 285,115 | 3,642 |
| Securitization exposures | 14,174 | - | 13,350 | - | 12,546 | - | 13,001 | - | 18,863 | - | 18,748 | - | 17,577 | - | 18,868 | - |
| Gross credit exposure | 726,835 | 46,975 | 715,263 | 44,342 | 708,395 | 14,358 | 681,831 | 13,575 | 675,887 | 14,122 | 659,203 | 13,831 | 638,745 | 13,125 | 629,544 | 14,864 |
| Less: repo-style transaction collateral | 101,315 | - | 98,861 | - | 95,043 | - | 88,596 | - | 76,263 | - | 71,017 | - | 71,646 | - | 62,423 | - |
| Net credit exposure | 625,520 | 46,975 | 616,402 | 44,342 | 613,352 | 14,358 | 593,235 | 13,575 | 599,624 | 14,122 | 588,186 | 13,831 | 567,099 | 13,125 | 567,121 | 14,864 |

¹ Gross credit exposure after credit valuation adjustments for financial guarantors, and before allowance for credit losses.

CREDIT EXPOSURE - GEOGRAPHIC CONCENTRATION ¹

(\$ millions)

| | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Business and government | | | | | | | | | |
| Canada | | | | | | | | | |
| Drawn | 80,338 | 79,063 | 75,259 | 72,212 | 75,116 | 74,422 | 70,482 | 70,148 | 63,894 |
| Undrawn commitments | 34,823 | 34,791 | 36,021 | 33,465 | 32,082 | 32,578 | 31,863 | 32,279 | 32,085 |
| Repo-style transactions | 6,962 | 6,730 | 8,244 | 7,748 | 7,497 | 4,336 | 4,430 | 5,369 | 3,227 |
| Other off-balance sheet | 52,371 | 51,675 | 55,082 | 54,291 | 54,925 | 49,518 | 46,711 | 44,658 | 51,269 |
| OTC derivatives | 9,133 | 7,625 | 11,394 | 7,973 | 8,887 | 8,722 | 8,424 | 10,610 | 9,050 |
| | 183,627 | 179,884 | 186,000 | 175,689 | 178,507 | 169,576 | 161,910 | 163,064 | 159,525 |
| United States | | | | | | | | | |
| Drawn | 36,261 | 41,524 | 40,900 | 39,201 | 38,792 | 37,999 | 35,069 | 38,836 | 41,846 |
| Undrawn commitments | 7,417 | 7,596 | 7,403 | 7,360 | 7,923 | 7,937 | 7,556 | 8,355 | 7,589 |
| Repo-style transactions | 2,790 | 2,430 | 2,299 | 2,253 | 1,675 | 4,181 | 3,342 | 4,007 | 4,323 |
| Other off-balance sheet | 19,358 | 19,971 | 18,819 | 19,294 | 21,077 | 20,510 | 19,007 | 20,097 | 20,541 |
| OTC derivatives | 4,754 | 4,078 | 4,364 | 4,055 | 3,885 | 3,077 | 2,649 | 2,352 | 2,386 |
| | 70,580 | 75,599 | 73,785 | 72,163 | 73,352 | 73,704 | 67,623 | 73,647 | 76,685 |
| Europe | | | | | | | | | |
| Drawn | 4,683 | 3,805 | 3,623 | 4,189 | 5,244 | 4,602 | 4,497 | 5,119 | 3,882 |
| Undrawn commitments | 2,133 | 1,946 | 2,085 | 1,791 | 1,725 | 1,661 | 1,674 | 2,539 | 2,587 |
| Repo-style transactions | 1,035 | 1,166 | 1,232 | 781 | 460 | 572 | 485 | 451 | 496 |
| Other off-balance sheet | 5,900 | 4,376 | 6,892 | 3,715 | 4,717 | 4,761 | 7,052 | 4,855 | 5,082 |
| OTC derivatives | 3,306 | 3,282 | 3,502 | 3,427 | 3,687 | 3,726 | 3,694 | 4,007 | 3,642 |
| | 17,057 | 14,575 | 17,334 | 13,903 | 15,833 | 15,322 | 17,402 | 16,971 | 15,689 |
| Other countries | | | | | | | | | |
| Drawn | 8,891 | 8,398 | 7,312 | 8,335 | 8,425 | 7,471 | 7,730 | 6,297 | 5,343 |
| Undrawn commitments | 1,187 | 1,013 | 1,013 | 862 | 796 | 744 | 917 | 847 | 924 |
| Repo-style transactions | 640 | 557 | 833 | 395 | 489 | 174 | 224 | 156 | 204 |
| Other off-balance sheet | 564 | 535 | 549 | 563 | 491 | 504 | 509 | 550 | 708 |
| OTC derivatives | 1,984 | 1,963 | 1,905 | 1,794 | 2,128 | 2,448 | 2,262 | 1,606 | 1,222 |
| | 13,266 | 12,466 | 11,612 | 11,949 | 12,329 | 11,341 | 11,642 | 9,456 | 8,401 |
| | 284,530 | 282,524 | 288,731 | 273,704 | 280,021 | 269,943 | 258,577 | 263,138 | 260,300 |

¹ This table provides information of our business and government exposures under the AIRB approach. Substantially all our retail exposures under the AIRB approach are based in Canada. Gross credit exposure after credit valuation adjustments for financial guarantors, and before allowance for credit losses.

CREDIT EXPOSURE - MATURITY PROFILE ¹

(\$ millions)

| | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Business and government portfolios | | | | | | | | | |
| Corporate | | | | | | | | | |
| Less than 1 year ² | 57,008 | 56,711 | 60,057 | 56,518 | 57,633 | 55,488 | 50,532 | 47,050 | 47,455 |
| 1 - 3 years | 50,953 | 50,325 | 50,961 | 47,897 | 46,676 | 44,333 | 42,794 | 43,718 | 41,773 |
| 3 - 5 years | 36,704 | 34,676 | 34,822 | 34,003 | 36,411 | 36,344 | 36,729 | 37,930 | 36,547 |
| Over 5 years | 1,952 | 1,818 | 2,169 | 1,957 | 2,108 | 1,638 | 1,272 | 1,447 | 1,454 |
| | 146,617 | 143,530 | 148,009 | 140,375 | 142,828 | 137,803 | 131,327 | 130,145 | 127,229 |
| Sovereign | | | | | | | | | |
| Less than 1 year ² | 12,181 | 18,998 | 14,516 | 15,532 | 15,277 | 14,571 | 13,966 | 15,493 | 20,291 |
| 1 - 3 years | 20,091 | 18,926 | 19,695 | 17,024 | 16,886 | 15,951 | 15,129 | 16,780 | 15,559 |
| 3 - 5 years | 17,774 | 16,496 | 16,883 | 16,819 | 20,131 | 16,302 | 16,196 | 15,175 | 9,802 |
| Over 5 years | 1,322 | 1,213 | 1,871 | 1,344 | 1,504 | 1,581 | 1,545 | 1,939 | 1,607 |
| | 51,368 | 55,633 | 52,965 | 50,719 | 53,798 | 48,405 | 46,836 | 49,387 | 47,259 |
| Banks | | | | | | | | | |
| Less than 1 year ² | 72,800 | 70,511 | 72,948 | 68,075 | 69,199 | 67,043 | 67,425 | 69,690 | 72,018 |
| 1 - 3 years | 11,227 | 10,773 | 12,768 | 10,212 | 9,042 | 8,787 | 10,504 | 11,174 | 9,414 |
| 3 - 5 years | 1,844 | 1,611 | 1,573 | 4,008 | 4,627 | 7,396 | 1,573 | 1,710 | 3,354 |
| Over 5 years | 674 | 466 | 468 | 315 | 527 | 509 | 912 | 1,032 | 1,026 |
| | 86,545 | 83,361 | 87,757 | 82,610 | 83,395 | 83,735 | 80,414 | 83,606 | 85,812 |
| Total business and government portfolios | 284,530 | 282,524 | 288,731 | 273,704 | 280,021 | 269,943 | 258,577 | 263,138 | 260,300 |
| Retail portfolios | | | | | | | | | |
| Real estate and secured personal lending | | | | | | | | | |
| Less than 1 year ² | 77,712 | 75,496 | 70,478 | 68,450 | 69,027 | 75,233 | 75,821 | 76,395 | 80,552 |
| 1 - 3 years | 100,461 | 98,288 | 93,231 | 84,631 | 78,550 | 71,028 | 62,362 | 57,985 | 54,158 |
| 3 - 5 years | 63,138 | 64,414 | 66,324 | 70,175 | 70,880 | 71,746 | 72,266 | 71,271 | 68,117 |
| Over 5 years | 902 | 1,073 | 1,300 | 1,410 | 1,498 | 1,507 | 1,512 | 1,478 | 1,348 |
| | 242,213 | 239,271 | 231,333 | 224,666 | 219,955 | 219,514 | 211,961 | 207,129 | 204,175 |
| Qualifying revolving retail | | | | | | | | | |
| Less than 1 year ² | 71,415 | 68,616 | 68,503 | 69,993 | 69,056 | 68,334 | 67,487 | 66,817 | 65,722 |
| | 71,415 | 68,616 | 68,503 | 69,993 | 69,056 | 68,334 | 67,487 | 66,817 | 65,722 |
| Other retail | | | | | | | | | |
| Less than 1 year ² | 12,036 | 11,754 | 11,501 | 11,274 | 11,242 | 11,204 | 11,092 | 10,785 | 10,813 |
| 1 - 3 years | 169 | 174 | 186 | 185 | 180 | 210 | 210 | 211 | 214 |
| 3 - 5 years | 295 | 214 | 176 | 148 | 130 | 116 | 109 | 104 | 108 |
| Over 5 years | 688 | 499 | 376 | 264 | 177 | 117 | 86 | 69 | 57 |
| | 13,188 | 12,641 | 12,239 | 11,871 | 11,729 | 11,647 | 11,497 | 11,169 | 11,192 |
| Total retail portfolios | 326,816 | 320,528 | 312,075 | 306,530 | 300,740 | 299,495 | 290,945 | 285,115 | 281,089 |
| Total credit exposure | 611,346 | 603,052 | 600,806 | 580,234 | 580,761 | 569,438 | 549,522 | 548,253 | 541,389 |

¹ Excludes securitization exposures.

² Demand loans are included in the "Less than 1 year" category.

CREDIT RISK ASSOCIATED WITH DERIVATIVES

(\$ millions)

| | Q4/17 | | | Credit equivalent amount ¹ | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 | |
|---|--------------------------|--------------|---------------|---------------------------------------|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Current replacement cost | | | | Risk-weighted amount | | | | | | | | | |
| | Trading | ALM | Total | | | | | | | | | | | |
| Interest rate derivatives | | | | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | | | | |
| Forward rate agreements | 56 | 1 | 57 | 29 | 3 | 1 | 2 | 6 | 2 | 22 | 14 | - | 8 | |
| Swap contracts | 6,968 | 1,065 | 8,033 | 4,993 | 653 | 693 | 759 | 741 | 915 | 1,100 | 926 | 1,013 | 884 | |
| Purchased options | 153 | 3 | 156 | 55 | 22 | 17 | 20 | 14 | 13 | 21 | 20 | 15 | 26 | |
| | 7,177 | 1,069 | 8,246 | 5,077 | 678 | 711 | 781 | 761 | 930 | 1,143 | 960 | 1,028 | 918 | |
| Exchange-traded | - | - | - | 88 | 2 | 2 | 2 | 1 | 2 | 1 | 1 | 2 | 3 | |
| Total interest rate derivatives | 7,177 | 1,069 | 8,246 | 5,165 | 680 | 713 | 783 | 762 | 932 | 1,144 | 961 | 1,030 | 921 | |
| Foreign exchange derivatives | | | | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | | | | |
| Forward contracts | 3,603 | 87 | 3,690 | 3,644 | 938 | 970 | 869 | 839 | 900 | 732 | 874 | 911 | 668 | |
| Swap contracts | 6,028 | 1,707 | 7,735 | 4,350 | 847 | 784 | 775 | 653 | 673 | 653 | 603 | 653 | 656 | |
| Purchased options | 217 | 1 | 218 | 310 | 81 | 107 | 126 | 104 | 123 | 144 | 217 | 222 | 173 | |
| | 9,848 | 1,795 | 11,643 | 8,304 | 1,866 | 1,861 | 1,770 | 1,596 | 1,696 | 1,529 | 1,694 | 1,786 | 1,497 | |
| Credit derivatives | | | | | | | | | | | | | | |
| Over-the-counter | | | | | | | | | | | | | | |
| Credit default swap contracts - protection purchased | 130 | - | 130 | 90 | 10 | 7 | 4 | 4 | 7 | 8 | 9 | 12 | 14 | |
| Credit default swap contracts - protection sold | 11 | - | 11 | 6 | - | - | - | - | - | - | - | - | - | |
| | 141 | - | 141 | 96 | 10 | 7 | 4 | 4 | 7 | 8 | 9 | 12 | 14 | |
| Equity derivatives | | | | | | | | | | | | | | |
| Over-the-counter | 1,197 | 126 | 1,323 | 2,033 | 520 | 479 | 540 | 445 | 379 | 300 | 306 | 254 | 254 | |
| Exchange-traded | 1,541 | - | 1,541 | 2,837 | 84 | 75 | 70 | 44 | 49 | 45 | 45 | 32 | 36 | |
| | 2,738 | 126 | 2,864 | 4,870 | 604 | 554 | 610 | 489 | 428 | 345 | 351 | 286 | 290 | |
| Precious metal derivatives | | | | | | | | | | | | | | |
| Over-the-counter | 40 | - | 40 | 43 | 19 | 15 | 20 | 28 | 17 | 15 | 10 | 6 | 6 | |
| Exchange-traded | 186 | - | 186 | 24 | 1 | 1 | 1 | 1 | - | - | 5 | 3 | 8 | |
| | 226 | - | 226 | 67 | 20 | 16 | 21 | 29 | 17 | 15 | 15 | 9 | 14 | |
| Other commodity derivatives | | | | | | | | | | | | | | |
| Over-the-counter | 1,138 | - | 1,138 | 2,314 | 902 | 730 | 1,054 | 991 | 1,025 | 888 | 743 | 524 | 616 | |
| Exchange-traded | 84 | - | 84 | 1,003 | 40 | 33 | 38 | 37 | 39 | 43 | 64 | 68 | 77 | |
| | 1,222 | - | 1,222 | 3,317 | 942 | 763 | 1,092 | 1,028 | 1,064 | 931 | 807 | 592 | 693 | |
| Non-trade exposure related to central counterparties | | | | | 176 | 145 | 153 | 155 | 286 | 225 | 443 | 437 | 347 | |
| CET1 CVA charge | | | | | 3,498 | 3,264 | 3,655 | 3,247 | 2,977 | 3,021 | 2,998 | 2,880 | 2,685 | |
| Total derivatives before netting | 21,352 | 2,990 | 24,342 | 21,819 | 7,796 | 7,323 | 8,088 | 7,310 | 7,407 | 7,218 | 7,278 | 7,032 | 6,461 | |
| Less: effect of netting ² | | | | (13,977) | | | | | | | | | | |
| Total derivatives | | | | 10,365 | 21,819 | 7,796 | 7,323 | 8,088 | 7,310 | 7,407 | 7,218 | 7,278 | 7,032 | 6,461 |

