

***Management's Discussion and Analysis of Financial Condition and
Results of Operations***

CARDS II Trust[®]

For the Three and Nine Months Ended February 28, 2022

Dated: April 29, 2022

[®] Registered trademark of Canadian Imperial Bank of Commerce

This management discussion and analysis of financial condition and results of operations ("**MD&A**") for the three and nine months ended February 28, 2022 and dated April 29, 2022 should be read in conjunction with the CARDS II Trust[®] ("**CARDS II**" or the "**Trust**") unaudited financial statements as at and for the interim period ended February 28, 2022, audited financial statements for the year ended May 31, 2021, MD&A for the year ended May 31, 2021 and the annual information form for the year ended May 31, 2021 (the "**2021 Annual Information Form**"). Capitalized terms used but not otherwise defined herein shall have the meaning attributed to them in the 2021 Annual Information Form or in the Trust's short form base shelf prospectus dated September 8, 2021. Additional information relating to the Trust, including the 2021 Annual Information Form, the audited financial statements for the year ended May 31, 2021 and MD&A for the year ended May 31, 2021 may be found under the Trust's profile on SEDAR at www.sedar.com

Unless otherwise indicated, all dollar amounts herein are in Canadian dollars.

General

The Trust was established as a special purpose vehicle to issue, from time to time, securities backed by credit card receivables originated by Canadian Imperial Bank of Commerce ("**CIBC**" or the "**Seller**") (including for purposes hereof, any of its affiliates). The asset-backed securities (the "**Notes**") issued by the Trust will be secured by undivided co-ownership interests (the "**Ownership Interests**") in a revolving pool of credit card receivables and related assets (the "**Collateral**"). Although the Ownership Interests are sold to the Trust for legal purposes, under International Financial Reporting Standards ("**IFRS**"), the Trust is deemed to have originated a loan to the Seller in which the Ownership Interests are considered security for the loan (the "**Secured Loans**"). The Trust will not carry on any business except the issuance of asset-backed securities to finance the acquisition of undivided co-ownership interests in the Collateral pursuant to securitization transactions. In connection with such business, the Trust may have some continuing involvement in the administration of the Collateral.

The Seller of the Ownership Interests to the Trust is also the servicer of the Collateral (the "**Servicer**") pursuant to a third amended and restated pooling and servicing agreement dated as of July 27, 2020 (the "**Pooling and Servicing Agreement**"), entered into between the Trust and Computershare Trust Company of Canada (the "**Custodian**"), as agent, nominee and bare trustee for and on behalf of the Seller, the Co-Owners and the other Persons who from time to time are party to the Series Purchase Agreements, as further amended from time to time.

The Trust has entered into an amended and restated financial services agreement with CIBC as the financial services agent on February 8, 2008 (the "**Financial Services Agent**"). The Financial Services Agent's responsibilities include the day-to-day administration and operation of the Trust, the structuring and management of portfolio purchases and the monitoring of the portfolio.

CIBC and its affiliates may from time to time purchase asset-backed securities issued by the Trust, either at the time of their initial issuance or in the secondary market.

The Trust was constituted by a Declaration of Trust dated August 30, 2004 (as amended by an Amended and Restated Declaration of Trust dated September 16, 2004 and supplemented by the first supplemental to the Amended and Restated Declaration of Trust made as of January 22, 2008, a second supplemental to the Amended and Restated Declaration of Trust made as of April 15, 2010 and a third supplemental to the Amended and Restated Declaration of Trust made as of January 23, 2015).

On October 29, 2015, the Trust purchased an Ownership Interest from CIBC in the amount of \$856 million. The purchase was financed by the issuance of Credit Card Receivables-Backed Notes, Series 2015-3 (the "**Series 2015-3 Notes**") pursuant to a short form base shelf prospectus dated July 14, 2014 and a corresponding pricing supplement dated October 22, 2015 (the "**Series 2015-3 Offering**"). The Series 2015-3 Notes consisted of two classes of Notes: Class A Notes and Class B Notes. The Class B Notes served as credit support for the Class A Notes. All of the Series 2015-3 Notes were qualified under the Series 2015-3 Offering; however, only the Class A Notes were acquired by investors other than CIBC or any of its affiliates and were rated "AAA (sf)" by DBRS Limited and "AAAsf" by Fitch Ratings, Inc. The Series 2015-3 Notes were secured by the Related Collateral only and were not interests in or obligations of CIBC. The Series 2015-3 Notes were paid in full on their maturity date of October 15, 2020.

On November 15, 2017, the Trust purchased an Ownership Interest from CIBC in the amount of \$752 million. The purchase was financed by the private placement of Credit Card Receivables-Backed Notes, Series 2017-2 (the "**Series 2017-2 Notes**"). The Series 2017-2 Notes consisted of two classes of Notes: Class A Notes and Class B Notes. The Class B Notes served as credit support for the Class A Notes. The Class A Notes were denominated in USD. The Class B Notes were acquired by CIBC and/or its affiliates from the Trust pursuant to applicable statutory prospectus and registration exemptions. The Series 2017-2 Notes were secured by the Related Collateral only and were not interests in or obligations of CIBC. On the same date, the Trust entered into a cross-currency interest rate swap agreement with CIBC as the swap counterparty. Under this swap agreement, the Trust was obligated to pay a fixed interest rate of 1.72% per annum on the Canadian dollar equivalent of the outstanding principal amount of the Class A Notes and was entitled to receive a floating interest rate of 1-month USD-LIBOR plus 0.26% per annum on the outstanding principal amount of the Class A Notes, which floating amount represented the interest to be paid to the Class A Noteholders. The Trust had accounted for this cross-currency interest rate swap contract at fair value on its statements of net assets (liabilities). The Series 2017-2 Notes were paid in full on their maturity date of October 15, 2019 and the swap agreement related to the Series 2017-2 Notes was terminated on that date.

On May 11, 2018, the Trust purchased an Ownership Interest from CIBC in the amount of \$796 million. The purchase was financed by the private placement of Credit Card Receivables-Backed Notes, Series 2018-1 (the "**Series 2018-1 Notes**"). The Series 2018-1 Notes consisted of two classes of Notes: Class A Notes and Class B Notes. The Class B Notes served as credit support for the Class A Notes. The Class A Notes were denominated in USD. The Class B Notes were acquired by CIBC and/or its affiliates from the Trust pursuant to applicable statutory prospectus and registration exemptions. The Series 2018-1 Notes were secured by the Related Collateral only and were not interests in or obligations of CIBC. On the same date, the Trust entered into a cross-currency interest rate swap agreement with CIBC as the swap counterparty. Under this swap agreement, the Trust was obligated

to pay a fixed interest rate of 2.26% per annum on the Canadian dollar equivalent of the outstanding principal amount of the Class A Notes and was entitled to receive a floating interest rate of 1-month USD-LIBOR plus 0.35% per annum on the outstanding principal amount of the Class A Notes, which floating amount represented the interest to be paid to the Class A Noteholders. The Trust had accounted for this cross-currency interest rate swap contract at fair value on its statements of net assets (liabilities). The Series 2018-1 Notes were paid in full on their maturity date of April 15, 2020 and the swap agreement related to the Series 2018-1 Notes was terminated on that date.

