

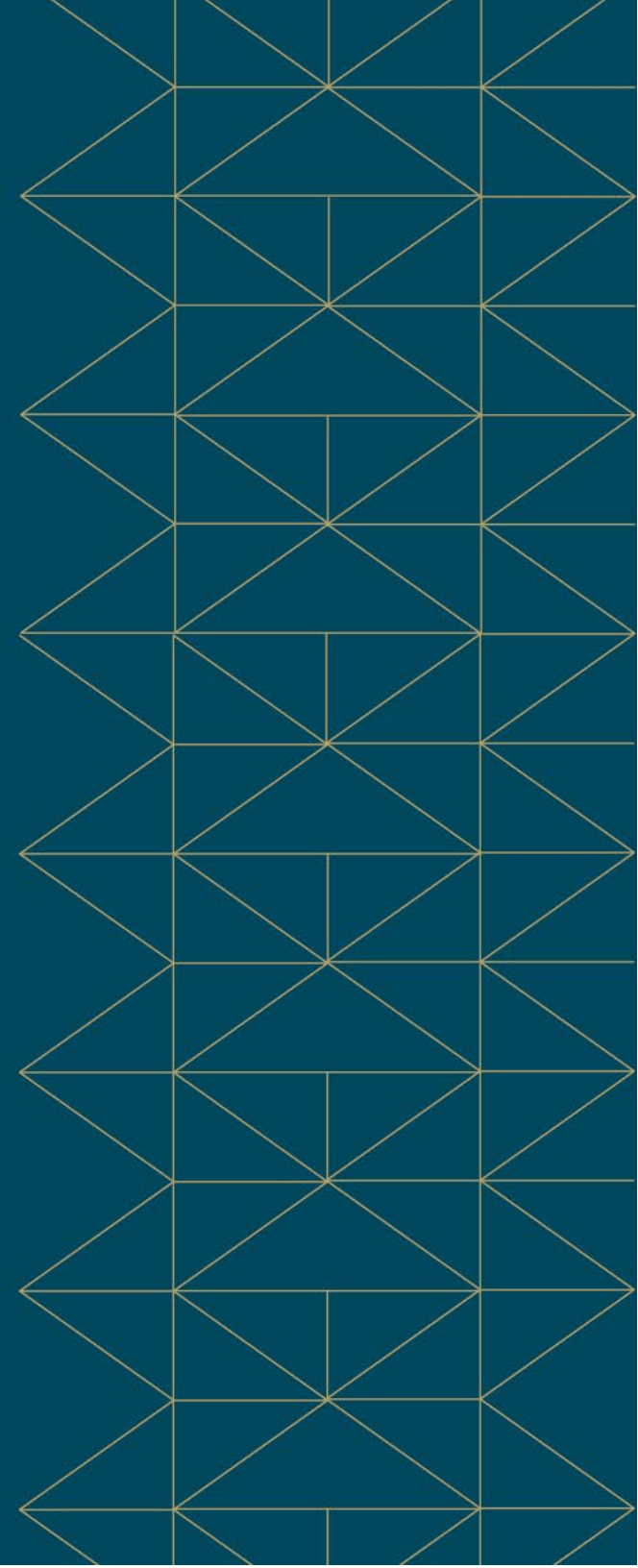
CIBC MELLON

# Pillar III Disclosures

For the period ended October 31, 2023

FOR FURTHER INFORMATION, PLEASE CONTACT:

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## PILLAR 3 REPORT INDEX

The index below provides a listing of Pillar 3 disclosure requirements issued by the Basel Committee of Banking Supervision (BCBS), which are currently effective for CIBC Mellon Trust, along with their locations. Beginning in Q2/23, certain updated tables and templates have been incorporated in accordance with the OSFI Pillar 3 Disclosure Guideline for SMSB's on a prospective basis. Comparative disclosures for the updated tables and templates will be included over the future reporting periods.

