

This pricing supplement, together with the short form base shelf prospectus dated January 18, 2019 relating to the Credit Card Receivables Backed Notes of CARDS II Trust to which it relates, as amended, supplemented, modified or restated from time to time (the “Prospectus”), and each document deemed to be incorporated by reference into the Prospectus, constitutes a public offering of these securities only in those jurisdictions where they may lawfully be offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended and, subject to certain exceptions, may not be offered, sold or delivered within the United States of America or for the account or benefit of U.S. persons.

This pricing supplement supplements the Prospectus. If the information in this pricing supplement differs from the information contained in the Prospectus, Noteholders should rely on the information in this pricing supplement. Noteholders should carefully read this pricing supplement along with the Prospectus to fully understand the information relating to the terms of the Series 2019-2 Notes and other considerations that are important to them. Both documents contain information Noteholders should consider when making their investment decision.

Pricing Supplement No. 1

November 7, 2019

CARDS II TRUST® \$808,626,000

\$750,000,000 2.427% Credit Card Receivables Backed Class A Notes, Series 2019-2
\$38,410,000 3.127% Credit Card Receivables Backed Class B Notes, Series 2019-2
\$20,216,000 3.877% Credit Card Receivables Backed Class C Notes, Series 2019-2

Principal Terms

| | |
|--|---|
| Designation of Series: | Series 2019-2 Ownership Interest |
| Initial Invested Amount: | \$808,626,000 |
| Senior Notes: | Class A Notes (CUSIP No. 14161ZCY2) |
| Subordinated Notes: | Class B Notes (CUSIP No. 14161ZCZ9) Class C Notes (CUSIP No. 14161ZDA3) |
| Authorized Denominations: | \$1,000 and multiples thereof |
| Closing Date: | November 15, 2019, but no later than December 15, 2019 |
| Transfer Dates: | 15 th day of the month, or if such day is not a Business Day, the next succeeding Business Day |
| Interest Payment Dates: | Prior to the Amortization Commencement Day, the 15 th day of May and November, or if such day is not a Business Day, the next succeeding Business Day, commencing May 15, 2020, and from and after any Amortization Commencement Day, thereafter, each Transfer Date |
| Accumulation Commencement Day: | May 1, 2024 |
| Targeted Principal Distribution Date: | November 15, 2024 |
| Series Termination Date: | November 15, 2027 |
| Controlled Accumulation Principal Amount: | \$134,771,000 |
| Increase in Required Cash Reserve Amount on commencement of Pre-Accumulation Reserve Period: | \$4,851,756, or such other amount designated by the Seller |

Ratings

| Class | Rating Agencies | Rating |
|---------------|-----------------|----------------|
| Class A Notes | DBRS/Fitch | AAA (sf)/AAAsf |
| Class B Notes | DBRS/Fitch | A (sf)/Asf |
| Class C Notes | DBRS/Fitch | BBB (sf)/BBBsf |

Principal Amount and Interest Rate

| Class | Amount Offered | Annual Interest Rate |
|---------------|----------------|----------------------|
| Class A Notes | \$750,000,000 | 2.427% |
| Class B Notes | \$38,410,000 | 3.127% |
| Class C Notes | \$20,216,000 | 3.877% |

Dealers¹

CIBC World Markets Inc.

BMO Nesbitt Burns Inc. National Bank Financial Inc. RBC Dominion Securities Inc. Scotia Capital Inc. TD Securities Inc.

Desjardins Securities Inc.

HSBC Securities (Canada) Inc.

Merrill Lynch Canada Inc.

Laurentian Bank Securities Inc.

Dealers' Fees and Proceeds to the Issuer

| Class | Offering Price | Dealers' Fees ² | Proceeds to the Issuer ³ |
|---------------|----------------------------------|----------------------------|-------------------------------------|
| Class A Notes | \$100 per \$100 principal amount | \$2,625,000 | \$750,000,000 |
| Class B Notes | \$100 per \$100 principal amount | \$134,435 | \$38,410,000 |
| Class C Notes | \$100 per \$100 principal amount | \$70,756 | \$20,216,000 |

Interest

The Class A Notes will bear interest at the rate of 2.427% per annum on the outstanding principal amount of the Class A Notes, the Class B Notes will bear interest at the rate of 3.127% per annum on the outstanding principal amount of the Class B Notes and the Class C Notes will bear interest at the rate of 3.877% per annum on the outstanding principal amount of the Class C Notes, in each case, payable on each Interest Payment Date (i) except as specified herein, in equal payments semi-annually in arrears during the Revolving Period and the Accumulation Period for the Series

¹ CIBC World Markets Inc. ("CIBC WM") will be the only dealer with respect to the Class B Notes and the Class C Notes.