On May 11, 2018, the Trust purchased an Ownership Interest from CIBC in the amount of \$589 million. The purchase was financed by the private placement of Credit Card Receivables-Backed Notes, Series 2018-2 (the "**Series 2018-2 Notes**"). The Series 2018-2 Notes consisted of two classes of Notes: Class A Notes and Class B Notes. The Class B Notes served as credit support for the Class A Notes. The Class A Notes were denominated in USD. The Class B Notes were acquired by CIBC and/or its affiliates from the Trust pursuant to applicable statutory prospectus and registration exemptions. The Series 2018-2 Notes were secured by the Related Collateral only and were not interests in or obligations of CIBC. On the same date, the Trust entered into a cross-currency interest rate swap agreement with CIBC as the swap counterparty. Under this swap agreement, the Trust was obligated to pay a fixed interest rate of 2.39% per annum on the Canadian dollar equivalent of the outstanding principal amount of the Class A Notes and was entitled to receive a fixed interest rate of 3.047% per annum on the outstanding US dollar principal amount of the Class A Notes, which fixed amount represented the interest to be paid to the Class A Noteholders. The Trust had accounted for this cross-currency interest rate swap contract at fair value on its statements of net assets (liabilities). The Series 2018-2 Notes were paid in full on their maturity date of April 15, 2020 and the swap agreement related to the Series 2018-2 Notes was terminated on that date.

On June 7, 2019, the Trust purchased an Ownership Interest from CIBC in the amount of \$875 million. The purchase was financed by the private placement of Credit Card Receivables-Backed Notes, Series 2019-1 (the "**Series 2019-1 Notes**"). The Series 2019-1 Notes consisted of three classes of Notes: Class A Notes, Class B Notes and Class C Notes. The Class B Notes and Class C Notes served as credit support for the Class A Notes, and the Class C Notes served as credit support for the Class B Notes. The Class A Notes were denominated in USD. Some of the Class C Notes were acquired by CIBC and/or its affiliates from the Trust pursuant to applicable statutory prospectus exemptions. The Series 2019-1 Notes were secured by the Related Collateral only and were not interests in or obligations of CIBC. On the same date, the Trust entered into a cross-currency interest rate swap agreement with CIBC as the swap counterparty. Under this swap agreement, the Trust was obligated to pay a fixed interest rate of 1.87% per annum on the Canadian dollar equivalent of the outstanding principal amount of the Class A Notes and was entitled to receive a floating interest rate of 1-month USD-LIBOR plus 0.39% per annum on the outstanding principal amount of the Class A Notes, which floating amount represented the interest to be paid to the Class A Noteholders. The Trust had accounted for this cross-currency interest rate swap contract at fair value on its statements of net assets (liabilities). The Series 2019-1 Notes were paid in full on their maturity date of May 17, 2021 and the swap agreement related to the Series 2019-1 Notes was terminated on that date.

On November 15, 2019, the Trust purchased an Ownership Interest from CIBC in the amount of \$809 million. The purchase was financed by the issuance of Credit Card Receivables-Backed Notes, Series 2019-2 (the "**Series 2019-2 Notes**") pursuant to a short form base shelf prospectus dated January 18, 2019 and a corresponding pricing supplement dated November 7, 2019 (the "**Series 2019-2 Offering**"). The Series 2019-2 Notes consist of three classes of Notes: Class A Notes, Class B Notes and Class C Notes. The Class B Notes and Class C Notes serve as credit support for the Class A Notes, and the Class C Notes serve as credit support for the Class B Notes. All of the Series 2019-2 Notes were qualified under the Series 2019-2 Offering. The Class A Notes are rated "AAA (sf)" by DBRS Limited and "AAAsf" by Fitch Ratings, Inc.; the Class B Notes are rated A (sf) by DBRS Limited and "Asf" by Fitch Ratings, Inc. and the Class C Notes are rated BBB (sf) by DBRS Limited and "BBBsf" by Fitch Ratings, Inc. The Series 2019-2 Notes are secured by the Related Collateral only and are not interests in or obligations of CIBC.

On May 12, 2021, the Trust purchased an Ownership Interest from CIBC in the amount of \$920 million. The purchase was financed by the private placement of Credit Card Receivables-Backed Notes, Series 2021-1 (the "**Series 2021-1 Notes**"). The Series 2021-1 Notes consist of three classes of Notes: Class A Notes, Class B Notes and Class C Notes. The Class B Notes and Class C Notes serve as credit support for the Class A Notes, and the Class C Notes serve as credit support for the Class B Notes. The Class A Notes, Class B Notes and Class C Notes are denominated in USD. The Series 2021-1 Notes are secured by the Related Collateral only and are not interests in or obligations of CIBC. On the same date, the Trust entered into cross-currency interest rate swap agreements with CIBC as the swap counterparty. Under the Series 2021-1 Class A swap agreement, the Trust is obligated to pay a fixed interest rate of 0.870% per annum on the Canadian dollar equivalent of the outstanding principal amount of the Class A Notes and is entitled to receive a fixed interest rate of 0.602% per annum on the outstanding principal amount of the Class A Notes, which fixed amount represents the interest to be paid to the Class A Noteholders. Under the Series 2021-1 Class B swap agreement, the Trust is obligated to pay a fixed interest rate of 1.200% per annum on the Canadian dollar equivalent of the outstanding principal amount of the Class B Notes and is entitled to receive a fixed interest rate of 0.931% per annum on the outstanding principal amount of the Class B Notes, which fixed amount represents the interest to be paid to the Class B Noteholders. Under the Series 2021-1 Class C swap agreement, the Trust is obligated to pay a fixed interest rate of 1.470% per annum on the Canadian dollar equivalent of the outstanding principal amount of the Class C Notes and is entitled to receive a fixed interest rate of 1.200% per annum on the outstanding principal amount of the Class C Notes, which fixed amount represents the interest to be paid to the Class C Noteholders. The Trust has accounted for these cross-currency interest rate swap contracts at fair value on its statements of net assets (liabilities).

On January 27, 2022, the Trust purchased an Ownership Interest from CIBC in the amount of \$1,617 million. The purchase was financed by the private placement of Credit Card Receivables-Backed Notes, Series 2022-1 Class A Notes (the "**Series 2022-1 Class A Notes**") and the issuance of Credit Card Receivables-Backed Notes, Series 2022-1 Class B Notes (the "**Series 2022-1 Class B Notes**") and Credit Card Receivables-Backed Notes, Series 2022-1 Class C Notes (the "**Series 2022-1 Class C Notes**", and together with the Series 2022-1 Class A Notes and the Series 2022-1 Class B Notes, the "**Series 2022-1 Notes**") pursuant to a short form base shelf prospectus dated September 8, 2021 and a corresponding pricing supplement dated January 20, 2022 (the "**Series 2022-1 Offering**").

The Series 2022-1 Notes consist of three classes of Notes: Class A Notes, Class B Notes and Class C Notes. The Class B Notes and Class C Notes serve as credit support for the Class A Notes, and the Class C Notes serve as credit support for the Class B Notes. The Class A Notes were acquired by CIBC and/or its affiliates from the Trust pursuant to a statutory prospectus exemption. The Class A Notes are rated "AAA (sf)" by DBRS Limited and "AAAsf" by Fitch Ratings, Inc.; the Class B Notes are rated A (sf) by DBRS Limited and "Asf" by Fitch Ratings, Inc. and the Class C Notes are rated BBB (sf) by DBRS Limited and "BBBs" by Fitch Ratings, Inc. The Series 2022-1 Notes are secured by the Related Collateral only and are not interests in or obligations of CIBC.

