

**Unaudited Interim Condensed Financial Statements of**

**Canadian Credit Card Trust II**

For the quarter and the nine months ended September 30, 2024

**Canadian Credit Card Trust II**  
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## Canadian Credit Card Trust II

### Interim Condensed Balance Sheets

(unaudited) (in thousands of Canadian dollars)

	As at September 30, 2024	As at December 31, 2023
<b>ASSETS</b>		
Cash and cash equivalents	571,313	1,820
Interest receivable and other	9,449	9,353
Bank receivables	2,401,532	2,322,150
	<b>2,982,294</b>	<b>2,333,323</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	133	147
Distributions and interest payable	14,757	11,026
Bank Note (Note 3)	2,118,654	1,473,630
Investor Notes (Note 4)	848,750	848,520
	<b>2,982,294</b>	<b>2,333,323</b>

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

ON BEHALF OF THE ADMINISTRATIVE AGENT

**(s) Sébastien René**

Sébastien René

Vice-President – Accounting, Financial Markets and  
Subsidiaries

**(s) Jean-Sébastien Gagné**

Jean-Sébastien Gagné

Treasurer and Senior Vice-President – Performance and  
Financial Planning

## Canadian Credit Card Trust II

### Interim Condensed Statements of Income, Comprehensive Income, and Changes in Equity

(unaudited) (in thousands of Canadian dollars)

	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>Revenues</b>				
Interest	1,665	43	1,738	4,877
Income from Bank receivables (Note 5)	144,884	138,982	421,229	397,022
	<b>146,549</b>	<b>139,025</b>	<b>422,967</b>	<b>401,899</b>
<b>Expenses</b>				
Interest on Investors Notes	3,092	3,092	9,342	12,300
Distributions on Bank Note	143,400	135,875	413,350	389,269
Administrative and other expenses	57	58	275	330
	<b>146,549</b>	<b>139,025</b>	<b>422,967</b>	<b>401,899</b>
<b>Net income and comprehensive income</b>	-	-	-	-
<b>Equity at beginning</b>	-	-	-	-
Distribution to the beneficiary	-	-	-	-
<b>Equity at end</b>	-	-	-	-

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

## Canadian Credit Card Trust II

### Interim Condensed Statements of Cash Flows

(unaudited) (in thousands of Canadian dollars)

	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>Cash flows from operating activities</b>				
Net income	-	-	-	-
Adjustments for				
Amortization of debt issuance costs	77	76	228	347
Change in operating assets and liabilities				
Interest receivable and other	(376)	(600)	(96)	(407)
Bank receivables	(36,525)	(56,397)	(79,381)	(160,189)
Accounts payable and accrued liabilities	60	111	(13)	(163)
Distributions and interest payable	4,744	3,502	3,731	3,814
Bank Note	602,320	56,321	645,024	659,842
Interest paid on Investor Notes	-	-	(6,031)	(9,519)
Amount received from the Bank to pay interest on Investor Notes	-	-	6,031	9,519
	<b>570,300</b>	<b>3,013</b>	<b>569,493</b>	<b>503,244</b>
<b>Cash flows from financing activities</b>				
Maturity of Investor Notes (Note 4)	-	-	-	(500,000)
	-	-	-	(500,000)
<b>Net change in cash and cash equivalents</b>	<b>570,300</b>	<b>3,013</b>	<b>569,493</b>	<b>3,244</b>
Cash and cash equivalents at beginning	<b>1,013</b>	<b>1,825</b>	<b>1,820</b>	<b>1,594</b>
<b>Cash and cash equivalents at end</b>	<b>571,313</b>	<b>4,838</b>	<b>571,313</b>	<b>4,838</b>

The accompanying notes are an integral part of these unaudited interim condensed financial statements.

# Canadian Credit Card Trust II

## Notes to the Interim Condensed Financial Statements

(unaudited) (in thousands of Canadian dollars)

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### 1. NATURE OF BUSINESS

Canadian Credit Card Trust II (the “Trust” or “CCCT II”) was established under the laws of the Province of Ontario pursuant to a deed of settlement dated April 2, 2015. The Trust’s mission is to purchase and manage, on a revolving basis, Mastercard credit card receivables transferred from National Bank of Canada (the “Bank” or “Servicer” or “Seller” or “Administrative Agent”). The Trust funds its activities by issuing debt obligations.

The Trust, whose head office is located at 320 Bay Street, 11<sup>th</sup> Floor, Toronto, has mandated the Bank, the ultimate parent of the Trust, to act as Administrative Agent and Servicer. In this capacity, the Bank is responsible for the daily administration and management of the credit card receivables. The beneficiary of the Trust is a recognized charitable organization.

On November 7, 2024, the Administrative Agent of CCCT II authorized the publication of the Trust’s unaudited interim condensed financial statements (the “financial statements”) for the quarter and the nine months ended September 30, 2024.

### 2. BASIS OF PRESENTATION

The unaudited interim condensed financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). IFRS represent Canadian generally accepted accounting principles (GAAP).

