



Canadian Imperial Bank
of Commerce

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**CANADIAN IMPERIAL BANK OF COMMERCE, HK BRANCH
DISCLOSURE STATEMENT AS AT OCTOBER 31, 2018**

SECTION A – BRANCH INFORMATION (HONG KONG OFFICE ONLY)

PART I – PROFIT & LOSS	Oct 31, 2018	Oct 31, 2017
	HK\$'000	HK\$'000
Interest Income	731,652	564,261
Interest Expense	(669,704)	(506,774)
Other operating income:		
- Gains less losses arising from non-trading activities in foreign currencies	11,918	(14,939)
- Income from non-trading investments	(288)	0
- Net fees and commission income	2,355	28,156
- Others	279,947	335,740
Total Income	355,880	406,444
Operating expenses		
- Staff expenses	(159,715)	(160,818)
- Rental expenses	(30,163)	(28,840)
- Other expenses	(31,749)	(33,325)
Gains less losses from disposal of property, plant and Equipment and investment properties	0	(2)
Total Expenses	(221,627)	(222,985)
Profit before taxation	134,253	183,459
Tax expense	(27,730)	(34,474)
Profit after tax and exceptional items	106,523	148,985

PART II – BALANCE SHEET

	Oct 31, 2018 HK\$'000	Apr30,2018 HK\$'000
ASSETS		
Cash and balances with banks	1,299	1,221
Due from Exchange Fund	170,494	33,865
Placement with banks which have a residual contractual maturity of more than one month but not more than 12 months	-	-
Amount due from overseas offices of the institution	11,998,978	16,081,689
Loans and receivables	4,034,658	3,914,887
Securities held for dealing purposes	2,651,121	2,795,500
Property, plant and equipment and investment properties	9,290	9,359
Other accounts and general provision	(937)	(866)
TOTAL ASSETS	18,864,903	22,835,655
LIABILITIES		
Deposits and balances from banks	7,148,226	8,747,284
Due to Exchange Fund	-	-
Deposits of customers		
- Demand deposits and current accounts	4,145	7,298
- Time, call and notice deposits	5,039,012	7,802,671
Amount due to overseas offices of the institution	6,418,270	6,114,767
Negotiable debt instruments issued and outstanding	10,000	-
Other liabilities	245,250	163,635
TOTAL LIABILITIES	18,864,903	22,835,655

PART III – ADDITIONAL BALANCE SHEET INFORMATION

	Oct 31, 2018	Apr 30, 2018
	HK\$'000	HK\$'000
i) Advances and receivables		
- Advances to customers	3,800,106	3,635,188
- Accrued interest and other accounts	<u>234,552</u>	<u>279,699</u>
Total:	4,034,658	3,914,887
ii) Provision for bad debts and doubtful debts		
- General Provision	937	866
- Specific Provision	Nil	Nil
iii) Amount of advances to customers on which interest is being placed in suspense or on which interest accrual has ceased (impaired loans)	Nil	Nil
The amount of such suspended interest	Nil	Nil
The amount of specific provisions made in respect of such advances	Nil	Nil
The percentage of such advances to total advances to customers	0.00%	0.00%

We do not have advances to banks and other financial institutions on which interest is being placed in suspense or on which interest accrual has ceased as of Oct. 31, 2018. (Apr. 30, 2018: NIL)

	Oct 31, 2018		Apr 30, 2018	
	HK\$'000	Collateral (%)	HK\$'000	Collateral (%)
iv) Analysis of gross amount of advances to customers classified into the following industry categories:				
Loans and advances for use in HK				
Industrial, commercial & financial:				
- Financial concerns	1,307,684	0.00	1,308,222	0.00
- Transport and transport equipment	259,907	0.00	591,014	0.00
- Others	0	0.00	0	0.00
Information Technology:				
- Telecommunications	0	0.00	0	0.00
- Others	0	0.00	0	0.00
Individuals:				
- Loans for the purchase of other residential properties	0	0.00	10	100.00
- Others	0	0.00	0	0.00
Sub-total:	1,567,591		1,899,246	
Loans and advances for use outside HK	2,232,515	0.00	1,735,942	0.00
Other loans where the place of use is not known	0	0.00	0	0.00
TOTAL:	3,800,106		3,635,188	

PART III – ADDITIONAL BALANCE SHEET INFORMATION

v) Analysis of gross amount of advances to customers by geographical area:

Advances to customers by geographical area are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party in an area which is different from that of the counterparty.

	Oct 31, 2018		Apr 30, 2018	
	HK\$'000	% to total advances to customers	HK\$'000	% to total advances to customers
Gross amount of advances:				
- Hong Kong	3,800,106	100.00%	3,635,188	100.00%
The related overdue loans:	0		0	
The related impaired loans:	0		0	

vi) Breakdown of international claims by major countries or geographical segments where only major countries constitute 10% or more of the total international claims after taking into account the of risk transfer.

