

# Glacier Credit Card Trust®

June 2025

Using data primarily as at March 31, 2025

# Disclaimer

The information that follows is a presentation of general background information about Glacier Credit Card Trust (“**Glacier**”), Canadian Tire Bank (“**CTB**”), Canadian Tire Corporation, Limited (“**CTC**”) and CTC’s Financial Services Segment as of the date of this presentation or as otherwise indicated. It is information in summary form and does not purport to be complete. Some of the information in this presentation has not been audited and no representation or warranty, express or implied, is made concerning, and no reliance should be placed on, the accuracy, fairness, completeness, correctness, sufficiency or usefulness of the information presented herein. This presentation includes information regarding past actions, results and performance. Past actions, results and performance are not indicative of future actions, results or performance.

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The Notes may not be suitable for all investors. None of Glacier, CTB and CTC is responsible for the lawfulness or appropriateness of the purchase of Notes by a prospective purchaser with regard to any law, regulation or policy applicable to it.

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<sup>1</sup> Mastercard is a registered trademark of MasterCard International Incorporated. CTB is a licensee of the Mastercard trademark

<sup>2</sup> Also contains Receivables owing on a relatively small number of legacy Canadian Tire credit cards. CTB’s receivables on accounts that have not been selected for inclusion in the Securitized Pool is herein referred to as the “**Unsecuritized Pool**”<sup>2</sup>

## Disclaimer (cont'd)

The Notes do not represent interests in or obligations of CTB, CTC, Computershare Trust Company of Canada (other than in its capacity as trustee of Glacier), Computershare Advantage Trust of Canada, any underwriters or selling agents of the Notes, any liquidity providers in respect of the ABCP, Bank of Montreal as paying agent for the ABCP, the beneficiary of Glacier nor any affiliates thereof and none of these entities has represented or undertaken that the Receivables will realize their face value or any part thereof and, accordingly, neither Glacier nor its creditors will have any claim against any of these entities for any deficiency arising in any realization of the Receivables. Purchasers of Notes of a particular series do not have any recourse to any ownership interest in the Securitized Pool nor to any enhancement in respect thereof other than to the ownership interest that such series has in the Securitized Pool and the enhancement supporting such Notes.

Glacier is not a trust company and does not carry on nor intends to carry on the business of a trust company. None of the Notes, the Receivables nor any ownership interests in the Securitized Pool are “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured or guaranteed by CTB, CTC, Computershare Trust Company of Canada, Computershare Advantage Trust of Canada, the underwriters or selling agents of the Notes, Bank of Montreal as paying agent for the ABCP, the liquidity providers in respect of the ABCP, the beneficiary of Glacier, any affiliates thereof, the Canada Deposit Insurance Corporation (“**CDIC**”) nor any other governmental agency or instrumentality.

All dollar amounts in this presentation are in Canadian dollars. Certain defined/capitalized terms used herein are from Glacier’s legal documents which are available on Sedar+ and CTC’s website (see slide 4 herein).

# Contact Information / Further Information

Please direct any questions to: [corporatetreasury@cantire.com](mailto:corporatetreasury@cantire.com)

Further information is available:

- Under Glacier's profile on Sedar+ at <https://www.sedarplus.ca> (Glacier remains a reporting issuer)
- CTC website: <https://corp.canadiantire.ca/English/investors/debtholders/glacier-credit-card-trust>
- Triangle Rewards™ program at <https://triangle.com>
- Bloomberg® under “1206Z CN Equity/Company Filings”

# Glacier Program Highlights

# Glacier Program Highlights

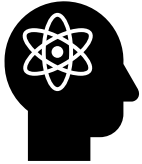
## Strong credit card program securing Glacier's Notes



- **Substantially all of the Glacier Account Assets** are generated from transactions made by Obligors under **Triangle-branded Mastercard credit card accounts** issued by CTB that participate in CTC's enterprise-wide **Triangle Rewards®** loyalty program
- In 2018, CTC re-launched its iconic **Canadian Tire Money®** loyalty program as **Triangle Rewards®** whereby Triangle-branded Mastercard credit cardholders:
  - **Collect electronic Canadian Tire Money ("eCTM")** at CTC's retail banners and wherever **Mastercard®** credit cards are accepted<sup>1</sup>, and
  - **Redeem the eCTM** at most of CTC's Canadian retail banners, including Canadian Tire which is one of Canada's most iconic and trusted brands
- **Triangle Rewards®** has historically reinforced Glacier's Pool Balance and performance metrics through:
  - **Brand awareness:** Expansion of Triangle Rewards® has brought further visibility and awareness to the Triangle® Mastercard®, improving cardholder engagement
  - **Acquisition growth:** program expansion has enabled further acquisition opportunity beyond the traditional Canadian Tire store channel, enabling CTB to reach more demographics
  - **Enterprise support services:** a leading data set has enabled more effective marketing and customer analytic insight and support, including for CTB's servicing through its credit risk management team
- More information on the Triangle Rewards® program is available at: <https://triangle.com>

<sup>1</sup> Includes enhanced eCTM collection at Petro-Canada gas stations

# Glacier Program Highlights (cont'd)



- CTB as “Servicer” of the Securitized Pool has a **strong credit management team and sophisticated proprietary credit risk management systems** to develop, evaluate and implement credit risk strategies
- **A proven track record through various economic cycles since the 1960s**
  - Historical performance metrics have fluctuated within the rating agencies’ expected ranges through economic cycles since **Glacier was established in 1995**



- **A separate Securitized Pool of more seasoned Receivables has historically resulted in enhanced performance metrics**
  - The Securitized Pool contains **60% of CTB’s total receivables**<sup>1,2</sup>
  - While there is no seasoning requirement in the Eligible Account definition for inclusion of an account in the Securitized Pool, newly originated credit card accounts first go into the Unsecuritized Pool. Since CTB began offering guaranteed investment certificates in 2007 to fund the Unsecuritized Pool, accounts transferred into the Securitized Pool **have had some seasoning, generally ≥18 months**
  - **>50%<sup>2</sup> of the Receivables in the Securitized Pool are owed by selected Accounts that have been outstanding for over 10 years** (was 65.45% as of March 31, 2025)



- **A healthy excess spread<sup>3</sup> on the Notes**
  - A range of **10.57% - 14.76%<sup>4</sup>** on Glacier’s outstanding term ABS Notes versus the <2% Amortization Event

Back to **[slide 20](#)** (if you have navigated from there)

<sup>1</sup> Not including deferred in-store financing which is not included in the securitized Receivables for the selected Accounts. Herein all receivables numbers exclude deferred in-store financing, unless otherwise indicated

<sup>2</sup> As at April 30, 2025, after the \$813M of additions that occurred on April 10, 2025

<sup>3</sup> 3-month average calculation as defined in Section 8.1(f) of the Series Purchase Agreements available here <https://corp.canadiantire.ca/English/investors/debtholders/glacier-credit-card-trust/series-documents/default.aspx>

<sup>4</sup> As at March 31, 2025

# Glacier Program Highlights (cont'd)

**AAA**

## Ratings from 3 credit rating agencies

- DBRS and S&P rate all term ABS Notes:
  - **AAA(sf)** for the Senior term ABS Notes
  - **A(sf)** for the Subordinated term ABS Notes
- DBRS and Fitch rate:
  - the Series 1997-1 ABCP Notes (**R-1(high)(sf)/F1+(sf)**)
  - the Series 2025-A variable funding Notes that fund the \$1.2B<sup>1</sup> note purchase facility (“**NPF**”) provided to CTB and Glacier by Royal Bank of Canada (“**RBC**”, ratings are private)



## Glacier has been a regular issuer of both term ABS and ABCP Notes since the mid-1990s

- Currently the **5th largest**<sup>2</sup> Canadian issuer of credit card receivables backed term ABS notes held by third party investors with \$2.0B outstanding (**2<sup>nd</sup> largest** when just including issuances in Canada)
- **All issuances have occurred in the Canadian market** to a longstanding diversified base of investors
- **Only single-seller ABCP issuer in Canada** with \$292.5M outstanding. The amount has generally fluctuated between \$50M and \$300M over the long-term