The following is a summary of the Notes outstanding:

Notes Outstanding				
(in thousands of Canadian dollars)				
	Maturity Date	As at February 28, 2022 \$	As at May 31, 2021 \$	As at May 31, 2020 \$
Series 2015-3				
Class A Notes @ 2.155%	October 15, 2020	-	-	800,000
Class B Notes @ 3.605%	October 15, 2020	-	-	55,615
Series 2019-1				
USD Class A Floating Rate Notes @ 1-month USD-LIBOR + 0.39%	May 17, 2021	-	-	826,020 ¹
Class B Floating Rate Notes @ 1-month CDOR + 0.81%	May 17, 2021	-	-	41,544
Class C Floating Rate Notes @ 1-month CDOR + 1.28%	May 17, 2021	-	-	21,866
Series 2019-2				
Class A Notes @ 2.427%	November 15, 2024	750,000	750,000	750,000
Class B Notes @ 3.127%	November 15, 2024	38,410	38,410	38,410
Class C Notes @ 3.877%	November 15, 2024	20,216	20,216	20,216
Series 2021-1				
USD Class A Notes @ 0.602%	April 15, 2024	887,110 ⁵	844,690 ²	-
USD Class B Notes @ 0.931%	April 15, 2024	45,433 ⁶	43,260 ³	-
USD Class C Notes @ 1.200%	April 15, 2024	23,911 ⁷	22,768 ⁴	-
Series 2022-1				
Class A Notes @ 2.229%	January 15, 2025	1,500,000	-	-
Class B Notes @ 2.809%	January 15, 2025	76,820	-	-
Class C Notes @ 3.609%	January 15, 2025	40,432	-	-
		3,382,332	1,719,344	2,553,671

¹ \$600 million USD converted to Canadian dollars at the May 31, 2020 conversion rate of 1.3767.

² \$700 million USD converted to Canadian dollars at the May 31, 2021 conversion rate of 1.2067.

³ \$35.850 million USD converted to Canadian dollars at the May 31, 2021 conversion rate of 1.2067.

⁴ \$18.868 million USD converted to Canadian dollars at the May 31, 2021 conversion rate of 1.2067.

⁵ \$700 million USD converted to Canadian dollars at the February 28, 2022 conversion rate of 1.2673.

⁶ \$35.850 million USD converted to Canadian dollars at the February 28, 2022 conversion rate of 1.2673.

⁷ \$18.868 million USD converted to Canadian dollars at the February 28, 2022 conversion rate of 1.2673.

The segregated eligible deposit accounts maintained by the Custodian and designated as cash reserve accounts (the "**Cash Reserve Accounts**") are periodically funded by the Seller based on certain pre-determined events. Amounts in each of the Cash Reserve Accounts are held by the Custodian and will be distributed to the Trust if all payments (including recoveries under defaulted accounts) received by CIBC, as Servicer (such payments, the "**Collections**"), and other amounts received by the Trust in respect of the related Ownership Interest are insufficient to meet the Trust's obligations pursuant to the terms of the related Series of Notes.

A minimum of three months prior to the related Accumulation Commencement Day, the pre-accumulation reserve period (the "**Pre-Accumulation Reserve Period**") will commence. During the Pre-Accumulation Reserve Period of a Series Ownership Interest, the amount of Collections related to such Ownership Interest as specified in the related Series Purchase Agreement (the "**Series Available Collections**"), if available, will be remitted to the related

Cash Reserve Account and will be available to mitigate negative carry during the accumulation period (the "**Accumulation Period**") specified in the related Series Purchase Agreement. Each Cash Reserve Account can be used to fund any shortfall in payment on the related Series of Notes on the related maturity date due to any differences between the interest payable on such Notes and the interest earned on Eligible Investments in respect of amounts deposited to the related accumulations account (the "**Accumulations Account**") or earned on any balances remaining in the related Accumulations Account during the related Accumulation Period. During the Pre-Accumulation Reserve Period, the Servicer is required to deposit the Series Available Collections to the related Cash Reserve Account until the amount deposited in such Cash Reserve Account is equal to the Required Cash Reserve Amount as defined in the Series Purchase Agreement for the related Ownership Interest. The purpose of each Accumulation Period is to accumulate the Collections sufficient to repay all principal amounts owing under the Series 2019-2 Notes, the Series 2021-1 Notes and the Series 2022-1 Notes and all accrued series interest and additional funding expenses on the related maturity date which is the date specified in the related Series Purchase Agreement. During each month in the Accumulation Period, a portion of Collections (the "**Monthly Accumulation Principal Amount**") is deposited in the segregated eligible deposit account established in the name of the related Co-Owner in accordance with the Pooling and Servicing Agreement and the related Series Purchase Agreement for the purpose of depositing therein the Invested Amount of the related Ownership Interest.

The following table indicates the date the Accumulation Period will begin and the Maturity Date for the Series listed in the table below:

Series	Accumulation Period	
	Commencement Date	Maturity Date
2019-2	May 1, 2024	November 15, 2024
2021-1	October 1, 2023	April 15, 2024
2022-1	July 1, 2024	January 15, 2025

Overall Performance

Performance of the Collateral

In response to the hardship experienced due to the novel coronavirus ("**COVID-19**") pandemic, governments and various companies have provided some form of financial relief to Canadians in need of support. CIBC has provided financial relief to its credit card customers facing financial hardship during the COVID-19 pandemic. This included certain CIBC credit card customers receiving financial relief whereby they were able to temporarily defer minimum payments on their CIBC credit cards for up to 4 statement periods starting in the month of March 2020 and ending with the June 30, 2020 statements (the "**Payment Deferral Period**") and receiving a rebate on their interest charges so that the effective interest rate on their CIBC credit cards was reduced to 10.99% for their Payment Deferral Period ("**Reduced APR**" and together with the Payment Deferral Period and other forms of relief CIBC offered its credit card customers, the "**COVID-19 Relief Measures**"). The performance metrics in respect of the Collateral reflect the impact of the COVID-19 Relief Measures and other forms of government relief during the COVID-19 pandemic, as well as changes in consumer spending patterns and reduced bankruptcy filings during the

COVID-19 pandemic on yields, payment rates and delinquencies and other performance data for the Collateral.

CIBC continues to adapt its operating model with a focus on the ongoing safety of its team members, including those working on-site since the start of the pandemic. CIBC is implementing a thoughtful plan to return many of its team members who have been exclusively working remotely to the office. Under this plan, a number of team members began returning to the office in March, 2022, with many others returning in April, 2022. If CIBC becomes unable to operate its business from remote locations, including, for example, because of an internal or external failure of its information technology infrastructure, it experiences increased rates of employee illness or unavailability, or governmental restrictions are placed on its employees or operations, this could have an adverse effect on its business continuity status and result in disruptions to its credit card operations. CIBC may also take further actions as required by governmental authorities or that it otherwise determines are in the best interests of its customers, employees and business partners. In its capacity as Servicer, CIBC may also utilize third party vendors for certain business activities. While CIBC closely monitors the business continuity activities of these third parties, successful implementation and execution of their business continuity strategies are largely outside CIBC's control. If any transaction party is unable to adequately perform its obligations under the transaction documents due to a remote working environment, this may adversely impact the performance of the Collateral and the timing and amount of distributions on the Notes. Governmental and regulatory authorities have enacted, and may enact in the future, legislation, regulations and protocols in response to the COVID-19 pandemic, including governmental programs intended to provide economic relief to businesses and individuals. There remains significant uncertainty regarding the measures that governmental and regulatory authorities will enact in the future and the ultimate impact of the legislation, regulations and protocols that have been and will be enacted. Moreover, the effects of the COVID-19 pandemic may heighten many of the other known risks described under "**Investment Considerations**" in the Trust's short form base shelf prospectus dated September 8, 2021.