¹ Sum of current replacement cost and potential future exposure, adjusted for the master netting agreements and the impact of collateral amounting to \$4,341 million (Q3/17: \$3,457 million). The collateral comprises cash of \$3,516 million (Q3/17: \$2,716 million) and government securities of \$825 million (Q3/17: \$742 million).

² Comprises amounts subject to set off under enforceable netting agreements, such as ISDA agreements, derivative exchange or clearing counterparty agreements, global master repurchase agreements, and global master securities lending agreements. Under such arrangements, all outstanding transactions governed by the relevant agreement can be offset if an event of default or other predetermined event occurs.

CREDIT QUALITY OF AIRB EXPOSURE - BUSINESS AND GOVERNMENT PORTFOLIOS (RISK RATING METHOD) (continued) ¹

(\$ millions)

| | CIBC rating | PD bands | Standard & Poor's equivalent | Moody's Investors Service equivalent | Q4/17 | | | | | | Q3/17 | | | | | | | |
|---|-------------|---------------|------------------------------|--------------------------------------|----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|---------------|----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|---------------|
| | | | | | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA |
| Banks | | | | | | | | | | | | | | | | | | |
| Investment grade | | | | | | | | | | | | | | | | | | |
| 10 | | 0.03%-0.03% | AAA | Aaa | 2,724 | - | - | 0.02 | 22 | 5 | 122 | 2,242 | - | - | 0.02 | 21 | 5 | 115 |
| 21 | | 0.03%-0.03% | AA+ | Aa1 | 44 | 86 | - | 0.03 | 28 | 8 | 4 | 44 | 82 | - | 0.03 | 26 | 7 | 3 |
| 24 | | 0.04%-0.05% | AA | Aa2 | 36,085 | - | - | 0.04 | 7 | 1 | 401 | 34,617 | - | - | 0.04 | 7 | 1 | 398 |
| 27 | | 0.05%-0.06% | AA- | Aa3 | 2,709 | - | - | 0.05 | 26 | 11 | 275 | 5,568 | - | - | 0.05 | 15 | 6 | 330 |
| 31 | | 0.07%-0.09% | A+ | A1 | 16,683 | 50 | 65 | 0.08 | 22 | 8 | 1,358 | 12,682 | 49 | 65 | 0.08 | 25 | 9 | 1,144 |
| 34 | | 0.09%-0.12% | A | A2 | 14,419 | 62 | 69 | 0.10 | 6 | 3 | 461 | 13,967 | 67 | 64 | 0.10 | 6 | 3 | 462 |
| 37 | | 0.13%-0.16% | A- | A3 | 7,079 | 330 | 63 | 0.13 | 16 | 9 | 603 | 6,692 | 431 | 63 | 0.13 | 15 | 8 | 557 |
| 41 | | 0.17%-0.22% | BBB+ | Baa1 | 4,542 | 341 | 65 | 0.17 | 16 | 12 | 544 | 5,149 | 115 | 68 | 0.17 | 15 | 11 | 569 |
| 44 | | 0.23%-0.30% | BBB | Baa2 | 516 | 145 | 68 | 0.24 | 10 | 10 | 50 | 932 | 516 | 64 | 0.24 | 11 | 10 | 93 |
| 47 | | 0.31%-0.42% | BBB- | Baa3 | 586 | 300 | 63 | 0.34 | 16 | 17 | 98 | 387 | 302 | 63 | 0.34 | 13 | 14 | 55 |
| | | | | | 85,387 | 1,314 | 60 | 0.08 | 12 | 5 | 3,916 | 82,280 | 1,562 | 61 | 0.08 | 12 | 5 | 3,726 |
| Non-investment grade | | | | | | | | | | | | | | | | | | |
| 51 | | 0.43%-0.61% | BB+ | Ba1 | 35 | 53 | 42 | 0.53 | 44 | 53 | 6 | 119 | 76 | 46 | 0.53 | 9 | 22 | 26 |
| 54 | | 0.62%-1.09% | BB | Ba2 | 396 | 46 | 50 | 0.73 | 12 | 18 | 70 | 316 | - | - | 0.73 | 12 | 19 | 59 |
| 57 | | 1.10%-1.92% | BB- | Ba3 | 75 | - | - | 1.40 | 33 | 76 | 57 | 49 | 4 | 32 | 1.40 | 32 | 80 | 39 |
| 61 | | 1.93%-3.99% | B+ | B1 | 210 | 1 | 69 | 2.45 | 10 | 25 | 52 | 309 | 1 | 68 | 2.45 | 8 | 19 | 60 |
| 64 | | 4.00%-7.27% | B | B2 | 443 | - | - | 6.00 | 12 | 44 | 196 | 303 | - | - | 6.00 | 16 | 59 | 179 |
| 67 | | 7.28%-12.11% | B- | B3 | 1 | - | - | 9.57 | 40 | 144 | 1 | - | - | - | - | - | - | - |
| | | | | | 1,160 | 100 | 46 | 3.10 | 11 | 31 | 382 | 1,096 | 81 | 46 | 2.85 | 13 | 33 | 363 |
| Watch list | | | | | | | | | | | | | | | | | | |
| 70 | | 12.12%-20.67% | CCC+ | Caa1 | - | - | - | - | - | - | - | 10 | - | - | 16.72 | 16 | 82 | 8 |
| 75 | | 12.12%-20.67% | CCC to CCC- | Caa2 to Caa3 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 80 | | 20.68%-99.99% | CC to C | Ca | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | - | - | - | - | - | - | - | 10 | - | - | 16.72 | 15 | 80 | 8 |
| Default | | | | | | | | | | | | | | | | | | |
| 90 | | 100.00% | D | C | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | 86,547 | 1,414 | 59 | 0.12 | 12 | 5 | 4,298 | 83,386 | 1,643 | 60 | 0.11 | 12 | 5 | 4,097 |
| | | | | | 283,465 | 74,742 | 61 | 0.58 | 23 | 25 | 71,729 | 281,435 | 75,048 | 60 | 0.59 | 23 | 25 | 70,570 |
| Commercial mortgages (Slotting approach) | | | | | | | | | | | | | | | | | | |
| Strong | | | | | 899 | 43 | 56 | | | 70 | 629 | 943 | 108 | 52 | | | 70 | 660 |
| Good | | | | | 131 | - | - | | | 90 | 118 | 98 | 4 | 50 | | | 90 | 88 |
| Satisfactory | | | | | 30 | 15 | 60 | | | 117 | 35 | 43 | 15 | 60 | | | 114 | 49 |
| Weak | | | | | - | - | - | | | - | - | 1 | - | - | | | 200 | 2 |
| Default | | | | | 5 | - | - | | | - | - | 4 | - | - | | | - | - |
| | | | | | 1,065 | 58 | 57 | | | 73 | 782 | 1,089 | 127 | 53 | | | 73 | 799 |
| Total business and government | | | | | 284,530 | 74,800 | 61 | | | 26 | 72,511 | 282,524 | 75,175 | 60 | | | 25 | 71,369 |

For footnotes, see page 16.



CREDIT QUALITY OF AIRB EXPOSURE - BUSINESS AND GOVERNMENT PORTFOLIOS (RISK RATING METHOD) ¹

(\$ millions)