# Glacier Program Highlights (cont'd)



## CTB retains risk on each Series of Glacier Notes issued

- **48%-52%** of the total credit enhancement for the Senior term ABS Notes is in the form of **CTB first-loss risk retention** (“**Overcollateralization**”). The remainder of the credit enhancement is in the form of Subordinated term ABS Notes
- **100%** of the credit enhancement for the ABCP and Subordinated term ABS Notes is in the form of Overcollateralization
- See **slide 20** for the details of the credit enhancement for each outstanding series of Notes

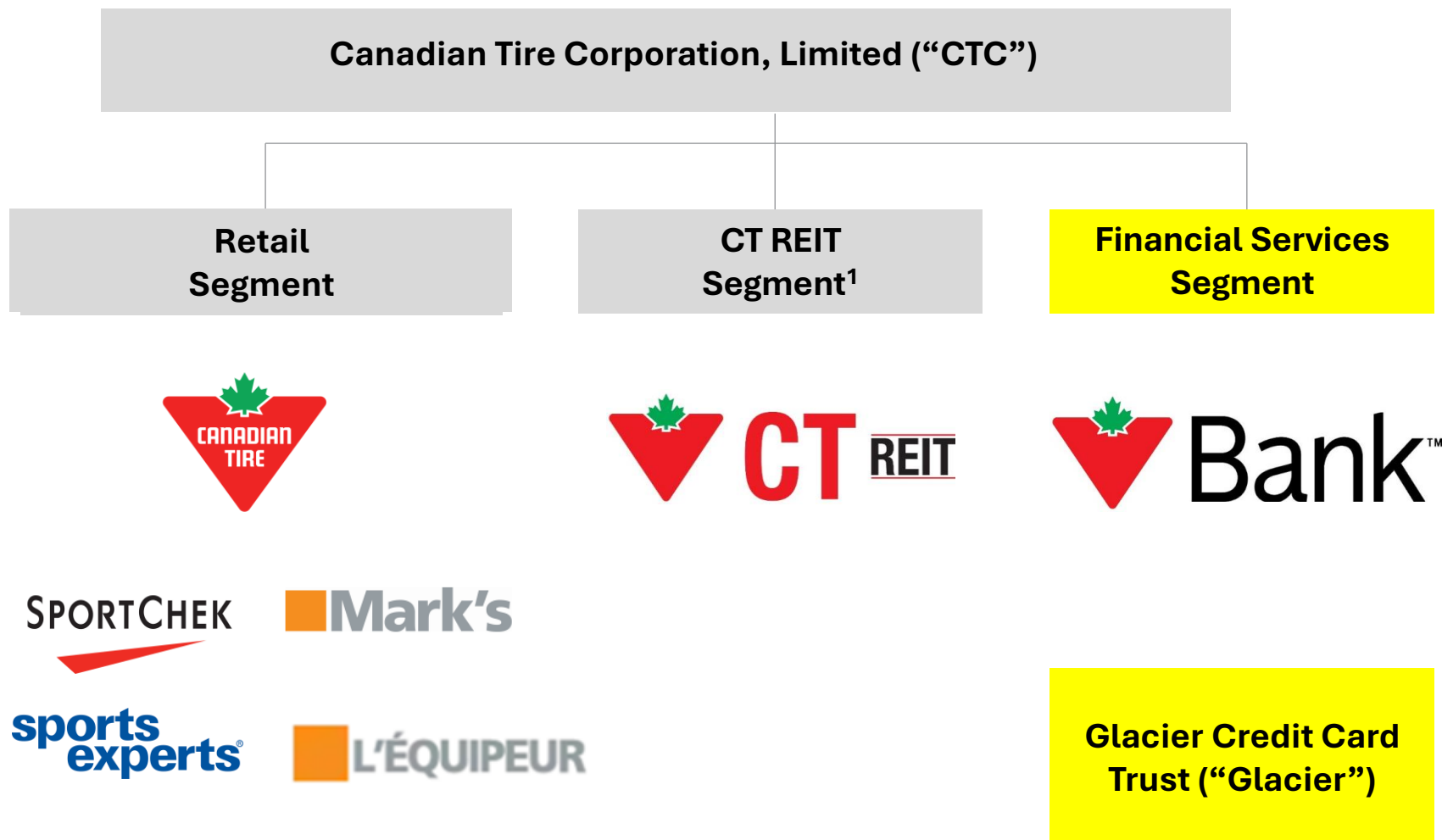


## Strong support from Canada's five largest banks

- All 5 participate:
  - in the **syndicated \$300M committed liquidity facility backstopping Glacier's ABCP** that currently expires in June 2027
  - as **selling agents** for Glacier's senior term ABS and ABCP Note issuances
- **RBC provides CTB with \$1.5B in committed credit and securitization facilities** that currently expire in April 2028

# Canadian Tire Bank

# CTC's Simplified Organizational Structure



## Financial Services Benefits to Retail/CTC

- ~75% of eCTM issuance annually has been through members with CTB credit cards
- Has provided steady dividends to CTC totalling ~\$1.6B during the last 5 years<sup>2</sup> with an additional ~\$0.2B of net income attributable to Scotiabank's non-controlling interest until 2023<sup>3</sup>

## What is Glacier?

Glacier is a special purpose entity that CTB does not legally own whose sole purpose is to purchase undivided co-ownership interests in a revolving pool of credit card receivables owing under selected Triangle and Canadian Tire-branded credit card accounts. CTB acts as Seller, Servicer and Administrator and consolidates Glacier for accounting purposes in accordance with GAAP

<sup>1</sup> CT REIT Segment includes CT Real Estate Investment Trust ("CT REIT") of which CTC had a 68.3% effective interest as at Marcy 31, 2025

<sup>2</sup> 2020 - 2024

<sup>3</sup> 2020 - 2023. CTC repurchased Scotiabank's 20% interest in Financial Services in October 2023

# Retail Segment and CT REIT Overview

## Retail Segment



- **Extensive Retail Network:** One of Canada's leading general merchandise retailers, with 502 stores owned and operated by Canadian Tire Associate Dealers and a strong online presence
- **Diverse Product Range:** Offers 186,000+ products across 211 categories in Automotive, Fixing, Living, Playing, and Seasonal & Gardening divisions
- **Strong Brand Portfolio and Services:** Features popular owned brands, with nearly all stores offering various automotive services



- **Market Leader:** Leading in athletic footwear, apparel, and sports equipment in Canada
- **Widespread Presence:** 371 stores nationwide, covering 7.2M retail sq. ft., under corporate (SportChek) and franchise banners (Sports Experts, Atmosphere, Le Trio Hockey)
- **Customer-Centric:** Strong online presence with flexible fulfillment options, like 2-hour at-home delivery
- **Strategic Growth:** Using brand partnerships and a diverse sports assortment to drive expansion



- **Leading Innovator:** A top player in Canada's industrial footwear and apparel market, known for advanced products
- **Widespread Presence:** 383 stores under Mark's/Mark's WorkPro and L'Équipeur /L'Équipeur Pro banners, totaling 3.8M retail sq. ft
- **Growth Expansion:** Expanding casual apparel and footwear via owned brands, key partnerships, and innovative "Bigger, Bolder, Better" store formats

## CT REIT



- **CT REIT Partnership:** CTC holds a 68% equity stake in CT REIT, leveraging real estate expertise to develop stores and seek key Canadian retail properties
- **Store Real Estate Ownership:** Indirectly leases 335 of 502 Canadian Tire stores to Associate Dealers, with CTC comprising 93% of gross leasable area
- **Value Maximization:** Working with CTC to unlock value from high-value properties through intensification or redevelopment
- **Steady Returns:** Has provided CTC with ~\$1.0B in distributions over the past 5 years<sup>1</sup>

# Canadian Tire Bank (CTB) Overview



## Canadian Federally Regulated Schedule I Chartered Bank

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- CTB is a 100%-owned<sup>1</sup> subsidiary of CTC
- CTB is primarily engaged in:
  - advancing credit to holders of the credit cards that it issues
  - managing the related credit card accounts and receivables (including acting as the “Servicer” of the Securitized Pool of Receivables)
  - offering deposit products to customers which helps fund a portion of its credit card receivables
  - administering Glacier (the “Administrator”)