Losses in respect of the Collateral have decreased from 1.34% for the three months ended February 28, 2021 to 1.18% for the three months ended February 28, 2022. Receivables which were over 30 days delinquent have increased from 1.19% as of February 28, 2021 to 1.30% as of February 28, 2022. This decrease in losses in respect of the Collateral is due to the impact of the timing of the ending of the COVID-19 Relief Measures on prior year loss rates. Delinquencies have increased as part of the continued normalization of delinquency levels for the securitized portfolio.

Trends, Demands, Commitments, Events, and Uncertainties

The Trust participates in the Canadian asset securitization market. CIBC, which provides certain financial services for and on behalf of the Trust, has a wide range of expertise in the financial services industry. The Trust and CIBC and/or its affiliates assess securitization market conditions continually and may, from time to time, structure and bring to market new issues of asset-backed securities. The type of asset-backed securities and number of issues that may be offered will depend on various factors, including market demand, the availability of sufficient and appropriate pools of receivables to back the securities, overall financial market conditions, the activities of competitors, and the cost of related services. The Trust

does not operate any other business, other than the issuance of asset-backed securities and the purchase of associated financial assets, and is restricted from doing so, and any asset-backed securities will be secured solely by interests in assets subject to a custodial agreement or similar arrangement. The Trust is, however, subject to all ordinary commercial risks, including, without limitation, fraud relating to the assets or by the participants in the securitization transactions, changes in credit card use and payment patterns by cardholders resulting from economic, legal, and social factors, competition in the credit card industry, including with respect to incentive programs, changes to the terms of the accounts, changes in incentive programs offered by CIBC relating to the Collateral, including the continuation of such programs, the acceptance of certain credit cards by merchants, possible violations of consumer protection laws, or lack of performance under any related agreements.

The COVID-19 pandemic continues to disrupt the global economy, financial markets, supply chains and business productivity in unprecedented and unpredictable ways. While rising vaccination rates have supported a significant easing of restrictions imposed by governments around the world, progress towards full re-opening has been hindered by new and emerging variants of the virus. These factors, combined with continued vaccine hesitancy, remain a threat to the economic recovery. Future developments, such as the severity and duration of the pandemic, the emergence and progression of new variants, and actions taken by governments, monetary authorities, regulators, financial institutions and other third parties in response to a resurgence of cases, continue to impact CIBC's credit card business. To the extent that the COVID-19 pandemic, or any future epidemics or pandemics, causes material adverse impacts to CIBC's credit card business, the global economy and/or financial markets, it could materially and adversely affect the financial performance of the Collateral and payments on and the value of the Notes. The Financial Services Agent continues to monitor this situation and assess the impact to the Trust, the Collateral and the Notes.

Results of Operations

Revenue of the Trust

Each Ownership Interest securing a Secured Loan for accounting purposes represents the Trust's right to receive distributions with respect to the related co-ownership entitlements. Such entitlements reflect the Trust's interest and principal payment obligations under the related Notes and its related expenses, which will not exceed the portion of all Collections received in the pool of Receivables for the related Ownership Interest and the corresponding time period. Such co-ownership entitlements are reflected in the financial statements of the Trust as interest income from Secured Loans.

Revenue of the Trust is used to satisfy its interest obligations under the Notes and to pay its related expenses. During the three and nine months ended February 28, 2022, the revenue received was sufficient to meet the interest obligations of the Trust and to pay its related expenses during such period. Revenues decreased for the nine months ended February 28, 2022 relative to the nine months ended February 28, 2021 primarily because the average amount of Ownership Interests outstanding during the period from June 1, 2021 to February 28, 2022 was lower than the average amount of Ownership Interests outstanding during the period from June 1, 2020 to February 28, 2021. For the three months ended February 28, 2022, the net swap expense was \$0.53 million (for the three months ended February 28, 2021 – net swap expense of \$2.78 million). For the nine months ended

February 28, 2022, the net swap expense was \$1.74 million (for the nine months ended February 28, 2021 – net swap expense of \$8.13 million).

	Revenues (in thousands of Canadian dollars)					
	Three months ended			Nine months ended		
	February 28, 2022	February 28, 2021	February 29, 2020	February 28, 2022	February 28, 2021	February 29, 2020
	\$	\$	\$	\$	\$	\$
REVENUE						
Interest income from:						
Secured loans	10,385	8,861	19,261	24,716	33,539	59,698
Restricted cash and short-term investments	-	144	3,203	-	667	5,675
Derivative gain	-	-	1,208	-	-	26,223
Other	294	267	340	842	861	1,029
	10,679	9,272	24,012	25,558	35,067	92,625

Expenses of the Trust

For the three months ended February 28, 2022, interest expense on the Notes outstanding was \$9.85 million (for the three months ended February 28, 2021 – \$6.22 million). For the nine months ended February 28, 2022, interest expense on the Notes outstanding was \$22.98 million (for the nine months ended February 28, 2021 – \$26.08 million). Interest expense decreased for the nine months ended February 28, 2022 relative to the nine months ended February 28, 2021 primarily because the average amount of Ownership Interests outstanding during the period from June 1, 2021 to February 28, 2022 was lower than the average amount of Ownership Interests outstanding during the period from June 1, 2020 to February 28, 2021. Other expenses of the Trust, mainly comprised of rating agency fees, Indenture Trustee fees, Issuer Trustee fees, and Financial Services Agent fees, totaled \$0.29 million for the three months ended February 28, 2022 (for the three months ended February 28, 2021 – \$0.27 million) and for the nine months ended February 28, 2022 were \$0.84 million (for the nine months ended February 28, 2021 – \$0.86 million). Other expenses of the Trust also include a monthly accrual for audit fees and Custodian fees.

	Expenses (in thousands of Canadian dollars)					
	Three month ended			Nine month ended		
	February 28, 2022	February 28, 2021	February 29, 2020	February 28, 2022	February 28, 2021	February 29, 2020
	\$	\$	\$	\$	\$	\$
EXPENSES						
Interest expense on:						
Senior medium-term notes	8,859	5,508	21,272	20,634	23,172	65,757
Subordinated medium-term notes	995	712	2,399	2,342	2,907	6,820
Administration and other expenses	294	267	340	839	859	998
Derivative expense	530	2,784	-	1,740	8,126	-
	10,678	9,271	24,011	25,555	35,064	73,575

The following summarizes the interest expense of the Notes for the past eight quarters of the Trust:

Medium-Term Notes Interest Expense (in thousands of Canadian dollars)								
	Fiscal 2022			Fiscal 2021				Fiscal 2020
	Q3 \$	Q2 \$	Q1 \$	Q4 \$	Q3 \$	Q2 \$	Q1 \$	Q4 \$
Series 2015-3								
Class A Notes @ 2.155%	-	-	-	-	-	2,072	4,334	4,333
Class B Notes @ 3.605%	-	-	-	-	-	241	504	504
Series 2018-1								
USD Class A Floating Rate Notes @ 1-month USD LIBOR + 0.35%	-	-	-	-	-	-	-	1,385 ¹
Class B Floating Rate Notes @ 1-month CDOR + 1.31%	-	-	-	-	-	-	-	206
Series 2018-2								
USD Class A Notes @ 3.047%	-	-	-	-	-	-	-	2,269 ²
Class B Notes @ 4.297%	-	-	-	-	-	-	-	229
Series 2019-1								
USD Class A Floating Rate Notes @ 1-month USD LIBOR + 0.39%	-	-	-	793 ⁷	1,007 ⁶	1,083 ⁵	1,160 ⁴	2,545 ³
Class B Floating Rate Notes @ 1-month CDOR + 0.81%	-	-	-	107	129	133	139	198
Class B Floating Rate Notes @ 1-month CDOR + 1.28%	-	-	-	78	93	96	99	130
Series 2019-2								
Class A Notes @ 2.427%	4,501	4,551	4,601	4,601	4,501	4,489	4,526	4,587
Class B Notes @ 3.127%	297	300	303	303	297	297	298	303
Class B Notes @ 3.877%	194	196	198	199	193	193	195	197
Series 2021-1								
USD Class A Notes @ 0.602%	1,335 ¹⁷	1,328 ¹⁴	1,295 ¹¹	274 ⁸	-	-	-	-
USD Class B Notes @ 0.931%	106 ¹⁸	105 ¹⁵	103 ¹²	22 ⁹	-	-	-	-
USD Class C Notes @ 1.200%	72 ¹⁹	72 ¹⁶	70 ¹³	15 ¹⁰	-	-	-	-
Series 2022-1								
Class A Notes @ 2.229%	3,023	-	-	-	-	-	-	-
Class B Notes @ 2.809%	195	-	-	-	-	-	-	-
Class C Notes @ 3.609%	131	-	-	-	-	-	-	-
	<u>9,854</u>	<u>6,552</u>	<u>6,570</u>	<u>6,392</u>	<u>6,220</u>	<u>8,604</u>	<u>11,255</u>	<u>16,886</u>

