Quarterly Report

Third Quarter of 2024

Results for the Third Quarter of 2024

Overall Financial Results

Third quarter 2024 compared with third quarter 2023:

- Net income was $5.8 million, compared with $3.9 million
- Net fair value gain[1] was $6.9 million, compared with net fair value loss[1] of $2.0 million
- Net interest income was $9.7 million, compared with $19.6 million
- Return on average equity[2] of 2.1%, compared with 1.6%

Year-to-date 2024 compared with year-to-date 2023:

- Net income was $47.8 million, compared with $23.6 million
- Net fair value gain[1] was $60.2 million, compared with $24.2 million
- Net interest income was $34.0 million, compared with $41.3 million
- Return on average equity[2] of 8.0%, compared with 4.4%

"Our stable third quarter results were in line with our expectations," said Sheila Vokey, Central 1's President & CEO. "Central 1 continues to grow its critical payments, treasury and clearing and settlement services, which we provide at scale to enable financial institutions who deliver banking choice to Canadians."

Central 1's third quarter and year-to-date (YTD) continue to report strong financial performance in 2024. Central 1's net income for the third quarter was $5.8 million, an increase of $1.9 million, compared to the third quarter last year, primarily reflecting higher net fair value gain[1] and higher non-interest income, excluding strategic initiatives[1], partially offset by a lower net interest income.

The reported YTD net income was $47.8 million, an increase of $24.2 million, compared to the same period last year, reflecting an increase of $36.0 million net fair value gain[1] as a result of credit spreads narrowing.

Core Business & Financial Performance

Treasury

Treasury delivered consistently strong results in the quarter. Treasury reported a net income of $11.3 million, broadly in line with $11.5 million reported in the third quarter last year. Net interest income was $10.1 million, a decrease of $9.9 million compared to the third quarter last year due to lower average balances. However, the decline in net interest income was offset by a $8.9 million increase in net fair value gain[1] driven by credit spreads narrowing during the quarter. Non-interest income, including revenue from Treasury's fee-for-service operations, also increased by $2.4 million compared to the third quarter last year.

Payments & Digital Banking

Payments & Digital Banking reported net loss for the quarter was $3.8 million, compared with a reported net loss of $4.7 million in the third quarter last year, driven by net loss from the Digital Banking business and partially offset by the net income in the Payments business.

Compared to the third quarter last year, the loss decreased by $0.9 million, mainly due to reduced spending on strategic initiatives in the quarter. This reduction resulted from the pause earlier in the year in the Payments Modernization build for Automated Fund Transfer and Bill Payments as scope is still pending from Payments Canada, lower professional fees associated with Forge implementations, and completion of certain digital strategy projects.

Non-interest income, excluding strategic initiatives[1], remained stable compared to the third quarter of last year. This is a result of higher transaction volumes in Payments, offset by lower demand from customers on client delivery projects due to the ongoing strategic digital banking review.

During the quarter, our Payments team continued to develop our payments growth strategy, aiming at delivering value to both new clients beyond the credit union system and our existing clients. This effort includes progressing

[1]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[2]This is a non-GAAP financial ratio. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[3]*Interac* e-Transfer® is a registered trademark of Interac Corp. used under license.

our transition to a platform model for delivering payments to our clients. Through this model, we will provide clients and partners access to a modern hub or portal that centralizes access to our products and services. Members and clients will be able to select offerings most relevant to their own business needs, regardless of their digital platform.

Teams were also focused on final activities ahead of the October launch of Small Business International Transfers, which involves collaboration across lines of business.

In the third quarter, *Interac e-Transfer®*[3], continued to demonstrate strong fraud prevention results, achieving an average prevention rate of 63% with a false positive rate of 3.1:1. Our Enterprise Fraud Management (EFM) solution serves over 200 clients, offering robust fraud prevention, including for *Interac e-Transfer®*[3]. Additionally, wire payment fraud detection was introduced this quarter, preventing nearly $400,000 in losses by detecting fraudulent wire transactions. The implementation of Authentication (2-step verification) has also proven effective, providing excellent fraud prevention during login for more than 130 digital clients. Central 1 is further enhancing security by rolling out 2-step verification at the transaction stage, which has increased fraud prevention rate from 50% to 80% for new implementations.

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[3]*Interac* e-Transfer® is a registered trademark of Interac Corp. used under license.

Management's Discussion & Analysis

September 30, 2024

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In this Management's Discussion and Analysis (MD&A), unless the context otherwise requires, references to "Central 1", "we", "us" and "our" refer to Central 1 Credit Union and its subsidiaries. This MD&A is dated November 21, 2024. The financial information included in this MD&A should be read in conjunction with our Interim Consolidated Financial Statements for the period ended September 30, 2024, which were authorized for issue by the Board of Directors (the Board) on November 21, 2024. The results presented in this MD&A and in the Interim Consolidated Financial Statements are reported in Canadian dollars. Except as otherwise indicated, financial information included in this MD&A has been prepared in accordance with IFRS Accounting Standards as described in Note 1 of the Interim Consolidated Financial Statements. Additional information may be found on the SEDAR+ at www.sedarplus.com.

This MD&A also includes financial information about the credit union systems in British Columbia (B.C.) and Ontario. The B.C. credit union system is made up of all credit unions in B.C. except one credit union that has elected to become a federal credit union, while the Ontario credit union system is made up of only those credit unions that have elected to become our members. In the discussions presented in this report, the two provincial systems are individually referred to as the "British Columbia (B.C.) credit union system" or "B.C. system" and the "Ontario credit union system" or "Ontario system". Where the term "system" appears without regional designation, it refers to credit union members in both provinces. Financial information for the B.C. system has been provided by the B.C. Financial Services Authority (BCFSA) and by the Financial Services Regulatory Authority for the Ontario system. The different provincial regulatory guidelines reduce the comparability of the information between the two systems. We have no means of verifying the accuracy of such information. This information is provided purely to assist the reader with understanding our results and should be read in the proper context. This financial information was prepared using the format and accounting principles developed by these regulators and are not fully consistent with IFRS Accounting Standards. For instance, the net operating income reported in this MD&A is not equivalent to income from continuing operations under IFRS Accounting Standards.

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Cautionary Note Regarding Forward-Looking Statements

From time to time, Central 1 makes written forward-looking statements, including in this MD&A, in other filings with Canadian regulators, and in other communications. In addition, our representatives may make forward-looking statements orally to analysts, investors, the media and others. All such statements other than statements of historical facts are or may be considered forward-looking statements under applicable Canadian securities legislation.

Within this document, forward-looking statements include, but are not limited to, statements relating to our financial and non-financial performance objectives, vision and strategic goals and priorities, including focus on capital and cost management, the economic, market and regulatory review, the outlook for the Canadian economy and the provincial economies in which our member credit unions operate, the impacts of external events such as international conflicts, protests, natural disasters or pandemics. The forward-looking information provided herein is presented for the purpose of assisting readers in understanding our financial position and results of operations as at and for the periods ended on the dates presented. Forward-looking statements are typically identified by words such as “believe”, “expect”, “anticipate”, “estimate”, “plan”, “will”, “may”, “should”, “could”, or “would” and similar expressions.

Forward-looking statements, by their nature, require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that predictions, forecasts or conclusions will not prove to be accurate, that assumptions may not be correct, and that financial objectives, vision and strategic goals will not be achieved. The future outcomes that related to the forward-looking statements may be influenced by many factors and assumptions, including but not limited to: assumptions regarding general economic and market conditions; changes in government monetary, fiscal or economic policies; changes in currency and interest rates; the Canadian housing market; legislative and regulatory developments, including tax legislation and interpretation; failure of third parties to comply with their obligations to us; our ability to execute our strategic plans; critical accounting estimates and the effect of changes to accounting standards, rules and interpretations on these estimates; changes in competition; modifications to credit ratings; information technology and cyber security; developments in the technological environment and including assumptions set out under Economic Developments and Outlook below and elsewhere in this MD&A. Central 1 cautions readers to not place undue reliance on these statements as a number of risk factors could cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include business and operations, risks relating to the transition of clients to alternative digital banking providers, compliance, credit and counterparty, insurance, liquidity, market, operational, privacy, and related party risks and risks and uncertainty from ongoing geopolitical tensions, conflicts, protests, and the impact of natural disasters and pandemics.

Readers are cautioned that the foregoing list is not intended to be exhaustive and other factors may adversely impact our results. Central 1 undertakes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

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Financial Results

Overall Performance

Quarterly comparison – Q3 2024 vs. Q3 2023

$ millions, except as indicated		Q3 2024		Q3 2023		Change
Net interest income	$	**9.7**	$	19.6	$	(9.9)
Gain (loss) on disposal of financial instruments		**(3.9)**		0.8		(4.7)
Change in fair value of financial instruments		**10.8**		(2.8)		13.6
Non-interest income, excluding strategic initiatives[1]		**41.7**		38.7		3.0
Total revenue, excluding strategic intiatives[1]		**58.3**		56.3		2.0
Provision for (recovery of) credit losses		**0.2**		1.0		(0.8)
Non-interest expense, excluding strategic initiatives[1]		**42.6**		42.5		0.1
Strategic initiatives[1]		**9.7**		7.7		2.0
Income before income taxes		**5.8**		5.1		0.7
Income tax expense		**-**		1.2		(1.2)
Net income	$	**5.8**	$	3.9	$	1.9
Return on average assets[2]		**0.2%**		0.1%		
Return on average equity[2]		**2.1%**		1.6%		
Average assets[1]	$	**10,017.2**	$	10,792.6	$	(775.4)
Average equity[1]	$	**827.6**	$	710.6	$	117.0
Weighted average shares outstanding *(# of shares in millions)*		**43.4**		43.4		0.0

Net income for the quarter was $5.8 million, an increase of $1.9 million, compared to the third quarter last year, mainly reflecting higher net fair value gain[1] and higher non-interest income, excluding strategic initiatives[1], partially offset by a lower net interest income.