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**KM1: Key metrics (At consolidated group level)**

(\$ thousands)

		Q4 2023
<b>Available capital (amounts)</b>		
1	Common Equity Tier 1 (CET1)	1,017,169
1a	Common Equity Tier 1 with transitional arrangements for ECL provisioning not applied	-
2	Tier 1	1,017,169
2a	Tier 1 with transitional arrangements for ECL provisioning not applied	-
3	Total capital	1,017,169
3a	Total capital with transitional arrangements for ECL provisioning not applied(%)	-
<b>Risk-weighted assets (amounts)</b>		
4	Total risk-weighted assets (RWA)	3,883,979
4a	Total risk-weighted assets (pre-floor)	3,883,979
<b>Risk-based capital ratios as a percentage of RWA</b>		
5	CET1 ratio (%)	26.19
5a	Common Equity Tier 1 ratio with transitional arrangements for ECL provisioning not applied	-
5b	CET1 ratio (%) (pre-floor ratio)	26.19
6	Tier 1 ratio (%)	26.19
6a	Tier 1 ratio with transitional arrangements for ECL provisioning not applied (%)	-
6b	Tier 1 ratio (%) (pre-floor ratio)	26.19
7	Total capital ratio (%)	26.19
7a	Total capital ratio with transitional arrangements for ECL provisioning not applied (%)	-
7b	Total capital ratio (%) (pre-floor ratio)	26.19
<b>Additional CET1 buffer requirements as a percentage of RWA</b>		
8	Capital conservation buffer requirement (2.5% from 2019) (%)	-
9	Countercyclical buffer requirement (%)	-
10	Bank G-SIB and/or D-SIB additional requirements (%) [Not applicable for SMSBs]	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	-
12	CET1 available after meeting the bank's minimum capital requirements (%)	-
<b>Basel III leverage ratio</b>		
13	Total Basel III leverage ratio exposure measure	17,629,815
14	Basel III leverage ratio (row 2 / row 13)	5.77%
14a	Basel III leverage ratio (row 2a / row 13) with transitional arrangements for ECL provisioning not applied	-

## OVA: Bank risk management approach

CIBC Mellon maintains an Enterprise Risk Management Framework Policy which the standards and requirements regarding the identification, measurement, management, monitoring and escalation of credit, market, liquidity, capital, operational, regulatory, reputation and strategic risks across the enterprise. The Framework provides assurance that a continuous risk management process is in place in CIBC Mellon's Business Units and across the enterprise. It provides assurance to directors, shareholders and regulators that there is an appropriate risk management structure.

The Framework encompasses all senior management committees and requires that Risk Management have direct access to, or membership on these committees. The structure of the Framework, in conjunction with the oversight provided by the Governance Partners, the Risk Committees and management ensures that CIBC Mellon manages risk to remain aligned with the Boards-approved Risk Appetite Statement.

CIBC Mellon has a number of supporting policies, including the Stress Testing Framework Policy which outlines standards and requirements around the performance and management of stress testing activities (scenario and sensitivity analysis) within CIBC Mellon. The Policy includes roles and responsibilities of all groups involved, and ensures that a corporate-wide coordinated approach is in place. Elements of this policy are principles-based, consistent with The Office of the Superintendent of Financial Institution's (OSFI) E-18 Stress Testing Guideline.

The Risk Management Group is responsible for providing oversight and ongoing monitoring of the Framework and the Stress Testing Policy, and for appropriately disclosing the risk metrics, review and analysis of those metrics and an escalation of major risk issues to senior management and the Boards.