¹ \$986 USD converted to Canadian dollars at an average rate of 1.4034.

² \$1,619 USD converted to Canadian dollars at an average rate of 1.4020.

³ \$1,824 USD converted to Canadian dollars at an average rate of 1.3949.

⁴ \$870 USD converted to Canadian dollars at an average rate of 1.3336.

⁵ \$820 USD converted to Canadian dollars at an average rate of 1.3209.

⁶ \$790 USD converted to Canadian dollars at an average rate of 1.2747.

⁷ \$642 USD converted to Canadian dollars at an average rate of 1.2353.

⁸ \$227 USD converted to Canadian dollars at 1.2067.

⁹ \$18 USD converted to Canadian dollars at 1.2067.

¹⁰ \$12 USD converted to Canadian dollars at 1.2067.

¹¹ \$1,037 USD converted to Canadian dollars at an average rate of 1.2496.

¹² \$82 USD converted to Canadian dollars at an average rate of 1.2496.

¹³ \$56 USD converted to Canadian dollars at an average rate of 1.2496.

¹⁴ \$1,054 USD converted to Canadian dollars at an average rate of 1.2604.

¹⁵ \$83 USD converted to Canadian dollars at an average rate of 1.2604.

¹⁶ \$57 USD converted to Canadian dollars at an average rate of 1.2604.

¹⁷ \$1,054 USD converted to Canadian dollars at an average rate of 1.2676.

¹⁸ \$83 USD converted to Canadian dollars at an average rate of 1.2676.

¹⁹ \$57 USD converted to Canadian dollars at an average rate of 1.2676.

Cash Flows of the Trust

The portion of Collections received by the Trust in respect of the Monthly Accumulation Principal Amounts for all outstanding Ownership Interests was nil for the three months ended February 28, 2022 as there were no Series in their Accumulation Period during the three months ended February 28, 2022 (for the three months ended February 28, 2021 – \$291.54 million) and nil for the nine months ended February 28, 2022 as there were no Series in their Accumulation Period during the nine months ended February 28, 2022 (for the nine months ended February 28, 2021 – \$1,150.32 million).

The interest payments for the Series of Notes for the three and nine months ended February 28, 2022, February 28, 2021 and February 29, 2020 were as follows:

Cash Flows
(in millions of Canadian dollars)

Series	Three months ended						Nine months ended					
	February 28, 2022		February 28, 2021		February 29, 2020		February 28, 2022		February 28, 2021		February 29, 2020	
	\$		\$		\$		\$		\$		\$	
2015-3	N/A	¹	N/A	¹	N/A	²	N/A	¹	9.62		9.62	
2017-2 Class A USD	N/A	³	N/A	³	N/A	³	N/A	³	N/A	³	7.84	⁴
2017-2 Class B	N/A	³	N/A	³	N/A	³	N/A	³	N/A	³	0.64	
2018-1 Class A USD	N/A	⁵	N/A	⁵	4.16	⁶	N/A	⁵	N/A	⁵	14.13	⁷
2018-1 Class B	N/A	⁵	N/A	⁵	0.50		N/A	⁵	N/A	⁵	1.45	
2018-2 Class A USD	N/A	⁸	N/A	⁸	4.28	⁹	N/A	⁸	N/A	⁸	12.83	¹⁰
2018-2 Class B	N/A	⁸	N/A	⁸	0.46		N/A	⁸	N/A	⁸	1.38	
2019-1 Class A USD	N/A	¹¹	1.04	¹²	4.43	¹³	N/A	¹¹	3.32	¹⁴	13.59	¹⁵
2019-1 Class B, Class C	N/A	¹¹	0.23		0.49		N/A	¹¹	0.70		1.31	
2019-2	N/A	¹⁶	10.09		N/A	¹⁷	10.09		10.09		N/A	¹⁷
2021-1 USD	1.51	¹⁸	N/A	¹⁹	N/A	¹⁹	4.56	²⁰	N/A	¹⁹	N/A	¹⁹
2022-1	N/A	²¹	N/A	²²	N/A	²²	N/A	²¹	N/A	²²	N/A	²²

¹ Series 2015-3 was paid in full on October 15, 2020.

² Series 2015-3 paid interest semi-annually in arrears in April and October.

³ Series 2017-2 was paid in full on October 15, 2019.

⁴ \$5.93 million converted at an average rate of 1.3202.

⁵ Series 2018-1 was paid in full on April 15, 2020.

⁶ \$3.15 million converted at an average rate of 1.3216.

⁷ \$10.69 million converted at an average rate of 1.3214.

⁸ Series 2018-2 was paid in full on April 15, 2020.

⁹ \$3.24 million converted at an average rate of 1.3212.

¹⁰ \$9.71 million converted at an average rate of 1.3214.

¹¹ Series 2019-1 was paid in full on May 17, 2021.

¹² \$0.82 million converted at an average rate of 1.2746.

¹³ \$3.35 million converted at an average rate of 1.3216.

¹⁴ \$2.53 million converted at an average rate of 1.3101.

¹⁵ \$10.27 million converted at an average rate of 1.3232.

¹⁶ Series 2019-2 pays interest semi-annually in arrears in May and November.

¹⁷ Series 2019-2 was issued on November 15, 2019, comparative information is not applicable.

¹⁸ \$1.51 million converted at an average rate of 1.2676.

¹⁹ Series 2021-1 was issued on May 12, 2021, comparative information is not applicable.

²⁰ \$3.62 million converted at an average rate of 1.2589.

²¹ Series 2022-1 pays interest semi-annually in arrears in July and January.

²² Series 2022-1 was issued on January 27, 2022, comparative information is not applicable.

The cross-currency interest rate swaps in respect of the Series 2021-1 Notes resulted in net cash outflow of \$0.58 million for the three months ended February 28, 2022 (for the three months ended February 28, 2021 – net cash outflow of \$2.75 million in respect of the Series 2019-1 Class A Notes). The cross-currency interest rate swaps in respect of the Series 2021-1 Notes resulted in net cash outflow of \$1.81 million for the nine months ended February 28, 2022 (for the nine months ended February 28, 2021 – net cash outflow of \$8.06 million in respect of the Series 2019-1 Class A Notes).

For the three months ended February 28, 2022, the Trust repaid matured Notes on their maturity date in the amount of nil (for the three months ended February 28, 2021 – nil) as no Notes matured during this period. For the nine months ended February 28, 2022, the Trust repaid matured Notes on their maturity date in the amount of nil (for the nine months ended February 28, 2021 – \$855.62 million) as no Notes matured during this period.

