

Consolidated statement of changes in equity

| Millions of Canadian dollars, for the year ended October 31 | 2018 | 2017 | 2016 |
|---|-------------------|-----------|-----------|
| Preferred shares (Note 15) | | | |
| Balance at beginning of year | \$ 1,797 | \$ 1,000 | \$ 1,000 |
| Issue of preferred shares | 450 | 800 | – |
| Treasury shares | 3 | (3) | – |
| Balance at end of year | \$ 2,250 | \$ 1,797 | \$ 1,000 |
| Common shares (Note 15) | | | |
| Balance at beginning of year | \$ 12,548 | \$ 8,026 | \$ 7,813 |
| Issued pursuant to the acquisition of The PrivateBank | 194 | 3,443 | – |
| Issued pursuant to the acquisition of Geneva Advisors | – | 126 | – |
| Issued pursuant to the acquisition of Wellington Financial | 47 | – | – |
| Other issue of common shares | 555 | 957 | 273 |
| Purchase of common shares for cancellation | (104) | – | (61) |
| Treasury shares | 3 | (4) | 1 |
| Balance at end of year | \$ 13,243 | \$ 12,548 | \$ 8,026 |
| Contributed surplus | | | |
| Balance at beginning of year | \$ 137 | \$ 72 | \$ 76 |
| Issue of replacement equity-settled awards pursuant to the acquisition of The PrivateBank | – | 72 | – |
| Compensation expense arising from equity-settled share-based awards | 31 | 7 | 5 |
| Exercise of stock options and settlement of other equity-settled share-based awards | (32) | (15) | (9) |
| Other | – | 1 | – |
| Balance at end of year | \$ 136 | \$ 137 | \$ 72 |
| Retained earnings | | | |
| Balance at beginning of year under IAS 39 | \$ 16,101 | \$ 13,584 | \$ 11,433 |
| Impact of adopting IFRS 9 at November 1, 2017 | (144) | n/a | n/a |
| Balance at beginning of year under IFRS 9 | 15,957 | n/a | n/a |
| Net income attributable to equity shareholders | 5,267 | 4,699 | 4,275 |
| Dividends (Note 15) | | | |
| Preferred | (89) | (52) | (38) |
| Common | (2,356) | (2,121) | (1,879) |
| Premium on purchase of common shares for cancellation | (313) | – | (209) |
| Realized gains (losses) on equity securities designated at FVOCI reclassified from AOCI | 49 | n/a | n/a |
| Other | 22 ⁽¹⁾ | (9) | 2 |
| Balance at end of year | \$ 18,537 | \$ 16,101 | \$ 13,584 |
| AOCI, net of income tax | | | |
| AOCI, net of income tax, that is subject to subsequent reclassification to net income | | | |
| Net foreign currency translation adjustments | | | |
| Balance at beginning of year | \$ 738 | \$ 1,114 | \$ 1,035 |
| Net change in foreign currency translation adjustments | 286 | (376) | 79 |
| Balance at end of year | \$ 1,024 | \$ 738 | \$ 1,114 |
| Net gains (losses) on debt securities measured at FVOCI (2017 and 2016: AFS debt and equity securities) | | | |
| Balance at beginning of year under IAS 39 | \$ 60 | \$ 161 | \$ 94 |
| Impact of adopting IFRS 9 at November 1, 2017 | (28) | n/a | n/a |
| Balance at beginning of year under IFRS 9 | 32 | n/a | n/a |
| Net change in securities measured at FVOCI | (171) | (101) | 67 |
| Balance at end of year | \$ (139) | \$ 60 | \$ 161 |
| Net gains (losses) on cash flow hedges | | | |
| Balance at beginning of year | \$ 33 | \$ 23 | \$ 22 |
| Net change in cash flow hedges | (51) | 10 | 1 |
| Balance at end of year | \$ (18) | \$ 33 | \$ 23 |
| AOCI, net of income tax, that is not subject to subsequent reclassification to net income | | | |
| Net gains (losses) on post-employment defined benefit plans | | | |
| Balance at beginning of year | \$ (369) | \$ (508) | \$ (118) |
| Net change in post-employment defined benefit plans | 226 | 139 | (390) |
| Balance at end of year | \$ (143) | \$ (369) | \$ (508) |
| Net gains (losses) due to fair value change of FVO liabilities attributable to changes in credit risk | | | |
| Balance at beginning of year | \$ (10) | \$ – | \$ 5 |
| Net change attributable to changes in credit risk | (2) | (10) | (5) |
| Balance at end of year | \$ (12) | \$ (10) | \$ – |
| Net gains (losses) on equity securities designated at FVOCI | | | |
| Impact of adopting IFRS 9 at November 1, 2017 | \$ 85 | n/a | n/a |
| Balance at beginning of year under IFRS 9 | 85 | n/a | n/a |
| Net gains (losses) on equity securities designated at FVOCI | 29 | n/a | n/a |
| Realized gains (losses) on equity securities designated at FVOCI reclassified to retained earnings ⁽²⁾ | (49) | n/a | n/a |
| Balance at end of year | \$ 65 | n/a | n/a |
| Total AOCI, net of income tax | \$ 777 | \$ 452 | \$ 790 |
| Non-controlling interests | | | |
| Balance at beginning of year under IAS 39 | \$ 202 | \$ 201 | \$ 193 |
| Impact of adopting IFRS 9 at November 1, 2017 | (4) | n/a | n/a |
| Balance at beginning of year under IFRS 9 | 198 | n/a | n/a |
| Net income attributable to non-controlling interests | 17 | 19 | 20 |
| Dividends | (31) | (8) | (19) |
| Other | (11) | (10) | 7 |
| Balance at end of year | \$ 173 | \$ 202 | \$ 201 |
| Equity at end of year | \$ 35,116 | \$ 31,237 | \$ 23,673 |

(1) Includes the recognition of loss carryforwards relating to foreign exchange translation amounts on CIBC's net investment in foreign operations that were previously reclassified to retained earnings as part of our transition to IFRS in 2012.

(2) Includes \$11 million of gains reclassified to retained earnings (2017: n/a; 2016: n/a), relating to our investments in equity-accounted associates and joint ventures.

n/a Not applicable.

The accompanying notes and shaded sections in "MD&A – Management of risk" are an integral part of these consolidated financial statements.