## Overall Credit Card Portfolio Overview

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- 2.3M<sup>2</sup> active credit card accounts with a \$7.4B<sup>2</sup> gross average receivables balance
- substantially all of the accounts are Mastercard® credit cards with the remainder being legacy Canadian Tire credit cards

## Competitive Advantages

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- CTB's integration with CTC's retail banners through Triangle Rewards® / eCTM, brand, etc. provides a competitive edge in acquiring new accounts and issuing eCTM to loyal customers through credit cards, supported by targeted marketing
- Sophisticated credit risk management systems and personnel
- Strategic use of data (e.g. using customer purchasing pattern data from CTC's stores for creating proprietary credit risk models, predicting risk, etc.)
- Best-in-class Canadian-based contact centers

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<sup>1</sup> CTC repurchased Scotiabank's 20% ownership in 2023

<sup>2</sup> Quarterly averages for Q1 2025, includes deferred in-store financing

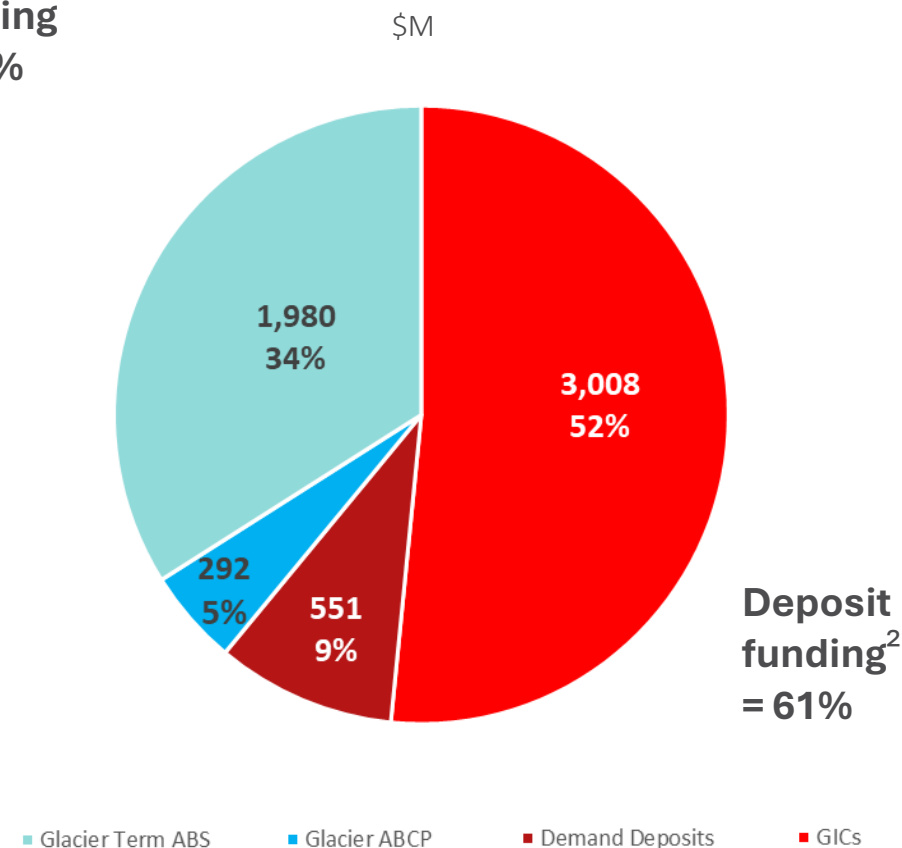
# CTB's Diversified Funding and Liquidity

## Key Highlights

- **Multiple Canadian funding channels**
- **Relatively stable refinancing and interest rate risk:**
  - 85% of debt funding is fixed rate, laddered over 5 years<sup>1</sup> and non-redeemable
  - CTB is an active interest rate hedger for both Glacier term ABS and GIC future issuances
  - Only 9% of funding is sourced from demand deposits (high interest and tax-free savings accounts)<sup>2</sup>
- **CTB holds regulatory reserves for emergency liquidity** that exceeds the OSFI minimum. During COVID, CTB retained earnings to increase its total capital ratio to a high of 18.6% versus the current 15.9% to further increase liquidity. Net income has totalled \$1.6B over the past 5 years (i.e. 1.6x total regulatory capital).
- **CTB has access to \$1.5B of committed credit and securitization facilities from RBC** currently expiring in April 2028
  - A \$300M secured revolving credit facility (all on a same day notice basis)
  - A \$1.2B Glacier NPF (some is available on a same day notice basis)

## CTB's Debt Funding

Glacier  
funding  
= 39%



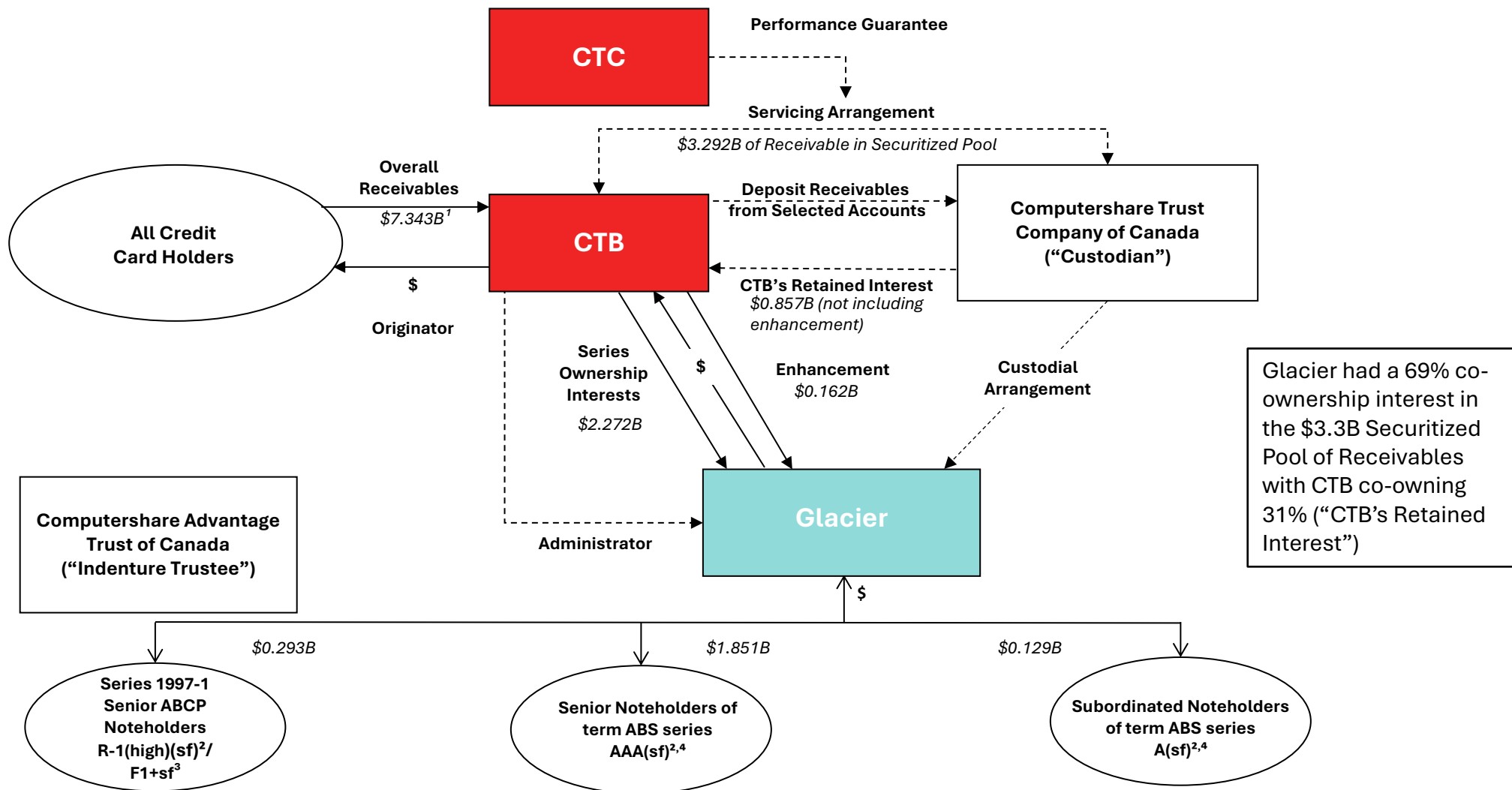
All numbers as at March 31, 2025

<sup>1</sup> The majority of the term debt funding is issued for 5 year terms

<sup>2</sup> The majority is CDIC insured

# **Glacier Credit Card Trust and the Securitized Pool of Receivables**

# Glacier Structure



All numbers as at March 31, 2025. Note that on April 10, 2025, accounts with \$813M of Receivables were transferred from CTB's Unsecuritized Pool to the Securitized Pool