Summary of Quarterly Results

The following is a summary of the Trust's comprehensive income (loss), net assets (liabilities) and changes in net assets (liabilities) for the quarters then ended and as at the quarters then ended as indicated:

Statement of Comprehensive Income (Loss)

(in thousands of Canadian dollars)

For the quarters ended

	Fiscal 2022			Fiscal 2021				Fiscal 2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Income from:								
Secured loans	10,385	7,113	7,218	8,649	8,861	11,092	13,586	16,146
Restricted cash and short-term investments	-	-	-	259	144	222	301	2,051
Net derivative gain	-	-	-	-	-	-	-	-
Other	294	274	274	215	267	290	304	506
	10,679	7,387	7,492	9,123	9,272	11,604	14,191	18,703
EXPENSES								
Interest expense on:								
Senior medium-term notes	8,859	5,879	5,896	5,668	5,508	7,644	10,020	15,119
Subordinated medium-term notes	995	673	674	724	712	960	1,235	1,767
Administration and other expenses	294	272	273	215	267	289	303	505
Net derivative loss	530	562	648	2,516	2,784	2,710	2,632	1,312
	10,678	7,386	7,491	9,123	9,271	11,603	14,190	18,703
Excess of revenue over expenses for the period attributable to the Trust's beneficiary	1	1	1	-	1	1	1	-
OTHER COMPREHENSIVE INCOME (LOSS)								
Other comprehensive income that is subject to reclassification to net income:								
Net change in cash flow hedges								
Net gain (loss) on derivatives designated as cash flow hedges	(13,956)	15,316	40,923	41,758	(12,677)	(739)	(41,349)	(43,195)
Net (gain) loss on derivatives designated as cash flow hedges reclassified to net income	7,547	(11,924)	(41,359)	(38,477)	15,660	3,420	43,500	36,840
Total other comprehensive income (loss)	(6,409)	3,392	(436)	3,281	2,983	2,681	2,151	(6,355)
Total comprehensive income (loss) for the period	(6,408)	3,393	(435)	3,281	2,984	2,682	2,152	(6,355)
Net assets (liabilities) - beginning of period	3,940	547	982	(2,296)	(5,280)	(7,962)	(10,114)	(3,756)
Distribution to income beneficiary	-	-	-	(3)	-	-	-	(3)
Net assets (liabilities) - end of period	(2,468)	3,940	547	982	(2,296)	(5,280)	(7,962)	(10,114)

Statement of Net Assets and Changes in Net Assets (Liabilities)

(in thousands of Canadian dollars)

As at quarter end

	Fiscal 2022			Fiscal 2021				Fiscal 2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Cash	18	17	15	15	17	16	16	15
Restricted cash and short-term investments	-	-	-	-	440,824	149,267	718,410	147,753
Accrued income receivable	9,481	1,141	6,185	1,143	5,971	1,042	13,210	3,650
Other assets	482	338	391	447	465	373	446	515
Secured loans	3,345,879	1,728,627	1,728,627	1,728,627	1,245,931	1,537,468	1,825,839	2,396,249
Derivative instruments	33,982	47,938	32,622	-	-	-	-	4,706
	3,389,842	1,778,061	1,767,840	1,730,232	1,693,208	1,688,166	2,557,921	2,552,888
LIABILITIES								
Other liabilities	497	353	405	462	3,978	3,887	5,595	5,664
Interest payable - senior medium-term notes	8,546	1,024	5,572	1,025	5,388	922	12,090	3,274
Interest payable - subordinated medium-term notes	935	117	613	118	604	119	1,384	393
Senior medium-term notes	3,137,110	1,644,110	1,633,050	1,594,690	1,513,440	1,529,100	2,332,520	2,376,020
Subordinated medium-term notes	245,222	128,517	127,653	124,654	122,036	122,036	177,651	177,651
Derivative instruments	-	-	-	8,301	50,058	37,382	36,643	-
	3,392,310	1,774,121	1,767,293	1,729,250	1,695,504	1,693,446	2,565,883	2,563,002
RETAINED EARNINGS								
Retained earnings, beginning of period	2	1	-	3	2	1	-	3
Excess of revenue over expenses for the period	1	1	1	-	1	1	1	-
Distribution to income beneficiary	-	-	-	(3)	-	-	-	(3)
Retained earnings, end of period	3	2	1	-	3	2	1	-
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)								
Accumulated other comprehensive income (loss), beginning of period	3,938	546	982	(2,299)	(5,282)	(7,963)	(10,114)	(3,759)
Other comprehensive income (loss)	(6,409)	3,392	(436)	3,281	2,983	2,681	2,151	(6,355)
Accumulated other comprehensive income (loss), end of period	(2,471)	3,938	546	982	(2,299)	(5,282)	(7,963)	(10,114)
Total net assets (liabilities), end of period	(2,468)	3,940	547	982	(2,296)	(5,280)	(7,962)	(10,114)

Financial Instruments and Risk Management

The various risks to which the Trust is exposed and the mechanisms and processes to measure and mitigate them are set out below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Trust is exposed to credit risk on the credit card receivables that collateralize the Secured Loans made to the Seller under IFRS. As at February 28, 2022, the Trust's maximum exposure to such credit risk totaled \$3,345.88 million (May 31, 2021 – \$1,728.63 million). Exposure to such credit risk is mitigated by the excess spread percentage (the "**Excess Spread Percentage**", discussed below) and the Trust's priority claim on each of the Cash Reserve Account balances. The Cash Reserve Account for an Ownership Interest will remain at a zero balance until the occurrence of a Cash Reserve Event (as defined below) or the Pre-Accumulation Reserve Period for such Ownership Interest. The balance in the Cash Reserve Account for an Ownership Interest will be available to the Trust to satisfy payments of interest, principal and other expenses if Collections and other amounts received in respect of the related Ownership Interest are insufficient to meet the Trust's obligations pursuant to the terms of the related Series of Notes. In the event that losses exceed the distributions, including funds from the related Cash Reserve Account, the losses would be absorbed by the related noteholders.

The Trust is also exposed to credit risk in the event of non-performance by the swap counterparty. The Trust's credit exposure to the swap counterparty is limited to the fair value of the swap and any unrealized gains. The Trust does not expect such swap counterparty to fail to meet its obligations given its high credit ratings.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, credit spreads and foreign exchange rates. Interest rate risk is the potential for losses or reduced income arising from adverse movements in interest rates.

The Trust is exposed to interest rate risk through the finance income earned on the credit card receivables underlying the Secured Loans made to the Seller under IFRS, through the investment earnings during the Accumulation Periods and through the interest payments made to the noteholders. Also, finance income earned on credit card receivables bears an administered rate of interest while the interest payments made to the noteholders bear fixed and floating rates of interest. The administered rate can be changed at the Seller's discretion subject to the Pooling and Servicing Agreement, although the ability to do so is partially limited by the competitive environment.

Interest rate risk arising from the Trust's medium-term note liabilities is minimal given the yield on the credit card receivables relative to the interest due to noteholders and the medium maturity of the Notes. The payment requirements of the Notes are satisfied by the Collections and other amounts received in respect of the Trust's Ownership Interests in the pool of credit card receivables and related assets and a priority claim on any balances retained in the related Cash Reserve Accounts.

If interest rates had been 100 basis points lower for the three months ended February 28, 2022, with all other variables holding constant, interest expense on the Notes would have been unchanged (for the three months ended February 28, 2021 – \$0.07 million lower), resulting in no change (for the three months ended February 28, 2021 – \$0.07 million net decrease) in income from the Secured Loans and no change in the Trust's comprehensive income (loss) for the three months ended February 28, 2022 and 2021.

