



**CIBC Caribbean Bank (Cayman) Limited  
Market Discipline Disclosures (Pillar 3)  
For the period ended January 31, 2026**

## Table of Contents

<b>1. Overview and Purpose</b> .....	3
<b>2. Overview of Risk Management and Risk Weighted Assets (RWA)</b> .....	4
2.1 OV1 - Overview of Risk Weighted Assets .....	4
<b>3. Leverage Ratio</b> .....	4
3.1 LR1 - Summary Comparison of Accounting Assets vs Leverage Ratio Exposure .....	5
3.2 LR2 - Leverage Ratio .....	6
<b>4. Liquidity</b> .....	7
4.1 LIQ1 - Liquidity Coverage Ratio (LCR) .....	7
<b>5. Glossary</b> .....	9

## 1. Overview and Purpose<sup>1</sup>

This document contains the Market Discipline Disclosures (Pillar 3) for the period ended January 31, 2026, in respect of capital and risk management for CIBC Caribbean Bank (Cayman) Limited (“the Bank”).

The information contained in this Pillar 3 disclosure has been prepared in accordance with the Market Discipline Disclosure Requirements (Pillar 3) Rules and Guidelines (September 1, 2021) issued by the Cayman Islands Monetary Authority.

The aim of Pillar 3 is to encourage market discipline by allowing market participants to access key pieces of information regarding capital adequacy and risk management of institutions through a prescribed set of disclosure requirements.

These disclosures were reviewed and approved internally in line with our Board approved disclosure policy. The level of internal control processes for these disclosures are similar to those applied to the Bank’s annual Financial Reports.

All amounts in this document are in thousands of United States dollars, unless otherwise stated.

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<sup>1</sup> The information contained in this disclosure has not and is not required to be audited by the Bank’s external auditors and does not constitute any form of financial statement. The information should not be relied on in the making any judgement on the Bank.

## 2. Overview of Risk Management and Risk Weighted Assets (RWA)

### 2.1 OV1 - Overview of Risk Weighted Assets

The Risk Weighted Assets (RWA) are categorized under various risk frameworks and are calculated based on regulatory requirements.

#### Template OV1

US\$'000

		a	b	c
		RWA		Minimum capital requirements <sup>2</sup>
		Jan 2026	Oct 2025	Jan 2026
1	Credit risk (excluding counterparty credit risk) (CCR)	2,010,527	2,024,112	281,474
2	Securitisation exposures	-	-	-
3	Counterparty credit risk	711	830	100
4	Of which: current exposure method	711	830	100
5	Of which: standardized method	-	-	-
6	Market risk	41,904	38,402	5,867
7	Of which: Equity risk	-	-	-
8	Operational risk	307,144	300,276	43,000
9	Of which: Basic Indicator Approach	307,144	300,276	43,000
10	Of which: Standardised Approach	-	-	-
11	Of which: Alternative Standardised	-	-	-
12	Total (1+2+3+6+8)	2,360,286	2,363,620	330,441

Decrease in the RWA for credit risk was mainly due to reduction in undrawn loan commitments.

<sup>2</sup> The minimum capital requirement is 14%.

## 3. Leverage Ratio

### 3.1 LR1 - Summary Comparison of Accounting Assets vs Leverage Ratio Exposure

Reconciliation of the total assets in the financial statements with the leverage ratio exposure measure.

The exposure measure is calculated based on the regulatory requirements and comprises of on and off-balance assets.

#### Template LR1

US\$'000

	Jan 2026
1 Total consolidated assets as per financial statements	3,834,453
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4 Adjustments for temporary exemption of central bank reserves	-
5 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6 Adjustments for regular way purchases and sales of financial assets subject to trade date accounting	-
7 Adjustments for eligible cash pooling transactions	-
8 Adjustments for derivative financial instruments	1,587
9 Adjustment for securities financing transactions (i.e. repurchase agreements and similar secured lending)	-
10 Adjustment for off balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	260,284
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital <sup>1</sup>	(50,436)
12 Other adjustments <sup>2</sup>	70,461
13 Leverage ratio exposure measure	<b>4,116,349</b>

<sup>1</sup> This relates to Goodwill that is deducted from the balance sheet exposures for calculation of the leverage ratio in template LR2.

<sup>2</sup> Other adjustments consist of:

- Reclassification for general provisions on loans - This amount is reported with the assets on the financial statements but are reported with the liabilities on the quarterly prudential returns for regulatory reporting purposes.
- Reclassification for other assets - The credit balances for suspense accounts, stale dated cheques and items in course of collection that are reported in the overall other assets on the financial statements are individually identified and reported with the liabilities on quarterly prudential returns for regulatory reporting purposes.
- Reclassification for other liabilities - The debit balance for payroll liabilities that is reported in the overall other liabilities on the financial statements is identified and reported with the assets on quarterly prudential returns for regulatory reporting purposes.

## 3.2 LR2 - Leverage Ratio

The leverage ratio is a non-risk-based ratio established to supplement the risk-based capital requirements. The ratio is calculated using the regulatory capital and on/off balance sheet figures at a point in time. The Bank continues to manage its exposures to remain above the regulatory requirement as seen below.