² Consisting of the Dealers' fees of \$3.50 per \$1,000 principal amount of the Class A Notes, fees of \$3.50 per \$1,000 principal amount of the Class B Notes to be paid to CIBC WM and fees of \$3.50 per \$1,000 principal amount of the Class C Notes to be paid to CIBC WM. No fee will be paid to CIBC WM in respect of any Class C Notes acquired by CIBC or any of its affiliates.

³ Expenses of the offering, including the Dealers' fees, will be paid by CIBC and not out of the proceeds of this offering.

2019-2 Ownership Interest commencing on May 1, 2024, and (ii) except as specified in the Prospectus and as supplemented herein, monthly in arrears during the Amortization Period, if any. Interest payments on each Interest Payment Date will include interest accrued to but excluding such Interest Payment Date and will be calculated on the basis of a 365 day year. Interest for the initial Interest Payment Date will accrue from and including the Closing Date to but excluding such Interest Payment Date. Interest due but not paid on any Interest Payment Date will be due on the next succeeding Interest Payment Date together with additional interest on such amount at the same rate.

Definitions

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Prospectus; provided, however, that the following terms and the related definitions shall, in respect of the Series 2019-2 Notes and the Series 2019-2 Ownership Interest, replace in their entirety the corresponding defined terms and related definitions ascribed thereto in the Prospectus:

“**Class A Notes**” means the 2.427% Credit Card Receivables Backed Class A Notes, Series 2019-2 to be created and issued under the Series 2019-2 Supplemental Indenture;

“**Class B Notes**” means the 3.127% Credit Card Receivables Backed Class B Notes, Series 2019-2 to be created and issued under the Series 2019-2 Supplemental Indenture;

“**Class C Notes**” means the 3.877% Credit Card Receivables Backed Class C Notes, Series 2019-2 to be created and issued under the Series 2019-2 Supplemental Indenture;

“**Eligible Investments**” means, in respect of the Series 2019-2 Ownership Interest, investments that are negotiable instruments or securities represented by instruments in bearer or registered form which evidence:

- (a) obligations issued or fully guaranteed as to both credit and timeliness by the Government of Canada;
- (b) short-term or long-term unsecured debt obligations issued or fully guaranteed by any province, territory or municipality of Canada provided that such securities receive a rating of at least:
 - (i) “R-1 (low)” (short-term) or “A” (long-term) by DBRS; and
 - (ii) if such securities are rated by Fitch, “F1+” (short-term) or “AA-” (long-term) by Fitch for securities that are scheduled to mature greater than 30 days following the date of investment, and “F1” (short-term) or “A” (long-term) by Fitch for securities that are scheduled to mature within 30 days of the date of the investment;
- (c) deposits, call loans, notes, bankers’ acceptances and subordinated debentures issued or accepted by any Canadian Schedule I bank or any Canadian Schedule II bank, provided that such securities receive a rating of at least:
 - (i) “R-1 (low)” (short-term) or “A” (long-term) by DBRS; and
 - (ii) if such securities are rated by Fitch, “F1+” (short-term) or “AA-” (long-term) by Fitch for securities that are scheduled to mature greater than 30 days following the date of investment, and “F1” (short-term) or “A” (long-term) by Fitch for securities that are scheduled to mature within 30 days of the date of the investment;
- (d) commercial paper, term deposits, secured bonds and senior unsecured obligations of any Canadian corporation, provided that such securities receive a rating of at least:
 - (i) “R-1 (low)” (short-term) or “A” (long-term) by DBRS; and