| CIBC rating | PD bands | Standard & Poor's equivalent | Moody's Investors Service equivalent | Q2/17 | | | | | | | Q1/17 | | | | | | | | |
|-----------------------------------|---------------|------------------------------|--------------------------------------|----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|---------------|----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|---------------|--|--|
| | | | | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA | | |
| | | | | | | | | | | | | | | | | | | | |
| Corporate Investment grade | | | | | | | | | | | | | | | | | | | |
| 10 | 0.03%-0.03% | AAA | Aaa | 1,934 | 16 | 72 | 0.02 | 18 | 3 | 61 | 1,892 | 2 | 76 | 0.02 | 18 | 4 | 72 | | |
| 21 | 0.03%-0.03% | AA+ | Aa1 | 478 | 276 | 64 | 0.03 | 19 | 4 | 19 | 470 | 264 | 64 | 0.03 | 18 | 4 | 19 | | |
| 24 | 0.04%-0.05% | AA | Aa2 | 6,050 | 872 | 65 | 0.04 | 10 | 2 | 134 | 5,806 | 965 | 65 | 0.04 | 11 | 2 | 142 | | |
| 27 | 0.05%-0.06% | AA- | Aa3 | 8,967 | 726 | 65 | 0.05 | 12 | 3 | 306 | 8,740 | 634 | 65 | 0.05 | 13 | 3 | 282 | | |
| 31 | 0.07%-0.09% | A+ | A1 | 5,239 | 1,621 | 65 | 0.08 | 31 | 17 | 871 | 4,227 | 1,425 | 65 | 0.08 | 34 | 19 | 791 | | |
| 34 | 0.09%-0.12% | A | A2 | 7,040 | 3,215 | 65 | 0.10 | 34 | 23 | 1,645 | 5,938 | 2,530 | 66 | 0.10 | 38 | 25 | 1,498 | | |
| 37 | 0.13%-0.16% | A- | A3 | 10,142 | 5,857 | 66 | 0.13 | 41 | 34 | 3,421 | 11,313 | 6,918 | 65 | 0.13 | 38 | 32 | 3,583 | | |
| 41 | 0.17%-0.22% | BBB+ | Baa1 | 19,197 | 10,065 | 66 | 0.17 | 42 | 38 | 7,294 | 18,326 | 9,965 | 66 | 0.17 | 43 | 40 | 7,269 | | |
| 44 | 0.23%-0.30% | BBB | Baa2 | 15,518 | 8,019 | 66 | 0.24 | 43 | 45 | 6,919 | 13,884 | 6,578 | 67 | 0.25 | 43 | 46 | 6,318 | | |
| 47 | 0.31%-0.42% | BBB- | Baa3 | 16,528 | 7,983 | 68 | 0.33 | 37 | 48 | 7,960 | 15,798 | 8,526 | 67 | 0.34 | 39 | 50 | 7,948 | | |
| | | | | 91,093 | 38,650 | 66 | 0.17 | 34 | 31 | 28,630 | 86,394 | 37,807 | 66 | 0.17 | 35 | 32 | 27,922 | | |
| Non-investment grade | | | | | | | | | | | | | | | | | | | |
| 51 | 0.43%-0.61% | BB+ | Ba1 | 15,735 | 9,129 | 53 | 0.47 | 34 | 48 | 7,603 | 13,244 | 6,232 | 54 | 0.53 | 36 | 56 | 7,410 | | |
| 54 | 0.62%-1.09% | BB | Ba2 | 13,892 | 6,662 | 55 | 0.70 | 33 | 56 | 7,756 | 13,893 | 6,467 | 55 | 0.74 | 33 | 57 | 7,925 | | |
| 57 | 1.10%-1.92% | BB- | Ba3 | 10,802 | 4,654 | 56 | 1.28 | 34 | 68 | 7,390 | 10,449 | 4,527 | 56 | 1.34 | 34 | 69 | 7,230 | | |
| 61 | 1.93%-3.99% | B+ | B1 | 7,792 | 3,245 | 56 | 2.06 | 31 | 69 | 5,408 | 7,374 | 3,145 | 56 | 2.23 | 32 | 72 | 5,312 | | |
| 64 | 4.00%-7.27% | B | B2 | 4,407 | 1,553 | 57 | 4.09 | 32 | 85 | 3,732 | 4,260 | 1,317 | 58 | 4.44 | 34 | 93 | 3,980 | | |
| 67 | 7.28%-12.11% | B- | B3 | 1,214 | 279 | 54 | 8.72 | 33 | 118 | 1,432 | 1,068 | 252 | 56 | 9.10 | 33 | 120 | 1,279 | | |
| | | | | 53,842 | 25,522 | 55 | 1.40 | 33 | 62 | 33,321 | 50,288 | 21,940 | 55 | 1.52 | 34 | 66 | 33,136 | | |
| Watch list | | | | | | | | | | | | | | | | | | | |
| 70 | 12.12%-20.67% | CCC+ | Caa1 | 680 | 340 | 53 | 18.05 | 43 | 208 | 1,413 | 849 | 392 | 52 | 18.42 | 36 | 174 | 1,482 | | |
| 75 | 12.12%-20.67% | CCC to CCC- | Caa2 to Caa3 | 76 | 9 | 50 | 16.72 | 59 | 277 | 210 | 96 | 19 | 36 | 17.03 | 43 | 208 | 199 | | |
| 80 | 20.68%-99.99% | CC to C | Ca | 664 | 297 | 52 | 34.63 | 33 | 173 | 1,149 | 784 | 521 | 53 | 33.49 | 26 | 138 | 1,083 | | |
| | | | | 1,420 | 646 | 52 | 25.73 | 39 | 195 | 2,772 | 1,729 | 932 | 52 | 25.18 | 32 | 160 | 2,764 | | |
| Default | | | | | | | | | | | | | | | | | | | |
| 90 | 100.00% | D | C | 456 | 55 | 50 | 100.00 | 30 | 209 | 953 | 561 | 6 | 55 | 100.00 | 29 | 211 | 1,190 | | |
| | | | | 456 | 55 | 50 | 100.00 | 30 | 209 | 953 | 561 | 6 | 55 | 100.00 | 29 | 211 | 1,190 | | |
| | | | | 146,811 | 64,873 | 62 | 1.18 | 34 | 45 | 65,676 | 138,972 | 60,685 | 62 | 1.37 | 34 | 47 | 65,012 | | |
| Sovereign Investment grade | | | | | | | | | | | | | | | | | | | |
| 00 | 0.01%-0.015% | AAA | Aaa | 32,041 | 189 | 65 | 0.01 | 3 | - | 143 | 29,701 | 189 | 65 | 0.01 | 5 | 1 | 236 | | |
| 10 | 0.016%-0.025% | AAA | Aaa | 10,713 | 2,298 | 64 | 0.02 | 13 | 3 | 283 | 11,033 | 1,336 | 64 | 0.02 | 15 | 3 | 334 | | |
| 21 | 0.016%-0.025% | AA+ | Aa1 | 3,081 | 1,503 | 63 | 0.02 | 11 | 2 | 64 | 2,777 | 1,475 | 63 | 0.02 | 12 | 2 | 61 | | |
| 24 | 0.016%-0.025% | AA | Aa2 | 1,957 | 375 | 67 | 0.02 | 38 | 7 | 137 | 2,089 | 374 | 67 | 0.02 | 39 | 7 | 149 | | |
| 27 | 0.026%-0.035% | AA- | Aa3 | 1,434 | 1,425 | 66 | 0.03 | 17 | 5 | 73 | 1,443 | 1,213 | 68 | 0.03 | 19 | 5 | 70 | | |
| 31 | 0.036%-0.05% | A+ | A1 | 966 | 806 | 68 | 0.04 | 22 | 6 | 61 | 945 | 798 | 68 | 0.04 | 24 | 8 | 71 | | |
| 34 | 0.06%-0.065% | A | A2 | 868 | 811 | 67 | 0.05 | 17 | 7 | 65 | 867 | 753 | 67 | 0.05 | 16 | 7 | 61 | | |
| 37 | 0.066%-0.08% | A- | A3 | 688 | 671 | 66 | 0.08 | 14 | 9 | 59 | 354 | 325 | 67 | 0.09 | 17 | 11 | 39 | | |
| 41 | 0.09%-0.16% | BBB+ | Baa1 | 348 | 115 | 70 | 0.14 | 21 | 13 | 46 | 670 | 445 | 67 | 0.15 | 16 | 11 | 72 | | |
| 44 | 0.16%-0.26% | BBB | Baa2 | 159 | 55 | 69 | 0.24 | 44 | 40 | 63 | 139 | 62 | 70 | 0.25 | 45 | 43 | 59 | | |
| 47 | 0.27%-0.42% | BBB- | Baa3 | 59 | 43 | 68 | 0.34 | 44 | 45 | 26 | 93 | 45 | 69 | 0.35 | 42 | 51 | 48 | | |
| | | | | 52,314 | 8,291 | 65 | 0.02 | 8 | 2 | 1,020 | 50,111 | 7,015 | 66 | 0.02 | 11 | 2 | 1,200 | | |
| Non-investment grade | | | | | | | | | | | | | | | | | | | |
| 51 | 0.43%-0.61% | BB+ | Ba1 | 581 | 237 | 50 | 0.53 | 12 | 15 | 87 | 70 | 35 | 53 | 0.55 | 46 | 59 | 41 | | |
| 54 | 0.62%-1.09% | BB | Ba2 | 37 | 19 | 57 | 0.73 | 45 | 80 | 30 | 502 | 207 | 39 | 0.76 | 8 | 12 | 59 | | |
| 57 | 1.10%-1.92% | BB- | Ba3 | 10 | 2 | 64 | 1.40 | 33 | 66 | 6 | 13 | 4 | 64 | 1.45 | 31 | 62 | 8 | | |
| 61 | 1.93%-3.99% | B+ | B1 | 12 | 2 | 68 | 2.45 | 18 | 44 | 5 | 9 | 1 | 65 | 2.54 | 12 | 32 | 3 | | |
| 64 | 4.00%-7.27% | B | B2 | 8 | 1 | 67 | 6.00 | 30 | 94 | 8 | 10 | - | - | 6.23 | 39 | 133 | 13 | | |
| 67 | 7.28%-12.11% | B- | B3 | 1 | - | - | 9.57 | 77 | 372 | 5 | 2 | - | - | 9.77 | 75 | 362 | 6 | | |
| | | | | 649 | 261 | 51 | 0.68 | 14 | 22 | 141 | 606 | 247 | 41 | 0.89 | 13 | 22 | 130 | | |
| Watch list | | | | | | | | | | | | | | | | | | | |
| 70 | 12.12%-20.67% | CCC+ | Caa1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| 75 | 12.12%-20.67% | CCC to CCC- | Caa2 to Caa3 | 2 | 3 | 67 | 16.72 | 25 | 118 | 2 | 2 | 3 | 67 | 17.03 | 25 | 119 | 2 | | |
| 80 | 20.68%-99.99% | CC to C | Ca | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | | | | 2 | 3 | 67 | 16.72 | 25 | 118 | 2 | 2 | 3 | 67 | 17.03 | 25 | 119 | 2 | | |
| Default | | | | | | | | | | | | | | | | | | | |
| 90 | 100.00% | D | C | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | | | | 52,965 | 8,555 | 65 | 0.03 | 8 | 2 | 1,163 | 50,719 | 7,265 | 65 | 0.03 | 11 | 3 | 1,332 | | |

For footnotes, see page 16.



CREDIT QUALITY OF AIRB EXPOSURE - BUSINESS AND GOVERNMENT PORTFOLIOS (RISK RATING METHOD) (continued) ¹

(\$ millions)

| CIBC rating | Banks | PD bands | Standard & Poor's equivalent | Moody's Investors Service equivalent | Q2/17 | | | | | | Q1/17 | | | | | | | | |
|---|---------------|-------------|------------------------------|--------------------------------------|-------------------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|--------|---------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|--------|---|
| | | | | | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA | |
| | | | | | Investment grade | | | | | 1,784 | - | - | 0.02 | 22 | 6 | 98 | 1,809 | - | - |
| 10 | 0.03%-0.03% | AAA | Aaa | | 104 | 88 | - | 0.02 | 9 | 3 | 3 | 34 | 82 | - | 0.03 | 35 | 11 | 4 | |
| 24 | 0.04%-0.05% | AA | Aa2 | | 35,614 | - | - | 0.04 | 7 | 1 | 463 | 33,466 | - | - | 0.04 | 7 | 1 | 420 | |
| 27 | 0.05%-0.06% | AA- | Aa3 | | 6,128 | - | - | 0.05 | 17 | 6 | 377 | 5,504 | - | - | 0.05 | 15 | 6 | 328 | |
| 31 | 0.07%-0.09% | A+ | A1 | | 14,440 | 50 | 65 | 0.08 | 24 | 9 | 1,273 | 12,612 | 50 | 65 | 0.08 | 23 | 9 | 1,096 | |
| 34 | 0.09%-0.12% | A | A2 | | 13,966 | 74 | 65 | 0.10 | 7 | 4 | 495 | 13,749 | 70 | 65 | 0.10 | 8 | 4 | 558 | |
| 37 | 0.13%-0.16% | A- | A3 | | 7,934 | 477 | 64 | 0.13 | 15 | 8 | 672 | 7,382 | 497 | 64 | 0.13 | 15 | 8 | 622 | |
| 41 | 0.17%-0.22% | BBB+ | Baa1 | | 4,226 | 90 | 66 | 0.17 | 15 | 11 | 480 | 4,248 | 280 | 64 | 0.17 | 15 | 12 | 529 | |
| 44 | 0.23%-0.30% | BBB | Baa2 | | 1,617 | 815 | 64 | 0.24 | 10 | 10 | 165 | 1,057 | 624 | 64 | 0.25 | 12 | 10 | 106 | |
| 47 | 0.31%-0.42% | BBB- | Baa3 | | 548 | 104 | 64 | 0.34 | 19 | 20 | 112 | 1,095 | 104 | 64 | 0.35 | 15 | 19 | 203 | |
| Non-investment grade | | | | | 86,361 | 1,698 | 61 | 0.08 | 12 | 5 | 4,138 | 80,956 | 1,707 | 61 | 0.08 | 12 | 5 | 3,960 | |
| 51 | 0.43%-0.61% | BB+ | Ba1 | | 85 | 3 | 64 | 0.53 | 31 | 45 | 38 | 300 | 75 | 54 | 0.55 | 22 | 31 | 94 | |
| 54 | 0.62%-1.09% | BB | Ba2 | | 452 | - | - | 0.73 | 12 | 19 | 84 | 350 | 1 | 63 | 0.76 | 5 | 9 | 31 | |
| 57 | 1.10%-1.92% | BB- | Ba3 | | 36 | - | - | 1.40 | 20 | 46 | 16 | 19 | - | - | 1.45 | 25 | 50 | 9 | |
| 61 | 1.93%-3.99% | B+ | B1 | | 334 | 3 | 60 | 2.45 | 10 | 26 | 88 | 402 | 6 | 51 | 2.54 | 11 | 28 | 114 | |
| 64 | 4.00%-7.27% | B | B2 | | 484 | - | - | 6.00 | 16 | 60 | 289 | 580 | - | - | 6.23 | 18 | 68 | 394 | |
| 67 | 7.28%-12.11% | B- | B3 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Watch list | | | | | 1,391 | 6 | 61 | 2.98 | 14 | 37 | 515 | 1,651 | 82 | 54 | 3.09 | 14 | 39 | 642 | |
| 70 | 12.12%-20.67% | CCC+ | Caa1 | | - | - | - | - | - | - | - | 1 | - | - | 17.03 | 23 | 119 | 1 | |
| 75 | 12.12%-20.67% | CCC to CCC- | Caa2 to Caa3 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 80 | 20.68%-99.99% | CC to C | Ca | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Default | | | | | - | - | - | - | - | - | - | 1 | - | - | 17.03 | 18 | 90 | 1 | |
| 90 | 100.00% | D | C | | 4 | - | - | 100.00 | 40 | 501 | 18 | - | - | - | - | - | - | - | |
| Total business and government | | | | | 4 | - | - | 100.00 | 40 | 501 | 18 | - | - | - | - | - | - | - | - |
| Commercial mortgages (Slotting approach) | | | | | 87,756 | 1,704 | 61 | 0.13 | 12 | 5 | 4,671 | 82,608 | 1,789 | 61 | 0.14 | 12 | 6 | 4,603 | |
| Strong | | | | | 287,532 | 75,132 | 62 | 0.65 | 23 | 25 | 71,510 | 272,299 | 69,739 | 62 | 0.75 | 23 | 26 | 70,947 | |
| Good | | | | | 1,024 | 10 | 60 | - | - | 70 | 717 | 1,229 | 9 | 56 | - | - | 70 | 861 | |
| Satisfactory | | | | | 106 | - | - | - | - | 91 | 96 | 105 | - | - | - | - | 90 | 95 | |
| Weak | | | | | 52 | 17 | 71 | - | - | 115 | 60 | 58 | 18 | 67 | - | - | 116 | 67 | |
| Default | | | | | 10 | - | - | - | - | 260 | 26 | 6 | - | - | - | 267 | 16 | - | - |
| Total business and government | | | | | 7 | - | - | - | - | - | - | 7 | - | - | - | - | - | - | - |
| Total business and government | | | | | 1,199 | 27 | 67 | - | - | 75 | 899 | 1,405 | 27 | 63 | - | - | 74 | 1,039 | |
| Total business and government | | | | | 288,731 | 75,159 | 62 | - | - | 25 | 72,409 | 273,704 | 69,766 | 62 | - | - | 26 | 71,986 | |

¹ Gross credit exposure after credit valuation adjustments for financial guarantors and credit risk mitigation, and before allowance for credit losses.