### Template LR2

US\$'000

		Jan 2026	Oct 2025
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	3,904,914	3,635,357
2	Gross up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on balance sheet exposures that are deducted from Basel III Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Basel III Tier 1 capital and regulatory adjustments)	(50,436)	(50,436)
7	<b>Total on balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>3,854,478</b>	<b>3,584,921</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,249	1,451
9	Add on amounts for potential future exposure associated with all derivatives transactions	338	385
10	(Exempted central counterparty (CCP) leg of client cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add on deductions for written credit derivatives)	-	-
13	<b>Total derivative exposures (sum of rows 8 to 12)</b>	<b>1,587</b>	<b>1,836</b>
<b>Securities financing transaction exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance balance sheet exposure at gross notional amount	650,484	711,362
20	(Adjustments for conversion to credit equivalent amounts)	(390,200)	(413,216)
21	(Specific and general provisions associated with off balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>260,284</b>	<b>298,146</b>
<b>Capital and total exposures</b>			
23	Tier 1 capital	535,850	518,408
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>4,116,349</b>	<b>3,884,903</b>
<b>Leverage Ratio</b>			
25	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	13.0%	13.3%
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	13.0%	13.3%
26	National minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers		

On-balance sheet exposures increased mainly due to increase in Debt Securities held that attract a risk weight of 0% and higher balances held with other financial institutions. The Tier 1 capital increased due to net profits for financial year 2025 rolling into tier 1 capital as retained earnings brought forward.

## 4. Liquidity

### 4.1 LIQ1 - Liquidity Coverage Ratio (LCR)

Outlines the details of a bank's cash outflows and cash inflows, as well as its available high-quality liquid assets (HQLA), as measured and defined according to the Liquidity Cover Ratio standard.

#### Template LIQ1

US\$'000

		Total unweighted value (average)	Total weighted value (average)
<b>High-quality liquid assets</b>			
1	TOTAL HQLA		737,424
<b>Cash outflows</b>			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	67,905	3,395
4	Less stable deposits	508,178	40,777
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,183,317	291,410
7	Non-operational deposits (all counterparties)	635,114	541,543
8	Unsecured debt	-	-
9	Secured wholesale funding		
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	264,453	22,680
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	-	-
16	<b>TOTAL CASH OUTFLOWS</b>		899,806
<b>Cash inflows</b>			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	775,670	643,301
19	Other cash flows	47	47
20	<b>TOTAL CASH INFLOWS</b>		643,348
			<b>Total adjusted value</b>
21	Total HQLA		737,424
22	Total net cash outflows (line 16 amount less line 20)		256,458
23	Liquidity Coverage Ratio (%) (line 21 amount divided by line 22)		288%

The Bank's exposure to liquidity risk is governed by a Liquidity Management Policy and Framework approved by the Group Board and adopted by the Bank. The Asset and Liability Management Team is responsible for monitoring liquidity risk and adherence to the Liquidity Management Policy. Day-to-day management of liquidity is handled by the Treasury team. The Treasury team performs stress tests and scenario analysis to evaluate the impact of stresses on its liquidity position. The results are independently reviewed by the market risk function and reported to the Board of Directors quarterly.

The Bank maintains a stable pool of high-quality liquid assets (HQLA) reflecting the strength of its balance sheet and adequate short-term placements to cover cash flows under stress. The HQLA is made up of notes and coins, withdrawable balances at Central Bank and low risk marketable securities. The liquidity coverage ratio remained above regulatory requirements and management thresholds.

**Profile of HQLAs as at January 31, 2026**

Asset	Percentage
Level 1	99%
Level 2A	1%
Level 2B	0%

**LCR for each month in quarter**

US\$'000

	Nov 2025	Dec 2025	Jan 2026
HQLA	713,744	767,956	730,571
Outflows	993,712	869,079	836,627
Inflows	650,764	651,810	627,470
Net Outflows	342,948	217,270	209,157
<b>Ratio</b>	<b>208%</b>	<b>353%</b>	<b>349%</b>

**Average LCR Ratio for the quarter**

US\$'000

	Jan 2026	Oct 2025	Variance
HQLA	737,424	527,356	210,068
Outflows	899,806	860,121	39,685
Inflows	643,348	607,938	35,410
Net Outflows	256,458	252,183	4,275
<b>Ratio</b>	<b>288%</b>	<b>209%</b>	<b>78%</b>

The average LCR over the period moved from 209% at the end of October 2025 to 288% at the end of January 2026. The ratio increased by 78 percentage points over the period under review mainly due to:

- Increase in low risk marketable securities in the HQLA.

The Bank's foreign currency portfolio is deployed predominantly in HQLA.

The entity monitors the concentration of funding through large deposit exposures which are all within management thresholds and are monitored closely by the Asset and Liability Management Team. There are no significant currency mismatches.

## 5. Glossary

<b>Term</b>	<b>Definition</b>
CCR	Counterparty Credit Risk
HQLA	High Quality Liquid Assets
LCR	Liquidity Coverage Ratio
RWA	Risk Weighted Assets
SFT	Security Financing Transaction
The Bank	CIBC Caribbean Bank (Cayman) Limited
The Group	CIBC Caribbean Bank Limited (Parent Company)