- (ii) if such securities are rated by Fitch, “F1+” (short-term) or “AA-” (long-term) by Fitch for securities that are scheduled to mature greater than 30 days following the date of investment, and “F1” (short-term) or “A” (long-term) by Fitch for securities that are scheduled to mature within 30 days of the date of the investment;
- (e) asset-backed commercial paper issued by a conduit administered by a Canadian financial institution and backed by global style liquidity, provided that such asset backed commercial paper is rated at least as follows, further provided that if such asset-backed commercial paper is not rated by Fitch, such asset-backed commercial paper will be rated at least as follows by DBRS:
 - (i) “R-1 (high) (sf)” (short-term) by DBRS; and
 - (ii) if such asset-backed commercial paper is rated by Fitch, “F1+sf” (short-term) by Fitch; and
- (f) money market funds from any Canadian mutual fund company, if such funds are approved in writing by the Rating Agencies, or if such funds receive a rating or an approval, as the case may be, of at least:
 - (i) “AAA” by DBRS; and
 - (ii) if such securities are rated by Fitch, “AAAmmf” by Fitch;

provided in each case that:

- (A) if either or both of DBRS and Fitch are not a Rating Agency, all of the above references to such rating agency shall be deemed deleted;
- (B) if any Rating Agency referred to above changes its name or is the subject of any amalgamation or merger, the required rating must be given by the applicable successor thereof;
- (C) if any Rating Agency referred to above ceases to exist or to rate Canadian debt offerings, all of the above references to such agency shall be deemed deleted;
- (D) if any Rating Agency referred to above changes the designation of its debt rating categories, the above references to such designations shall be deemed amended to refer to the then applicable equivalent of such original rating designation;
- (E) the maturity date of any Eligible Investment shall not extend past the day immediately preceding the next scheduled Transfer Date; and
- (F) if an investment satisfies the Rating Agency Condition, such investment will not have to meet the requirements set out above;

“**High Rating**” means, in respect of the Series 2019-2 Ownership Interest, ratings from Fitch of at least “F1” and “A”, if Fitch is a Rating Agency, and a rating from DBRS of at least “R-1 (low)” or “A (low)”, if DBRS is a Rating Agency;

“**Installment Plan**” means a plan where the cardholder has agreed to make equal payments on an eligible transaction over a fixed period of time. Installment Plans are not available to Quebec residents;

“**Series 2019-2 Notes**” means, collectively, the Class A Notes, the Class B Notes and the Class C Notes;

“**Series 2019-2 Ownership Interest**” means the Series with the attributes determined under the Series 2019-2 Purchase Agreement and the Pooling and Servicing Agreement;

“**Series 2019-2 Purchase Agreement**” means the Series 2019-2 purchase agreement dated as of November 15, 2019 between CIBC, as Seller and initial Servicer, the Issuer and the Custodian, as amended, restated, supplemented or modified from time to time; and

“**Series 2019-2 Supplemental Indenture**” means the Series 2019-2 supplemental indenture dated as of November 15, 2019 between the Issuer, the Indenture Trustee and the Note Issuance and Payment Agent, as amended, restated, supplemented or modified from time to time.

Small Business Credit Card Accounts

For small business Obligor resident in Québec in any of the CIBC bizline Visa Designated Portfolio, the CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio, no interest will be payable on Receivables if such Obligor pay the entire amount of Receivables (other than amounts attributable to cash advances, balance transfers and convenience cheques) within the permitted grace period. Such Obligor will not be charged interest on purchases on their statement if they pay the full amount due shown on that statement by the payment due date. If such Obligor do not pay the full amount due, then interest charges on these purchases will be shown on the next statement and interest will be charged retroactively on each purchase from the transaction date until CIBC receives a payment which covers the purchase.

For small business Obligor not resident in Québec in any of the CIBC bizline Visa Designated Portfolio, the CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio, no interest will be payable on Receivables provided that such Obligor have paid the entire amount of Receivables (other than amounts attributable to cash advances, balance transfers and convenience cheques) from the immediately preceding month by the end of the permitted grace period. Such Obligor will not be charged interest on purchases on their statement if they pay the full amount due shown on that statement and the full amount due on their statement in the previous month by the payment due date. If such Obligor do not pay the full amount due, then interest charges on these purchases will be shown on the next statement and interest will be charged retroactively on each purchase from the transaction date until CIBC receives a payment which covers the purchase.