## Modified CC1: Composition of regulatory capital for SMSBs

(\$ thousands)

Modified Capital Disclosure Template		Q4 2022		Q1 2023		Q2 2023		Q3 2023		Q4 2023	
		All-in	Transitional	All-in	Transitional	All-in	Transitional	All-in	Transitional	All-in	Transitional
<b>Common Equity Tier 1 capital: instruments and reserves</b>											
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	199,789		199,789		199,789		199,789		199,789	
2	Retained earnings	981,404		1,011,773		1,038,997		1,065,393		1,094,772	
3	Accumulated other comprehensive income (and other reserves)	-420,678		-320,948		-277,649		-289,842		-277,392	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	N/A		N/A		N/A		N/A		N/A	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	N/A		N/A		N/A		N/A		N/A	
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	760,515		890,614		961,137		975,340		1,017,169	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>											
28	Total regulatory adjustments to Common Equity Tier 1	-		-		-		-		-	
29	<b>Common Equity Tier 1 capital (CET1)</b>	760,515		890,614		961,137		975,340		1,017,169	
<b>Additional Tier 1 capital: instruments</b>											
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	N/A		N/A		N/A		N/A		N/A	
31	of which: classified as equity under applicable accounting standards	N/A		N/A		N/A		N/A		N/A	
32	of which: classified as liabilities under applicable accounting standards	N/A		N/A		N/A		N/A		N/A	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	N/A		N/A		N/A		N/A		N/A	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	N/A		N/A		N/A		N/A		N/A	
35	of which: instruments issued by subsidiaries subject to phase out	N/A		N/A		N/A		N/A		N/A	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	N/A		N/A		N/A		N/A		N/A	
<b>Additional Tier 1 capital: regulatory adjustments</b>											
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	N/A		N/A		N/A		N/A		N/A	
44	<b>Additional Tier 1 capital (AT1)</b>	N/A		N/A		N/A		N/A		N/A	

45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	760,515		890,614		961,137		975,340		1,017,169	
<b>Tier 2 capital: instruments and provisions</b>											
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	N/A		N/A		N/A		N/A		N/A	
47	Directly issued capital instruments subject to phase out from Tier 2	N/A		N/A		N/A		N/A		N/A	
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 group Tier 2)	N/A		N/A		N/A		N/A		N/A	
49	of which: instruments issued by subsidiaries subject to phase out	N/A		N/A		N/A		N/A		N/A	
50	Collective provisions	N/A		N/A		N/A		N/A		N/A	
51	<b>Tier 2 capital before regulatory adjustments</b>	N/A		N/A		N/A		N/A		N/A	
<b>Tier 2 capital: regulatory adjustments</b>											
57	<b>Total regulatory adjustments to Tier 2 capital</b>	N/A		N/A		N/A		N/A		N/A	
58	<b>Tier 2 capital (T2)</b>	N/A		N/A		N/A		N/A		N/A	
59	<b>Total capital (TC = T1 + T2)</b>	760,515		890,614		961,137		975,340		1,017,169	
60	<b>Total risk weighted assets <sup>(1)</sup></b>	3,112,863		3,319,532		4,055,339		3,238,619		3,883,979	
<b>Capital ratios</b>											
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	24.43		26.83		23.70		30.12		26.19	
62	Tier 1 (as a percentage of risk weighted assets)	24.43		26.83		23.70		30.12		26.19	
63	Total capital (as percentage of risk-weighted assets)	24.43		26.83		23.70		30.12		26.19	
<b>OSFI – all-in-target</b>											
69	Common Equity Tier 1 all-in target ratio	7.00		7.00		7.00		7.00		7.00	
70	Tier 1 capital all-in target ratio	8.50		8.50		8.50		8.50		8.50	
71	Total capital all-in target ratio	10.50		10.50		10.50		10.50		10.50	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>											
80	Current cap on CET1 instruments subject to phase out arrangements	N/A		N/A		N/A		N/A		N/A	
81	Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A		N/A		N/A		N/A		N/A	
82	Current cap on AT1 instruments subject to phase out arrangements	N/A		N/A		N/A		N/A		N/A	
83	Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A		N/A		N/A		N/A		N/A	
84	Current cap on T2 instruments subject to phase out arrangements	N/A		N/A		N/A		N/A		N/A	
85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A		N/A		N/A		N/A		N/A	