These financial statements were prepared in accordance with IAS 34 – *Interim Financial Reporting* using the same accounting policies as those described in Note 2 to the audited annual financial statements for the year ended December 31, 2023. Since interim financial statements do not include all of the annual financial statement disclosures required under IFRS, they should be read in conjunction with the audited annual financial statements and accompanying notes for the year ended December 31, 2023.

Unless otherwise indicated, all amounts are expressed in thousands of Canadian dollars, which is the Trust’s functional and presentation currency.

### 3. BANK NOTE

The Bank Note represents a secured, limited recourse, debt obligation of the Trust. The Bank holds the Bank Note which is of equal rank to the Investor Notes. The amount of the Bank Note will fluctuate on an ongoing basis as the Bank transfers new credit card receivables to the Trust, in the case of a new securitization, as the Trust redeems a portion of the Bank Note or issues a new series of Investor Notes. The distributions on the Bank Note will be the residual cash flows earned by the Trust after all expenses and obligations are paid on a monthly basis. The Bank Note has no specific maturity.

### 4. INVESTOR NOTES

As at September 30, 2024 and December 31, 2023, the Bank held all the Series 2021-1 Class A notes. On May 24, 2023, all Series 2020-1 Notes had matured and the capital of \$500,000 and interest of \$3,487 had been paid.

## Canadian Credit Card Trust II

### Notes to the Interim Condensed Financial Statements

(unaudited) (in thousands of Canadian dollars)

#### 4. INVESTOR NOTES (continued)

Investor Notes represent limited recourse debt obligations of the Trust backed by credit card receivables. The Trust has the following outstanding series of notes:

Series	Notes	Date of issuance	Expected date of final payment	Interest rate per annum	Payment dates	As at September 30, 2024	As at December 31, 2023
2021-1	Class A	October 15, 2021	November 24, 2024	1.369%	Semi-annually, May 24, and November 24	800,000	800,000
	Class B	October 15, 2021	November 24, 2024	1.869%	Semi-annually, May 24, and November 24	25,465	25,465
	Class C	October 15, 2021	November 24, 2024	2.719%	Semi-annually, May 24, and November 24	23,343	23,343
Total series						848,808	848,808
Unamortized debt issuance costs						(58)	(288)
						848,750	848,520

#### 5. INCOME FROM BANK RECEIVABLES

The table below represents the revenues from the credit card receivables of the Trust relating to the amount of the Bank receivables:

	Quarter ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest	89,267	81,373	260,236	231,973
Fees and other	78,665	73,387	226,838	211,336
Credit losses	(23,048)	(15,778)	(65,845)	(46,287)
Income from Bank receivables	144,884	138,982	421,229	397,022

#### 6. FAIR VALUE OF FINANCIAL INSTRUMENTS

##### Establishing Fair Value

The fair value of a financial instrument is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction in the principal market at the measurement date under current market conditions (i.e., an exit price).

##### Valuation Methods and Assumptions

Financial assets and financial liabilities of the Trust are recorded at amortized cost on the balance sheet.

## Canadian Credit Card Trust II

### Notes to the Interim Condensed Financial Statements

(unaudited) (in thousands of Canadian dollars)

#### 6. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

##### *Financial Instruments Whose Fair Value Equals Carrying Value*

The carrying values of cash and cash equivalents, interest receivable and other, Bank receivables, accounts payable and accrued liabilities, distributions and interest payable and Bank Note correspond approximately to their fair values due to their short-term maturities.

##### *Investor Notes*

Fair value is determined by discounting expected contractual cash flows using the current market interest rates offered for similar financial instruments that have the same term to maturity.

The following table presents the carrying value and the fair value of the Investor Notes issued by the Trust:

Series	Notes	Carrying value of Investor Notes		Fair value of Investor Notes	
		As at September 30, 2024	As at December 31, 2023	As at September 30 2024	As at December 31, 2023
2021-1	Class A	800,000	800,000	797,196	775,628
	Class B	25,465	25,465	25,343	24,470
	Class C	23,343	23,343	23,221	22,345
		848,808	848,808	845,760	822,443

##### **Hierarchy of Fair Value Measurements**

IFRS establishes a fair value measurement hierarchy that classifies the inputs used in financial instrument fair value measurement techniques according to three levels. The fair value hierarchy has the following levels:

Level 1: Inputs corresponding to unadjusted quoted prices in active markets for identical assets and liabilities and accessible to the Trust at the measurement date.

Level 2: Valuation techniques based on inputs, other than the quoted prices included in Level 1 inputs, that are directly or indirectly observable in the market for the asset or liability. These inputs are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market inputs by correlation or other means.

The Trust classifies the fair value of the Investor Notes as Level 2.

Level 3: Valuation techniques based on one or more significant inputs that are not observable in the market for the asset or liability.

During the nine months ended September 30, 2024 and 2023, there were no transfers between the hierarchy levels.