<sup>1</sup> Includes deferred in-store financing

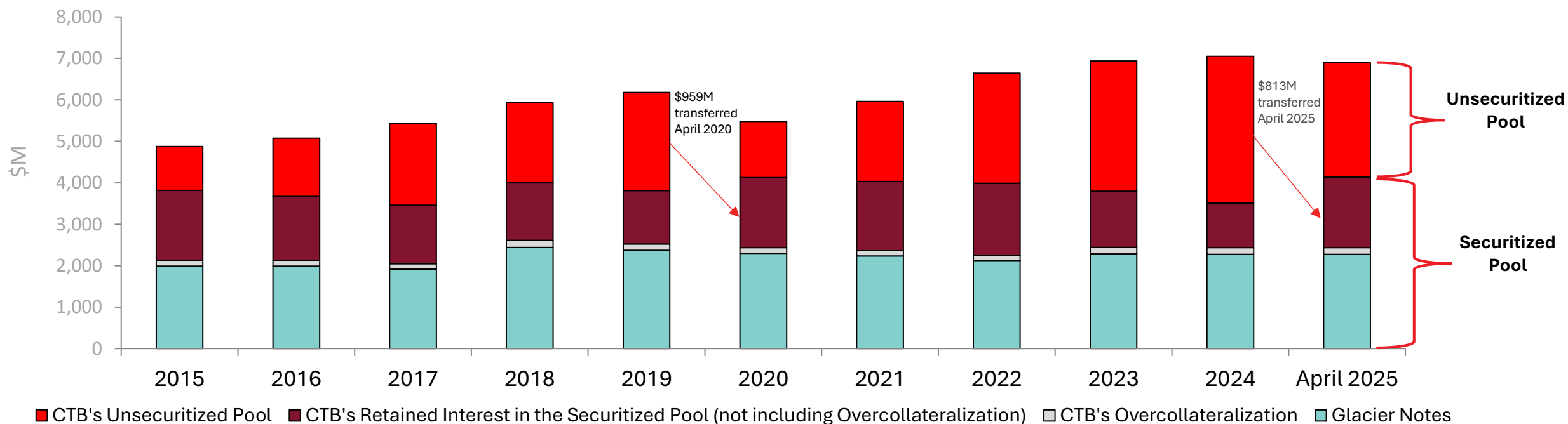
<sup>2</sup> DBRS

<sup>3</sup> Fitch <sup>4</sup> S&P



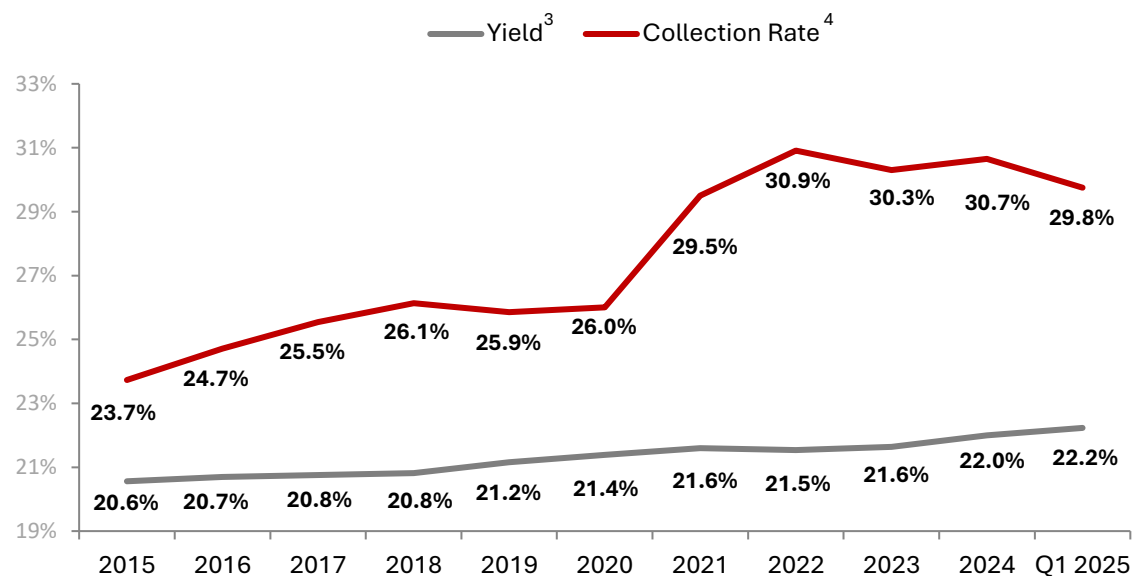
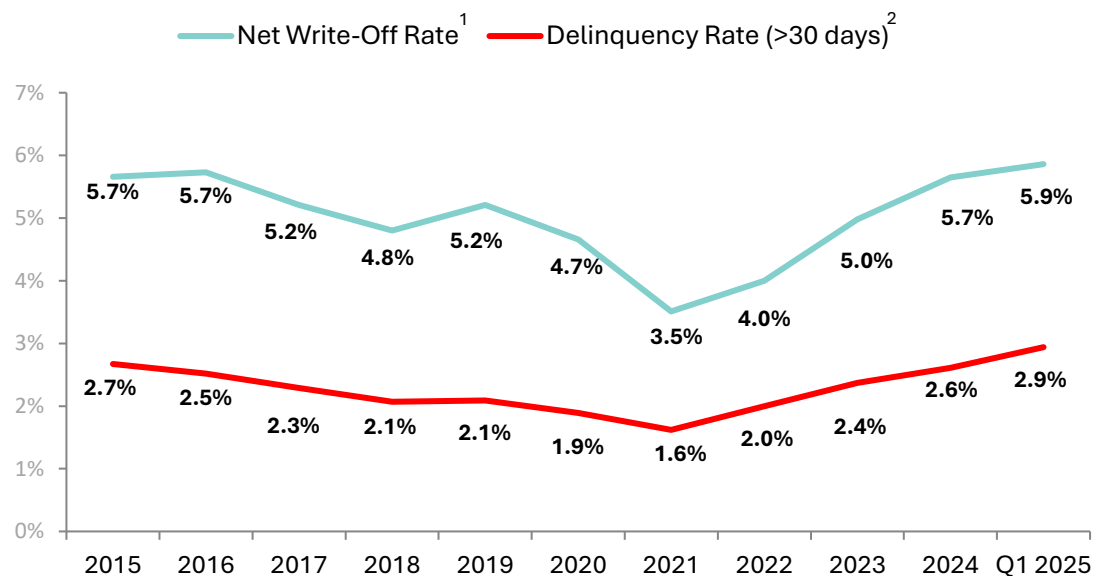
# Pools of Credit Card Receivables and Total Glacier Notes

- CTB has multiple funding channels, and as a result, **not all of the credit card receivables originated by CTB are securitized**
- There are two pools of credit card receivables, the **Unsecuritized Pool** and the **Securitized Pool**
- **All new credit card accounts originated by CTB start in the Unsecuritized Pool**
- **Certain selected Eligible Accounts in the Unsecuritized Pool have been periodically transferred by CTB into the Securitized Pool** to offset attrition and written off accounts to remain above the Required Pool Amount to maintain an adequate amount of CTB's Retained Interest in the Securitized Pool to allow for the use of the RBC NPF should CTB require the liquidity. **Transferred accounts therefore have had some seasoning.** The last transfer occurred in April 2025 to accommodate access to the \$1.2B RBC NPF