Non-interest income, excluding strategic initiatives[1], which primarily includes income from Central 1's fee-for-service based businesses, increased by $3.0 million, compared to the third quarter last year. Net interest income decreased by $9.9 million compared to the third quarter last year, reflective of lower average balances. This decrease was offset by an $8.9 million increase in net fair value gain[1] as credit spreads narrowed during the quarter.

Strategic initiatives[1] expenses increased by $2.0 million, compared to the third quarter last year, mostly reflecting increased focus on protecting and growing core Payments and Treasury business through services platform and modernization of capabilities. Meanwhile, non-interest expense, excluding strategic initiatives[1], remained largely consistent year-over-year.

[1]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[2]This is a non-GAAP financial ratio. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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Year-to-date comparison – Q3 2024 vs. Q3 2023

	For the nine months ended September 30		
$ millions, except as indicated	2024	2023	Change
Net interest income	$ **34.0**	$ 41.3	$ (7.3)
Gain on disposal of financial instruments	**54.0**	17.1	36.9
Change in fair value of financial instruments	**6.2**	7.1	(0.9)
Non-interest income, excluding strategic intiatives[1]	**121.6**	117.7	3.9
Total revenue, excluding strategic intiatives[1]	**215.8**	183.2	32.6
Provision for credit losses	**-**	0.5	(0.5)
Non-interest expense, excluding strategic initiatives[1]	**132.9**	128.4	4.5
Strategic initiatives[1]	**20.0**	27.7	(7.7)
Income before income taxes	**62.9**	26.6	36.3
Income tax expense	**15.1**	3.0	12.1
Net income	$ **47.8**	$ 23.6	$ 24.2
Return on average assets[2]	**0.7%**	0.3%	
Return on average equity[2]	**8.0%**	4.4%	
Average assets[1]	$ **9,810.9**	$ 10,971.3	$ (1,160.4)
Average equity[1]	$ **794.4**	$ 711.9	$ 82.5
Weighted average shares outstanding *(# of shares in millions)*	**43.4**	43.4	0.0

Net income was $47.8 million, an increase of $24.2 million, or 102.5%, compared to the same period last year, driven by an increase of $36.0 million net fair value gain[1] compared to the same period last year as a result of credit spreads narrowing. This was partially offset by a $7.3 million year-over-year decline on net interest income due to the lower average balances.

Non-interest income, excluding strategic initiatives[1], increased by $3.9 million, or 3.3%, compared to the same period last year, reflecting higher fee revenue. Non-interest expense, excluding strategic initiatives[1] increased by $4.5 million, or 3.5%, compared to the same period last year, primarily due to higher salaries and benefits and software license fees.

Investments in strategic initiatives[1] decreased by $7.7 million, or 27.8%, compared to the same period last year, mostly due to reduced spending on Payments initiatives, namely Payment Modernization and Real-Time Rail project, and Forge. Income tax expense for the first nine months of 2024 increased by $12.1 million compared to the same period last year, reflective of an effective tax rate of 24.0%, which was slightly below Central 1's statutory tax rate. In contrast, the effective tax rate for the same period last year was notably lower than the statutory tax rate due to the recognition of investment tax credits related to initiatives qualifying for Canada's Scientific Research and Experimental Development (SR&ED) tax credits.

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[2]This is a non-GAAP financial ratio. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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Selected Financial Information

						As at
		Sep 30 2024		**Dec 31 2023**		**Sep 30 2023**
Balance Sheet *(millions of dollars)*						
Total assets	**$**	**11,620.2**	$	11,227.2	$	10,892.2
Regulatory Ratios						
Total capital ratio[2]		**18.6%**		17.7%		18.2%
Tier 1 capital ratio[2]		**14.0%**		12.9%		13.3%
Borrowing multiple[2]		**11.8:1**		12.6:1		12.5:1
Share Information* *(thousands of dollars, unless otherwise indicated)*						
Outstanding shares *($) - $1 par value*						
Class A - credit unions	**$**	**43,364**	$	43,364	$	43,364
Class B - cooperatives	**$**	**10**	$	11	$	11
Class C - other	**$**	**8**	$	7	$	7
Outstanding number of shares *(thousands of shares)*						
Class A - credit unions		**43,364**		43,364		43,364
Class B - cooperatives		**10**		11		11
Class C - other		**8**		7		7
Outstanding shares *($) - $0.01 par value shares with redemption value of $100*						
Class E - credit unions	**$**	**21**	$	21	$	21
Treasury shares	**$**	**(2)**	$	(2)	$	(2)
Outstanding number of shares *(thousands of shares)*						
Class E - credit unions		**2,154**		2,154		2,154
Treasury shares		**(264)**		(264)		(264)

*Share information is presented as of the date of this MD&A. There has been no change from the period ending dates presented to this date.

As at September 30, 2024, total capital ratio stood at 18.6%, while the Tier 1 capital ratio was 14.0%. Both ratios saw an increase compared to December 31, 2023 and September 30, 2023, primarily due to higher year-to-date net income of $47.8 million, which resulted in higher retained earnings. This rise in retained earnings also enhanced the borrowing multiple as at September 30, 2024 compared to December 31, 2023 and September 30, 2023. Central 1 was in compliance with all regulatory capital requirements as at September 30, 2024, December 31, 2023 and September 30, 2023.

[1]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[2]This is a non-GAAP financial ratio. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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Subsequent Events

On October 22, 2024, Central 1 announced its intention to wind down its digital banking business and transition clients to one or more alternative digital banking providers. Central 1 is currently completing the necessary planning to support clients to smoothly transition to other providers. While no firm date has been set for completing this transition, Central 1 is working with digital banking providers and clients to complete transitions within a three-to-four-year timeline.

Subsequent to September 30, 2024, Central 1 reclassified its Vancouver office land and building as assets held for sale. There is no change in the carrying value upon reclassification. This decision supports Central 1's long-term financial strategy.

Non-GAAP and Other Financial Measures

In addition to reported results, we believe that certain financial measures, including non-GAAP financial measures that are historical, and non-GAAP ratios, supplementary financial measures, are more reflective of our ongoing operating results and provide readers with a better understanding of management's perspective on our performance. Non-GAAP financial measures and non-GAAP ratios used in this document are not defined terms under IFRS Accounting Standards and, therefore, may not be comparable to similar terms used by other issuers. The discussions of non-GAAP financial measures and non-GAAP ratios that we use in evaluating its operating results are presented as footnotes in the respective sections of this MD&A together with the required disclosure below in accordance with *National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure.*

Non-GAAP Financial Measures

The following non-GAAP financial measures exclude certain items from our financial results prepared in accordance with IFRS Accounting Standards. The tables below present reconciliations of these measures to their respective most directly comparable financial measures disclosed in Central 1's Interim Consolidated Financial Statements.

Net Fair Value Gain (Loss)

Net fair value gain (loss) used across this MD&A is comprised of gain (loss) on disposal of financial instruments plus changes in fair value of financial instruments reported in the Interim Consolidated Statement of Income. Reporting them combined provides better information on the fair value movements of Central 1's financial instruments to the readers.

				For the nine months ended September 30		
$ millions	**Q3 2024**	**Q3 2023**	**Change**	**2024**	**2023**	**Change**
Gain (loss) on disposal of financial instruments as reported	**$ (3.9)**	$ 0.8	$ (4.7)	**$ 54.0**	$ 17.1	$ 36.9
Change in fair value of financial instruments as reported	**10.8**	(2.8)	13.6	**6.2**	7.1	(0.9)
Net fair value gain (loss)	**$ 6.9**	$ (2.0)	$ 8.9	**$ 60.2**	$ 24.2	$ 36.0

Non-Interest Income, excluding Strategic Initiatives

Non-interest income, excluding strategic initiatives, presented in the Overall Performance and Results by Segment sections of this MD&A is derived by excluding our income from investments in strategic initiatives. Excluding income from strategic initiatives allows readers to better understand our recurring financial performance and related trends.