If interest rates had been 100 basis points higher for three months ended February 28, 2022, with all other variables holding constant, interest expense on the Notes would have been unchanged (for the three months ended February 28, 2021 – \$0.16 million higher), resulting in no change (for the three months ended February 28, 2021 – \$0.16 million net increase) in income from the Secured Loans and no change in the Trust's comprehensive income (loss) for the three months ended February 28, 2022 and 2021.

If interest rates used to calculate the fair value of the derivatives as at February 28, 2022 had been 100 basis points lower, the fair value of the derivatives designated as cash flow hedges would have been unchanged (February 28, 2021 – \$0.20 million lower), resulting in no change in comprehensive income (loss) for the three months ended February 28, 2022 (for the three months ended February 28, 2021 – net decrease in comprehensive income (loss) of \$0.20 million). If interest rates used to calculate the fair value of the derivatives as at February 28, 2022 had been 100 basis points higher, the fair value of the derivatives designated as cash flow hedges would have been unchanged (February 28, 2021 – \$1.63 million higher), resulting in no change in comprehensive income (loss) for the three months ended February 28, 2022 (for the three months ended February 28, 2021 – net increase in comprehensive income (loss) of \$1.63 million).

If USD to CAD foreign exchange rates had been 10 cents lower for the three months ended February 28, 2022, interest expense would have been \$0.12 million lower (for the three months ended February 28, 2021 – \$0.08 million lower) and the net swap expense would have been \$0.12 million higher (for the three months ended February 28, 2022 – \$0.08 million higher), resulting in no change in the Trust's comprehensive income (loss) for the three months ended February 28, 2022 and 2021. If USD to CAD foreign exchange rates had been 10 cents higher for the three months ended February 28, 2022, interest expense would have been \$0.12 million higher (for the three months ended February 28, 2021 – \$0.08 million higher) and the net swap expense would have been \$0.12 million lower (for the three months ended February 28, 2021 – \$0.08 million lower), resulting in no change in the Trust's comprehensive income (loss) for the three months ended February 28, 2022 and 2021.

If USD to CAD foreign exchange rates used to calculate the fair value of the derivatives had been 10 cents lower as at February 28, 2022, the fair value of the derivatives designated as cash flow hedges would have been \$74.27 million lower (February 28, 2021 – \$60.04 million lower) resulting in a net decrease of \$74.27 million in comprehensive income (loss) for the three months ended February 28, 2022 (for the three months ended February 28, 2021 – net decrease of \$60.04 million in comprehensive income (loss)). If USD to CAD foreign exchange rates used to calculate the fair value of the derivatives had been 10 cents higher as at February 28, 2022, the fair value of the derivatives designated as cash flow hedges would have been \$74.27 million higher (February 28, 2021 – \$60.04 million higher) resulting in a net increase of \$74.27 million in comprehensive income (loss) for the three months ended

February 28, 2022 (for the three months ended February 28, 2021 – net increase of \$60.04 million in comprehensive income (loss)).

As part of its interest rate risk management strategy in the Series 2021-1 transaction, the Trust uses cross-currency interest rate swaps in such transaction to mitigate the risk from variable cash flows by effectively converting Canadian dollar fixed rate interest to USD fixed rate interest.

The Trust's interest rate risk exposure can be measured through the Excess Spread Percentage. The Excess Spread Percentage for each Ownership Interest is an annualized percentage calculated as the three-month average ownership finance charge receivables allocable to that Ownership Interest less the three-month average of interest, additional funding expenses (less any investment income received in respect of amounts on deposit in the Accumulations Account and the applicable Pre-Accumulation Available Amount, if any), pool losses and contingent successor servicer amounts allocable to such Ownership Interest divided by the three-month average invested amount for such Ownership Interest, multiplied by 12, and is published monthly in the Trust's investor reporting for each Series of Notes. As disclosed in the Trust's short form base shelf prospectus dated September 8, 2021, a minimum Excess Spread Percentage of greater than 4% is required. If the Excess Spread Percentage for an Ownership Interest is less than or equal to 4%, a Cash Reserve Event will occur; this would result in a required cash reserve amount to be held in the Cash Reserve Account for such Ownership Interest. If the Excess Spread Percentage for an Ownership Interest were to fall below 0%, an amortization event would be triggered, accelerating the repayment of the related Series of Notes.

As at February 28, 2022, May 31, 2021 and May 31, 2020, the Excess Spread Percentage for each outstanding Ownership Interest was as follows:

	February 28, 2022	May 31, 2021	May 31, 2020
	%	%	%
Series 2015-3	N/A	N/A	12.51
Series 2019-1	N/A	N/A	13.30
Series 2019-2	18.14	16.99	12.67
Series 2021-1	19.72	19.13	N/A
Series 2022-1	19.20	N/A	N/A

As a result of the swaps that are in place for the Series 2021-1 transaction, any changes to the USD to CAD foreign exchange rates will have no impact on the excess spread numbers for this Series as the impact of any changes in the foreign exchange will be offset by the changes in the amounts received under the swaps for this Series.

Liquidity Risk

Liquidity risk is the risk that the Trust may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost-effective manner to meet the Trust's commitments as they come due.

The Trust is exposed to liquidity risk resulting from arrangements to receive its allocated portion of Collections from the pool of credit card receivables underlying the Secured Loans made to the Seller under IFRS. The payment rate (total cardholder payments (which, for greater certainty, exclude interchange) for a period shown as a percentage of the pool balance at the beginning of such period) of the revolving pool of credit card receivables provides an indication of the liquidity risk to which the Trust is exposed. For the three months ended February 28, 2022, the average monthly payment rate of the pool of credit card receivables was 49.59% (for the three months ended February 28, 2021 – 44.09%).

The Trust has only issued medium-term note liabilities thereby limiting its liquidity risk. Monthly entitlements are received by the Trust from the pool of credit card receivables, and these have been sufficient to meet the Trust's obligations to pay the interest on the medium-term notes. An Accumulation Period begins six months prior to the Targeted Principal Distribution Date of the related Ownership Interest, or such earlier or later date declared as such by the Trust. During each month in the Accumulation Period for an Ownership Interest, a portion of Collections, consisting of the Monthly Accumulation Principal Amount for all Ownership Interests, is deposited in the related Accumulations Account.

The following tables summarize the maturity profile for the Trust's financial assets and liabilities based on contractual undiscounted payment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately:

	February 28, 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
Sources of liquidity				
Cash	18	-	-	18
Accrued income receivable	9,481	-	-	9,481
Other assets	482	-	-	482
Secured loans	-	3,345,879	-	3,345,879
Derivative instruments	-	33,982	-	33,982
	9,981	3,379,861	-	3,389,842
Uses of liquidity				
Other liabilities	497	-	-	497
Interest payable - senior medium-term notes	8,546	-	-	8,546
Interest payable - subordinated medium-term notes	935	-	-	935
Senior medium-term notes	-	3,137,110	-	3,137,110
Subordinated medium-term notes	-	245,222	-	245,222
	9,978	3,382,332	-	3,392,310

	May 31, 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
	\$	\$	\$	\$
Sources of liquidity				
Cash	15	-	-	15
Accrued income receivable	1,143	-	-	1,143
Other assets	447	-	-	447
Secured loans	-	1,728,627	-	1,728,627
	1,605	1,728,627	-	1,730,232
Uses of liquidity				
Other liabilities	462	-	-	462
Interest payable - senior medium-term notes	1,025	-	-	1,025
Interest payable - subordinated medium-term notes	118	-	-	118
Senior medium-term notes	-	1,594,690	-	1,594,690
Subordinated medium-term notes	-	124,654	-	124,654
Derivative instruments	-	8,301	-	8,301
	1,605	1,727,645	-	1,729,250

In addition, in respect of an Ownership Interest, a Pre-Accumulation Reserve Period will commence on the earlier of (i) the day specified by the Servicer; and (ii) three months prior to the Accumulation Commencement Day for such Ownership Interest, during which time the Seller is required to fund the related Cash Reserve Account with an amount equal to the related Required Cash Reserve Amount from Series Available Collections. The amount will be used to fund any shortfall in payment on the related Notes due to any difference between the interest payable on the related Notes and the interest earned on Eligible Investments in respect of amounts deposited to the Accumulations Account related to that Series of Notes or earned on any balances remaining in such Accumulations Account during the related Accumulation Period. The portion of the Cash Reserve Account balance for that Series of Notes not required by the Trust is repaid to the Seller after the related Series of Notes are repaid in full.