# Securitized Pool Performance

- Glacier and other Canadian credit card issuers experienced temporary, stronger than usual performance metrics during COVID due to government stimulus, other financial relief and spending restrictions
- The Glacier Securitized Pool's:
  - **Write-off and delinquency rates are slightly above peak levels over a 10 year horizon** due to economic headwinds; however, remain well below recessionary levels
  - **Collection rate has remained above pre-COVID levels** due in part to many cardholders 1) increasingly preferring digital payments and 2) paying down debt as uncertainty remains in the economy
  - **Yield is on a slightly increasing trend** as pricing optimization programs are realized



<sup>1</sup> Is calculated as the annual average of each monthly net write-off rate, which is calculated as the total gross write-off amount on the selected Accounts during the month, less the total recoveries on selected Accounts during the month, annualized, and divided by the monthly average Receivables balance where the monthly average Receivables balance is the average of the amount of Receivables owing on selected Accounts at the beginning of the month and the amount of Receivables owing on selected Accounts at the end of the month (the "Monthly Average Receivables Balance")

<sup>2</sup> Is calculated as the annual average of each monthly delinquency rate, which is the percentage of outstanding Receivables on the selected Accounts that are >30 days delinquent as at month end

<sup>3</sup> Is calculated as the annual average of each monthly yield which is calculated as the total credit charges and interchange earned in the month on selected Accounts, annualized, and divided by the Monthly Average Receivables Balance

<sup>4</sup> Is calculated as the annual average of each monthly collection rate, which is calculated as the total collections on the selected Accounts during the month divided by the Monthly Average Receivables Balance

# Outstanding Glacier Notes

- **Glacier finances its purchases of co-ownership interests in the Securitized Pool of Receivables through direct issuances of multiple types of Notes**
- Series 2025-A Senior and Subordinated variable funding Notes (“VFNs”) have been issued privately to RBC under the \$1.2B NPF
- As at March 31, 2025, Glacier had 6 outstanding Series of Notes totaling \$2.3B:

(C\$ in millions)	Amount Outstanding			Limit <sup>1</sup>	Wtd. Avg. Interest Rate <sup>2</sup>	Remaining Term (in years) <sup>3</sup>	Expected Repayment Date <sup>4</sup>
Glacier Outstanding Series	Senior Notes	Subordinated Notes	Total Notes				
Series 2020-1 (term ABS)	448.80	31.20	480.00		1.46%	0.5	22-Sep-25
Series 2024-1 (term ABS)	514.25	35.75	550.00		4.80%	1.5	20-Sep-26
Series 2022-1 (term ABS)	420.75	29.25	450.00		5.03%	2.5	20-Sep-27
Series 2023-1 (term ABS)	467.50	32.50	500.00		5.76%	3.5	20-Sep-28
<b>Total Term ABS</b>	<b>1,851.30</b>	<b>128.70</b>	<b>1,980.00</b>		<b>4.28%</b>	<b>2.0</b>	
Series 1997-1 (ABCP)	292.50	-	292.50	300.0	private		< 1 year
Series 2025-A (VFNs)	0 <sup>5</sup>	0 <sup>5</sup>	0 <sup>5</sup>	1,200.0	private		30-Apr-28
<b>Total Variable Series</b>	<b>292.50</b>	<b>-</b>	<b>292.50</b>	<b>1,500.0</b>			
<b>Overall Total/Wtd. Avg.</b>	<b>2,143.80</b>	<b>128.70</b>	<b>2,272.50</b>				

<sup>1</sup> The limit for the ABCP is the commitment amount in the syndicated liquidity facility backstopping the ABCP and for the VFNs is the commitment amount provided by RBC for the NPF that is funded by Series 2025-A

<sup>2</sup> The weighted average coupon on the senior and subordinated term ABS notes

<sup>3</sup> As at March 31, 2025

<sup>4</sup> Although the ABCP notes have terms <1 year, the liquidity facility currently expires in June 2027

<sup>5</sup> There is a nominal balance to maintain the series' co-ownership interest

# Credit Enhancement for Glacier Notes

- Glacier's term ABS Series have credit enhancement in the form of:
  - A-rated Subordinated term ABS Notes** which enhance the AAA-rated Senior term ABS Notes, and
  - CTB Overcollateralization** which enhances both the Senior term ABS Notes and the Subordinated term ABS Notes
- DBRS also considers Glacier's **excess spread** to be credit enhancement – see last bullet on [slide 7](#) for more details on excess spread
- All of the credit enhancement for the **R-1(high)/F1+ rated ABCP Notes** is in the form of **CTB Overcollateralization**
- Credit enhancement levels are determined with the rating agencies at the time of term ABS Note issuance based on the Securitized Pool performance metrics relative to such rating agencies' stress test models. **The Senior term ABS and ABCP Notes each have the highest credit rating**

Glacier Outstanding Series	Total Notes Outstanding (\$M)	Total Senior Notes Outstanding (\$M)	Senior Notes								
			Subordinated Note Enhancement			CTB Overcollateralization Enhancement			Total Enhancement		
			\$M	% of		\$M	% of		\$M	% of	
				Total Notes	Senior Notes		Total Notes	Senior Notes		Total Notes	Senior Notes
Series 2020-1 (term ABS)	480.0	448.8	31.2	6.5%	7.0%	28.8	6.0%	6.4%	60.0	12.5%	13.4%
Series 2024-1 (term ABS)	550.0	514.3	35.8	6.5%	7.0%	38.5	7.0%	7.5%	74.3	13.5%	14.4%
Series 2022-1 (term ABS)	450.0	420.8	29.3	6.5%	7.0%	27.0	6.0%	6.4%	56.3	12.5%	13.4%
Series 2023-1 (term ABS)	500.0	467.5	32.5	6.5%	7.0%	35.0	7.0%	7.5%	67.5	13.5%	14.4%
Series 1997-1 (ABCP)	292.5	292.5	-	n/a	n/a	33.6	11.5% <sup>1</sup>	11.5%	33.6	11.5%	11.5%
Series 2025-A (VFNs)	-	-		private			private			private	
<b>Total</b>	<b>2,272.5</b>	<b>2,143.8</b>	<b>128.7</b>			<b>162.9</b>			<b>291.6</b>		

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<sup>1</sup> The ABCP Notes' enhancement can be impacted by the "40% of the largest Unadjusted Invested Amount of the Series 1997-1 Ownership Interest at any time during the most recently completed twelve Determination Periods;" clause in Section 4.1(a)(i)(x) of the Amended and Restated Series 1997-1 Purchase Agreement available at <https://corp.canadiantire.ca/English/investors/debtholders/glacier-credit-card-trust/series-documents/series-1997-1/default.aspx> (i.e. it can be >11.5% if the total amount of ABCP is reduced)

# Glacier's Securitized Pool Performance Metrics and Credit Enhancement as Compared to Other Canadian Credit Card ABS Issuers

The cardholders that currently represent the selected Accounts are generally different than those in the other Canadian credit card ABS issuers' (the "**Other Credit Card ABS Issuers**") receivables pools (the "**Other Pools**"). **This results in consistently higher write-off rates and lower collection rates versus the Other Pools. The rating agencies therefore require that Glacier's Notes have a higher credit enhancement % versus the Other Credit Card ABS Issuers' notes to be rated AAA/A.** The following table shows average pool performance for the three months ended March 31, 2025:

Credit Card ABS Issuer <sup>1</sup>	Glacier	Other Pools	Cards II	Eagle	Evergreen	Golden	Master II	Trillium II
Seller	CTB	Overall	CIBC	PCB	TD	RBC	BMO	BNS
Securitized Pool Size <sup>2</sup>	\$3.3B	\$60.0B	\$13.6B	\$3.0B	\$14.8B	\$13.3B	\$10.8B	\$4.5B
<b>Securitized Pool Performance<sup>2,3</sup></b>								
Net Loss/Write-Off Rate	5.86%	2.74%	2.29%	3.92%	2.29%	2.30%	4.03%	3.33%
Delinquency Rate (>30 days)	2.94%	2.01%	1.37%	1.86%	1.67%	2.31%	3.09%	1.62%
Payment/Collection Rate	29.75%	55.11%	57.19%	63.19%	61.22%	56.29%	39.04%	58.63%
Yield	22.23%	25.71%	24.18%	27.32%	26.57%	25.39%	26.38%	25.75%
Excess Spread	12.00%	17.27%	13.65%	17.15%	18.35%	19.60%	17.50%	16.28%
<b>Credit Enhancement<sup>4</sup> - AAA</b>	<b>13.50%</b>	<b>6.77%</b>	<b>7.25%</b>	<b>7.00%</b>	<b>8.50%</b>	<b>6.50%</b>	<b>5.50%</b>	<b>8.00%</b>
<b>Credit Enhancement<sup>4</sup> - A</b>	<b>7.00%</b>	<b>2.84%</b>	<b>3.00%</b>	<b>3.50%</b>	<b>2.50%</b>	<b>2.00%</b>	<b>3.50% (AA- rating)</b>	<b>3.00%</b>

<sup>1</sup> The full names of the Other Credit Card ABS Issuers are: CARDS II Trust (Cards II); Eagle Credit Card Trust (Eagle); Evergreen Credit Card Trust (Evergreen); Golden Credit Card Trust (Golden); Master Credit Card Trust II (Master II); and Trillium Credit Card Trust II (Trillium II). National Bank of Canada's Canadian Credit Card Trust II has not been included as it has not publicly disclosed data since January 2025 due to not having any debt currently outstanding.

<sup>2</sup> For the Other Pools, the numbers are sourced from DBRS' March 2025 Monthly Canadian ABS Report and have not been verified by Glacier or CTB. For the overall column, the pool size is the total, the pool performance numbers are pool weighted averages and the credit enhancement numbers are debt weighted averages

<sup>3</sup> Three month average performance as of March 31, 2025

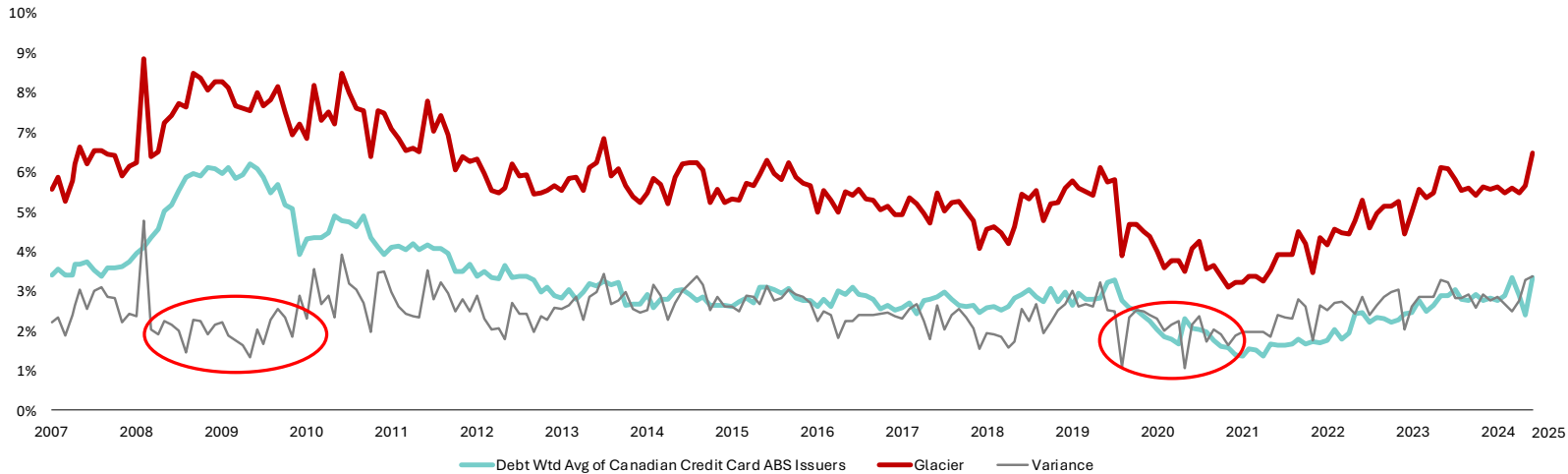
<sup>4</sup> For Glacier, varies by Series due primarily to conditions at the time of Note issuance. The value provided for Glacier is from Series 2024-1, the most recent issuance of term ABS notes with a fixed rate. Some or all of this enhancement represents a portion of CTB's Retained Interest in the Securitized Pool of Receivables. For Other Credit Card ABS Issuers, the value provided is from the most recent issuance of term ABS senior notes with a fixed rate. Percentages provided are in relation to the total notes issued (i.e. senior notes plus subordinated notes)

# Glacier's Securitized Pool Write-off Rates as Compared to Other Canadian Credit Card ABS Issuers' Receivables Pools

- CTB's strong credit risk management has resulted in Glacier's volatility in write-off rates being lower than other Canadian Credit Card ABS issuers' receivable pools during significant economic downturns
- During the 2007-09 financial crisis, the volatility of the write-off rate for Glacier's Securitized Pool was in almost all cases less than half that of the Other Pools

Credit Card ABS Issuer <sup>1</sup>	Glacier	Other Pools	Canadian II	Cards II	Eagle	Evergreen	Golden	Master II	Trillium II
Seller	CTB	Overall	NB	CIBC	PCB	TD	RBC	BMO	BNS
Net Loss Volatility <sup>2</sup>									
September 2008	6.32%	3.28%	3.74%	3.81%	3.14%	n/a	2.52%	2.88%	n/a
Subsequent Peak	8.85%	6.31%	7.22%	7.28%	7.45%		4.22%	5.61%	
% Change	40.0%	92.1%	93.0%	91.1%	137.3%		67.5%	94.8%	

Glacier Performance vs Other Canadian Credit Card ABS Issuers' Performance  
18 Year History



The variance between the write-off rate for Glacier's Securitized Pool and the Other Pools also declined during COVID

<sup>1</sup> See footnote 1 on slide 25 for full names

<sup>2</sup> For the Other Pools, the numbers are sourced from DBRS' Monthly Canadian ABS Reports and have not been verified by Glacier or CTB. For the overall column, the volatility numbers are pool weighted averages.

# **CTB's Servicing / Credit Risk Management**

# Early Stage Customer Management

## New Account Acquisition

- The majority of new accounts are acquired in Canadian Tire, SportChek or Mark's stores and online
- CTB uses a variety of models and data, including credit bureau data, to adjudicate credit for the customer
- Determine which applicants to extend credit to, how much credit to extend (limit) and at what interest rate (pricing)
- Initial limits start as low as \$200 – small limits will be increased as the cardholder demonstrates positive early stage credit behaviour
- New strategies, methods and tools for improved adjudication policies are developed and maintained on an ongoing basis

## Account Acquisition Strategy

- The approval decision is based more on willingness to pay and less on ability to pay
- The limit decision is based more on ability to pay and less on willingness to pay



# Existing Account Management

**Every account is continually monitored to manage risk and maximize profitability**

- **Account management strategies are dynamic and based on an account's:**
  - **Credit scores** (varieties include: Credit Bureau, insolvency, behaviour, CTB's proprietary Fusion, debt service ratio and revenue)
  - **Credit limit utilization**
  - **Past due status**
- The **scores are generally re-calculated for most active cardholders on a monthly billing cycle basis** to ensure decisions are made using the most accurate and up-to-date information available. **Scores are re-calculated nightly on all delinquent customers**
- **Sophisticated adaptive control software (TRIAD) is used to develop, test and deploy account management strategies**