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Overall Performance

$ millions	Q3 2024	Q3 2023	Change	For the nine months ended September 30 2024	2023	Change
Non-interest income as reported	**$ 42.7**	$ 39.4	$ 3.3	**$ 124.8**	$ 119.2	$ 5.6
Less: strategic initiatives income	**1.0**	0.7	0.3	**3.2**	1.5	1.7
Non-interest income, excluding strategic initiatives	**$ 41.7**	$ 38.7	$ 3.0	**$ 121.6**	$ 117.7	$ 3.9

Results by Segment

Payments & Digital Banking

$ millions	Q3 2024	Q3 2023	Change	For the nine months ended September 30 2024	2023	Change
Non-interest income as reported	**$ 31.6**	$ 31.1	$ 0.5	**$ 95.9**	$ 90.4	$ 5.5
Less: strategic initiatives income	**1.0**	0.7	0.3	**3.2**	1.5	1.7
Non-interest income, excluding strategic initiatives	**$ 30.6**	$ 30.4	$ 0.2	**$ 92.7**	$ 88.9	$ 3.8

Total revenue, excluding Strategic Initiatives

Total revenue, excluding strategic initiatives, presented in the Overall Performance and Results by Segment sections of this MD&A is derived by excluding our investments in strategic initiatives to develop and deliver solutions to support the growth of the credit union system. Excluding strategic initiatives allows readers to better understand our recurring financial performance and related trends.

Overall Performance

$ millions	Q3 2024	Q3 2023	Change	For the nine months ended September 30 2024	2023	Change
Total revenue	**$ 59.3**	$ 56.9	$ 2.4	**$ 218.9**	$ 184.7	$ 34.2
Less: strategic initiatives income	**1.0**	0.6	0.4	**3.1**	1.5	1.6
Total revenue, excluding strategic initiatives	**$ 58.3**	$ 56.3	$ 2.0	**$ 215.8**	$ 183.2	$ 32.6

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Results by Segment

Payments & Digital Banking

$ millions		Q3 2024		Q3 2023		Change		For the nine months ended September 30 2024		2023		Change
Total revenue	**$**	**31.2**	$	30.7	$	0.5	**$**	**94.2**	$	88.3	$	5.9
Less: strategic initiatives income		**1.0**		0.7		0.3		**3.1**		1.4		1.7
Total revenue, excluding strategic initiatives	**$**	**30.2**	$	30.0	$	0.2	**$**	**91.1**	$	86.9	$	4.2

Non-Interest Expense, excluding Strategic Initiatives

Non-interest expense, excluding strategic initiatives, presented in the Overall Performance and Results by Segment sections of this MD&A is derived by excluding our investments in strategic initiatives to develop and deliver solutions to support the growth of the credit union system. Excluding strategic initiatives allows readers to better understand our recurring financial performance and related trends.

Overall Performance

$ millions		Q3 2024		Q3 2023		Change		For the nine months ended September 30 2024		2023		Change
Non-interest expense as reported	**$**	**53.3**	$	50.9	$	2.4	**$**	**156.1**	$	157.6	$	(1.5)
Less: strategic initiatives spend		**10.7**		8.4		2.3		**23.2**		29.2		(6.0)
Non-interest expense, excluding strategic initiatives	**$**	**42.6**	$	42.5	$	0.1	**$**	**132.9**	$	128.4	$	4.5

Results by Segment

Treasury

$ millions		Q3 2024		Q3 2023		Change		For the nine months ended September 30 2024		2023		Change
Non-interest expense as reported	**$**	**11.6**	$	9.2	$	2.4	**$**	**32.2**	$	29.9	$	2.3
Less: strategic initiatives spend		**0.9**		0.3		0.6		**1.8**		1.7		0.1
Non-interest expense, excluding strategic initiatives	**$**	**10.7**	$	8.9	$	1.8	**$**	**30.4**	$	28.2	$	2.2

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Payments & Digital Banking

$ millions		Q3 2024		Q3 2023		Change		For the nine months ended September 30 2024		2023		Change
Non-interest expense as reported	**$**	**36.4**	$	37.2	$	(0.8)	**$**	**107.1**	$	114.0	$	(6.9)
Less: strategic initiatives spend		**4.8**		5.2		(0.4)		**9.7**		19.2		(9.5)
Non-interest expense, excluding strategic initiatives	**$**	**31.6**	$	32.0	$	(0.4)	**$**	**97.4**	$	94.8	$	2.6

System Affiliates & Other

$ millions		Q3 2024		Q3 2023		Change		For the nine months ended September 30 2024		2023		Change
Non-interest expense as reported	**$**	**5.3**	$	4.5	$	0.8	**$**	**16.8**	$	13.7	$	3.1
Less: strategic initiatives spend		**5.0**		3.0		2.0		**11.7**		8.4		3.3
Non-interest expense, excluding strategic initiatives	**$**	**0.3**	$	1.5	$	(1.2)	**$**	**5.1**	$	5.3	$	(0.2)

Average Assets and Average Equity

Average assets and average equity are non-GAAP financial measures, calculated from daily average balances for assets and equity, are used to calculate return on average assets and return on average equity, respectively, which are non-GAAP financial ratios as listed in the non-GAAP financial ratios section below.

$ millions, except as indicated		Q3 2024		Q3 2023		Change		For the nine months ended September 30 2024		2023		Change
Reported net income	**$**	**5.8**	$	3.9	$	1.9	**$**	**47.8**	$	23.6	$	24.2
Total assets as reported, as at September 30	**$**	**11,620.2**	$	10,892.2	$	728.0	**$**	**11,620.2**	$	10,892.2	$	728.0
Impact of averaging daily balances		**(1,603.0)**		(99.6)		(1,503.4)		**(1,809.3)**		79.1		(1,888.4)
Average assets, as at September 30	**$**	**10,017.2**	$	10,792.6	$	(775.4)	**$**	**9,810.9**	$	10,971.3	$	(1,160.4)
Return on average assets		**0.2%**		0.1%				**0.7%**		0.3%		
Total equity as reported, as at September 30	**$**	**781.3**	$	718.7	$	62.6	**$**	**781.3**	$	718.7	$	62.6
Impact of averaging daily balances		**46.3**		(8.1)		54.4		**13.1**		(6.8)		19.9
Average equity, as at September 30	**$**	**827.6**	$	710.6	$	117.0	**$**	**794.4**	$	711.9	$	82.5
Return on average equity		**2.1%**		1.6%				**8.0%**		4.4%		

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Liquid Assets

Liquid assets maintained by Central 1 give credit unions access to liquidity when they need it. Detailed disclosures are included in the Cash and Liquid Assets section of this MD&A. The major component of liquid assets are securities reported on the Interim Consolidated Statement of Financial Position, excluding equity investments. A separate presentation of liquid assets in the MD&A provides the readers with better information on Central 1's liquidity position.

$ millions, as at	Sep 30 2024	Dec 31 2023	Sep 30 2023
Federal and provincial government issued and guaranteed securities	**$ 3,062.6**	$ 3,403.6	$ 3,791.4
Corporate and financial institutions securities	**3,409.7**	3,326.2	3,224.1
Asset backed securities	**253.1**	203.0	209.4
Insured mortgages	**24.4**	26.6	30.0
Total liquid assets	**$ 6,749.8**	$ 6,959.4	$ 7,254.9
Add: equity instruments	**40.9**	40.9	40.2
Securities as reported	**$ 6,790.7**	$ 7,000.3	$ 7,295.1

Tier 1 Capital

Tier 1 capital is used to calculate the Tier 1 capital ratio and it consists of share capital and retained earnings, excluding accumulative net after-tax gain in investment property. The quantitative reconciliation for Tier 1 capital is disclosed under Capital Management and Capital Resources section of this MD&A.

Tier 2 Capital

Tier 2 capital is used to calculate the total capital ratio and it consists of subordinated debt net of any required amortization in its final five years and the accumulated net after tax gain in investment property. The quantitative reconciliation for Tier 2 capital is disclosed under the Capital Management and Capital Resources section of this MD&A.

Total Regulatory Capital

Total regulatory capital is used to calculate the total capital ratio which is used to monitor Central 1's capital position is within regulatory limits set by BCFSA. It is the sum of Tier 1 capital and Tier 2 capital minus statutory capital adjustments. The quantitative reconciliation for total regulatory capital is disclosed under Capital Management and Capital Resources section of this MD&A.

Total Borrowings

Total borrowings are used to calculate borrowing multiple. Central 1 is required by BCFSA to maintain a consolidated borrowing multiple within the regulatory limits. Total borrowings include the line items reported in the Interim Consolidated Statement of Financial Position, such as deposits, debt securities issued, securitization liabilities, securities under the repurchase agreements, derivative liabilities and settlement-in-transit liabilities, minus any regulatory adjustments. In addition, the subsidiaries deposits held by Central 1, which are eliminated through consolidation, are also included in total borrowings.

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$ millions, as at		Sep 30 2024		Dec 31 2023		Sep 30 2023
Total liabilities as reported	$	**10,838.9**	$	10,501.2	$	10,173.5
Less: other liabilities as reported		**(75.2)**		(90.0)		(82.7)
Less: subordinated liabilities		**(194.5)**		(182.1)		(176.6)
Less: settlements in-transit excluded from total borrowings		**(930.9)**		(689.3)		(490.5)
Add: subsidiary deposits		**0.0**		0.2		0.4
Total borrowings	$	**9,638.3**	$	9,540.0	$	9,424.1

Non-GAAP Financial Ratios

Return on Average Assets and Return on Average Equity

Return on average assets and return on average equity are used to measure Central 1's profitability and present the profit as a percentage of average assets and average equity, respectively, which are based on averaging month end balances.