For a small business Obligor, whether resident in or not resident in Québec, in any of the CIBC bizline Visa Designated Portfolio, the CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio, interest is calculated as follows:

- (a) CIBC adds such Obligor’s balances together each day and divides that total by the number of days in such Obligor’s statement period. This is such Obligor’s “average daily balance”;
- (b) CIBC divides such Obligor’s annual interest rate by the number of days in the year. This is such Obligor’s “daily interest rate”; and
- (c) CIBC multiplies such Obligor’s average daily balance by its daily interest rate and multiplies this total by the number of days in such Obligor’s statement period.

If such Obligor has balances on its account at different annual interest rates (such as purchases, cash advances and balance transfers), CIBC calculates interest using the average daily balance and daily interest rate for each balance. Interest is added to such Obligor’s account at the end of each statement period. CIBC does not charge interest on interest.

Non-Small Business Credit Card Accounts

If Obligor in any of the Designated Portfolios (other than small business Obligor in any of the CIBC bizline Visa Designated Portfolio, the CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio) pay the entire amount of Receivables (other than amounts attributable to cash advances, balance transfers and convenience cheques) arising in a month within the permitted grace period, no interest will be payable on such Receivables by such Obligor. Such Obligor will not be charged interest on purchases appearing on their statement if they pay the full amount due shown on that statement by the payment due date. If such Obligor do not pay the full

amount due, then interest charges on these purchases will be shown on the next statement and interest will be charged retroactively on each purchase from the transaction date until CIBC receives a payment which covers the purchase.

For an Obligor in any of the Designated Portfolios (other than small business Obligors in any of the CIBC bizline Visa Designated Portfolio, the CIBC Aeroplan Reward Visa Designated Portfolio and the CIBC Aventura Visa Designated Portfolio), interest is calculated as follows:

- (a) CIBC adds such Obligor's balances together each day and divides that total by the number of days in such Obligor's statement period. This is such Obligor's "average daily balance";
- (b) CIBC divides such Obligor's annual interest rate by the number of days in the year. This is such Obligor's "daily interest rate"; and
- (c) CIBC multiplies such Obligor's average daily balance by such Obligor's daily interest rate and multiplies this total by the number of days in such Obligor's statement period.

If such Obligor has balances on his or her account at different annual interest rates (such as purchases, cash advances, Installment Plans and balance transfers), CIBC calculates interest using the average daily balance and daily interest rate for each balance. Interest is added to such Obligor's account at the end of each statement period. CIBC does not charge interest on interest.

Billing and Payments

The Seller may charge an annual fee that varies depending on the features of the Account. Accounts may be subject to additional fees and charges, including a cash advance fee, a dishonoured cheque or payment fee, a balance transfer fee, a foreign currency conversion fee, an account maintenance fee, an over-limit fee and a statement copy fee. The Seller will charge an Installment Plan set-up fee based on the amount of each transaction that is converted to an Installment Plan. The Installment Plan set-up fee applies to all Accounts other than CIBC bizline Visa Accounts for small business Obligors, CIBC Aeroplan Reward Visa Accounts for small business Obligors and CIBC Aventura Visa Accounts for small business Obligors. Quebec resident cardholders will not be subject to any over-limit fee.

A monthly billing statement is sent by the Seller to cardholders of a Visa credit card at the end of the billing period covered by such monthly billing statement.

Except for Quebec residents, each month the Obligor must make a minimum payment by a specific date equal to \$10 plus (a) any interest (excluding Installment Plan interest in the case of all Accounts other than CIBC bizline Visa Accounts for small business Obligors, CIBC Aeroplan Reward Visa Accounts for small business Obligors and CIBC Aventura Visa Accounts for small business Obligors) and fees (not including any annual fee), plus (b) in the case of all Accounts other than CIBC bizline Visa Accounts for small business Obligors, CIBC Aeroplan Reward Visa Accounts for small business Obligors and CIBC Aventura Visa Accounts for small business Obligors, the sum of any Installment Plan payments (which includes interest) due, plus (c) the greater of (i) any past due amount; or (ii) any indebtedness in excess of the Account's credit limit (the "**Over-Limit Amount**"). If the amount due is under \$10, that amount is the minimum payment.