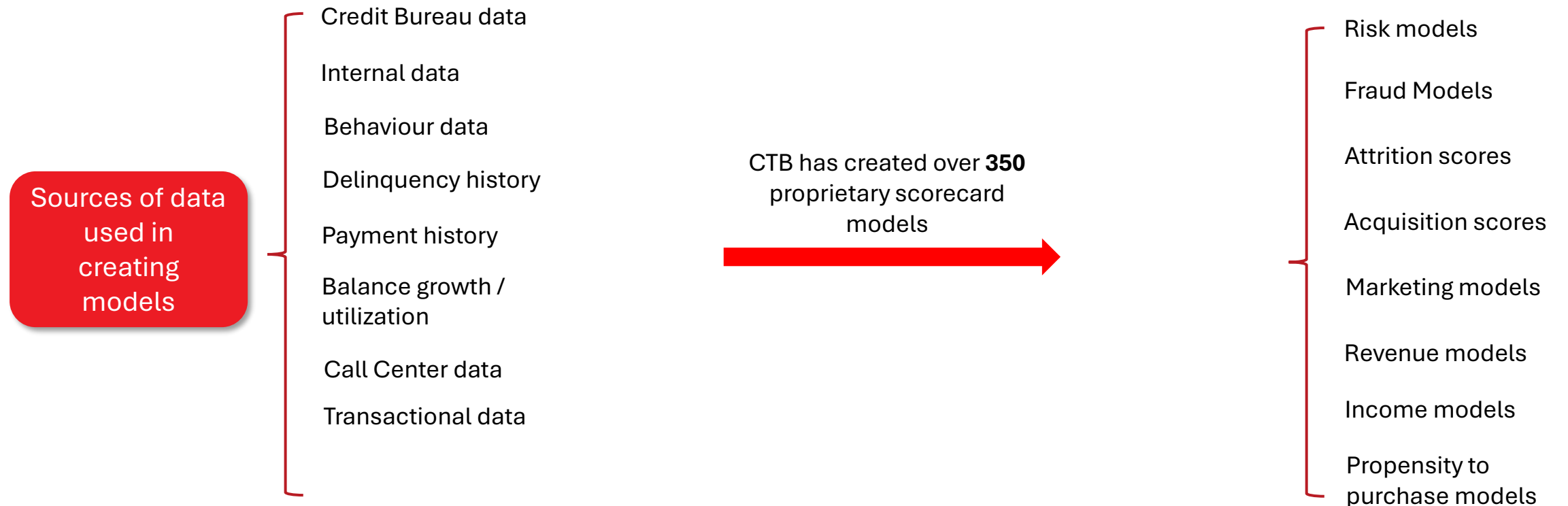
**Account Management focuses on several key areas:**

Key Areas	Action
Credit Limits	Reviewed monthly for increases and decreases
Cash Limits	Reviewed monthly for increases and decreases
Authorizations	Monitor PAD and transaction type
Performance Based Pricing	Reviewed monthly for increases and decreases
Payment Withholding	Withhold open to buy from high NSF accounts
Card Reissue	Length of time to issue cards
Pre-Delinquency	Monitor high risk accounts in good standing
Early Stage Collection	Monitor accounts not in a good standing

# Modeling and Analytics

**Modeling and analytics combines the art of strategy development with the science of analytics to predict customer behaviour**

- **Credit risk models are the foundation on which risk and marketing strategies are developed**
- **Utilizes sophisticated statistical techniques to analyze historical performance in order to identify characteristics that are predictive of future customer behaviour** (including the use of purchase data from CTC's stores)<sup>1</sup>



<sup>1</sup> With CTB being integrated with CTC's retail operations through the Triangle Rewards™ loyalty program, CTB is in a strategic position to utilize customer purchasing pattern and product data. Detailed transactional attributes at the category or SKU level enables CTB to add another dimension to risk predictions (e.g. purchasing felt pads for furniture to prevent scratching hardwood flooring demonstrates customer responsibility and pride in protecting their property)

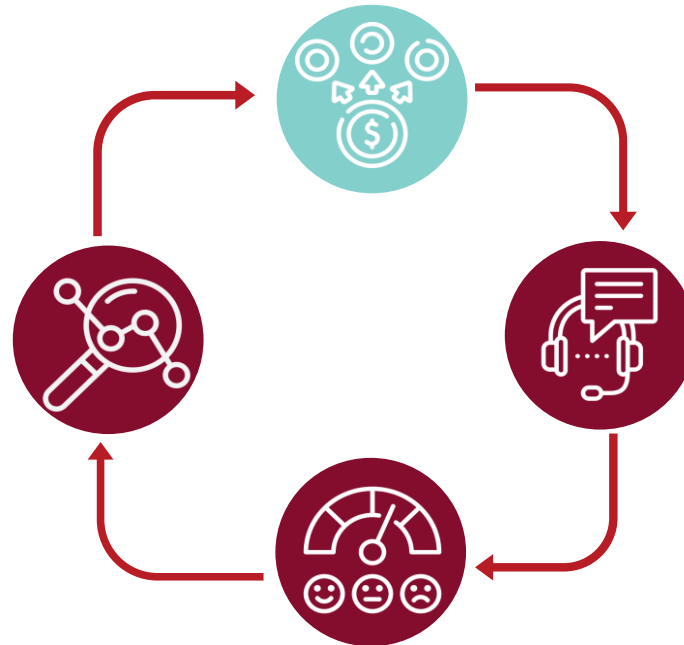
# Late Stage Customer Management

**CTB develops, tests and implements analytically based collection strategies across lending portfolios to maximize the effectiveness of the collection process**

The collection strategies reduce CTB's net write-off rate and increase overall collection results by balancing loss reduction against operating expenses

Sophisticated analytics are used to develop, test and deploy collection prioritization strategies including:

- short message service (SMS) / email / online collection tactics
- skip tracing techniques
- payment programs/offers
- agency assignments & fees



CTB's Ontario-based contact centres are integral to balancing loss reduction with striving to maintain delinquent cardholders as CTC customers

Collection scores and customer scores are re-calculated on all delinquent customers on a nightly billing cycle basis to ensure decisions are made using the most accurate information available

# Fraud Prevention & Strategy

## Mandate

To develop strategies and operational solutions to manage financial losses and related customer attrition resulting from fraud

### Operational Resources

- Front line fraud agents managing outbound contact and inbound fraud complaints, fraud dispute agents and fraud SME roles
- Data analyst roles for fraud analytics, strategy maintenance and technology enhancements
- Over 28M authorizations per month screened for fraud with over 40K cases resolved per month via SMS or an agent

### Differentiators

- Team and culture that balances loss mitigation with customer treatment to protect CTC's brands
- Partnership with in-house fraud operations and contact center
- Partnership with enterprise loss prevention and financial crime units
- Fraud detection management for account onboarding, monetary and non-monetary transactions, and account access events

### Multi-Year Focus

- Platform innovation for customer authentication, remote identity verification and expanded triggers for SMS alerts
- Customer analytics and differentiated treatments for scam-vulnerable populations
- Strategies and tactics against true name identity theft and impersonations
- Enhanced content for customer inoculation against growing scams

# Appendices

# Appendix: Subordinated Term ABS Notes

Glacier offers one Class of Subordinated Notes on each of its term ABS Note issuances

- In recent years, Subordinated Note offerings have ranged in size from \$29M to \$36M, representing 6.5% of the total Series

Glacier Outstanding Series	Subordinated Notes as a % of Total Series Notes	Subordinated Notes as a % of Senior Notes	Subordinated Note Amount Outstanding (\$M)	Subordinated Note Credit Enhancement (CTB Overcollateralization)	Subordinated Note Credit Ratings
Series 2020-1 (term ABS)	6.5%	7.0%	31.2	6.0%	A(sf) <sup>1</sup> / A(sf) <sup>2</sup>
Series 2022-1 (term ABS)	6.5%	7.0%	29.3	6.0%	A(sf) <sup>1</sup> / A(sf) <sup>2</sup>
Series 2023-1 (term ABS)	6.5%	7.0%	32.5	7.0%	A(sf) <sup>1</sup> / A(sf) <sup>2</sup>
Series 2024-1 (term ABS)	6.5%	7.0%	35.7	7.0%	A(sf) <sup>1</sup> / A(sf) <sup>2</sup>
<b>Total</b>			<b>128.7</b>		