Total Capital Ratio

Total capital ratio is used to monitor Central 1's capital position and is calculated by dividing total regulatory capital by the risk weighted assets[1] which are calculated using different risk weightings for different assets as required by the BCFSA.

Tier 1 Capital Ratio

Tier 1 capital ratio is used to monitor if Central 1's capital position and is calculated by dividing the Tier 1 capital by the risk weighted assets.

Borrowing Multiple

Borrowing multiple is used to monitor if Central 1's capital position is within the regulatory limits which is less than 18:1 and is calculated using total borrowings divided by total regulatory capital. Total borrowings and total regulatory capital are non-GAAP financial measures. The quantitative reconciliation for total borrowings is disclosed above in and the breakdown of total regulatory capital can be found in the Capital Management and Capital Resources section of this MD&A.

Supplementary Financial Measures

Central 1 also uses the following supplementary financial measures which are not disclosed in the Interim Consolidated Financial Statements, but do not meet the definition of non-GAAP financial measures or ratios.

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Assets under Administration (AUA)

AUA include government approved registered plans for tax deferral purposes, which are trusteed and administered by Central 1 or one of its wholly owned subsidiaries. Central 1 provides trust and administrative services on AUA for the beneficial owners and members of the B.C. credit union system and Class C members.

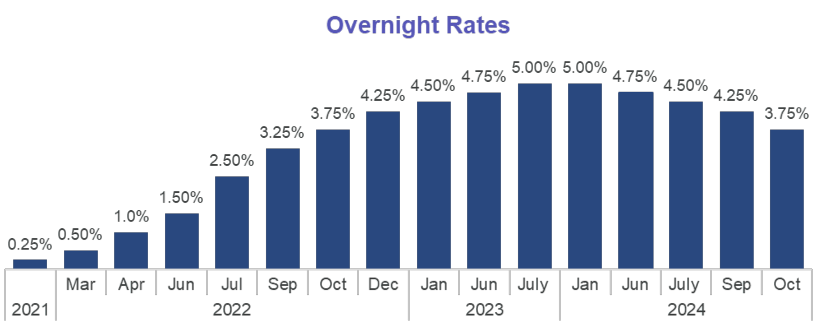
Liquidity Coverage Ratio (LCR)

LCR demonstrates whether Central 1 has a sufficient stock of liquid assets to meet 30-day cashflow requirements under a severe stress scenario. It is calculated using the stock of liquid assets, calculated based on Office of the Superintendent of Financial Institutions (OSFI) regulatory requirements, divided by the net cash outflows over the next 30 days.

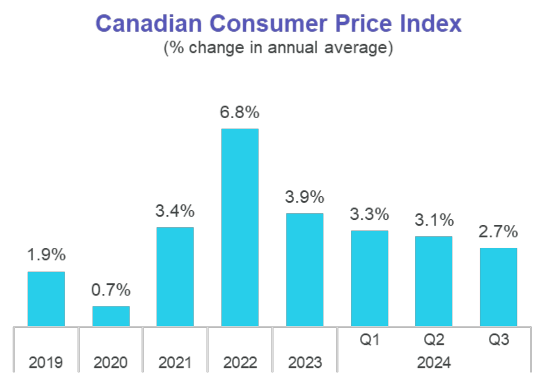
Economic Developments and Outlook

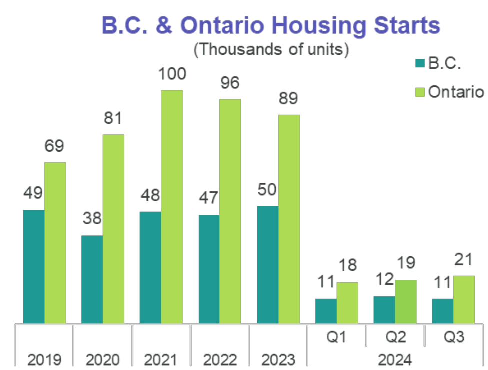
Central 1 operates in the Canadian markets and invests in bonds. Any developments in Canadian economic outlook and movements in the financial markets, which are directly impacted by the global economic environment and market conditions, will impact its financial performance. The following summaries of the economic environment and the state of financial markets offer a context for interpreting our quarterly results and provide insights into our future performance.

Economic Environment



*Forecast source: Central 1 Economics





The Canadian economy is expected to show a slower growth in the third quarter after a surprise bump in the second quarter. Central 1 Economics' latest forecast predicts that third-quarter GDP will slow to an annualized rate of 1.0%, down from 2.1% in the previous quarter. The average annual growth for 2024 is now projected to be approximately 1.2%, reflecting a slight upward revision from our last quarter's forecast of 1.0%. Despite the overall growth, real GDP per capita is still expected to decline, having fallen in seven of the last eight quarters. While retail spending has shown solid growth in the first two months of the third quarter, the downward trend in real GDP per capita spending continues. Housing unit sales remain below pre-pandemic level, while the MLS composite home price index has seen a slightly increase in the first half of the year, although it is still well below the peak reached in 2022. Construction investment and building permits have remained subdued and are unlikely to see an uptick until 2025. Labour market continues to weaken, with September's unemployment rate rising to 6.5% and job vacancies falling below pre-pandemic levels. Consumer price inflation has returned to the mid-point of the Bank of Canada's target range of 1% to 3%, though

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shelter costs remain high, albeit with a slowing rate of increase. Further policy rate cuts should help further slow the growth of shelter costs. Overall economic weakness is likely to persist into the new year, with a slow and gradual recover anticipated in 2025 as the effects of the policy rate cuts begin to take hold.

The U.S. economy continues to show resilience throughout 2024. After a strong 3.0% annualized growth rate in the second quarter, the Atlanta Federal Reserve now estimates third-quarter GDP growth at 3.2% based on its GDPNow forecast model, bolstered by robust non-farm payroll growth in September. The labour market has regained balance, with the unemployment rate peaking at 4.3% in July and declining to 4.1% by September. Although employment growth was initially slow at the start of the quarter, it accelerated in September with an increase of 254,000 jobs, surpassing the 12-mont average. Wage growth continues to decelerate but remains high, now outpacing the inflation rate. Meanwhile, the growth in housing prices is slowing, with the Federal Housing Agency's home price index rising only 4.5% year over year, down from a recent peak of 7.5%. Housing starts also hit a three-year low in July, with only 1.2 million units initiated. On the consumer front, retail spending has been robust in the third quarter, with sales growth in July and August exceeding expectations, although a moderation is anticipated in the coming quarters. Year-over-year inflation has stayed within the target range long enough for the Federal Reserve to feel comfortable initiating interest rate cut. Currently, all indicators suggest that the U.S. economy is on track for a soft landing, managing to tame inflation while avoiding a recession.

Financial Markets

Financial market conditions have loosened further in the third quarter, overall risk slightly declined alongside easing credit conditions. Bond yields have also decreased, with the average yield for 2-year bonds in Canada and the U.S. dropping around 75 basis points (bps) to approximately 3.2% and 3.9%, respectively. The yield for 10-year bonds has fallen by 45 bps to 3.3% in Canada and 4.0% in the U.S. The yield curve in both countries has flattened significantly, with only the short to medium-term yields showing inversion. Since June, Bank of Canada has cut its policy rate four times, while the U.S Federal Reserve made its first rate cut in four years, reducing the overnight rate by 50 bps in September. Both central banks are expected to continue cutting rates through the rest of the year and into next. Equity markets have responded positively to these rate cuts, with both the S&P/TSX Composite Index and the S&P 500 Index reaching record highs. However, commodity prices have continued to decline this year after peaking in April, according to the Bank of Canada's commodity price index, while the CAD/USD exchange rate has remained steady between 0.74 and 0.72.

Industry Regulation

There were no material industry or regulation developments impacting Central 1 in the third quarter of 2024.

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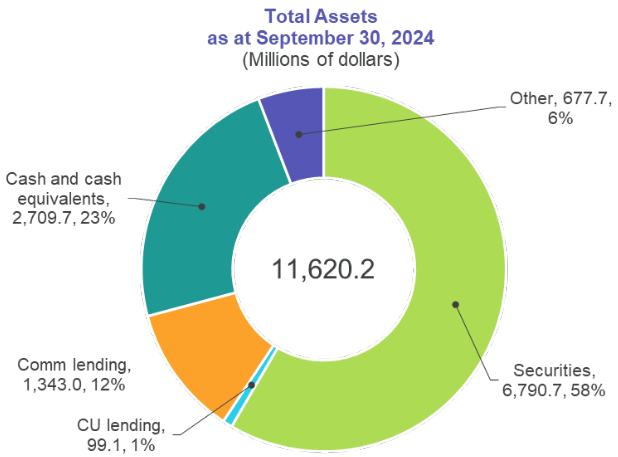
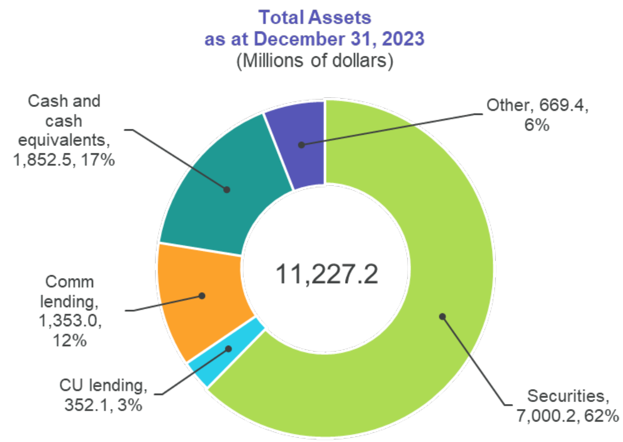
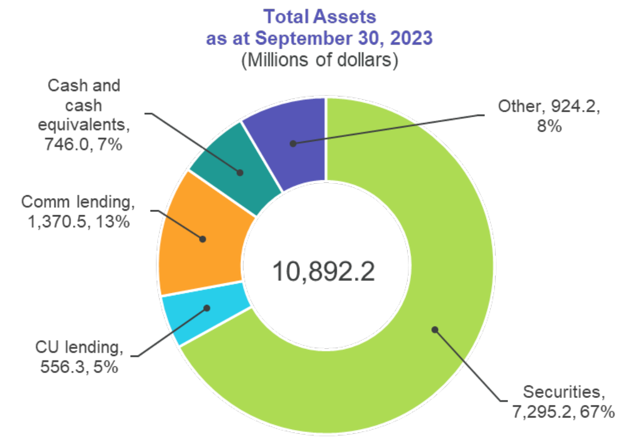
Consolidated Statement of Financial Position