For Quebec residents, the minimum payment is the percent of the amount due plus the greater of (i) any amount that exceeds the Obligor's credit limit or (ii) any past due amount. For Quebec residents with new Accounts, the percent of the amount due means 5% of the Obligor's amount due. For Quebec residents with existing Accounts, the percent of amount due means:

- (i) 2% of the Obligor's amount due starting August 1, 2019;
- (ii) 2.5% of the Obligor's amount due starting August 1, 2020;
- (iii) 3% of the Obligor's amount due starting August 1, 2021;
- (iv) 3.5% of the Obligor's amount due starting August 1, 2022;
- (v) 4% of the Obligor's amount due starting August 1, 2023;
- (vi) 4.5% of the Obligor's amount due starting August 1, 2024; and
- (vii) 5% of the Obligor's amount due starting August 1, 2025.

If the amount due is under \$10, that amount is the Obligor's minimum payment.

Payments by cardholders to the Servicer on the Accounts (other than CIBC bizline Visa Accounts for small business Obligor, CIBC Aeroplan Reward Visa Accounts for small business Obligor and CIBC Aventura Visa Accounts for small business Obligor) are processed and applied to the balance in an Account in the following order:

- (a) first, to the cardholder's minimum payment in the following order:
 - (i) billed interest (excluding interest for an Installment Plan);
 - (ii) Installment Plan payments (including interest) due;
 - (iii) billed fees;
 - (iv) billed transactions (with a "transaction" being any debit or credit on a cardholder's account, and may include purchases, fees, interest charges, credits, adjustments, payments, cash advances, convenience cheques and balance transfers);
 - (v) unbilled fees; and
 - (vi) unbilled transactions;
- (b) if more than the cardholder's minimum payment is received, the rest of the payment is applied to the remaining amount due as follows:
 - (i) first, the rest of the amount due is divided into different groups. All items within a group will have the same interest rate (for example, all purchases at 19.99% interest will be put in one group, and all balance transfers at 0% interest will be put in a different group); and
 - (ii) second, the rest of the payment is allocated to each group based on the percentage that each group makes up of the remaining amount due (for example, if 80% of the remaining amount due is made up of purchases at 19.99%, 80% of the rest of the payment is allocated to this group);
- (c) if a payment is received that is more than the amount due, the rest of the payment is applied in the following order:
 - (i) unbilled transactions, using a method consistent with clause (b) above;
 - (ii) Installment Plan payments that are not yet due, using a method consistent with clause (b) above; and
 - (iii) if there is a credit balance on the Account, credit balances are applied to unbilled items in the order they are posted to the Account.

Payments by cardholders to the Servicer on the CIBC bizline Visa Accounts for small business Obligor, CIBC Aeroplan Reward Visa Accounts for small business Obligor and CIBC Aventura Visa Accounts for small business Obligor are processed and applied to the balance in an Account in the following order:

- (a) first, to interest;
- (b) second, to fees;
- (c) third, to previously billed transactions (consistent with the description thereof provided above), in the order of interest rate, from lowest interest rate transaction to the highest interest rate transaction;
- (d) fourth, to transactions on the current monthly statement in the same order as previously billed transactions; and

- (e) last, if there is a credit balance on the Account, to unbilled items in the order in which they are posted to the Account.

Forward-Looking Statements

The disclosure under the heading “Account Selection Criteria” below contains forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements are statements, other than statements of historical facts that address activities, events or developments that it is expected or anticipated will or may occur in the future. Forward-looking statements also include any other statements that include words such as “anticipate,” “believe,” “plan,” “estimate,” “expect,” “intend” and other similar expressions.

Forward-looking statements are based on certain assumptions and analyses that the Issuer and CIBC, as Financial Services Agent, have made in light of their experience and perception of historical trends, current conditions, expected future developments and other factors they believe are appropriate. Whether actual results and developments will conform with their expectations and predictions is subject to a number of risks and uncertainties.

All of the forward-looking statements made in this pricing supplement are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated herein will be realized. Even if the results and developments in such forward-looking statements are substantially realized, there is no assurance that they will have the expected consequences to or effects on the Issuer or any other Person or on the Issuer’s business or operations. The Issuer and CIBC, as Financial Services Agent, undertake no obligation to release the results of any future revisions that may be made to forward-looking statements to reflect events or circumstances after the date of this pricing supplement or to reflect the occurrences of anticipated events.