The Class B Notes and Class C Notes for each Series of Notes serve as credit support for the related Class A Notes. Repayment of the principal amount of the Class B Notes for a particular Series of Notes will not be made until all principal and interest owing under the related Class A Notes and all interest owing under such Class B Notes have been fully paid. The Class C Notes for each Series of Notes serve as credit support for the related Class A Notes and Class B Notes. Repayment of the principal amount of the Class C Notes for a particular Series of Notes will not be made until all principal and interest owing under the related Class A Notes and related Class B Notes and all interest owing under such Class C Notes have been fully paid.

The Trust is not exposed to losses arising from equity or commodity prices as the Trust does not invest in either equities or commodities.

Fair Values of Financial Instruments

Fair value of a financial instrument is defined as the price that would be received to sell an asset, or paid to transfer a liability, between market participants in an orderly transaction in the principal market at the measurement date under current market conditions. The Financial Services Agent determines fair value using available market information and discounted cash flow analysis. Fair values using valuation models require the use of assumptions concerning

the amount and timing of estimated cash flows and discount rates. In determining those assumptions, the Financial Services Agent looks primarily to external observable market inputs, including factors such as interest yield curves and price or rate volatilities, as applicable. Considerable judgement is required in interpreting market data to develop estimates of fair value, so the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange. The Financial Services Agent is not aware of any factors, other than the market risks identified above, that would significantly affect the fair value estimates contained within this management's discussion and analysis of financial condition and results of operations.

The fair value of the credit card receivables underlying the Secured Loans as at February 28, 2022 approximates their carrying value of \$3,345.88 million (May 31, 2021 – \$1,728.63 million).

The fair value of the fixed rate notes as at February 28, 2022 was \$3,381.99 million (May 31, 2021 – \$1,766.88 million), based on interest rates on instruments of similar terms and conditions as at February 28, 2022, compared to their carrying value of \$3,382.33 million (May 31, 2021 – \$1,719.34 million).

Transactions with Related Parties

The Trust held \$3,345.88 million in Secured Loans under IFRS as at February 28, 2022 (May 31, 2021 – \$1,728.63 million), which represent loans to CIBC secured by the Ownership Interests in the credit card receivables and related assets in which CIBC, a related party, also has the retained interest. The Secured Loans represent the Trust's right to receive distributions with respect to its co-ownership entitlements to satisfy its interest and principal payment obligations under the related Series of Notes and to pay its related expenses, including payment to the beneficiary or beneficiaries, to a maximum of the Ownership Interest's allocated portion of all Collections made on the total pool of credit card receivables. The Issuer Trustee has delegated its responsibility for the day-to-day administration of the Trust to CIBC, as Financial Services Agent. The Trust recorded \$0.15 million in Financial Services Agent fee expense for the three months ended February 28, 2022 (for the three months ended February 28, 2021 – \$0.13 million) and recorded \$0.41 million in Financial Services Agent fee expense for the nine months ended February 28, 2022 (for the nine months ended February 28, 2021 – \$0.43 million). Fees of \$0.06 million were payable to CIBC, as Financial Services Agent, as at February 28, 2022 (May 31, 2021 – \$0.05 million). Transactions with related parties have occurred in the normal course of operations and are recorded at the agreed-upon amounts. CIBC and its affiliates may from time to time purchase asset-backed securities issued by the Trust, either at the time of their initial issuance or in the secondary market.

The Trust entered into cross-currency interest rate swaps with CIBC in the Series 2021-1 transaction. The aggregate notional amount of such swaps was \$920.00 million as at February 28, 2022 (May 31, 2021 – \$920.00 million) and the net fair value of the related swap agreements as at February 28, 2022 was an asset of \$33.98 million (May 31, 2021 – net liability of \$8.30 million). For the three months ended February 28, 2022, a net loss on derivatives designated as cash flow hedges of \$13.96 million (for the three months ended February 28, 2021 – net loss of \$12.68 million) was recorded in the Trust's statements of comprehensive income (loss). For the nine months ended February 28, 2022, a net gain on

derivatives designated as cash flow hedges of \$42.28 million (for the nine months ended February 28, 2021 – net loss of \$54.77 million) was recorded in the Trust's statements of comprehensive income (loss).

The Servicer of the credit card receivables and related assets is responsible for servicing, monitoring and collecting the credit card receivables in the custodial pool. CIBC, as Servicer, is not paid a servicing fee as the Ownership Interests were sold on a fully serviced basis and CIBC accepts, as full consideration for the services rendered, amounts received with respect to its retained interest in the pool of credit card receivables and related assets.

The Seller or an affiliate of the Seller purchased the following Notes on the issuance of such Notes:

Notes Held by the Seller/Affiliates of the Seller
(in thousands of Canadian dollars)

Series	As at February 28, 2022 \$	As at May 31, 2021 \$	As at May 31, 2020 \$
2015-3-B	-	-	55,615
2019-1-C	-	-	10,933
2022-1-A	1,500,000	-	-
	1,500,000	-	66,548

Investments in respect of amounts deposited to the Accumulations Accounts may include investments issued by CIBC, which are Eligible Investments.

CIBC, as the Financial Services Agent, may pay for certain of the administration and other expenses of the Trust.

Critical Estimates and Judgements in Applying Accounting Policies

All estimates and assumptions that affect the reported amounts of assets and liabilities are best estimates undertaken in accordance with the applicable standard. Significant estimates and judgements are evaluated on a continuous basis and are as follows:

- in determining the carrying value of the Secured Loans under the effective interest method, future cash flows are estimated based on past experience and other events, including expectations with regard to future events.
- in determining whether an impairment loss needs to be recorded on secured loans, the expected credit loss ("ECL") model requires management to make judgements and estimates in a number of areas. Management must exercise significant judgement in determining whether there has been a significant increase in credit risk since initial recognition and in estimating the amount of ECL. The calculation of ECL includes the incorporation of forward-looking information, which requires significant judgement to determine the forward-looking variables that are relevant to the secured loans and the scenario and probability weights that should be applied. Changes in these inputs, assumptions and

judgements directly impact the measurement of ECLs. The measurement of any ECL in the underlying pool of credit card receivables is first absorbed by excess spread and other enhancements in the Trust's securitization program with the Seller.

The fair value of the derivatives is discussed in the Transactions with Related Parties section.

Accordingly, actual results could differ from these and other estimates thereby impacting the Trust's financial statements.

Significant accounting policies adopted by the Trust are described in Note 4 of the Trust's financial statements for the three and nine months ended February 28, 2022.