CREDIT QUALITY OF AIRB EXPOSURE - RETAIL PORTFOLIOS ¹

(\$ millions)

| | | Q4/17 | | | | | | | | |
|--|-----------------|----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|---------------|-----------------|---|
| | PD bands | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA | Expected losses | Expected losses adjusted average risk weight % ² |
| Canadian residential mortgages and HELOCs | | | | | | | | | | |
| Insured Drawn and Undrawn ³ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 87,815 | - | - | 0.01 | 5 | 1 | 816 | 1 | 1 |
| | 0.11% - 0.20% | 366 | - | - | 0.18 | 22 | 21 | 77 | - | 22 |
| Very low | 0.21% - 0.35% | 702 | - | - | 0.25 | 19 | 21 | 146 | - | 21 |
| | 0.36% - 0.50% | 1 | - | - | 0.47 | 15 | 23 | - | - | 24 |
| Low | 0.51% - 1.00% | 79 | - | - | 0.53 | 21 | 34 | 27 | - | 35 |
| | | 88,963 | - | - | 0.01 | 5 | 1 | 1,066 | 1 | 1 |
| Uninsured Undrawn ⁴ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 13,196 | 44,389 | 30 | 0.04 | 31 | 3 | 448 | 2 | 4 |
| | 0.11% - 0.20% | 4,708 | 5,226 | 90 | 0.14 | 24 | 7 | 345 | 2 | 8 |
| Very low | 0.21% - 0.35% | 543 | 1,607 | 34 | 0.30 | 35 | 19 | 104 | 1 | 20 |
| | 0.36% - 0.50% | - | - | - | - | - | - | - | - | - |
| Low | 0.51% - 1.00% | 280 | 926 | 30 | 0.53 | 30 | 25 | 69 | - | 27 |
| | 1.01% - 2.00% | 153 | 473 | 32 | 1.16 | 36 | 49 | 76 | 1 | 54 |
| Medium | 2.01% - 5.00% | 32 | 75 | 43 | 4.35 | 39 | 119 | 38 | 1 | 140 |
| | 5.01% - 10.00% | - | - | - | - | - | - | - | - | - |
| High | 10.01% - 99.99% | 9 | 27 | 35 | 26.35 | 37 | 217 | 21 | 1 | 340 |
| Default | 100.00% | - | - | - | - | - | - | - | - | - |
| | | 18,921 | 52,723 | 36 | 0.11 | 29 | 6 | 1,101 | 8 | 6 |
| Uninsured Drawn ⁴ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 72,647 | n/a | n/a | 0.06 | 20 | 3 | 2,257 | 9 | 3 |
| | 0.11% - 0.20% | 13,851 | n/a | n/a | 0.17 | 23 | 8 | 1,157 | 6 | 9 |
| Very low | 0.21% - 0.35% | 23,305 | n/a | n/a | 0.31 | 19 | 11 | 2,484 | 14 | 11 |
| | 0.36% - 0.50% | 310 | n/a | n/a | 0.45 | 20 | 14 | 45 | - | 16 |
| Low | 0.51% - 1.00% | 6,591 | n/a | n/a | 0.77 | 24 | 25 | 1,671 | 12 | 28 |
| | 1.01% - 2.00% | 13,624 | n/a | n/a | 1.26 | 17 | 25 | 3,439 | 30 | 28 |
| Medium | 2.01% - 5.00% | 3,315 | n/a | n/a | 3.68 | 21 | 59 | 1,967 | 26 | 69 |
| | 5.01% - 10.00% | 29 | n/a | n/a | 7.28 | 20 | 77 | 22 | - | 94 |
| High | 10.01% - 99.99% | 417 | n/a | n/a | 33.28 | 22 | 121 | 503 | 30 | 209 |
| Default | 100.00% | 240 | n/a | n/a | 100.00 | 24 | 39 | 92 | 65 | 377 |
| | | 134,329 | n/a | n/a | 0.64 | 20 | 10 | 13,637 | 192 | 12 |
| Qualifying revolving credit | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 29,988 | 35,725 | 77 | 0.04 | 92 | 3 | 777 | 11 | 3 |
| | 0.11% - 0.20% | 8,456 | 9,361 | 70 | 0.14 | 85 | 7 | 579 | 10 | 8 |
| Very low | 0.21% - 0.35% | 6,319 | 5,284 | 88 | 0.26 | 84 | 11 | 706 | 14 | 14 |
| | 0.36% - 0.50% | 4,118 | 4,007 | 64 | 0.41 | 88 | 17 | 698 | 15 | 22 |
| Low | 0.51% - 1.00% | 5,753 | 4,425 | 64 | 0.76 | 83 | 26 | 1,498 | 37 | 34 |
| | 1.01% - 2.00% | 7,146 | 3,953 | 69 | 1.42 | 89 | 44 | 3,162 | 90 | 60 |
| Medium | 2.01% - 5.00% | 6,634 | 2,939 | 70 | 3.05 | 87 | 75 | 4,996 | 177 | 109 |
| | 5.01% - 10.00% | 1,637 | 361 | 72 | 7.15 | 83 | 126 | 2,059 | 98 | 200 |
| High | 10.01% - 99.99% | 1,319 | 374 | 85 | 30.48 | 88 | 211 | 2,785 | 355 | 547 |
| Default | 100.00% | 45 | - | - | 100.00 | 85 | 209 | 95 | 35 | 1,170 |
| | | 71,415 | 66,429 | 74 | 1.36 | 89 | 24 | 17,355 | 842 | 39 |
| Other retail | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 3,259 | 1,301 | 76 | 0.08 | 33 | 6 | 192 | 1 | 6 |
| | 0.11% - 0.20% | 430 | 450 | 65 | 0.14 | 78 | 24 | 104 | - | 26 |
| Very low | 0.21% - 0.35% | 1,202 | 564 | 57 | 0.28 | 73 | 37 | 446 | 2 | 40 |
| | 0.36% - 0.50% | 6 | 9 | 41 | 0.39 | 95 | 59 | 3 | - | 63 |
| Low | 0.51% - 1.00% | 3,170 | 741 | 54 | 0.79 | 69 | 63 | 1,999 | 17 | 70 |
| | 1.01% - 2.00% | 1,555 | 221 | 62 | 1.39 | 77 | 87 | 1,353 | 16 | 100 |
| Medium | 2.01% - 5.00% | 2,319 | 107 | 67 | 3.12 | 65 | 91 | 2,119 | 50 | 118 |
| | 5.01% - 10.00% | 470 | 37 | 64 | 7.76 | 81 | 127 | 598 | 30 | 206 |
| High | 10.01% - 99.99% | 721 | 266 | 60 | 48.08 | 35 | 76 | 551 | 84 | 223 |
| Default | 100.00% | 56 | - | - | 100.00 | 78 | 380 | 214 | 33 | 1,101 |
| | | 13,188 | 3,696 | 65 | 4.29 | 60 | 57 | 7,579 | 233 | 80 |
| | | 326,816 | 122,848 | 58 | 0.74 | 33 | 12 | 40,738 | 1,276 | 17 |

For footnotes, see page 20.



CREDIT QUALITY OF AIRB EXPOSURE - RETAIL PORTFOLIOS ¹

(\$ millions)

| | | Q3/17 | | | | | | | Expected losses adjusted Expected average Expected risk weight % ² | |
|--|-----------------|-----------------|---------------------------------------|---|--|---|---|--------|---|-------|
| | | EAD | Notional of undrawn commitments | Exposure weighted- average EAD % | Exposure weighted- average PD % | Exposure weighted- average LGD % | Exposure weighted- average risk weight % | RWA | | |
| Canadian residential mortgages and HELOCs | | | | | | | | | | |
| Insured Drawn and Undrawn ³ | | PD bands | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 89,986 | - | - | 0.01 | 5 | 1 | 836 | 1 | 1 |
| | 0.11% - 0.20% | 368 | - | - | 0.18 | 22 | 21 | 76 | - | 21 |
| Very low | 0.21% - 0.35% | 715 | - | - | 0.25 | 19 | 21 | 148 | - | 21 |
| | 0.36% - 0.50% | 1 | - | - | 0.47 | 16 | 24 | - | - | 25 |
| Low | 0.51% - 1.00% | 77 | - | - | 0.53 | 21 | 33 | 26 | - | 35 |
| | | 91,147 | - | - | 0.01 | 5 | 1 | 1,086 | 1 | 1 |
| Uninsured Undrawn ⁴ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 12,999 | 43,718 | 30 | 0.04 | 31 | 3 | 440 | 2 | 4 |
| | 0.11% - 0.20% | 6,052 | 6,884 | 88 | 0.14 | 24 | 7 | 453 | 2 | 8 |
| Very low | 0.21% - 0.35% | 400 | 1,196 | 33 | 0.34 | 35 | 21 | 84 | - | 22 |
| | 0.36% - 0.50% | - | - | - | - | - | - | - | - | - |
| Low | 0.51% - 1.00% | 311 | 1,032 | 30 | 0.53 | 31 | 26 | 79 | 1 | 28 |
| | 1.01% - 2.00% | 165 | 507 | 32 | 1.16 | 35 | 48 | 79 | 1 | 53 |
| Medium | 2.01% - 5.00% | 30 | 77 | 39 | 4.36 | 38 | 115 | 34 | - | 135 |
| | 5.01% - 10.00% | - | - | - | - | - | - | - | - | - |
| High | 10.01% - 99.99% | 11 | 30 | 36 | 26.84 | 38 | 218 | 23 | 1 | 344 |
| Default | 100.00% | - | - | - | - | - | - | - | - | - |
| | | 19,968 | 53,444 | 37 | 0.11 | 29 | 6 | 1,192 | 7 | 6 |
| Uninsured Drawn ⁴ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 67,817 | n/a | n/a | 0.06 | 20 | 3 | 2,097 | 8 | 3 |
| | 0.11% - 0.20% | 14,079 | n/a | n/a | 0.18 | 23 | 9 | 1,205 | 6 | 9 |
| Very low | 0.21% - 0.35% | 21,237 | n/a | n/a | 0.31 | 18 | 10 | 2,202 | 12 | 11 |
| | 0.36% - 0.50% | 300 | n/a | n/a | 0.44 | 21 | 15 | 44 | - | 16 |
| Low | 0.51% - 1.00% | 6,299 | n/a | n/a | 0.77 | 24 | 25 | 1,571 | 12 | 27 |
| | 1.01% - 2.00% | 14,595 | n/a | n/a | 1.26 | 18 | 26 | 3,781 | 33 | 29 |
| Medium | 2.01% - 5.00% | 3,149 | n/a | n/a | 3.68 | 21 | 59 | 1,848 | 24 | 68 |
| | 5.01% - 10.00% | 34 | n/a | n/a | 7.35 | 19 | 73 | 25 | - | 90 |
| High | 10.01% - 99.99% | 422 | n/a | n/a | 32.93 | 22 | 121 | 511 | 30 | 209 |
| Default | 100.00% | 224 | n/a | n/a | 100.00 | 24 | 40 | 90 | 64 | 396 |
| | | 128,156 | n/a | n/a | 0.66 | 20 | 10 | 13,374 | 189 | 12 |
| Qualifying revolving credit | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 28,879 | 34,945 | 75 | 0.04 | 91 | 3 | 741 | 11 | 3 |
| | 0.11% - 0.20% | 8,187 | 9,184 | 68 | 0.14 | 86 | 7 | 561 | 10 | 8 |
| Very low | 0.21% - 0.35% | 5,672 | 5,272 | 76 | 0.27 | 83 | 11 | 638 | 13 | 14 |
| | 0.36% - 0.50% | 3,811 | 3,935 | 58 | 0.41 | 88 | 17 | 643 | 14 | 21 |
| Low | 0.51% - 1.00% | 5,465 | 4,414 | 59 | 0.77 | 83 | 26 | 1,425 | 35 | 34 |
| | 1.01% - 2.00% | 7,020 | 3,957 | 66 | 1.42 | 89 | 44 | 3,084 | 88 | 60 |
| Medium | 2.01% - 5.00% | 6,496 | 2,936 | 64 | 3.06 | 86 | 75 | 4,859 | 172 | 108 |
| | 5.01% - 10.00% | 1,600 | 371 | 69 | 7.21 | 82 | 125 | 1,999 | 95 | 199 |
| High | 10.01% - 99.99% | 1,445 | 550 | 89 | 27.49 | 86 | 201 | 2,901 | 342 | 497 |
| Default | 100.00% | 41 | - | - | 100.00 | 83 | 195 | 80 | 32 | 1,161 |
| | | 68,616 | 65,564 | 71 | 1.38 | 88 | 25 | 16,931 | 812 | 39 |
| Other retail | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 3,068 | 1,505 | 67 | 0.08 | 36 | 7 | 210 | 1 | 7 |
| | 0.11% - 0.20% | 173 | 152 | 69 | 0.12 | 85 | 24 | 41 | - | 25 |
| Very low | 0.21% - 0.35% | 1,157 | 623 | 48 | 0.29 | 79 | 41 | 476 | 3 | 44 |
| | 0.36% - 0.50% | 243 | 239 | 47 | 0.42 | 84 | 54 | 132 | 1 | 59 |
| Low | 0.51% - 1.00% | 1,180 | 476 | 49 | 0.67 | 74 | 63 | 739 | 6 | 69 |
| | 1.01% - 2.00% | 3,057 | 147 | 57 | 1.40 | 84 | 96 | 2,933 | 36 | 110 |
| Medium | 2.01% - 5.00% | 2,424 | 114 | 61 | 3.08 | 66 | 92 | 2,237 | 52 | 119 |
| | 5.01% - 10.00% | 513 | 80 | 66 | 7.11 | 82 | 127 | 653 | 30 | 201 |
| High | 10.01% - 99.99% | 773 | 301 | 61 | 44.47 | 41 | 83 | 643 | 87 | 226 |
| Default | 100.00% | 53 | - | - | 100.00 | 79 | 435 | 232 | 30 | 1,137 |
| | | 12,641 | 3,637 | 59 | 4.48 | 65 | 66 | 8,296 | 246 | 90 |
| | | 320,528 | 122,645 | 56 | 0.75 | 33 | 13 | 40,879 | 1,255 | 18 |