Account Selection Criteria

The Seller and the Custodian may amend the Pooling and Servicing Agreement to remove the concept of Designated Portfolios. If the Pooling and Servicing Agreement is amended to remove this concept, the current requirements in the Pooling and Servicing Agreement that all Accounts and any Accounts added as Additional Accounts be within a Designated Portfolio would no longer be applicable. It is anticipated that on the date of any such amendment, all Accounts on such date will remain as Accounts on such date. The Seller and the Custodian are under no obligation to amend the Pooling and Servicing Agreement as disclosed in this paragraph. If any such amendment is made, the Issuer will comply the amendment requirements in the Pooling and Servicing Agreement and any other relevant agreements, including satisfying the Rating Agency Condition, and will file the related amendment agreement under the Issuer’s profile at www.sedar.com.

Remittances to the Trust

Remittances to the Trust in respect of the Series 2019-2 Ownership Interest shall be made at the time and in the amounts described below.

Revolving Period

During each Reporting Period occurring during the Revolving Period, the Required Remittance Amount shall be an amount equal to:

- (a) if CIBC maintains the High Rating,
 - (i) on the related Transfer Date, the lesser of (x) the Ownership Income Limitation (less the aggregate Interest which has accrued during such Reporting Period) in respect of the Series 2019-2 Ownership Interest and such Reporting Period, and (y) the Additional Funding Expenses for such Reporting Period plus any Unpaid Additional Funding Expenses; and
 - (ii) on any Interest Payment Date occurring during such Reporting Period, the aggregate Interest which has accrued from and including the previous Interest Payment Date (or in

the case of the first Interest Payment Date, from the Closing Date) to but excluding such Interest Payment Date plus any Unpaid Interest Payments; or

- (b) if CIBC's rating falls below the High Rating, the Partial Commingling Condition is met and CIBC has a rating from DBRS of at least "BBB (low)" or "R-2 (low)", if DBRS is a Rating Agency, on each Business Day occurring during such Reporting Period, the aggregate Collections and Transfer Deposits to which the Trust is entitled on such Business Day in accordance with the Pooling and Servicing Agreement and the Series 2019-2 Purchase Agreement until the amount deposited to the Accumulations Account during such Reporting Period (without taking into account any deposits thereto or withdrawals therefrom on such day) equals the amount specified in clause (a) above in respect of such Reporting Period.

Accumulation Period

During each Reporting Period occurring during the Accumulation Period, the Required Remittance Amount shall be an amount equal to:

- (a) if CIBC maintains the High Rating,
 - (i) on the related Transfer Date, the lesser of (x) the Ownership Income Limitation (less the aggregate Interest which has accrued during such Reporting Period) in respect of the Series 2019-2 Ownership Interest and such Reporting Period, and (y) the Additional Funding Expenses for such Reporting Period plus any Unpaid Additional Funding Expenses;
 - (ii) on any Interest Payment Date occurring during such Reporting Period, the aggregate Interest which has accrued from and including the previous Interest Payment Date to but excluding such Interest Payment Date plus any Unpaid Interest Payments; and
 - (iii) on the related Reporting Day, an amount equal to the Monthly Accumulation Principal Amount for such Reporting Period; or
- (b) if CIBC's rating falls below the High Rating and CIBC has a rating from DBRS of at least "BBB (low)" or "R-2 (low)", if DBRS is a Rating Agency, on each Business Day occurring during such Reporting Period, the aggregate Collections and Transfer Deposits to which the Trust is entitled on such Business Day in accordance with the Pooling and Servicing Agreement and the Series 2019-2 Purchase Agreement until the amount deposited to the Accumulations Account during such Reporting Period (without taking into account any deposits thereto or withdrawals therefrom on such day) equals the amount specified in clause (a) above in respect of such Reporting Period.

Consumer Protection Laws and Legislative Developments

In the 2019 federal spring budget, the federal government of Canada announced its intention to introduce legislation to implement a new retail payments oversight framework so that retail payment services providers can continue to offer service while remaining reliable and safe. The framework would require payment service providers to establish sound operational risk management practices and to protect users' funds against losses. The Bank of Canada would oversee the payment service providers' compliance with operational and financial requirements and maintain a public registry of regulated payment service providers. An assessment of this new retail payments oversight framework will be undertaken when the legislation is tabled.