Total Assets







The change in total assets reflects the growth in our funding portfolios. As of September 30, 2024, total assets increased by $728.0 million from September 30, 2023, and by $393.0 million from December 31, 2023. These increases were mainly driven by a higher deposit level totaling $6.5 billion as at September 30, 2024, which increased by $1.4 billion since September 30, 2023 and by $0.7 billion since December 31, 2023. In addition, Central 1's access to diversified funding sources, which includes medium-term notes, commercial paper, subordinated liabilities, and repurchase agreements, continues to provide funding for daily liquidity requirements.

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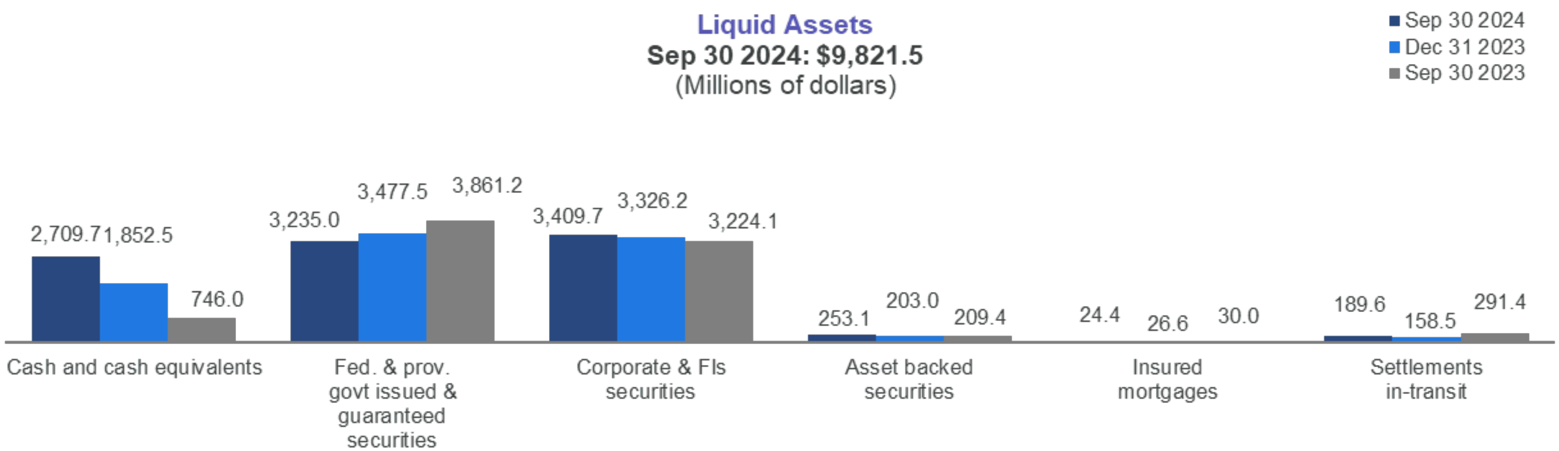
Cash and Liquid Assets



$ millions, as at September 30, 2024	Liquid Assets	Securities Received as Collateral	Total Liquid Assets	Encumbered Assets	Unencumbered Assets*
Cash and cash equivalents	$ 2,709.7	$ -	**$ 2,709.7**	$ -	$ 2,709.7
Federal and provincial government issued and guaranteed securities	3,062.6	172.4	**3,235.0**	1,219.3	2,015.7
Corporate and financial institutions securities	3,409.7	-	**3,409.7**	25.7	3,384.0
Asset backed securities	253.1	-	**253.1**	-	253.1
Insured mortgages	24.4	-	**24.4**	-	24.4
Settlements in-transit	189.6	-	**189.6**	-	189.6
Total	$ 9,649.1	$ 172.4	**$ 9,821.5**	$ 1,245.0	$ 8,576.5

*Unencumbered assets include high quality liquid assets that are marketable, can be pledged as security for borrowings, and can be converted to cash in a time frame that meets our liquidity and funding requirements.

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$ millions, as at December 31, 2023	Liquid Assets	Securities Received as Collateral	Total Liquid Assets	Encumbered Assets	Unencumbered Assets*
Cash and cash equivalents	$ 1,852.5	$ -	$ 1,852.5	$ -	$ 1,852.5
Federal and provincial government issued and guaranteed securities	3,403.6	73.9	3,477.5	1,654.2	1,823.3
Corporate and financial institutions securities	3,326.2	-	3,326.2	46.7	3,279.5
Asset backed securities	203.0	-	203.0	-	203.0
Insured mortgages	26.6	-	26.6	-	26.6
Settlements in-transit	158.5	-	158.5	-	158.5
Total	$ 8,970.4	$ 73.9	$ 9,044.3	$ 1,700.9	$ 7,343.4

*Unencumbered assets include high quality liquid assets that are marketable, can be pledged as security for borrowings, and can be converted to cash in a time frame that meets our liquidity and funding requirements.

$ millions, as at September 30, 2023	Liquid Assets	Securities Received as Collateral	Total Liquid Assets	Encumbered Assets	Unencumbered Assets*
Cash and cash equivalents	$ 746.0	$ -	$ 746.0	$ -	$ 746.0
Federal and provincial government issued and guaranteed securities	3,791.4	69.8	3,861.2	1,998.0	1,863.2
Corporate and financial institutions securities	3,224.1	-	3,224.1	36.4	3,187.7
Asset backed securities	209.4	-	209.4	-	209.4
Insured mortgages	30.0	-	30.0	-	30.0
Settlements in-transit	291.4	-	291.4	-	291.4
Total	$ 8,292.3	$ 69.8	$ 8,362.1	$ 2,034.4	$ 6,327.7

*Unencumbered assets include high quality liquid assets that are marketable, can be pledged as security for borrowings, and can be converted to cash in a time frame that meets our liquidity and funding requirements.

Central 1 manages its liquidity by maintaining a portfolio of high-quality liquid assets to ensure that credit unions have access to reliable and cost-effective sources of liquidity.

Total liquid assets of September 30, 2024, increased by $777.2 million from December 31, 2023 and by $1.5 billion from September 30, 2023, driven by increased cash and cash equivalents, funded by a higher deposit. Unencumbered assets[1] increased by $1.2 billion from December 31, 2023, and by $2.2 billion from September 30, 2023.

[1]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[2]This is a non-GAAP financial ratio. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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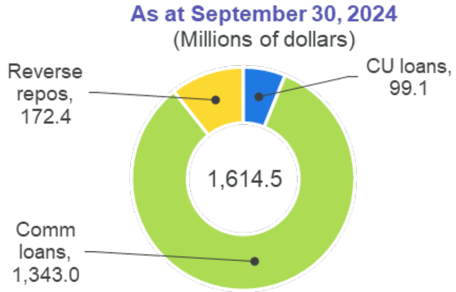
Loans

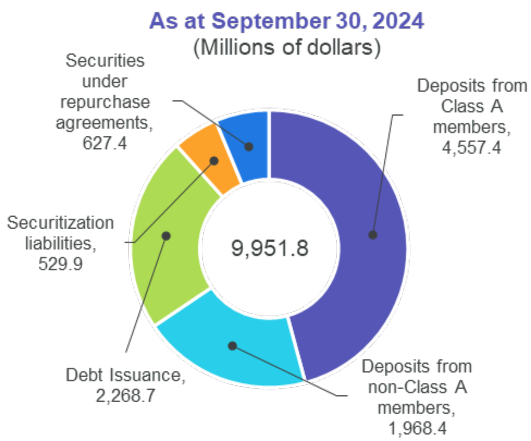


$ millions, as at		Sep 30 2024		Dec 31 2023		Sep 30 2023
Loans to credit unions	$	**99.1**	$	352.1	$	556.3
Commercial and other loans		**1,343.0**		1,353.0		1,370.5
Reverse repurchase agreements		**172.4**		73.9		69.8
	$	**1,614.5**	$	1,779.0	$	1,996.6

Total loan balances are before the allowance for credit losses and exclude accrued interest, premium and fair value hedge adjustment.