CounterCyclical Capital Buffer	Exposure		Exposure		Exposure		Exposure		Exposure	
	Percentage	Buffer Rate	Percentage	Buffer Rate	Percentage	Buffer Rate	Percentage	Buffer Rate	Percentage	Buffer Rate
Japan	15%	0.00%	11%	0.00%	13%	0.00%	15%	0.00%	16%	0.00%
United States	85%	0.00%	89%	0.00%	87%	0.00%	85%	0.00%	68%	0.00%
Canada	0%	0.00%	0%	0.00%	0%	0.00%	0%	0.00%	16%	0.00%
France	8%	0.00%	0%	0.00%	0%	0.00%	0%	0.00%	0%	0.00%
<b>Total CounterCyclical Buffer</b>	100%	0.00%	100%	0.00%	100%	0.00%	100%	0.00%	100%	0.00%

<sup>(1)</sup> Effective Q2/23, RWAs have been calculated in accordance with the Basel III reforms.



## Template LR2: Leverage ratio common disclosure template

(\$ thousands)

		Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
<b>Modified Leverage Ratio Disclosure Template</b>						
<b>On Balance Sheet Exposures</b>						
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	15,667,582	15,019,559	14,403,033	15,676,992	14,452,698
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	-	-	-	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-	-
4	(Asset amounts deducted in determining Tier 1 capital)	-	-	-	-	-
5	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)	15,667,582	15,019,559	14,403,033	15,676,992	14,452,698
<b>Derivative Exposures</b>						
6	Replacement cost associated with all derivative transactions	-	-	-	-	-
7	Add-on amounts for potential future exposure associated with all derivative transactions	-	-	-	-	-
8	(Exempted central counterparty-leg of client cleared trade exposures)	-	-	-	-	-
9	Adjusted effective notional amount of written credit derivatives	-	-	-	-	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-
11	Total derivative exposures (sum of lines 6 to 10)	-	-	-	-	-
<b>Securities financing transaction exposures</b>						
12	Gross SFT assets recognised for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	3,116,075	3,534,384	4,094,892	2,514,020	3,177,061
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-	-
14	Counterparty credit risk (CCR) exposure for SFTs	357	360	-	-	56
15	Agent transaction exposures	-	-	-	-	-
16	Total securities financing transaction exposures (sum of lines 12 to 15)	3,116,432	3,534,744	4,094,892	2,514,020	3,177,117
<b>Other off-balance sheet exposures</b>						
17	Off-balance sheet exposure at gross notional amount	-	-	-	-	-
18	(Adjustments for conversion to credit equivalent amounts)	-	-	-	-	-
19	Off-balance sheet items (sum of lines 17 and 18)	-	-	-	-	-
<b>Capital and Total Exposures</b>						
20	Tier 1 capital	760,515	890,614	961,137	975,340	1,017,169
21	Total Exposures (sum of lines 5, 11, 16 and 19)	18,784,014	18,554,303	18,497,925	18,191,012	17,629,815
<b>Leverage Ratios</b>						
22	Basel III leverage ratio	4.05%	4.80%	5.20%	5.36%	5.77%

## CRA: General qualitative information about credit risk

The Credit Risk Management Policy outlines CIBC Mellon's principles, standards and requirements, and roles and responsibilities as it relates to the management of credit risk. This includes the identification, assessment, and approval of all associated credit risk limits adjudicated by the Company.