In the 2018 federal budget, the federal government of Canada also announced that it had undertaken a comprehensive review of the consumer protection framework and, as a result of this review, it planned to introduce legislation to expand the Financial Consumer Agency of Canada's tools and mandates and continue the advancement of consumers' rights and interests when dealing with banks. On October 29, 2018, the federal government of Canada introduced such proposed legislation, which was passed on December 13, 2018 (although an implementation date(s) have not been set). The amendments set forth in the *Budget Implementation Act, 2018, No. 2* (Canada) ("**Bill C-86**") establish a new

federal financial consumer protection framework and create new consumer protection obligations on banks under the Bank Act (Canada), including in the areas of corporate governance, responsible business conduct, disclosure and transparency. Bill C-86 also amends the *Financial Consumer Agency of Canada Act* (Canada) (“FCAC”) to strengthen the mandate of the Financial Consumer Agency of Canada and grant it additional powers. An assessment of the full extent of the changes that will result from Bill C-86 must await the publication of the related regulations and potential FCAC guidance.

On November 15, 2017, the government of Quebec passed legislation that amends Quebec’s consumer protection legislation to, among other things, mandate a monthly minimum payment requirement for credit cards and implement certain required disclosures in consumer credit card contracts. The new Quebec rules came into force on August 1, 2019. For new credit card accounts opened after August 1, 2019, the minimum payment required for a statement period is at least 5% of the outstanding balance. For existing credit card accounts “in progress” when the new Quebec rules came into force, the minimum payment amount (if less than 5%) will be 2% and will gradually increase to 5% over a six year transition period.

Legal Proceedings

The following is a description of CIBC’s significant legal proceedings relating to its credit card business, which it intends to defend.

Since 2004, a number of proposed class actions have been filed in the Quebec Superior Court against CIBC and numerous other financial institutions. The actions, brought on behalf of Quebec cardholders, allege that the financial institutions are in breach of certain provisions of the Quebec *Consumer Protection Act* (the “CPA”). The alleged violations include charging fees on foreign currency transactions, charging fees on cash advances, increasing credit limits without the cardholder’s express consent, and failing to allow a 21-day grace period before posting charges to balances upon which interest is calculated. CIBC and the other defendant banks are jointly raising a constitutional challenge to the CPA on the basis that banks are not required to comply with provincial legislation because banking and cost of borrowing disclosure is a matter of exclusive federal jurisdiction. The first of these class actions, which alleges that charging cardholders fees on foreign currency transactions violates the CPA, went to trial in 2008. In a decision released in June 2009, the trial judge found in favour of the plaintiffs concluding that the CPA is constitutionally applicable to federally regulated financial institutions and awarding damages against all the defendants. The court awarded compensatory damages against CIBC in the amount of \$38 million plus an additional sum to be determined at a future date. The court awarded punitive damages against a number of the other defendants, but not against CIBC. CIBC and the other financial institutions appealed this decision. The appeal was heard by the Quebec Court of Appeal in September 2011. In August 2012, the Quebec Court of Appeal allowed the defendant banks’ appeals in part and overturned the trial judgment against CIBC. The plaintiffs and some of the defendant banks appealed to the Supreme Court of Canada, and that appeal was heard in February 2014. On September 19, 2014, the Supreme Court of Canada found that the relevant provisions of the CPA were constitutionally applicable to the banks, but that CIBC is not liable for damages because it fully complied with the CPA. Two of the proposed class actions were discontinued in January 2015. The remaining three proposed class actions have been settled subject to court approval. Pursuant to the proposed settlement CIBC will pay \$4.25 million to settle these three class actions. The court approval hearing was held in December 2016. In January 2017, the court did not approve CIBC’s proposed settlement as it found the fees for plaintiffs’ counsel were excessive and the end date for one of the actions was later than required. The plaintiffs’ appeal, which was heard on September 1, 2017, was dismissed in March 2018. A court hearing to approve a renegotiated settlement was heard in June 2019 and the court approved it in July 2019. The amount of the proposed settlement for these actions remains at \$4.25 million.