As of September 30, 2024, loans to credit unions were $253.0 million lower than on December 31, 2023, and $457.2 million lower than on September 30, 2023, driven by increased liquidity in the credit union system. Reverse repurchase agreements increased by $98.5 million from December 31, 2023, and by $102.6 million from September 30, 2023, which was largely driven by credit unions' cash management activities.

Funding



$ millions, as at		Sep 30 2024		Dec 31 2023		Sep 30 2023
Deposits						
Deposits from Class A members	$	**4,557.4**	$	4,041.9	$	3,539.7
Deposits from non-Class A members		**1,968.4**		1,813.8		1,548.9
		6,525.8		5,855.7		5,088.6
Debt Issuance						
Commercial paper		**750.8**		853.4		852.9
Medium-term notes		**1,323.4**		1,297.7		1,300.6
Subordinated liabilities		**194.5**		182.1		176.6
		2,268.7		2,333.2		2,330.1
Securitization liabilities		**529.9**		560.0		741.6
Securities under repurchase agreements		**627.4**		1,036.6		1,159.0
	$	**9,951.8**	$	9,785.5	$	9,319.3

Central 1 is largely funded through deposits generated from member credit unions. It also maintains access to external markets and a variety of funding sources, including medium-term notes, commercial paper, subordinated liabilities, and repurchase agreements. Central 1 anticipating generating sufficient working capital from its operations and does not foresee significant changes to its future funding sources. As of September 30, 2024, deposits increased by $670.1 million from

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December 31, 2023, and by $1.4 billion from September 30, 2023, although these increases were partially offset by declines in securities under repurchase agreements.

Results by Segment

We manage and report our operations around two key business segments: Treasury, and Payments & Digital Banking. All other activities or transactions are reported in System Affiliates & Other including our investments in equity shares of system-related entities, other than the wholly owned subsidiaries. The costs of Corporate Support functions are attributed to business lines as appropriate, with unattributed amounts included in System Affiliates & Other.

Periodically, certain business lines and units are transferred among business segments to align our organizational structure more closely with our strategic priorities. Results for prior periods are restated accordingly to conform to the current period presentation.

Central 1 Credit Union

Key Business Segments	**Treasury**	**Payments & Digital Banking**
Core Operations and Activities	• Supports the financial and liquidity needs of member credit unions • Provides member credit unions with access to: ○ securitization services; ○ capital markets for short- and long-term fundings; ○ foreign exchange services; ○ derivative capabilities; ○ Group Clearer settlement function; and ○ other treasury services	• Develops and operates innovative digital banking technologies and payment processing solutions for member credit unions, other financial institutions and corporate clients

System Affiliates & Other

- Includes Central 1's investments in equity shares of system-related entities
- Includes the costs of implementing certain strategic initiatives other than ones included in the key segments of business above

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Treasury

$ millions	Q3 2024	Q3 2023	Change	For the nine months ended September 30 2024	2023	Change
Net interest income	$ 10.1	$ 20.0	$ (9.9)	$ 35.6	$ 43.4	$ (7.8)
Gain (loss) on disposal of financial instruments	(3.9)	0.8	(4.7)	54.0	17.1	36.9
Change in fair value of financial instruments	10.8	(2.8)	13.6	6.2	7.1	(0.9)
Non-interest income	10.2	7.8	2.4	25.8	23.7	2.1
Total revenue	27.2	25.8	1.4	121.6	91.3	30.3
Provision for (recovery of) credit losses	0.2	1.0	(0.8)	-	0.5	(0.5)
Non-interest expense, excl. strategic initiatives	10.7	8.9	1.8	30.4	28.2	2.2
Strategic initiatives[1]	0.9	0.2	0.7	1.8	1.6	0.2
Income before income taxes	15.4	15.7	(0.3)	89.4	61.0	28.4
Income tax expense	4.1	4.2	(0.1)	24.1	16.4	7.7
Net income	$ 11.3	$ 11.5	$ (0.2)	$ 65.3	$ 44.6	$ 20.7

Certain comparative figures have been reclassified to conform with the current period's presentation.

Quarterly comparison – Q3 2024 vs. Q3 2023

Treasury reported net income for the quarter was $11.3 million, broadly consistent with $11.5 million reported in the third quarter last year.

Net interest income decreased by $9.9 million compared to the third quarter last year reflective of lower average balances, offset by a $8.9 million increase in net fair value gain[1] due to credit spreads narrowing. In addition, non-interest income, including revenue from Treasury's fee-for-service operations, increased by $2.4 million compared to the third quarter later year.

Spending on strategic initiatives[1] aligned with Central 1's strategic priorities and increased by $0.7 million compared to the third quarter last year.

Non-interest expense, excluding strategic initiatives[1], remained largely unchanged.

Year-to-date comparison – Q3 2024 vs. Q3 2023

Treasury reported net income for the nine months ended September 30, 2024 was $65.3 million, an increase of $20.7 million, or 46.4%, compared to the same period last year. The growth is primary attributed by a $36.0 million increase in net fair value gain[1] as a result of credit spreads narrowing. This was partially offset by a $7.8 million decrease in net interest income due to the lower average balances.

[1]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[2]This is a non-GAAP financial ratio. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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Payments & Digital Banking

$ millions	Q3 2024	Q3 2023	Change	For the nine months ended September 30 2024	2023	Change
Net interest expense	**$ (0.4)**	$ (0.4)	$ -	**$ (1.6)**	$ (2.0)	$ 0.4
Non-interest income, excl. strategic initiatives[1]	**30.6**	30.4	0.2	**92.7**	88.9	3.8
Total revenue, excl. strategic initiatives[1]	**30.2**	30.0	0.2	**91.1**	86.9	4.2
Non-interest expense, excl. strategic initiatives[1]	**31.6**	32.0	(0.4)	**97.4**	94.8	2.6
Strategic initiatives[1]	**3.8**	4.5	(0.7)	**6.6**	17.7	(11.1)
Loss before income taxes	**(5.2)**	(6.5)	1.3	**(12.9)**	(25.6)	12.7
Income tax recovery	**(1.4)**	(1.8)	0.4	**(3.5)**	(10.0)	6.5
Net loss	**$ (3.8)**	$ (4.7)	$ 0.9	**$ (9.4)**	$ (15.6)	$ 6.2

Quarterly comparison – Q3 2024 vs. Q3 2023

Payments & Digital Banking reported net loss for the quarter was $3.8 million, compared with a reported net loss of $4.7 million in the third quarter last year, which was driven by the net loss in the Digital Banking business and partially offset by the net income in the Payments business. Compared to the third quarter last year, the loss decreased by $0.9 million, primarily due to reduced spending on strategic initiatives in the quarter. This reduction was due to the pause in the Real-Time Rail project, as we await the detailed scope from Payments Canada to better facilitate future work, and lower professional fees associated with the digital strategy.

Non-interest income, excluding strategic initiatives[1], remained stable compared to the third quarter of last year, supported by relatively steady transaction volumes in payments.

Non-interest expenses, excluding strategic initiatives[1], decreased by $0.4 million, compared to the third quarter last year, mainly due to lower salaries and employee benefits.

Year-to-date comparison – Q3 2024 vs. Q3 2023

Payments & Digital Banking reported net loss of $9.4 million for the nine-month ended September 30, 2024, compared with a reported net loss of $15.6 million in the same period last year, decreased by $6.2 million, or 39.7%, from the same period last year largely due to a lower spend in strategic initiatives[1]. This reduction was largely attributed to decreased expenditures on initiatives, namely Payment Modernization and Real-Time Rail project, and Forge.

Non-interest income, excluding strategic initiatives[1], increased by $3.8 million, or 4.3%, compared to the same period last year, supported by relatively steady transaction volumes in payments.

Non-interest expenses, excluding strategic initiatives[1], increased by $2.6 million, or 2.7%, compared to the same period last year, primarily due to higher expense on software license fees.

[1]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[2]This is a non-GAAP financial ratio. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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System Affiliates & Other

$ millions	Q3 2024	Q3 2023	Change	2024	2023	Change
				For the nine months ended September 30		
Non-interest income	**0.9**	0.4	0.5	**$ 3.1**	$ 5.0	$ (1.9)
Total revenue	**0.9**	0.4	0.5	**3.1**	5.0	(1.9)
Non-interest expense, excl. strategic initiatives[1]	**0.3**	1.5	(1.2)	**5.1**	5.3	(0.2)
Strategic initiatives[1]	**5.0**	3.0	2.0	**11.6**	8.4	3.2
Loss before income taxes	**(4.4)**	(4.1)	(0.3)	**(13.6)**	(8.7)	(4.9)
Income tax recovery	**(2.7)**	(1.2)	(1.5)	**(5.5)**	(3.3)	(2.2)
Net loss	**$ (1.7)**	$ (2.9)	$ 1.2	**$ (8.1)**	$ (5.4)	$ (2.7)

Certain comparative figures have been reclassified to conform with the current period's presentation.