- During the Revolving Period or, if applicable, during any Amortization Period, holders of the Subordinated term ABS Notes are paid interest after interest is paid to the holders of the Senior term ABS Notes
- On the Expected Repayment Date or, if applicable, during any Amortization Period, holders of the Subordinated term ABS Notes are paid principal after principal has been paid in full to the holders of the Senior term ABS Notes
- A-rated Subordinated term ABS Notes benefit from
  - 6.0% - 7.0% credit enhancement in the form of CTB Overcollateralization
  - A well seasoned Securitized Pool of selected Accounts that has exhibited relatively stable performance metrics
  - A healthy excess spread<sup>3</sup>/margin (10.57% - 14.76%<sup>4</sup> on Glacier's outstanding term ABS Notes)

<sup>1</sup> DBRS <sup>2</sup> S&P <sup>3</sup> 3-month average calculation as defined in Section 8.1(f) of the Series Purchase Agreements available here <https://corp.canadiantire.ca/English/investors/debtholders/glacier-credit-card-trust/series-documents/default.aspx> <sup>4</sup> As at March 31, 2025

# Appendix: Subordinated Term ABS Notes (cont'd)

- **Rated credit card receivables backed notes pass stringent stress tests that include a reduction in the base-case/steady state yield and collection rates and an increase in the base-case/steady state net write-off rate**
- The variables stressed for A-rated notes are the same as those used to stress AAA-rated notes with the biggest difference being that the stressed assumptions are not as severe for an A rating
- Glacier's Subordinated Term ABS Notes are rated 'A(sf)' by both DBRS and S&P

	Net Write-off Rate	Collection Rate	Yield
<u>Selected Accounts' Performance as at March 31, 2025</u>			
Last 12 Month Average	5.64%	30.99%	22.14%
<u>Rating Agency Stresses</u>			
Morningstar DBRS			
Base-case ("BC")	Not public	Not public	Not public
'AAA' Stress for Glacier 2024-1	4.0-5.0x BC	35-50% lower than BC	30-45% lower than BC
'A' Stress for Glacier 2024-1	2.5-3.5x BC	30-40% lower than BC	20-30% lower than BC
Fitch			
Steady State ("SS")	9.0% <sup>1</sup>	22.0%	18.0%
'AAA' Stress for Glacier 2018-1 (now matured)	36.0% (4.0x SS)	12.1% (45% lower than SS)	11.7% (35% lower than SS)
'A' Stress for Glacier 2018-1 (now matured)	23.4% (2.6x SS)	14.3% (35% lower than SS)	13.5% (25% lower than SS)
S&P			
Base-case ("BC")	8.5%	19.0%	17.0%
'AAA' Stress to base-case for Glacier 2024-1	29.75% (3.5x BC)	9.5% (50% lower than BC)	11.0% (35% lower than BC)
'A' Stress to base-case for Glacier 2024-1	21.25% (2.5x BC)	11.4% (40% lower than BC)	12.0% (29% lower than BC)

<sup>1</sup> Fitch uses the gross write-off rate (i.e. before recoveries) whereas Glacier, DBRS and S&P use the net-write-off rate (i.e. after recoveries). Fitch's 9.0% gross write-off rate steady state assumption translated into a ~7.5% net write-off rate steady state assumption as at March 31, 2025

# Appendix: Summary of Parties

Issuer	Glacier Credit Card Trust
Card originator / Seller	Canadian Tire Bank (“ <b>CTB</b> ”)
Servicer	CTB
Servicer Performance Guarantor	Canadian Tire Corporation, Limited
Administrator	CTB
Custodian and Issuer Trustee	Computershare Trust Company of Canada <sup>1</sup>
Indenture Trustee	Computershare Advantage Trust of Canada <sup>2</sup>
Term ABS Dealers	ATB Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., Merrill Lynch Canada Inc., MUFG Securities (Canada), Ltd., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc.
ABCP Agents	Bank of Montreal, Canadian Imperial Bank of Commerce, RBC Dominion Securities Inc., Scotia Capital Inc. and The Toronto-Dominion Bank
ABCP Liquidity Facility Syndicate	Royal Bank of Canada (Agent, Co-Lead Arranger and Joint Bookrunner), The Bank of Nova Scotia (Co-Lead Arranger and Joint Bookrunner), Bank of Montreal, Canadian Imperial Bank of Commerce and The Toronto-Dominion Bank
ABCP Registrar and Issuing, Certification, Transfer and Paying Agent	Bank of Montreal
Rating Agencies	DBRS Limited, Fitch Ratings Inc. and Standard and Poor’s Ratings Services

<sup>1</sup> On September 5, 2008, Computershare Trust Company of Canada succeeded the predecessor trustee of the Trust as “Custodian” and “Issuer Trustee”

<sup>2</sup> In August 2003, BNY Trust Company of Canada succeeded the predecessor trustee of the Trust as “Indenture Trustee”. In March 2025, BNY Trust Company of Canada changed its name to Computershare Advantage Trust of Canada after being acquired by Computershare Trust Company of Canada



# Appendix: History of Canadian Tire Bank / Canadian Tire Financial Services / Loyalty Program

**1958** - CTC's iconic Canadian Tire Money ("CTM") loyalty program was introduced as part of first gas bar opened by CTC's Petroleum division

**1960s** - Midland Shoppers Credit Limited, a small financial services firm offering third-party credit card processing for local retailers, began adding Canadian Tire stores to its client list

**1968** - Midland became a wholly-owned subsidiary of Canadian Tire Corporation, Limited ("CTC") and was renamed Canadian Tire Acceptance Limited ("CTAL"). CTAL issued the Canadian Tire credit card which can only be used at Canadian Tire stores and gas bars<sup>1</sup>. CTAL was later renamed Canadian Tire Financial Services Limited ("CTFS") and then Canadian Tire Services Limited

**1995** - CTFS became the first non-deposit taking financial institution worldwide to launch a Mastercard credit card; CTFS launched a Mastercard with Options loyalty points; and Canadian Tire Receivables Trust ("CTRT") was established to fund the ensuing growth in credit card receivables through both Senior and Subordinated Term ABS and ABCP Notes

**2000** - CTFS launched CTM on the card awards

**2003** - Canadian Tire Bank ("CTB"), a federally regulated Schedule I chartered bank, was established; CTFS' credit card operations were transferred into CTB; and the name of CTRT was changed to Glacier Credit Card Trust

**2007** - CTB added non-redeemable, Canadian Deposit Insurance Corporation eligible deposits as a source of funding

**2011** - CTB launched installment plans ("deferred receivables" which are not included in Glacier's Pool Balance until the installment period ends on a selected card)

**2014** - 20% of the Financial Services business was sold by CTC to The Bank of Nova Scotia, which also provided CTB with \$2.25B in committed credit facilities, most of which was via note purchase facilities funded through Glacier series. Also launched in-store instant credit with digital applications

**2018** - Canadian Tire's loyalty and credit card program was enhanced by enabling members to collect and redeem My Canadian Tire Money® across most of CTC's retail banners. The name of the program was changed to Triangle™ Rewards and now most of CTB's credit cards offered are Triangle™-branded Mastercard products

**2023** - 20% of the Financial Services business was repurchased by CTC from The Bank of Nova Scotia. CTC entered into strategic loyalty partnership with Petro-Canada whereby Triangle Mastercard holders earn more rewards on fuel at Petro-Canada locations nationwide

**2025** - RBC provided CTB with \$1.5B of committed credit and securitization facilities expiring in April 2028, most of which is via a note purchase facility funded through a Glacier series. CTC formed strategic loyalty alliances with RBC and WestJet to expand the reach of Triangle Rewards, allowing members to link their loyalty accounts for accelerated earn rates and enhanced benefits, boosting retail engagement customer value and sales, including for Triangle Mastercard holders who purchase flights with WestJet.

<sup>1</sup> These cards are no longer issued but a relatively small number of legacy cards remain outstanding making up only 0.01% of the receivables in the securitized pool as at March 31, 2025