Since 2011, seven proposed class actions have been commenced against Visa Canada, Mastercard International, CIBC and numerous other financial institutions. The actions, brought on behalf of all merchants who accepted payment by Visa Canada or Mastercard International from March 2001 to the present, allege two “separate, but interrelated” conspiracies; one in respect of Visa Canada and one in respect of Mastercard International. The claims allege that Visa Canada and Mastercard International conspired with their issuing banks to set default interchange rates and merchant discount fees and that certain rules (Honour All Cards and No Surcharge) have the effect of increasing the merchant discount fees. The claims allege civil conspiracy, violation of the *Competition Act* (Canada), interference with economic interests and unjust enrichment. The claims seek unspecified general and punitive damages. The motion for class certification in the British Columbia action was granted in March 2014 with the class period commencing March

28, 2005. The appeal of the decision was heard in December 2014. In August 2015, the British Columbia Court of Appeal allowed the appeals in part, resulting in certain causes of action being struck and others being reinstated. The matter remains certified as a class action. The trial in the British Columbia action has been adjourned to October 2020. The motion for class certification in Quebec was granted in February 2018. The plaintiffs' appeal of the authorization decision was heard on May 8, 2019 and in July 2019, the Quebec Court of Appeal allowed the appeal.

In January 2018, a proposed class action was commenced in Quebec against CIBC and several other financial institutions. The plaintiffs allege that the defendants breached the CPA and the *Bank Act* (Canada) when they unilaterally increased the credit limit on the plaintiffs' credit cards. The claim seeks the return of all over-limit fees charged to Quebec customers beginning in January 2015 as well as punitive damages of \$500 per class member. The motion for class certification was heard in April 2019 in Quebec and in August 2019, the court dismissed the certification motion. The plaintiff is appealing the decision.

Documents Incorporated by Reference

The following documents which have been filed by the Issuer with the securities regulatory authorities in Canada are incorporated by reference in the Prospectus as of the date of this pricing supplement:

- (a) the Issuer's comparative annual audited financial statements as at May 31, 2019 and for the year ended May 31, 2019, together with the report of the auditors thereon and management's discussion and analysis of financial condition and results of operation for the year ended May 31, 2019;
- (b) the Issuer's annual information form dated September 18, 2019;
- (c) the Issuer's comparative interim unaudited financial statements for the three months ended August 31, 2019, together with management's discussion and analysis of financial condition and results of operation for the three months ended August 31, 2019;
- (d) portfolio information as at and for the period ended August 31, 2019, pertaining to the Account Assets related to the Accounts in the Designated Portfolios in which the Issuer maintains undivided co-ownership interests through ownership of Ownership Interests, filed on October 7, 2019;
- (e) the template indicative term sheet dated November 7, 2019 prepared for potential investors in connection with the offering of the Series 2019-2 Notes (the "**Indicative Term Sheet**"); and
- (f) the final term sheet dated November 7, 2019 prepared for potential investors in connection with the offering of the Series 2019-2 Notes (the "**Final Term Sheet**" and, collectively with the Indicative Term Sheet, the "**Marketing Materials**").

The Marketing Materials are not part of the Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in the Prospectus. Any statement contained in the Indicative Term Sheet is modified or superseded to the extent that a statement contained in the Final Term Sheet modifies or supersedes that statement. Any "template version" of any other "marketing materials" (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with this offering after the date hereof but prior to the termination of the distribution of the Series 2019-2 Notes under this pricing supplement is deemed to be incorporated by reference in the Prospectus.

The Indicative Term Sheet did not include certain terms of the offering of the Series 2019-2 Notes. Pursuant to subsection 9A.3(7) of National Instrument 44-102 – *Shelf Distributions*, the Issuer has prepared the Final Term Sheet to reflect a pricing date of November 7, 2019, a settlement date of November 15, 2019, and for the Class A Notes, the Class B Notes and the Class C Notes an aggregate principal amount of \$750,000,000, \$38,410,000 and \$20,216,000, respectively, a yield to maturity of 2.427%, 3.127% and 3.877%, respectively, and an annual interest rate of 2.427%, 3.127% and 3.877%, respectively. The Final Term Sheet has been blacklined to show such modifications and a copy of the Final Term Sheet and associated blackline can be viewed under the Issuer's profile on www.sedar.com.

Use of Proceeds

The proceeds of the Series 2019-2 Notes will be used to purchase the Series 2019-2 Ownership Interest.