Quarterly comparison – Q3 2024 vs. Q3 2023

System Affiliates & Other reported net loss for the third quarter of 2024 was $1.7 million, compared with a reported loss of $2.9 million in the third quarter last year. Investment in strategic initiatives[1] increased by $2.0 million during this quarter, aligning with our strategic priorities. This increase was offset by a $0.5 million rise in non-interest income, primarily comprised of income from investments in Central 1's affiliates, and a $1.2 million decrease in non-interest expense, excluding strategic initiatives[1].

Year-to-date comparison – Q3 2024 vs. Q3 2023

System Affiliates & Other reported net loss for the nine months ended September 30, 2024 was $8.1 million, compared with a reported net loss of $5.4 million in the same period last year. The increase was mostly due to the increase of $3.2 million, or 38.1%, in strategic initiatives[1] spend in the first nine months of the year, aligning with our strategic priorities. Non-interest income which was mainly comprised of income from investments in Central 1's affiliates, decreased by $1.9 million, or 38.0%, from the same period last year, largely driven by a $1.3 million one-time income included in 2023 when Central 1 received the final distribution of $0.5 million (US$0.4 million) from US Central Federal Credit Union and a $0.8 million PST rebate from the B.C. government.

[1]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[2]This is a non-GAAP financial ratio. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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Summary of Quarterly Results

Our quarterly results are impacted by several factors, which include general economic and market conditions. The table below summarizes our results for the last eight quarters:

$ thousands, except as indicated	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Interest income	**$ 99,158**	$ 101,442	$ 104,000	$ 111,370	$ 118,800	$ 102,196	$ 99,194	$ 94,605
Interest expense	**89,443**	91,619	89,534	98,368	99,206	92,426	87,264	76,626
Net interest income	**9,715**	9,823	14,466	13,002	19,594	9,770	11,930	17,979
Gain (loss) on disposal of financial instruments	**(3,925)**	27,665	30,212	4,537	721	5,426	10,985	31,479
Change in fair value of financial instruments	**10,836**	(8,900)	4,246	(409)	(2,777)	27,171	(17,247)	(50,185)
Non-interest income[1]	**42,676**	40,380	41,755	42,483	39,372	38,123	41,669	36,263
Total revenue	**59,302**	68,968	90,679	59,613	56,910	80,490	47,337	35,536
Provision for (recovery of) credit losses	**158**	(340)	183	(280)	991	212	(701)	(13)
Non-interest expense[1]	**53,300**	51,624	51,148	56,461	50,882	54,913	51,779	53,871
Income (loss) before income taxes	**5,844**	17,684	39,348	3,432	5,037	25,365	(3,741)	(18,322)
Income tax expense (recovery)	**26**	4,582	10,473	1,561	1,162	6,905	(5,022)	(9,061)
Net income (loss)	**$ 5,818**	$ 13,102	$ 28,875	$ 1,871	$ 3,875	$ 18,460	$ 1,281	$ (9,261)
Weighted average shares outstanding *(millions)*	**43.4**	43.4	43.4	43.4	43.4	43.4	43.4	43.4
Earnings (loss) per share *(cents)*[2]								
Basic/Diluted	**13.4**	30.2	66.6	4.4	9.0	42.6	3.0	(21.4)

[1]Non-interest income and non-interest expense includes investments in strategic initiatives.

[2]Earnings per share calculated for Central 1 must be taken in the context that member shares may not be traded or transferred except with the consent of the Central 1's Board of Directors.

Net interest income varies with the size of the portfolio. Both Q4 2022 and Q3 2023 experienced higher net interest income, mostly attributed to higher portfolio balances. In the fourth quarter of 2022 and the first quarter of 2023, credit spreads widened, reflecting net change in fair value of financial instruments losses[1] during these periods. Credit spreads started narrowing during the second quarter of 2023, reflective of a net change in fair value of financial instruments gain[1] of $27.1 million reported in the quarter. Aside from a mark-to-market loss of financial instruments of $2.8 million reported in the third quarter of 2023, driven by unfavorable movements in National Housing Act Mortgage-Backed Securities (NHA MBS) credit spreads, bond credit spreads have been falling since then, resulting in a mark-to-market gain of financial instruments reported in the fourth quarter of 2023 and the first three quarters of 2024.

Excluding the one-off distribution from U.S. Federal Credit Union and Provincial Sales Tax (PST) rebate from the B.C. government in the first quarter of 2023, non-interest income remained relatively stable quarter-over-quarter until the third quarter of 2023, when upward trend began as a result of the adoption of new digital and payments products. Non-interest expense also remained relatively stable over the past eight quarters, peaking in the fourth quarter of 2023 due to a restructuring.

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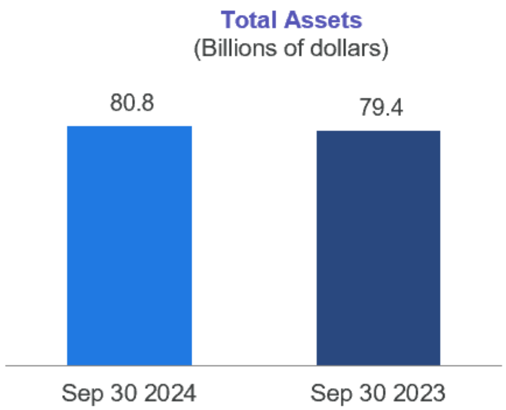
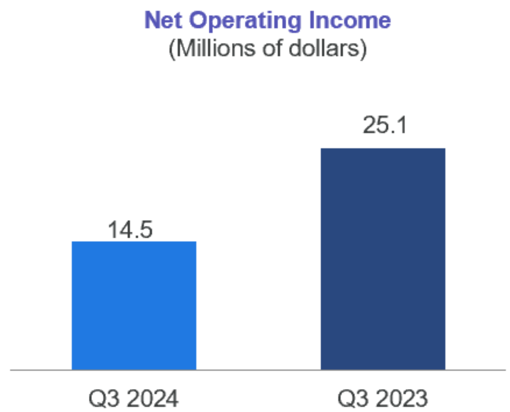
Credit Union System Performance

British Columbia





The B.C. system's net operating income for the third quarter of 2024 was a profit of $14.5 million, a decrease of $10.6 million, or 42.2%, compared to the same period last year. Net interest income saw a slight increase of $3.7 million, or 1.3%, compared to the same period last year, as both the lending spread and loan volume remained stable. Non-interest income increased by $2.0 million, or 2.9%, year-over-year, driven by higher trading income, which offset lower fees from member services. However, non-interest expenses increased by $16.5 million, or 5.0%, due to higher salaries, benefits, and loan loss expenses.

Total assets increased $1.4 billion, or 1.7%, year-over-year, reaching $80.8 billion at the end of the third quarter. This growth was primarily fueled by a 33.0% increase in securitization and a 7.8% increase in cash and investments. Total liabilities also increased by $1.3 billion, or 1.7%, led by a 11.1% increase in registered term deposits and a 2.2% increase in non-registered term deposits. However, both non-registered and registered demand deposits declined by 2.3% and 4.2%, respectively.

As of September 30, 2024, the loan delinquency rate for loans over 90 days stood at 0.40%, increased by 14 basis point from the previous year. The loan loss expense ratio for the third quarter was 0.06%, an increase of 4 bps year-over-year.

The B.C. system held $38.3 billion in risk weighted assets (RWA), with regulatory capital as a percentage of RWA at 14.7%, decreased by 18 bps from a year ago. The aggregate liquidity ratio, including that held by Central 1, was 16.0% of deposit and debt liabilities, up 87 bps from the prior year. The system's annualized return on assets was 0.07% in the third quarter, a decrease of 5 bps compared to the same period last year.

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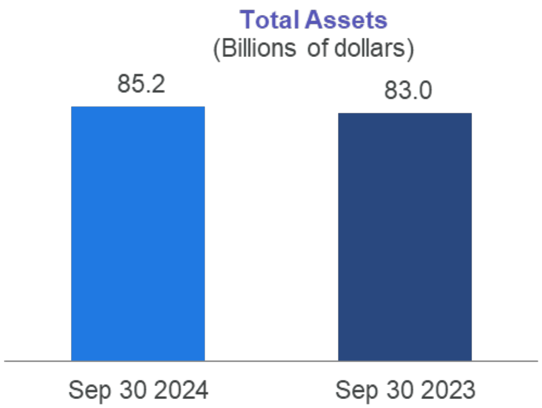
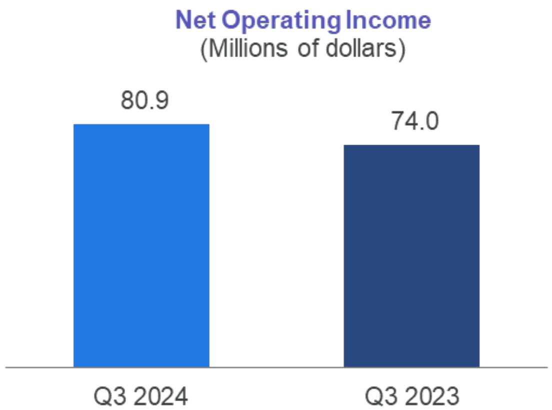
Ontario





Comparative figure has been represented.