For footnotes, see page 20.



CREDIT QUALITY OF AIRB EXPOSURE - RETAIL PORTFOLIOS ¹

(\$ millions)

| | | Q2/17 | | | | | | | | |
|--|-----------------|-----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|--------|-----------------|---|
| | | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA | Expected losses | Expected losses adjusted average risk weight % ² |
| Canadian residential mortgages and HELOCs | | | | | | | | | | |
| Insured Drawn and Undrawn ³ | | PD bands | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 93,376 | - | - | 0.01 | 5 | 1 | 868 | 1 | 1 |
| | 0.11% - 0.20% | 399 | - | - | 0.18 | 22 | 21 | 84 | - | 22 |
| Very low | 0.21% - 0.35% | 722 | - | - | 0.25 | 20 | 21 | 154 | - | 22 |
| | 0.36% - 0.50% | 1 | - | - | 0.46 | 18 | 26 | - | - | 27 |
| Low | 0.51% - 1.00% | 80 | - | - | 0.53 | 21 | 34 | 27 | - | 35 |
| | | 94,578 | - | - | 0.01 | 5 | 1 | 1,133 | 1 | 1 |
| Uninsured Undrawn ⁴ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 12,642 | 42,558 | 30 | 0.04 | 32 | 3 | 437 | 2 | 4 |
| | 0.11% - 0.20% | 6,045 | 6,852 | 88 | 0.14 | 24 | 8 | 454 | 2 | 8 |
| Very low | 0.21% - 0.35% | 378 | 1,130 | 34 | 0.34 | 36 | 21 | 80 | - | 23 |
| | 0.36% - 0.50% | - | - | - | - | - | - | - | - | - |
| Low | 0.51% - 1.00% | 292 | 972 | 30 | 0.53 | 31 | 26 | 75 | - | 28 |
| | 1.01% - 2.00% | 151 | 456 | 33 | 1.17 | 36 | 50 | 75 | 1 | 55 |
| Medium | 2.01% - 5.00% | 27 | 67 | 41 | 4.29 | 38 | 114 | 31 | - | 135 |
| | 5.01% - 10.00% | - | - | - | - | - | - | - | - | - |
| High | 10.01% - 99.99% | 8 | 21 | 36 | 26.55 | 36 | 211 | 16 | 1 | 332 |
| Default | 100.00% | - | - | - | - | - | - | - | - | - |
| | | 19,543 | 52,056 | 38 | 0.11 | 29 | 6 | 1,168 | 6 | 6 |
| Uninsured Drawn ⁴ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 61,781 | n/a | n/a | 0.06 | 21 | 3 | 2,007 | 8 | 3 |
| | 0.11% - 0.20% | 14,101 | n/a | n/a | 0.18 | 23 | 9 | 1,237 | 6 | 9 |
| Very low | 0.21% - 0.35% | 18,402 | n/a | n/a | 0.32 | 19 | 11 | 1,999 | 11 | 12 |
| | 0.36% - 0.50% | 312 | n/a | n/a | 0.43 | 22 | 15 | 48 | - | 16 |
| Low | 0.51% - 1.00% | 6,775 | n/a | n/a | 0.78 | 24 | 25 | 1,675 | 12 | 27 |
| | 1.01% - 2.00% | 12,071 | n/a | n/a | 1.26 | 18 | 26 | 3,131 | 27 | 29 |
| Medium | 2.01% - 5.00% | 3,176 | n/a | n/a | 3.59 | 22 | 60 | 1,902 | 25 | 70 |
| | 5.01% - 10.00% | 27 | n/a | n/a | 7.53 | 19 | 75 | 20 | - | 92 |
| High | 10.01% - 99.99% | 341 | n/a | n/a | 33.08 | 22 | 120 | 408 | 24 | 207 |
| Default | 100.00% | 226 | n/a | n/a | 100.00 | 24 | 42 | 96 | 63 | 392 |
| | | 117,212 | n/a | n/a | 0.67 | 21 | 11 | 12,523 | 176 | 13 |
| Qualifying revolving credit | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 29,342 | 35,559 | 76 | 0.04 | 89 | 3 | 734 | 11 | 3 |
| | 0.11% - 0.20% | 8,400 | 6,277 | 67 | 0.15 | 84 | 7 | 601 | 11 | 9 |
| Very low | 0.21% - 0.35% | 3,034 | 488 | 83 | 0.24 | 84 | 10 | 315 | 6 | 13 |
| | 0.36% - 0.50% | 6,675 | 3,240 | 62 | 0.40 | 86 | 16 | 1,073 | 23 | 20 |
| Low | 0.51% - 1.00% | 2,818 | 350 | 56 | 0.80 | 84 | 27 | 767 | 19 | 36 |
| | 1.01% - 2.00% | 9,812 | 2,837 | 65 | 1.46 | 87 | 44 | 4,341 | 125 | 60 |
| Medium | 2.01% - 5.00% | 6,031 | 5,294 | 64 | 3.59 | 87 | 83 | 5,029 | 188 | 122 |
| | 5.01% - 10.00% | 1,184 | 2,344 | 76 | 8.44 | 82 | 138 | 1,638 | 82 | 225 |
| High | 10.01% - 99.99% | 1,166 | 9,312 | 78 | 31.15 | 87 | 211 | 2,460 | 318 | 551 |
| Default | 100.00% | 41 | - | - | 100.00 | 84 | 224 | 92 | 31 | 1,176 |
| | | 68,503 | 65,701 | 71 | 1.38 | 87 | 25 | 17,050 | 814 | 40 |
| Other retail | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 2,949 | 1,527 | 66 | 0.08 | 36 | 7 | 200 | 1 | 7 |
| | 0.11% - 0.20% | 167 | 129 | 67 | 0.13 | 84 | 26 | 43 | - | 27 |
| Very low | 0.21% - 0.35% | 1,027 | 580 | 47 | 0.29 | 79 | 41 | 425 | 2 | 44 |
| | 0.36% - 0.50% | 440 | 216 | 47 | 0.40 | 76 | 48 | 212 | 1 | 52 |
| Low | 0.51% - 1.00% | 913 | 570 | 53 | 0.69 | 76 | 65 | 590 | 5 | 71 |
| | 1.01% - 2.00% | 3,088 | 159 | 55 | 1.40 | 84 | 97 | 2,992 | 36 | 112 |
| Medium | 2.01% - 5.00% | 2,388 | 156 | 71 | 3.21 | 67 | 93 | 2,226 | 54 | 121 |
| | 5.01% - 10.00% | 486 | 65 | 57 | 7.59 | 83 | 131 | 635 | 31 | 209 |
| High | 10.01% - 99.99% | 727 | 184 | 59 | 44.74 | 40 | 83 | 605 | 83 | 227 |
| Default | 100.00% | 54 | - | - | 100.00 | 82 | 467 | 253 | 29 | 1,131 |
| | | 12,239 | 3,586 | 59 | 4.49 | 65 | 67 | 8,181 | 242 | 92 |
| | | 312,075 | 121,343 | 57 | 0.74 | 33 | 13 | 40,055 | 1,239 | 18 |

For footnotes, see page 20.



CREDIT QUALITY OF AIRB EXPOSURE - RETAIL PORTFOLIOS ¹

(\$ millions)