	Banks	Official Sector	<u>Non-Bank Private Sector</u>			Total
			Non-Bank Financial Institution	Non-Financial Private Sector	Others	
As at Oct 31, 2018 (HKD million)						
Developed countries						
Australia	3,386	Nil	Nil	1,122	Nil	4,508
Canada	8,654	Nil	7	Nil	Nil	8,661
Offshore centre						
Hong Kong	2	Nil	Nil	2,428	Nil	2,430
The related overdue loans:	Nil	Nil	Nil	Nil	Nil	Nil
The related non-performing loans:	Nil	Nil	Nil	Nil	Nil	Nil

	Banks	Official Sector	<u>Non-Bank Private Sector</u>			Total
			Non-Bank Financial Institution	Non-Financial Private Sector	Others	
As at Apr 30, 2018 (HKD million)						
Developed countries						
Canada	9,806	Nil	Nil	Nil	Nil	9,806
The related overdue loans:	Nil	Nil	Nil	Nil	Nil	Nil
The related non-performing loans:	Nil	Nil	Nil	Nil	Nil	Nil

PART III – ADDITIONAL BALANCE SHEET INFORMATION

vii) Analysis of foreign currency exposures

As at Oct 31, 2018 (HKD million)

	<u>CAD</u>	<u>USD</u>	<u>CNY</u>	<u>GBP</u>	<u>NZD</u>	<u>SGD</u>	<u>AUD</u>	<u>Total</u>
Spot Assets	112	5,601	0	0	130	0	9,852	15,695
Spot Liabilities	(258)	(8,331)	(99)	0	0	0	(3,862)	(12,550)
Forward purchases	204	11,590	99	0	22	0	4,959	16,874
Forward sales	0	(8,788)	0	0	(152)	0	(10,950)	(19,890)
Net option position	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net long (short) position	58	72	0	0	0	0	(1)	129

As at Apr 30, 2018 (HKD million)

	<u>CAD</u>	<u>USD</u>	<u>CNY</u>	<u>GBP</u>	<u>NZD</u>	<u>SGD</u>	<u>AUD</u>	<u>Total</u>
Spot Assets	500	7,898	0	1	114	3	10,817	19,333
Spot Liabilities	(445)	(14,067)	(112)	(28)	0	(1,187)	(1,813)	(17,652)
Forward purchases	305	16,695	113	56	102	1,176	5,593	24,640
Forward sales	(305)	(10,329)	(1)	(28)	(216)	(592)	(14,603)	(26,074)
Net option position	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net long (short) position	55	197	0	1	0	0	(6)	247

The net options position is calculated in accordance with our internal reporting method. We do not have structural positions as at Oct 31, 2018. (Apr 30, 2018: NIL)

	Oct 31, 2018		Apr 30, 2018	
	HKS'000	% to total advances to customers	HKS'000	% to total advances to customers
viii) Analysis of overdue loans to customers (net of any interest that has been capitalized but accrued to a suspense account)				
- 6 months or less but more than 3 months	0	0.00%	0	0.00%
- 1 year or less but more than 6 months	0	0.00%	0	0.00%
- more than 1 year	0	0.00%	0	0.00%
We do not have overdue advances to banks and other financial institutions as at Oct 31, 2018. (Apr 30, 2018: NIL)				
ix) The aggregate amount of rescheduled advances to customers (net of those which have been overdue for over 3 months and reported in item vii) above.	Nil	0.00%	Nil	0.00%
We do not have rescheduled advances to banks and other financial institutions as at Oct 31, 2018. (Apr 30, 2018: NIL)				
x) The amount of advances to customers which:				
- are overdue for more than three months and on which interest is still being accrued; and	Nil	0.00%	Nil	0.00%
- are overdue for three months or less or not yet overdue and on which interest is being placed in suspense or on which interest accrual has ceased.	Nil	0.00%	Nil	0.00%

We do not have overdue advances to banks and other financial institutions as at Oct 31, 2018. (Apr 30, 2018: NIL)

PART III – ADDITIONAL BALANCE SHEET INFORMATION

xi) Reconciliation between overdue loans and impaired loans:

Overdue advances to customers	Nil	0.00%	Nil	0.00%
Less:				
Overdue for more than 3 months and on which interest is still being accrued	Nil	0.00%	Nil	0.00%
Add:				
Advances overdue for 3 months or less, or not yet overdue, and on which interest has been placed in suspense or on which interest accrual has ceased				
- included in rescheduled advances	Nil	0.00%	Nil	0.00%
- others	Nil	0.00%	Nil	0.00%
Total impaired loans and advances	Nil	0.00%	Nil	0.00%

xii) Mainland exposures to non-bank counterparties Nil Nil

PART IV – OFF BALANCE SHEET EXPOSURES

	Oct 31, 2018	Apr 30, 2018
	HK\$'000	HK\$'000
CONTINGENT LIABILITIES AND COMMITMENTS		
(Contractual Amounts)		
Trade-related contingencies	0	55,026
Other commitments	1,318,214	662,214
DERIVATIVES		
Exchange rate contracts (excluding forward foreign exchange contracts arising from swap deposit arrangements)	151	1,088
Interest rate contracts	0	126,905
Equity Contracts	0	0