### Key Principles of Credit Risk Management:

The key principles that form the foundation of effective credit risk management include the following;

- Establish appropriate segregation of duties between management functions responsible for originating and managing exposures and risk groups responsible for the adjudication and oversight of such exposures;
- Maintain an appropriate hierarchy of approval requirements to ensure decision making authority is granted to those with appropriate experience and skills;
- Document investment risk policies and standards and the process for obtaining approval of changes to them;
- Quantify risk in a consistent manner with the support of risk rating models;
- Conduct an appropriate level of due diligence and analysis for each issuer/facility/transaction;
- Approve new facilities only where risk is acceptable;
- Establish limits to control key concentrations of risk and monitor for compliance;
- Monitor risk on an ongoing basis, based on the type and level of risk, both at the account and portfolio levels;
- Identify situations where risk is deteriorating and take appropriate steps to mitigate exposure;
- Implement a reporting framework to facilitate identification and escalation of risk issues;
- Obtain and retain information relevant to risk qualification, risk decisions, monitoring, and control to support the risk measurement and management process, including validation of risk measurement methodologies; and
- Establish standards for accuracy, timeliness, completeness, and security of key risk data and for testing of data integrity.

Processes in place are subject to regular review. Maximum limits are documented, approved by the CIBC Mellon Board of Directors on an annual basis.

## CR1: Credit quality of assets

(\$ thousands)

		Q4/23						
		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans	1,012	1,541,629	-	-	-	-	1,542,641
2	Debt Securities	-	12,885,669	112	-	112	-	12,885,557
3	Off-balance sheet exposures	-	-	-	-	-	-	-
4	Total	1,012	14,427,298	112	-	112	-	14,428,198

### CR1: Credit quality of assets (cont'd)

(\$ thousands)

		Q3/23						
		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans	1,078	762,339	-	-	-	-	763,417
2	Debt Securities	-	13,582,050	142	-	142	-	13,581,908
3	Off-balance sheet exposures	-	-	-	-	-	-	-
4	Total	1,078	14,344,389	142	-	142	-	14,345,325

## CR1: Credit quality of assets (cont'd)

(\$ thousands)

		Q2/23						
		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General		
1	Loans	269	1,229,846	-	-	-	-	1,230,115
2	Debt Securities	-	13,853,666	165	-	165	-	13,853,501
3	Off-balance sheet exposures	-	-	-	-	-	-	-
4	Total	269	15,083,512	165	-	165	-	15,083,616

## **CRC: Qualitative disclosure related to credit risk mitigation techniques**

CIBC Mellon does not engage in any derivative activities, but may pledge assets in order to meet financial obligations through overnight repurchase agreements or if opportunities exist, through term repurchase agreements.

CIBC Mellon has in place a Pledging Policy, aligning with the Office of the Superintendent of Financial Institutions' B-11 Guideline, which outlines the requirements for pledging assets.

The Treasury Group has responsibility for all CMT pledging activities, which include pledging assets to support repurchase agreements governed under a Global Master Repurchase Agreement. Activity is subject to approved counterparty limits.

### CR3: Credit risk mitigation techniques – overview

(\$ thousands)

		Q4/23				
		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	1,542,641	-	-	-	-
2	Debt securities	12,885,557	-	-	-	-
3	Total	14,428,198	-	-	-	-
4	Of which defaulted	1,012	-	-	-	-

### CR3: Credit risk mitigation techniques – overview (cont'd)

(\$ thousands)

		Q3/23				
		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	763,417	-	-	-	-
2	Debt securities	13,581,908	-	-	-	-
3	Total	14,345,325	-	-	-	-
4	Of which defaulted	1,078	-	-	-	-



### CR3: Credit risk mitigation techniques – overview (cont'd)

(\$ thousands)

		Q2/23				
		a	b	c	d	e
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	1,230,115	-	-	-	-
2	Debt securities	13,853,501	-	-	-	-
3	Total	15,083,616	-	-	-	-
4	Of which defaulted	269	-	-	-	-

## CR4: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

(\$ thousands)

Asset Classes		Q4/23					
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	6,874,077	-	6,874,077	-	-	0%
2	Public sector entities (PSEs)	379,246	-	379,246	-	75,849	20%
3	Multilateral development banks	579,796	-	579,796	-	-	0%
4	Banks	7,383,925	-	7,078,984	-	1,568,320	22%
	Of which: securities firms and other financial institutions treated as banks	-	-	-	-	-	-
5	Covered bonds	-	-	-	-	-	-
6	Corporates	2,329,203	-	2,279,751	-	1,852,570	81%
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-
9	Real estate	-	-	-	-	-	-