| | | Q1/17 | | | | | | | | |
|--|-----------------|-----------------|---------------------------------|---------------------------------|--------------------------------|---------------------------------|---|--------|-----------------|---|
| | | EAD | Notional of undrawn commitments | Exposure weighted-average EAD % | Exposure weighted-average PD % | Exposure weighted-average LGD % | Exposure weighted-average risk weight % | RWA | Expected losses | Expected losses adjusted average risk weight % ² |
| Canadian residential mortgages and HELOCs | | PD bands | | | | | | | | |
| Insured Drawn and Undrawn ³ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 93,279 | - | - | 0.01 | 5 | 1 | 861 | 1 | 1 |
| | 0.11% - 0.20% | 385 | - | - | 0.18 | 22 | 21 | 81 | - | 21 |
| Very low | 0.21% - 0.35% | 694 | - | - | 0.26 | 20 | 22 | 152 | - | 23 |
| | 0.36% - 0.50% | 1 | - | - | 0.47 | 16 | 24 | - | - | 24 |
| Low | 0.51% - 1.00% | 85 | - | - | 0.54 | 21 | 34 | 29 | - | 36 |
| | | 94,444 | - | - | 0.01 | 5 | 1 | 1,123 | 1 | 1 |
| Uninsured Undrawn ⁴ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 12,299 | 41,427 | 30 | 0.04 | 32 | 3 | 428 | 1 | 4 |
| | 0.11% - 0.20% | 4,615 | 5,110 | 90 | 0.14 | 24 | 7 | 341 | 2 | 8 |
| Very low | 0.21% - 0.35% | 546 | 1,614 | 34 | 0.30 | 35 | 19 | 104 | 1 | 20 |
| | 0.36% - 0.50% | - | - | - | - | - | - | - | - | - |
| Low | 0.51% - 1.00% | 280 | 930 | 30 | 0.53 | 31 | 26 | 73 | - | 28 |
| | 1.01% - 2.00% | 145 | 445 | 33 | 1.16 | 35 | 48 | 70 | 1 | 54 |
| Medium | 2.01% - 5.00% | 31 | 76 | 41 | 4.30 | 36 | 111 | 34 | - | 131 |
| | 5.01% - 10.00% | - | - | - | - | - | - | - | - | - |
| High | 10.01% - 99.99% | 10 | 28 | 36 | 26.87 | 38 | 218 | 21 | 1 | 344 |
| Default | 100.00% | - | - | - | - | - | - | - | - | - |
| | | 17,926 | 49,630 | 36 | 0.11 | 30 | 6 | 1,071 | 6 | 6 |
| Uninsured Drawn ⁴ | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 58,568 | n/a | n/a | 0.06 | 21 | 3 | 1,913 | 7 | 3 |
| | 0.11% - 0.20% | 12,392 | n/a | n/a | 0.18 | 21 | 8 | 1,013 | 5 | 9 |
| Very low | 0.21% - 0.35% | 18,954 | n/a | n/a | 0.31 | 20 | 11 | 2,080 | 12 | 12 |
| | 0.36% - 0.50% | 284 | n/a | n/a | 0.43 | 22 | 15 | 43 | - | 16 |
| Low | 0.51% - 1.00% | 6,333 | n/a | n/a | 0.78 | 22 | 24 | 1,529 | 11 | 26 |
| | 1.01% - 2.00% | 12,218 | n/a | n/a | 1.25 | 18 | 26 | 3,219 | 28 | 29 |
| Medium | 2.01% - 5.00% | 2,970 | n/a | n/a | 3.60 | 21 | 59 | 1,767 | 23 | 69 |
| | 5.01% - 10.00% | 24 | n/a | n/a | 7.52 | 20 | 78 | 19 | - | 96 |
| High | 10.01% - 99.99% | 334 | n/a | n/a | 34.26 | 22 | 122 | 408 | 24 | 214 |
| Default | 100.00% | 219 | n/a | n/a | 100.00 | 25 | 43 | 94 | 62 | 398 |
| | | 112,296 | n/a | n/a | 0.68 | 20 | 11 | 12,085 | 172 | 13 |
| Qualifying revolving credit | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 30,362 | 36,396 | 78 | 0.04 | 91 | 2 | 688 | 10 | 3 |
| | 0.11% - 0.20% | 11,490 | 12,726 | 69 | 0.14 | 88 | 7 | 817 | 14 | 9 |
| Very low | 0.21% - 0.35% | 2,434 | 2,766 | 74 | 0.29 | 86 | 13 | 308 | 6 | 16 |
| | 0.36% - 0.50% | 4,182 | 3,876 | 62 | 0.38 | 83 | 15 | 623 | 13 | 19 |
| Low | 0.51% - 1.00% | 4,262 | 3,788 | 63 | 0.62 | 90 | 23 | 1,000 | 23 | 30 |
| | 1.01% - 2.00% | 8,257 | 3,679 | 71 | 1.46 | 87 | 44 | 3,661 | 105 | 60 |
| Medium | 2.01% - 5.00% | 5,251 | 1,211 | 76 | 3.54 | 88 | 83 | 4,373 | 162 | 122 |
| | 5.01% - 10.00% | 2,414 | 616 | 89 | 6.88 | 89 | 131 | 3,155 | 146 | 207 |
| High | 10.01% - 99.99% | 1,295 | 408 | 81 | 31.05 | 89 | 209 | 2,709 | 355 | 552 |
| Default | 100.00% | 46 | - | - | 100.00 | 84 | 212 | 98 | 36 | 1,177 |
| | | 69,993 | 65,466 | 74 | 1.43 | 89 | 25 | 17,432 | 870 | 40 |
| Other retail | | | | | | | | | | |
| Exceptionally low | 0.01% - 0.10% | 2,888 | 1,521 | 65 | 0.08 | 35 | 7 | 190 | 1 | 7 |
| | 0.11% - 0.20% | 178 | 163 | 69 | 0.13 | 84 | 26 | 46 | - | 27 |
| Very low | 0.21% - 0.35% | 963 | 574 | 45 | 0.29 | 80 | 42 | 405 | 2 | 45 |
| | 0.36% - 0.50% | 406 | 306 | 53 | 0.40 | 77 | 48 | 196 | 1 | 52 |
| Low | 0.51% - 1.00% | 860 | 372 | 48 | 0.69 | 76 | 65 | 555 | 4 | 71 |
| | 1.01% - 2.00% | 2,965 | 193 | 57 | 1.39 | 84 | 97 | 2,867 | 35 | 111 |
| Medium | 2.01% - 5.00% | 2,394 | 86 | 56 | 3.22 | 68 | 95 | 2,265 | 55 | 123 |
| | 5.01% - 10.00% | 484 | 82 | 67 | 7.53 | 83 | 130 | 628 | 30 | 208 |
| High | 10.01% - 99.99% | 677 | 257 | 61 | 43.60 | 41 | 86 | 583 | 81 | 235 |
| Default | 100.00% | 56 | - | - | 100.00 | 82 | 409 | 230 | 33 | 1,150 |
| | | 11,871 | 3,554 | 59 | 4.37 | 65 | 67 | 7,965 | 242 | 92 |
| | | 306,530 | 118,650 | 58 | 0.75 | 34 | 13 | 39,676 | 1,291 | 18 |

¹ Comprises Canadian residential mortgages and HELOCs; qualifying revolving retail exposures (credit cards and unsecured lines of credit); and other retail exposures (loans secured by non-residential assets, unsecured loans including student loans, and scored small business loans). These retail portfolios are under AIRB approach and exclude international portfolios which are under the standardized approach. Amounts are before allowance for credit losses and after credit risk mitigation.

² Calculated as (RWA + 12.5 x expected losses) / EAD based on unrounded figures.

³ Comprises insured residential mortgages for which we utilize the substitution approach, whereby PD and LGD values appropriate for the insurance provider are used in the RWA calculations. We do not have any drawn or undrawn insured HELOCs.

⁴ Comprises both residential mortgages and HELOCs.

n/a Not applicable.



AIRB CREDIT RISK EXPOSURE - LOSS EXPERIENCE

| | Q4/17 | | Q3/17 | | Q2/17 | | Q1/17 | |
|---|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | Expected loss rate % ¹ | Actual loss rate % ¹ | Expected loss rate % ¹ | Actual loss rate % ¹ | Expected loss rate % ¹ | Actual loss rate % ¹ | Expected loss rate % ¹ | Actual loss rate % ¹ |
| Business and government portfolios | | | | | | | | |
| Corporate | 0.62 | 0.05 | 0.62 | 0.06 | 0.62 | 0.11 | 0.67 | 0.24 |
| Sovereign | 0.01 | - | 0.01 | - | 0.02 | - | 0.01 | - |
| Banks | 0.12 | - | 0.17 | - | 0.15 | - | 0.12 | - |
| Retail portfolios | | | | | | | | |
| Real estate secured personal lending | 0.08 | 0.01 | 0.08 | 0.01 | 0.08 | 0.01 | 0.08 | 0.01 |
| Qualifying revolving retail | 4.03 | 2.88 | 4.02 | 2.96 | 4.01 | 3.05 | 3.97 | 3.05 |
| Other retail | 2.44 | 0.96 | 2.44 | 0.99 | 2.46 | 1.02 | 2.41 | 1.06 |

| | Q4/16 | | Q3/16 | | Q2/16 | | Q1/16 | |
|---|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | Expected loss rate % ¹ | Actual loss rate % ¹ | Expected loss rate % ¹ | Actual loss rate % ¹ | Expected loss rate % ¹ | Actual loss rate % ¹ | Expected loss rate % ¹ | Actual loss rate % ¹ |
| Business and government portfolios | | | | | | | | |
| Corporate | 0.57 | 0.29 | 0.56 | 0.31 | 0.53 | 0.25 | 0.52 | 0.13 |
| Sovereign | 0.01 | - | 0.01 | - | 0.01 | - | 0.01 | - |
| Banks | 0.13 | - | 0.12 | - | 0.11 | - | 0.13 | - |
| Retail portfolios | | | | | | | | |
| Real estate secured personal lending | 0.07 | 0.01 | 0.07 | 0.01 | 0.06 | 0.01 | 0.06 | 0.01 |
| Qualifying revolving retail | 3.68 | 2.97 | 3.66 | 2.86 | 3.42 | 2.77 | 3.67 | 2.75 |
| Other retail | 2.38 | 1.07 | 2.21 | 1.04 | 2.13 | 1.03 | 2.20 | 1.09 |

¹ Actual loss rates for each quarter represent the write-offs less recoveries plus the change in allowance for impaired loans for the previous 12 months, divided by the outstanding balance at the beginning of the previous 12 month period. The expected loss rate represents the loss rate that was predicted by the Basel parameter estimates at the beginning of the period defined above.

Differences between actual and expected loss rates are due to the following reasons:

Expected losses are generally calculated using "through the business cycle" risk parameters while actual losses are determined at a "point in time" and reflect more current economic conditions. "Through the cycle" parameters are estimated to include a long time horizon and as a result, actual losses may exceed expected losses during an economic downturn and may fall below expected losses during times of economic growth.

AIRB CREDIT RISK EXPOSURE - BACK-TESTING

| | Q4/17 | | | | | | Q3/17 | | | | | |
|--|------------------------------|-----------------------------|-------------------------------|-----------------|--------------------|-----------------|------------------------------|-----------------------------|-------------------------------|-----------------|--------------------|-----------------|
| | Average estimated PD % | Actual default rate % | Average estimated LGD % | Actual LGD % | Estimated EAD % | Actual EAD % | Average estimated PD % | Actual default rate % | Average estimated LGD % | Actual LGD % | Estimated EAD % | Actual EAD % |
| Business and government portfolios ¹ | | | | | | | | | | | | |
| Corporate | 3.01 | 0.50 | 42.13 | 27.20 | 74.80 | 58.64 | 3.03 | 0.55 | 43.99 | 33.32 | 77.11 | 58.85 |
| Sovereign | 0.67 | - | 97.00 | 100.00 | 69.21 | n/a | 0.69 | 0.08 | n/a | n/a | 72.81 | 67.45 |
| Banks | 1.47 | - | n/a | n/a | 75.08 | n/a | 1.53 | - | n/a | n/a | 79.37 | n/a |
| Retail portfolios ² | | | | | | | | | | | | |
| Real estate secured personal lending | | | | | | | | | | | | |
| Uninsured residential mortgages and personal loans | 0.60 | 0.46 | 21.31 | 9.96 | n/a | n/a | 0.60 | 0.46 | 20.16 | 6.33 | n/a | n/a |
| Insured residential mortgages | 0.61 | 0.58 | n/a | n/a | n/a | n/a | 0.60 | 0.57 | n/a | n/a | n/a | n/a |
| Home equity line of credit | 0.21 | 0.20 | 42.22 | 14.83 | 97.29 | 94.27 | 0.20 | 0.18 | 37.55 | 14.92 | 96.06 | 91.47 |
| Qualifying revolving retail | 1.30 | 1.15 | 89.57 | 88.39 | 103.46 | 96.96 | 1.30 | 1.14 | 88.35 | 87.81 | 100.95 | 100.13 |
| Other retail | 2.38 | 1.81 | 82.42 | 81.42 | 96.73 | 91.14 | 2.46 | 1.91 | 85.28 | 75.44 | 97.44 | 92.97 |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| Business and government portfolios ¹ | | | | | | | | | | | | |
| Corporate | 3.00 | 0.55 | 52.59 | 31.61 | 77.02 | 58.25 | 3.08 | 0.67 | 60.12 | 38.14 | 76.28 | 68.31 |
| Sovereign | 0.67 | 0.08 | n/a | n/a | 71.61 | 67.45 | 0.74 | 0.17 | n/a | n/a | 71.50 | 67.45 |
| Banks | 1.67 | - | n/a | n/a | 85.50 | n/a | 1.40 | - | n/a | n/a | 86.15 | n/a |
| Retail portfolios ² | | | | | | | | | | | | |
| Real estate secured personal lending | | | | | | | | | | | | |
| Uninsured residential mortgages and personal loans | 0.63 | 0.43 | 20.12 | 9.31 | n/a | n/a | 0.65 | 0.42 | 19.50 | 9.27 | n/a | n/a |
| Insured residential mortgages | 0.62 | 0.57 | n/a | n/a | n/a | n/a | 0.63 | 0.57 | n/a | n/a | n/a | n/a |
| Home equity line of credit | 0.21 | 0.18 | 38.57 | 19.49 | 95.69 | 91.66 | 0.21 | 0.18 | 39.20 | 12.31 | 91.69 | 85.76 |
| Qualifying revolving retail | 1.27 | 1.12 | 88.52 | 87.85 | 99.95 | 95.59 | 1.30 | 1.14 | 89.55 | 88.47 | 100.08 | 97.00 |
| Other retail | 2.50 | 1.89 | 85.17 | 80.71 | 96.96 | 92.06 | 2.59 | 1.88 | 84.60 | 74.34 | 97.14 | 96.24 |

- ¹ Estimated LGD is based on accounts that default. Estimated EAD is based on all accounts. For actual LGD, payments are discounted to the default date using discount rates based on opportunity cost (the highest interest rate at which we would originate a new loan in the corresponding portfolio). Estimated and actual EAD include only revolving facilities.
- ² Both estimated and actual EAD are based on accounts that default. Actual LGD is based on payments received after default for accounts that defaulted 24 months before the effective month, using a discount rate based on opportunity cost. Estimated and actual EAD include only revolving products (lines of credit, credit cards, and overdraft facilities). Retail information is based upon our internal parameter monitoring system, which covers more than 90% of retail exposures.
- n/a Not applicable.

