



CIBC WORLD MARKETS plc PILLAR 3 DISCLOSURE

Liquidity Coverage Ratio (LCR)

1.0 Overview

1.1 Introduction

CIBC World Markets plc (plc or the Company) is a wholly owned subsidiary of Canadian Imperial Bank of Commerce (CIBC), a bank incorporated pursuant to the Bank Act Canada. plc is a UK bank, authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and PRA. plc was incorporated under the laws of England and Wales (registered number 2733036) on 21 July 1992 as CIBC Bank plc, adopting its current name on 28 April 1999. Its head office and registered office is 150 Cheapside, London, EC2V 6ET. plc currently has no subsidiaries.

This document should be read in conjunction with “CIBC World Markets plc, Pillar 3 Disclosures for the year ended 31 October 2019.” This associated document further describes risk management objectives, policies and reporting, as well as governance and capital resources considerations for the entity.

1.2 Background

The CRR rules include a public disclosure requirement known as “Pillar 3” and apply to all UK Banks and Building Societies. These rules are designed to promote market discipline through disclosure of key information about risk exposures and the risk management processes.

The European Banking Authority (EBA) developed guidelines on public disclosure of LCR information in accordance with Article 16 of Regulation (EU) No 1093/2010. The guidelines are available at <https://www.eba.europa.eu/-/eba-publishes-final-guidelines-on-lcr-disclosure>. The guidelines apply from 31 December 2017 and the relevant competent authority (PRA) expects firms to comply.

1.3 Scope of Application

In line with prudential guidelines, plc’s prudential reporting is prepared on a solo unconsolidated basis.

EBA guidelines differentiate between Globally and Other Systemically Important Institutions (G-SIIs and O-SIIs) and ‘others’ where the ‘simplified LCR’ disclosure applies. plc follows the simplified disclosure approach.

1.4 Frequency and Location of Disclosure

This disclosure is reviewed annually by the European Executive Committee (ExCo) and final approval is obtained from plc’s Board of Directors (The Board). Pillar 3 disclosures are published annually as an addendum to the annual Financial Statements.

2.0 Disclosures

2.1 Adequacy of liquidity risk management arrangements

The Board is responsible for reviewing the effectiveness of the Company's liquidity risk governance framework and internal controls which are designed to manage and mitigate the risks of not achieving business liquidity objectives. The Board considers that it has in place adequate systems and controls with regard to the Company's profile and strategy and an appropriate array of assurance mechanisms, properly resourced and skilled, to avoid or minimise loss. The Company has developed an Individual Liquidity Adequacy Assessment ("ILAAP"), as required by the PRA, which includes a suite of stress tests and limits, the results of which are reviewed by senior management on a regular basis. In addition, the ALCo and the Board review the Company's liquidity position at least on a quarterly basis.

2.2 Liquidity risk profile associated to the business strategy

The primary goals of the liquidity risk governance framework are to ensure that the outcomes of business activities are consistent with the Company's liquidity strategy and Board approved risk appetite statement (RAS). The Company's ILAAP and liquidity risk governance framework provide the foundation for achieving these goals.

2.3 LCR disclosure template, on quantitative information of LCR which complements Article 435(1)(f) of Regulation (EU) no 575/2013

Inflows and outflows expressed as consolidated Canadian \$ equivalent

Item	Annualised Average
21 Liquidity Buffer	728,723,929
22 Total Net Cash Outflow	249,329,209
23 Liquidity Coverage Ratio	292.3%
Number of data points	12

Data as at 31 October 2019