9	Of which: general RRE	-	-	-	-	-	-
	Of which: IPRRE	-	-	-	-	-	-
	Of which: other RRE	-	-	-	-	-	-
	Of which: general CRE	-	-	-	-	-	-
	Of which: IPCRE	-	-	-	-	-	-
	Of which: land acquisition, development and construction	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-
12	Defaulted exposures	-	-	-	-	-	-
13	Other assets	83,512	-	83,512	-	99,652	119%
14	Total	17,629,759	-	17,275,366	-	3,596,391	21%

## CR5: Standardised approach – exposures by asset classes and risk weights

(\$ thousands)

Q4/23														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
Asset Classes	0%	10%	20%	30%	40%	50%	75%	80%	85%	100%	130%	150%	Others	Total credit exposure
Sovereigns and their central banks	6,874,077	-	-			-	-			-		-	-	6,874,077
Public sector entities (PSEs)	-	-	379,246			-	-			-		-	-	379,246
Multilateral development banks	579,796	-	-			-	-			-		-	-	579,796
Banks	-	-	5,818,282	1,128,442	-	132,260	-			-		-	-	7,078,984
Of which: securities firms and other financial institutions	-	-	-	-	-	-	-			-		-	-	-
Covered bonds	-	-	-	-	-	-	-			-		-	-	-
Corporates	-	-	234,928			456,797	45,384	-	-	1,541,630	-	1,012	-	2,279,751
Of which: securities firms and other financial institutions	-	-	-			-	-	-	-	-	-	-	-	-
Of which: specialised lending	-	-	-			-	-	-	-	-	-	-	-	-
Subordinated debt, equity and other capital	-	-	-			-	-			-		-	-	-
Retail	-	-	-			-	-			-		-	-	-
Of which: general RRE	-	-	-			-	-			-		-	-	-
Of which: IPRRE	-	-	-			-	-			-		-	-	-
Of which: other RRE	-	-	-			-	-			-		-	-	-
Of which: general CRE	-	-	-			-	-			-		-	-	-
Of which: IPCRE	-	-	-			-	-			-		-	-	-
Of which: land acquisition, development and construction	-	-	-			-	-			-		-	-	-
Reverse mortgages	-	-	-			-	-			-		-	-	-

Mortgage-backed securities	-	-	-			-	-		-	-		-	-	-
Defaulted exposures	-	-	-			-	-		-	-		-	-	-
Other assets	-	-	-			-	-		-	72,752		-	10,760	83,512
Total	7,453,873	-	6,432,456	1,128,442	-	589,057	45,384	-	-	1,614,382	-	1,012	10,760	17,275,366

		Q4/23			
		a	b	c	e
	Risk weight	On-balance sheet exposure	Off-balance sheet exposure(pre-CCF)	Weighted average CCF	Exposures(post-CCF and post-CRM)
1	Less than 40%	15,316,195	-	-	15,014,771
2	40-70%	640,156	-	-	589,057
3	75-80%	45,384	-	-	45,384
4	85%	-	-	-	-
5	90-100%	1,616,252	-	-	1,614,382
6	105-130%	-	-	-	-
7	150%	1,012	-	-	1,012
8	250%	10,760	-	-	10,760
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	17,629,759	-	-	17,275,366

## CCRA: Qualitative disclosure related to CCR

The Capital Markets Limits Policy outlines the types of limits in place to control issuer and counterparty exposure on CIBC Mellon's Treasury Book. The policy also outlines the terms and conditions of the limits, and the monitoring and reporting of the exposure against such limits.

Each credit request requires a documented Credit Application that identifies and assesses the level of credit risk associated with the proposed facility(ies). Credit requests are reviewed by Risk Management and are adjudicated by the CIBC Mellon Credit Committee.