BUSINESS AND GOVERNMENT AIRB EXPOSURES BY INDUSTRY GROUPS ¹

(\$ millions)

| | Q4/17 | | | | | Total | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|--|----------------|---------------------|-------------------------|-------------------------|-----------------|----------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Drawn | Undrawn commitments | Repo-style transactions | Other off-balance sheet | OTC derivatives | | | | | | | | | |
| Commercial mortgages | 1,032 | 33 | - | - | - | 1,065 | 1,088 | 1,200 | 1,406 | 1,694 | 2,126 | 2,617 | 7,746 | 8,066 |
| Financial institutions | 31,591 | 4,375 | 10,271 | 70,519 | 12,350 | 129,106 | 131,342 | 135,655 | 131,665 | 134,727 | 126,294 | 120,458 | 120,593 | 127,879 |
| Retail and wholesale | 4,478 | 2,724 | - | 258 | 72 | 7,532 | 7,335 | 7,285 | 7,187 | 6,967 | 7,001 | 7,016 | 6,769 | 6,806 |
| Business services | 6,780 | 2,294 | 45 | 551 | 99 | 9,769 | 9,739 | 9,046 | 8,860 | 8,682 | 8,308 | 8,183 | 7,659 | 7,312 |
| Manufacturing - capital goods | 2,108 | 2,068 | - | 426 | 92 | 4,694 | 4,678 | 4,817 | 4,616 | 4,651 | 4,783 | 4,763 | 5,218 | 4,528 |
| Manufacturing - consumer goods | 3,033 | 1,618 | - | 230 | 28 | 4,909 | 4,886 | 4,875 | 4,566 | 4,546 | 4,705 | 4,621 | 4,403 | 4,065 |
| Real estate and construction | 28,470 | 6,478 | 26 | 964 | 129 | 36,067 | 36,811 | 36,964 | 34,817 | 34,549 | 33,616 | 30,896 | 25,445 | 24,074 |
| Agriculture | 5,338 | 1,507 | - | 27 | 64 | 6,936 | 6,826 | 6,886 | 6,692 | 6,582 | 6,749 | 6,590 | 6,526 | 6,278 |
| Oil and gas | 7,499 | 7,746 | - | 1,088 | 1,771 | 18,104 | 17,330 | 17,431 | 16,762 | 17,655 | 17,185 | 16,497 | 18,653 | 17,276 |
| Mining | 1,507 | 2,898 | - | 702 | 146 | 5,253 | 4,945 | 4,934 | 4,782 | 5,104 | 4,800 | 4,725 | 5,276 | 4,816 |
| Forest products | 465 | 459 | - | 146 | 13 | 1,083 | 1,040 | 1,096 | 1,091 | 1,072 | 1,196 | 1,207 | 1,221 | 1,283 |
| Hardware and software | 938 | 435 | - | 31 | 16 | 1,420 | 1,286 | 1,213 | 1,125 | 1,108 | 1,198 | 1,346 | 1,179 | 1,112 |
| Telecommunications and cable | 1,169 | 1,142 | - | 415 | 124 | 2,850 | 2,799 | 2,324 | 2,058 | 2,040 | 2,138 | 2,126 | 2,321 | 2,241 |
| Broadcasting, publishing, and printing | 370 | 128 | - | - | 6 | 504 | 525 | 636 | 872 | 889 | 899 | 884 | 730 | 681 |
| Transportation | 3,783 | 1,856 | - | 444 | 646 | 6,729 | 6,649 | 6,277 | 5,891 | 5,867 | 5,731 | 5,254 | 5,175 | 4,999 |
| Utilities | 4,181 | 5,248 | - | 2,016 | 617 | 12,062 | 11,721 | 12,991 | 11,670 | 11,197 | 11,435 | 11,725 | 11,848 | 10,943 |
| Education, health, and social services | 2,673 | 894 | 21 | 107 | 226 | 3,921 | 3,712 | 3,946 | 3,699 | 3,624 | 3,699 | 3,573 | 3,443 | 2,971 |
| Governments | 24,758 | 3,657 | 1,064 | 269 | 2,778 | 32,526 | 29,812 | 31,155 | 25,945 | 29,067 | 28,080 | 26,096 | 28,933 | 24,970 |
| | 130,173 | 45,560 | 11,427 | 78,193 | 19,177 | 284,530 | 282,524 | 288,731 | 273,704 | 280,021 | 269,943 | 258,577 | 263,138 | 260,300 |

¹ Gross credit exposure after credit valuation adjustments for financial guarantors, and before allowance for credit losses.

EXPOSURE AT DEFAULT UNDER THE STANDARDIZED APPROACH

(\$ millions)

| | Risk-weight category | | | | | | | Total |
|--------------------------------------|----------------------|--------------|----------|------------|--------------|---------------|------------|---------------|
| | 0% | 20% | 35% | 50% | 75% | 100% | 150% | |
| Q4/17 | | | | | | | | |
| Corporate | - | 69 | - | 17 | - | 28,068 | 121 | 28,275 |
| Sovereign | 6,820 | 4,216 | - | 110 | - | 644 | 37 | 11,827 |
| Banks | - | 1,893 | - | 114 | - | 254 | - | 2,261 |
| Real estate secured personal lending | - | - | - | - | 3,205 | - | 221 | 3,426 |
| Other retail | - | - | - | - | 1,109 | 24 | 53 | 1,186 |
| | 6,820 | 6,178 | - | 241 | 4,314 | 28,990 | 432 | 46,975 |
| Q3/17 | 6,020 | 6,048 | - | 243 | 4,085 | 27,503 | 443 | 44,342 |
| Q2/17 | 3,890 | 1,854 | - | 491 | 3,259 | 4,511 | 353 | 14,358 |
| Q1/17 | 3,828 | 1,757 | - | 366 | 3,068 | 4,207 | 349 | 13,575 |
| Q4/16 | 3,673 | 1,910 | - | 509 | 3,133 | 4,480 | 417 | 14,122 |
| Q3/16 | 3,767 | 1,929 | - | 383 | 3,022 | 4,299 | 431 | 13,831 |
| Q2/16 | 3,570 | 1,799 | - | 366 | 2,863 | 4,087 | 440 | 13,125 |
| Q1/16 | 4,178 | 1,963 | - | 280 | 3,196 | 4,715 | 532 | 14,864 |
| Q4/15 | 4,157 | 1,560 | - | 263 | 2,964 | 4,332 | 494 | 13,770 |

EXPOSURE COVERED BY GUARANTEES AND CREDIT DERIVATIVES ¹

(\$ millions)

| | Q4/17 | | | Q3/17 | | | Q2/17 | | | Q1/17 | | |
|--------------------------------------|--|---------------|---------------|--|----------------|---------------|--|----------------|---------------|--|----------------|---------------|
| | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | |
| | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank |
| Corporate | 9,136 | 871 | 2,723 | 8,628 | 950 | 3,154 | 9,000 | 2,385 | 3,949 | 8,985 | 988 | 4,142 |
| Sovereign | 17 | 7,934 | - | 17 | 8,389 | - | 18 | 9,026 | - | 111 | 9,243 | - |
| Banks | - | 2,633 | 32,960 | - | 2,051 | 32,550 | - | 1,633 | 33,312 | - | 1,675 | 31,469 |
| Real estate secured personal lending | 2,301 | 86,663 | - | 2,339 | 88,810 | - | 2,352 | 92,225 | - | 2,210 | 92,235 | - |
| Other retail | - | 10 | - | - | 11 | - | - | 12 | - | - | 13 | - |
| | 11,454 | 98,111 | 35,683 | 10,984 | 100,211 | 35,704 | 11,370 | 105,281 | 37,261 | 11,306 | 104,154 | 35,611 |

| | Q4/16 | | | Q3/16 | | | Q2/16 | | | Q1/16 | | |
|--------------------------------------|--|----------------|---------------|--|----------------|---------------|--|----------------|---------------|--|----------------|---------------|
| | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | | Provider of guarantees/ credit derivatives | | |
| | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank | Corporate | Sovereign | Bank |
| Corporate | 8,433 | 1,078 | 5,328 | 7,833 | 1,071 | 3,810 | 7,253 | 1,142 | 3,043 | 7,265 | 1,382 | 1,629 |
| Sovereign | 113 | 10,091 | - | 114 | 6,226 | - | 18 | 8,556 | - | - | 7,655 | - |
| Banks | - | 1,810 | 32,633 | - | 5,086 | 31,589 | - | 1,861 | 30,672 | - | 2,234 | 30,649 |
| Real estate secured personal lending | 2,215 | 95,242 | - | 2,210 | 97,656 | - | 2,199 | 100,408 | - | 2,056 | 101,158 | - |
| Other retail | - | 14 | - | - | 16 | - | - | 17 | - | - | 19 | - |
| | 10,761 | 108,235 | 37,961 | 10,157 | 110,055 | 35,399 | 9,470 | 111,984 | 33,715 | 9,321 | 112,448 | 32,278 |

EXPOSURE SECURITIZED AS ORIGINATOR ²

(\$ millions)

| | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Total | Total | Total | Total | Total | Total | Total | Total | Total |
| Commercial mortgages | | | | | | | | | |
| Securitized | - | - | 7 | 63 | 156 | 194 | 209 | 223 | 225 |
| Sold | - | - | 7 | 63 | 156 | 194 | 209 | 223 | 225 |

¹ This table provides information on credit mitigants against exposures analyzed under the AIRB approach.

² There were no impaired and other past due loans or net write-offs for periods shown.

BANK SPONSORED MULTI-SELLER CONDUITS EXPOSURE

| (\$ millions) | Q4/17 | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Asset amount | | | | | | | | |
| Canadian residential mortgages | 946 | 665 | 502 | 589 | 546 | 593 | - | - | - |
| Auto and fleet leases | 1,064 | 1,106 | 1,178 | 1,248 | 1,070 | 1,147 | 1,223 | 1,292 | 930 |
| Auto loans | 1,075 | 1,200 | 809 | 911 | 1,054 | 577 | 677 | 778 | 884 |
| Franchise loans | 454 | 489 | 477 | 449 | 468 | 470 | 461 | 409 | 391 |
| Credit cards | 720 | 720 | 720 | 875 | 875 | 725 | 710 | 710 | 710 |
| Equipment leases/loans | 1,391 | 1,215 | 1,118 | 1,257 | 1,364 | 1,218 | 1,186 | 1,198 | 950 |
| Dealer floorplan | - | 155 | 55 | 55 | 55 | 55 | 55 | 55 | 115 |
| | 5,650 | 5,550 | 4,859 | 5,384 | 5,432 | 4,785 | 4,312 | 4,442 | 3,980 |
| Impaired and other past due loans ¹ | 18 | 17 | 20 | 19 | 18 | 17 | 18 | 18 | 16 |

TOTAL SECURITIZATION EXPOSURES (IRB APPROACH)

| (\$ millions) | Q4/17 | | | | Q3/17 | Q2/17 | Q1/17 | Q4/16 | Q3/16 | Q2/16 | Q1/16 | Q4/15 | |
|---|-----------------------|---|----------------------------|----------------|--|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Investments and loans | Undrawn liquidity and credit facilities | Written credit derivatives | Total exposure | Of which res securitization exposure ² | Total Exposure | | | | | | | |
| Non-Trading | | | | | | | | | | | | | |
| Third party securitized assets ³ | | | | | | | | | | | | | |
| CIBC sponsored conduits and structured vehicles | 264 | 9,079 | - | 9,343 | - | 8,659 | 7,571 | 7,896 | 7,921 | 7,348 | 6,424 | 6,352 | 5,561 |
| Third party structured vehicles | 2,683 | 2,116 | 32 | 4,831 | 37 | 4,691 | 4,975 | 5,105 | 10,942 | 11,400 | 11,153 | 12,516 | 10,315 |
| Trading ⁴ | 157 | - | - | 157 | - | 156 | 109 | 146 | 125 | 155 | 159 | 277 | 247 |
| Total EAD | 3,104 | 11,195 | 32 | 14,331 | 37 | 13,506 | 12,655 | 13,147 | 18,988 | 18,903 | 17,736 | 19,145 | 16,123 |

¹ Impaired and other past due loans are in respect of the assets that are collateral to the short-term notes issued by the multi-seller conduits. CIBC retains no direct credit exposure to the assets in the conduits. The risk of loss from these assets is substantially reduced through the presence of credit enhancement which is in place for each program in the conduits. In some instances, the amount of impaired and other past due loans is for an entire asset pool which may be funded by multiple parties in addition to the CIBC-sponsored multi-seller conduits. The CIBC-sponsored multi-seller conduits would only be exposed to the pro-rata portion of the impaired and other past due loan amounts based on the proportional amount of ownership interests funded by them, not the entire amount for the asset pool reported above.

² Resecuritization exposure comprises \$5 million (Q3/17: \$24 million) of investments and loans, nil (Q3/17: nil) of undrawn credit facilities and \$32 million (Q3/17: \$33 million) of written credit derivatives.

³ Comprises collateralized loan obligations, asset-backed commercial paper, trust preferred securities, collateralized debt obligations, and others. There were no securitization exposures relating to bank's own securitized assets.

⁴ Comprises asset-backed securities.