RISK EXPOSURE INFORMATION

Fair value (after taking into account the effect of bilateral netting agreement):

Exchange rate contracts (include interbranch)	0	0
Interest rate contracts	0	0

There is no bilateral netting agreement for above derivatives contracts

PART V – LIQUIDITY RATIO

	Oct 31, 2018	Oct 31, 2017
The average liquidity maintenance ratio (“LMR”) for the financial period of Nov17 to Oct18	74.67%	
The average liquidity maintenance ratio (“LMR”) for the financial period of Nov16 to Oct17		109.17%

Liquidity Risk Management:

Liquidity risk is the risk of having insufficient cash or its equivalent in a timely and cost-effective manner to meet financial obligations as they come due.

CIBC’s liquidity risk tolerance is defined by the risk appetite statement (RAS), which is approved annually by the Board.

The Asia Pacific RAS, unique to the region within which CIBC Hong Kong Branch operates, articulates the aggregate levels of risk that the Asia-Pacific Region is willing to assume in pursuit of its strategy and business objectives and sets the basic goals and measurement metrics, which define tolerance levels for various risks. A Contingency Funding Plan (CFP) is reviewed and approved regularly by the Asia Pacific Management Committee.

In the Asia-Pacific Region Treasury, Finance and Risk Management staffs manage liquidity requirements in accordance with local regulation and internal policies, following the three lines of defense model with independent assessment of the design and operating effectiveness of liquidity risk management controls, processes and systems.

Liquidity Risk Monitoring and Reporting

The Liquidity Maintenance Ratio (LMR) is monitored on a daily basis, against regulatory limits (25%) and internal buffer targets. A two day liquidity projection is prepared.

A control has been established to ensure that LMR adequacy is maintained, whereby Finance personnel produce the LMR projection, based on status quo reporting. This projection is validated by Treasury (Funding & Liquidity Management, FLM) staff and then adjusted with cash flows arising from new transactions, to derive the updated daily LMR. On the following day, the Finance team produces the LMR report and FLM validate that the two reports reconcile. The daily LMR is also sent to Capital Market Risk Management and other Global Treasury colleagues for review and monitoring.

Local funding considerations are incorporated into CIBC’s consolidated liquidity stress testing paradigm, as appropriate, but stress testing is not performed regionally; instead this is considered holistically at the parent bank level.

PART VI – ADDITIONAL PROFIT AND LOSS STATEMENT INFORMATION

	Oct 31, 2018	Oct 31, 2017
Breakdown of Fee and Commission income from November to October:		
Gross fees and commission income	2,355	28,156
Gross fees and commission expenses	0	0
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Net fees and commission income	<u>2,355</u>	<u>28,156</u>

**CANADIAN IMPERIAL BANK OF COMMERCE
(INCLUDING HK BRANCH)
DISCLOSURE STATEMENT AS AT Oct 31, 2018**

(based on CIBC fourth quarter report for the period ended October 31, 2018)

SECTION B – BANK INFORMATION (CONSOLIDATED BASIS)

CAPITAL AND CAPITAL ADEQUACY

	Oct 31, 2018	Apr 30, 2018
	CAD Million	CAD Million
Total shareholders' equity	35,116	33,546
Capital adequacy ratio	14.90%	15.10%

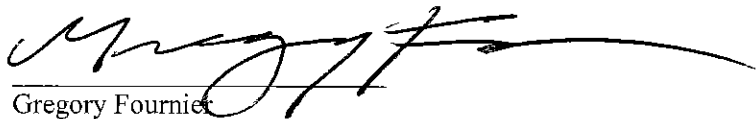
CIBC's regulatory capital requirements are determined in accordance with OSFI's capital adequacy guidelines.

OTHER FINANCIAL INFORMATION

Total assets	597,099	590,537
Total liabilities	561,983	556,991
Total advances	371,396	365,082
Total customer deposits	404,028	392,071
	Oct 31, 2018	Oct 31, 2017
Pre-tax profit	6,706	5,880

Statement by Chief Executive

This Disclosure Statement is in compliance with the Banking (Disclosure) Rules and recommendations as stated in the Hong Kong Monetary Authority's Supervisory Policy Manual on "Guideline on the Application of the Banking (Disclosure) Rules". To the best of my knowledge, the disclosure is not false or misleading.



Gregory Fournier
Chief Executive
Canadian Imperial Bank of Commerce, Hong Kong Branch