An appropriate and risk-based level of due diligence and risk assessment is required for each facility. Creditworthiness and counterparty risk ratings must be monitored on an ongoing basis with action taken should negative trending in the risk profile occur.

New exposures will only be approved where risk is considered acceptable.

Credit facilities are managed to align credit with the risk appetite of CIBC Mellon. Portfolio management requirements include:

- Monitoring compliance to credit portfolio limits;
- Reviewing changes in the credit risk segmentation of the portfolio to identify undue concentration;
- Monitoring collateral to support Repo activities to compliance with policy criteria set to control wrong way risk and ensure appropriate diversification;
- Monitoring industry and economic trends to proactively identify risks/opportunities and incorporate them into credit risk management activities; and
- Identifying and monitoring potential events that could impact the level of credit risk of specific portfolios and triggering a reassessment of the portfolio as necessary.

## CCR1: Analysis of CCR exposures by approach

(\$ thousands)

		Q4/23					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	-	-		1.4	-	-
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					3,177,061	564,533
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	Value-at-risk (VaR) for SFTs					-	-
6	Total						564,533

## CCR1 : Analysis of CCR exposure by approach (cont'd)

(\$ thousands)

		Q3/23					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	-	-		1.4	-	-
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					2,514,020	391,484
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	Value-at-risk (VaR) for SFTs					-	-
6	Total						391,484



## CCR1 : Analysis of CCR exposure by approach (cont'd)

(\$ thousands)

		Q2/23					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	-	-		1.4	-	-
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					4,094,892	788,596
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	Value-at-risk (VaR) for SFTs					-	-
6	Total						788,596

### CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights

(\$ thousands)

Q4/23														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
Risk weight*→	0%	10%	20%	30%	40%	50%	75%	80%	85%	100%	130%	150%	Others	Total credit exposure
Regulatory portfolio*↓														
Sovereigns	-	-	-			-	-			-		-	-	-
Public sector entities (PSEs)	-	-	-			-	-			-		-	-	-
Multilateral development banks	-	-	-			-	-			-		-	-	-
Banks	-	-	56	-	-	-	-			-		-	-	56
Securities firms and other financial institutions treated as Banks	-	-	-	-	-	-	-			-		-	-	-
Corporates	-	-	-			-	-	-	-	-	-	-	-	-
Of which: specialised lending	-	-	-			-	-	-	-	-	-	-	-	-
Securities firms and other financial institutions treated as Corporate	-	-	-			-	-			-		-	-	-
Regulatory retail portfolios	-	-	-			-	-			-		-	-	-
Other assets	-	-	-			-	-			-		-	-	-
<b>Total</b>	-	-	56	-	-	-	-	-	-	-	-	-	-	56

### CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights (cont'd)

(\$ thousands)

Q3/23														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
Risk weight*→	0%	10%	20%	30%	40%	50%	75%	80%	85%	100%	130%	150%	Others	Total credit exposure
Regulatory portfolio*↓														
Sovereigns	-	-	-			-	-			-		-	-	-
Public sector entities (PSEs)	-	-	-			-	-			-		-	-	-
Multilateral development banks	-	-	-			-	-			-		-	-	-
Banks	-	-	-	-	-	-	-			-		-	-	-
Securities firms and other financial institutions treated as Banks	-	-	-	-	-	-	-			-		-	-	-
Corporates	-	-	-			-	-	-	-	-	-	-	-	-
Of which: specialised lending	-	-	-			-	-	-	-	-	-	-	-	-
Securities firms and other financial institutions treated as Corporate	-	-	-			-	-			-		-	-	-
Regulatory retail portfolios	-	-	-			-	-			-		-	-	-
Other assets	-	-	-			-	-			-		-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-

### CCR3: Standardised approach – CCR exposures by regulatory portfolio and risk weights (cont'd)

(\$ thousands)