SECURITIZATION EXPOSURES - RISK WEIGHTED ASSETS AND CAPITAL CHARGES (IRB APPROACH)

(\$ millions)

| | Q4/17 | | | | | | Q3/17 | | | | | |
|-------------------------------|------------------|------------------|----------------|------------------|----------------|------------------|------------------|------------------|----------------|------------------|----------------|------------------|
| | EAD ¹ | | RWA | | Capital charge | | EAD ¹ | | RWA | | Capital charge | |
| | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization |
| Trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 156 | - | 16 | - | 1 | - | 156 | - | 22 | - | 2 | - |
| Unrated exposure | 1 | - | 11 | - | 1 | - | - | - | - | - | - | - |
| Total trading | 157 | - | 27 | - | 2 | - | 156 | - | 22 | - | 2 | - |
| Non-trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 3,802 | - | 271 | - | 22 | - | 3,298 | 19 | 236 | 8 | 19 | 1 |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Rated below BB- | 13 | - | 161 | - | 13 | - | 12 | - | 156 | - | 12 | - |
| | 3,815 | - | 432 | - | 35 | - | 3,310 | 19 | 392 | 8 | 31 | 1 |
| Internal assessment approach | | | | | | | | | | | | |
| AAA to BBB- | 7,394 | - | 518 | - | 41 | - | 6,957 | - | 487 | - | 40 | - |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| | 7,394 | - | 518 | - | 41 | - | 6,957 | - | 487 | - | 40 | - |
| Supervisory formula approach | | | | | | | | | | | | |
| Unrated exposure ² | 2,928 | 32 | 281 | 110 | 22 | 9 | 3,026 | 33 | 281 | 128 | 22 | 10 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Deduction from capital | | | | | | | | | | | | |
| Tier 1 and 2 | | | | | | | | | | | | |
| Rated below BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Unrated exposure | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Total non-trading | 14,137 | 32 | 1,231 | 110 | 98 | 9 | 13,293 | 52 | 1,160 | 136 | 93 | 11 |
| Total exposure | 14,294 | 32 | 1,258 | 110 | 100 | 9 | 13,449 | 52 | 1,182 | 136 | 95 | 11 |

(\$ millions)

| | Q2/17 | | | | | | Q1/17 | | | | | |
|-------------------------------|------------------|------------------|----------------|------------------|----------------|------------------|------------------|------------------|----------------|------------------|----------------|------------------|
| | EAD ¹ | | RWA | | Capital charge | | EAD ¹ | | RWA | | Capital charge | |
| | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization |
| Trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 109 | - | 14 | - | 1 | - | 146 | - | 14 | - | 1 | - |
| Unrated exposure | - | - | - | - | - | - | - | - | - | - | - | - |
| Total trading | 109 | - | 14 | - | 1 | - | 146 | - | 14 | - | 1 | - |
| Non-trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 2,950 | 74 | 213 | 30 | 17 | 2 | 3,136 | 102 | 235 | 41 | 19 | 3 |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Rated below BB- | 14 | - | 171 | - | 14 | - | 13 | - | 163 | - | 13 | - |
| | 2,964 | 74 | 384 | 30 | 31 | 2 | 3,149 | 102 | 398 | 41 | 32 | 3 |
| Internal assessment approach | | | | | | | | | | | | |
| AAA to BBB- | 6,771 | - | 474 | - | 38 | - | 7,110 | - | 498 | - | 40 | - |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| | 6,771 | - | 474 | - | 38 | - | 7,110 | - | 498 | - | 40 | - |
| Supervisory formula approach | | | | | | | | | | | | |
| Unrated exposure ² | 2,694 | 38 | 300 | 152 | 24 | 12 | 2,595 | 37 | 343 | 118 | 28 | 9 |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Deduction from capital | | | | | | | | | | | | |
| Tier 1 and 2 | | | | | | | | | | | | |
| Rated below BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Unrated exposure | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - |
| Total non-trading | 12,429 | 112 | 1,158 | 182 | 93 | 14 | 12,854 | 139 | 1,239 | 159 | 100 | 12 |
| Total exposure | 12,538 | 112 | 1,172 | 182 | 94 | 14 | 13,000 | 139 | 1,253 | 159 | 101 | 12 |

For footnotes, see next page.



SECURITIZATION EXPOSURES - RISK WEIGHTED ASSETS AND CAPITAL CHARGES (IRB APPROACH) (continued)

| (\$ millions) | Q4/16 | | | | | | Q3/16 | | | | | |
|---|------------------|------------------|----------------|------------------|----------------|------------------|------------------|------------------|----------------|------------------|----------------|------------------|
| | EAD ¹ | | RWA | | Capital charge | | EAD ¹ | | RWA | | Capital charge | |
| | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization |
| Trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 125 | - | 12 | - | 1 | - | 155 | - | 15 | - | 1 | - |
| Unrated exposure | - | - | - | - | - | - | - | - | - | - | - | - |
| Total trading | 125 | - | 12 | - | 1 | - | 155 | - | 15 | - | 1 | - |
| Non-trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 3,662 | 373 | 272 | 238 | 22 | 19 | 4,118 | 540 | 305 | 317 | 24 | 25 |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Rated below BB- | 13 | - | 168 | - | 13 | - | 13 | - | 163 | - | 13 | - |
| Total ratings based approach | 3,675 | 373 | 440 | 238 | 35 | 19 | 4,131 | 540 | 468 | 317 | 37 | 25 |
| Internal assessment approach | | | | | | | | | | | | |
| AAA to BBB- | 7,192 | - | 523 | - | 42 | - | 6,375 | - | 446 | - | 36 | - |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Total internal assessment approach | 7,192 | - | 523 | - | 42 | - | 6,375 | - | 446 | - | 36 | - |
| Supervisory formula approach | | | | | | | | | | | | |
| Unrated exposure ² | 7,323 | 44 | 811 | 206 | 65 | 16 | 7,410 | 46 | 868 | 191 | 70 | 15 |
| Total supervisory formula approach | - | - | - | - | - | - | - | - | - | - | - | - |
| Deduction from capital | | | | | | | | | | | | |
| Tier 1 and 2 | | | | | | | | | | | | |
| Rated below BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Unrated exposure | - | - | - | - | - | - | - | - | - | - | - | - |
| Total non-trading | 18,190 | 417 | 1,774 | 444 | 142 | 35 | 17,916 | 586 | 1,782 | 508 | 143 | 40 |
| Total exposure | 18,315 | 417 | 1,786 | 444 | 143 | 35 | 18,071 | 586 | 1,797 | 508 | 144 | 40 |

| (\$ millions) | Q2/16 | | | | | | Q1/16 | | | | | |
|---|------------------|------------------|----------------|------------------|----------------|------------------|------------------|------------------|----------------|------------------|----------------|------------------|
| | EAD ¹ | | RWA | | Capital charge | | EAD ¹ | | RWA | | Capital charge | |
| | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization | Securitization | Resecuritization |
| Trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 159 | - | 12 | - | 1 | - | 277 | - | 22 | - | 2 | - |
| Unrated exposure | - | - | - | - | - | - | - | - | 2 | - | - | - |
| Total trading | 159 | - | 12 | - | 1 | - | 277 | - | 24 | - | 2 | - |
| Non-trading | | | | | | | | | | | | |
| Ratings based approach | | | | | | | | | | | | |
| AAA to BBB- | 4,057 | 628 | 293 | 346 | 23 | 28 | 4,441 | 715 | 321 | 382 | 26 | 31 |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Rated below BB- | 13 | - | 157 | - | 13 | - | 14 | - | 175 | - | 14 | - |
| Total ratings based approach | 4,070 | 628 | 450 | 346 | 36 | 28 | 4,455 | 715 | 496 | 382 | 40 | 31 |
| Internal assessment approach | | | | | | | | | | | | |
| AAA to BBB- | 5,501 | - | 385 | - | 30 | - | 5,390 | - | 377 | - | 30 | - |
| BB+ to BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Total internal assessment approach | 5,501 | - | 385 | - | 30 | - | 5,390 | - | 377 | - | 30 | - |
| Supervisory formula approach | | | | | | | | | | | | |
| Unrated exposure ² | 7,086 | 44 | 663 | 129 | 53 | 10 | 7,977 | 50 | 717 | 127 | 57 | 10 |
| Total supervisory formula approach | - | 1 | - | 8 | - | 1 | - | 1 | - | 9 | - | 1 |
| Deduction from capital | | | | | | | | | | | | |
| Tier 1 and 2 | | | | | | | | | | | | |
| Rated below BB- | - | - | - | - | - | - | - | - | - | - | - | - |
| Unrated exposure | - | - | - | - | - | - | - | - | - | - | - | - |
| Total non-trading | 16,657 | 673 | 1,498 | 483 | 119 | 39 | 17,822 | 766 | 1,590 | 518 | 127 | 42 |
| Total exposure | 16,816 | 673 | 1,510 | 483 | 120 | 39 | 18,099 | 766 | 1,614 | 518 | 129 | 42 |

¹ Net of financial collateral of \$5 million (Q3/17: \$5 million) for resecuritization exposures.
² Pertains to unrated exposures not subject to supervisory formula approach.

Advanced internal ratings-based (AIRB) approach for credit risk

Internal models based on historical experience of key risk assumptions such as PD, LGD and EAD are used to compute the capital requirements subject to OSFI approval. A transitional capital floor based on Basel I standards is also calculated by banks under the AIRB approach for credit risk and an adjustment to RWAs may be required as prescribed by OSFI.

Advanced measurement approach (AMA) for operational risk

A risk-sensitive approach to calculating the capital charge for operational risk based on internal risk measurement models, using a combination of quantitative and qualitative risk measurement techniques.

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.

Common Equity Tier 1 (CET1), Tier 1 and Total capital ratios

CET1, Tier 1 and total regulatory capital, divided by RWAs, as defined by OSFI's Capital Adequacy Requirements Guideline, which is based on BCBS standards. During the period beginning in the third quarter of 2014 to the fourth quarter of 2018, on an all-in basis, before any capital floor requirement, there are three different levels of RWAs for the calculation of CIBC's CET1, Tier 1 and Total capital ratios. This occurs because of the option CIBC has chosen for the phase-in of the CVA capital charge.

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 already advanced to the customer.

Exposure at default (EAD)

An estimate of the amount of exposure to a customer at the event of, and at the time of, default.

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 ratings based (IRB) approach for securitization exposures

Capital calculation method for securitizations available to the banks approved to use IRB approach for underlying exposures securitized. IRB for securitization comprises several calculation approaches (Ratings-Based, Supervisory Formula, Internal Assessment Approach).

Leverage exposure

For the purposes of the leverage ratio, exposure is defined under the 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, forward asset purchases, standby/trade letters of credit, securitization exposures).

Leverage ratio

Defined as Tier 1 capital divided by Leverage Exposure.

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 exposure at default.

Operational risk

The risk of loss resulting from people, inadequate or failed internal processes, and systems or from external events.

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.

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 lines of credit extended to individuals.

Regulatory capital

Basel III regulatory capital, as defined by OSFI's Capital Adequacy Requirements Guideline, is comprised of Common Equity Tier 1 (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 to FVO 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, deferred tax assets, net assets related to defined benefit pension plans, and certain investments. AT1 capital primarily includes non-viability contingent capital (NVCC) preferred shares, qualifying instruments issued by a consolidated subsidiary to third parties, and non-qualifying innovative Tier 1 notes which are subject to phase-out rules for capital instruments. Tier 1 capital is comprised of CET1 plus AT1. Tier 2 capital includes NVCC subordinated indebtedness, non-qualifying subordinated indebtedness subject to phase-out rules for capital instruments, eligible collective allowance under the standardized approach, and qualifying instruments issued by a consolidated subsidiary to third parties. Total capital is comprised of Tier 1 capital plus Tier 2 capital. Under Basel III, qualifying regulatory capital instruments must be capable of absorbing loss at the point of non-viability of the financial institution; non-qualifying capital instruments are excluded from regulatory capital at a rate of 10% per annum commencing January 1, 2013 through to January 1, 2022.

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.

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.

Risk-weighted assets (RWA)

RWAs consist of three components: (i) RWAs for credit risk are calculated using the AIRB and standardized approaches. The AIRB RWAs are calculated using PDs, LGDs, EADs, and in some cases maturity adjustment, while the standardized approach applies risk weighting factors specified in the OSFI guidelines to on- and off-balance sheet exposures; (ii) RWAs for market risk in the trading portfolio are based on the internal models approved by OSFI with the exception of the RWAs for traded securitization assets where we are using the methodology defined by OSFI; and (iii) RWAs for operational risk relating to the risk of losses resulting from people, inadequate or failed internal processes, and systems or from external events are calculated under the AMA and standardized approaches. During the period beginning in the third quarter 2014 to the fourth quarter of 2018, CET1 capital RWA, Tier 1 capital RWA, and total capital RWA, will differ due to the phase in of the CVA capital charge. Since the introduction of Basel II in 2008, OSFI has prescribed a capital floor requirement for institutions that use the AIRB approach for credit risk. The capital floor is determined by comparing a capital requirement calculated by reference to Basel I against the Basel III calculation, as specified by OSFI. Any shortfall in the Basel III capital requirement compared with the Basel I floor is added to RWAs.

Securitization

The process of selling assets (normally financial assets such as loans, leases, trade receivables, credit card receivables or mortgages) to trusts or other structured entities (SEs). A SE normally issues securities or other forms of interests to investors and/or the asset transferor, and the SE uses the proceeds of the issue of securities 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.

Sovereign exposures

All direct credit risk exposures to governments, central banks and certain public sector entities, and exposures guaranteed by those entities.

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 Basel Accord. 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

Capital is based on prescribed percentages that vary by business activity and is applied to the three-year average gross income.