Q2/23														
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
Risk weight*→	0%	10%	20%	30%	40%	50%	75%	80%	85%	100%	130%	150%	Others	Total credit exposure
Regulatory portfolio*↓														
Sovereigns	-	-	-			-	-			-		-	-	-
Public sector entities (PSEs)	-	-	-			-	-			-		-	-	-
Multilateral development banks	-	-	-			-	-			-		-	-	-
Banks	-	-	-	-	-	-	-			-		-	-	-
Securities firms and other financial institutions treated as Banks	-	-	-	-	-	-	-			-		-	-	-
Corporates	-	-	-			-	-	-	-	-	-	-	-	-
Of which: specialised lending	-	-	-			-	-	-	-	-	-	-	-	-
Securities firms and other financial institutions treated as Corporate	-	-	-			-	-			-		-	-	-
Regulatory retail portfolios	-	-	-			-	-			-		-	-	-
Other assets	-	-	-			-	-			-		-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## CCR5: Composition of collateral for CCR exposure

(\$ thousands)

		Q4/23					
		a	b	c	d	E	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash – domestic currency	-	-	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	2,265,938	556,078
4	Other sovereign debt	-	-	-	-	109,791	-
5	Government agency debt	-	-	-	-	564,140	-
6	Corporate bonds	-	-	-	-	260,843	-
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-
9	Total	-	-	-	-	-	-

## **ORA: General qualitative information on a bank's operational risk framework**

Operational risk management is fully integrated within the CIBC Mellon's overall risk management program and appropriately documented. The Operational Risk Policy outlines the standards and requirements regarding the identification, measurement, management, monitoring and escalation of operational risk across the enterprise. This policy complies with the Basel Committee on Banking Supervision's Principles for Sound Management of Operational Risk and is aligned with OSFI's operational risk guidance and requirements.

Operational risk management serves to support the overall corporate governance structure of CIBC Mellon; including the incorporation of operational risk metrics in the organization's risk appetite statement. CIBC Mellon ensures effective accountability for operational risk management. A 'three lines of defence' approach, serves to delineate the key practices of operational risk management and provide adequate independent overview and challenge.

CIBC Mellon ensures comprehensive identification and assessment of operational risk through the use of appropriate management tools. The maintenance and effective use of operational risk management tools provides a mechanism for collecting and communicating relevant operational risk information, within the organization and to relevant supervisory authorities.

The operational risk management processes are coordinated by CIBC Mellon's Risk Management Group. Utilizing concepts outlined in the Continuous Risk Management Process, operational risks are identified, managed, challenged and reported as appropriate using various tools including the Risk & Control Self-Assessment process, the Operational Risk Committee, Internal Audit reports and Key Risk Indicator reports. After review and discussion by Risk Management, any significant issues are escalated to senior management, the CEO, and the Board, by way of the Quarterly Risk Report.

## **IRRBB – Risk management objectives, policies and quantitative information**

Interest rate risk (IRR) primarily consists of the risk arising due to mismatches in assets and liabilities. The objective of IRR management is to lock in product spreads and deliver stable and predictable net interest income over time, while managing the risk to the economic value of our assets arising from changes in interest rates.

The Board delegates authority to the Asset Liability Management Committee (ALCO) to regularly review structural market risk positions and provide senior management oversight. In addition to Board-approved limits on IRR risk limits and economic value exposure incorporated into the risk appetite statement, ALCO determines more granular management limits are in place to guide day-to-day management of this risk.

ALCO limits are designed to manage the effects of potential interest rate movements. To monitor and control IRR two primary metrics are used: net interest income sensitivity and economic value of equity (EVE) risk. The net interest income sensitivity is a measure of the impact of potential changes in interest rates on the projected 12-month pre-tax net interest income of the company's portfolio of assets and liabilities in response to prescribed parallel interest rate movements with interest rates floored at zero. The EVE sensitivity is a measure of the impact of potential changes in interest rates on the market value of the bank's assets and liabilities in response to prescribed parallel interest rate movements with interest rates floored at zero.

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