For the third quarter of 2024, the Ontario system reported a net operating income of $80.9 million, an increase of $6.9 million compared to the same period last year. Net interest income remained steady at $355 million, as slightly lower gross spreads were offset by modestly higher loan volumes. Non-interest income increased by $17.0 million year-over-year, or 29.2%, driven by higher income from securitization, rent, and other income. Non-interest expense increased by $10.2 million, or 3.0%, due to higher salaries and benefits and other non-financial expenses.

Total assets increased by 2.7% year-over-year to $85.2 billion as of September 30, 2024, largely driven by a $1.2 billion increase in cash & investments. Total liabilities increased by 2.4% year-over-year, reaching $79.0 billion, led by growth in term deposits, which were up 10.2% or $2.7 billion.

The loan delinquency rate for loans over 90 days was 0.53% as of September 30, 2024, up 27 bps from the previous year. Provisions for credit losses as a percentage of loans increased to 0.28%, up three basis points from a year earlier. The loan loss expense ratio for the Ontario system remained unchanged at 0.03% annualized in the third quarter of 2024, consistent with the same period last year.

At the end of September 2024, the Ontario system's risk-weighted assets (RWA) totaled $40.5 billion, with regulatory capital as a percentage of RWA standing at 14.1% , an increase of 68 bps from a year ago. The aggregate liquidity ratio, including that held by Central 1, was 13.9% of deposit and debt liabilities, up 127 bps from the previous year. The return on assets for the Ontario system was 0.38% annualized in the third quarter of 2024, up 2 bps compared to the same period last year.

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Off-Balance Sheet Arrangements

In the normal course of business, Central 1 enters into off-balance sheet arrangements that fall into the following main categories: derivative financial instruments, guarantees, commitments, and contingencies and assets under administration.

Derivative Financial Instruments

Notional Amount $ millions, as at	Sep 30 2024	Dec 31 2023	Sep 30 2023
Interest rate contracts			
Swap contracts	**$ 22,435.2**	$ 31,718.3	$ 31,910.4
Futures contracts	**1,635.0**	1,191.0	886.0
Bond forwards	**79.1**	-	-
	24,149.3	32,909.3	32,796.4
Foreign exchange contracts			
Foreign exchange forward contracts	**818.4**	535.8	524.9
Other derivative contracts			
Equity index-linked options	**141.5**	183.1	187.6
	$ 25,109.2	$ 33,628.2	$ 33,508.9

Central 1 acts as a swap intermediary between the Canada Housing Trust and member credit unions, additionally providing derivative capabilities to member credit unions for asset/liability management of their respective balance sheets.

The changes in fair values of these derivatives are recognized in our Interim Consolidated Statement of Financial Position, but the notional amounts of these derivatives are not presented on our Interim Consolidated Statement of Financial Position, as they do not represent actual amounts exchanged. Counterparty credit risk arising from derivative contracts is managed within the context of our overall credit risk policies and through the existence of Credit Support Annex (CSA) agreements and general security agreements. Central 1's counterparty credit exposure to Class A member credit unions is secured by individual general security agreements, while CSA agreements are in place with all other derivatives counterparties. Under a CSA, net fair value positions are collateralized with high quality liquid securities. Market risk arising from these derivative contracts is managed within the context of our overall market risk policies, as disclosed in the Risk Review section of this MD&A.

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Guarantees, Commitments and Contingencies

The following table outlines the maximum credit amounts we could be required to extend if all commitments were fully utilized, and the maximum guarantees that could be in effect if the maximum authorized committed amounts were fully transacted.

$ millions, as at		Sep 30 2024		Dec 31 2023		Sep 30 2023
Commitments to extend credit	**$**	**5,182.7**	$	5,093.4	$	4,819.4
Guarantees						
Financial guarantees	**$**	**794.6**	$	793.6	$	783.6
Performance guarantees	**$**	**500.0**	$	500.0	$	500.0
Standby letters of credit	**$**	**218.9**	$	229.0	$	232.0
Future prepayment reinvestment commitment	**$**	**853.8**	$	883.9	$	845.0

In the normal course of business, Central 1 engages in various off-balance sheet arrangements to address the financing, credit, and liquidity needs of our member credit unions. These are in the form of commitments to extend credit, guarantees, standby letter of credit, and future prepayment reinvestment commitment.

Commitments to extend credit, representing undrawn commitments, increased by $89.3 million and by $363.3 million from December 31, 2023 and September 30, 2023, respectively, due to lower utilization of credit facilities by credit unions. Guarantees, standby letters of credit, and future prepayment reinvestment commitments were largely in line with amounts reported as at December 31, 2023 and September 30, 2023.

From time to time, Central 1 issues performance guarantees related to the Asset Backed Commercial Paper Program. The performance guarantees listed in the table above represent the maximum limits for parties under existing contractual obligations. Central 1 also provides blanket approvals for performance guarantees on a non-committed basis, which can become contractual obligations for specified amounts upon request and authorized by us, at our sole discretion. Central 1 reserves the right to unilaterally withdraw from these approved limits at any time. Counterparty credit risk arising from these guarantee contracts is managed within the framework of our overall credit risk policies, as detailed in the Risk Review section of this MD&A.

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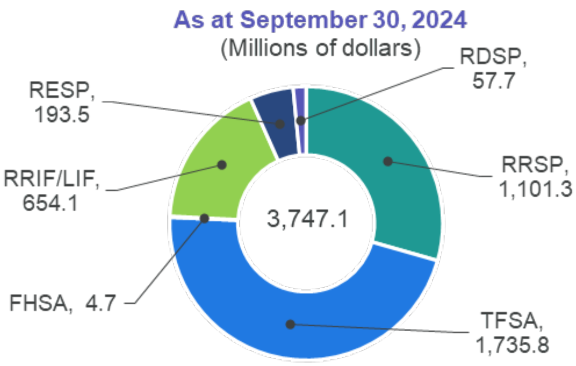
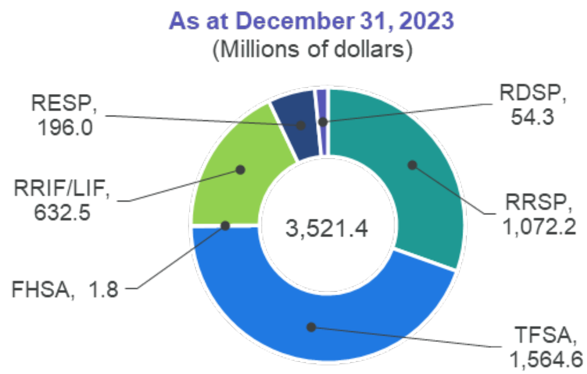
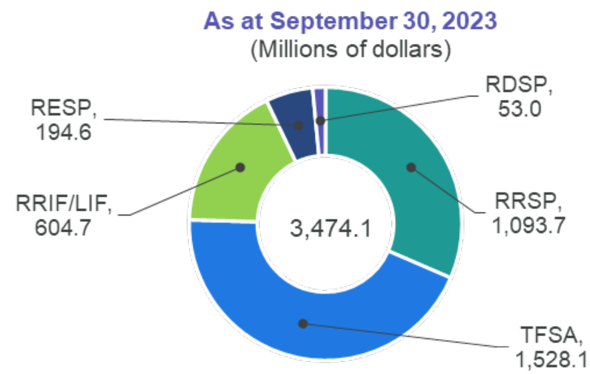
Assets under Administration (AUA)







AUA is exclusively associated with government-approved registered plans that are trusteed and administered by Central 1 or one of its wholly owned subsidiaries. Central 1 provides trust and administrative services for AUA on behalf of the beneficial owners and members of the B.C. credit union system and Class C members.

Central 1 Trust Company (the Trust), a wholly owned subsidiary of Central 1, provides similar services to members of the Ontario and Manitoba credit union systems, along with Class C members. The Trust is also registered to operate in Alberta, Newfoundland, Nova Scotia, Prince Edward Island, and Saskatchewan.

In the past year, merger and acquisition activity increased, resulting in offboarding three credit unions, with another anticipated by the end of this year. Current market conditions led to a 4.7% decrease in RRSP contracts in the third quarter of 2024. However, this decline was partially offset by a modest growth in total contracts due to increased business activity in both B.C. and Ontario, alongside a favourable market value appreciation of 7.86% in AUA compared to last year.

Interest in the new First Home Savings Account (FHSA) continues to grow, as credit unions actively market this product. As of September 30, 2024, total AUA for FHSA reached $4.7 million, a significant increase from $72.7 thousand from September 30, 2023. This product is expected to compete with Registered Retirement Savings Plan (RRSP) and Tax-Free Savings Account (TFSA) contributions.

Similarly, TFSA activity has shown a steady increase, with AUA rising by 13.6% compared to September 30, 2023. This upward trend is anticipated to continue, as TFSA is increasingly favoured over RRSP in among investors.

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Capital Management and Capital Resources

We manage capital to ensure strong capital ratios that support the organization's risks and activities. In addition to the regulatory requirements, we maintain capital to meet the expectations of credit rating agencies, support the growth of the credit union system, and uphold our internal capital ratios.

Capital Management Framework

Our capital management framework provides the policies and processes for defining, measuring, and allocating all types of capital across the organization. It outlines the roles and responsibilities for assessing capital adequacy, managing dividends, and overseeing regulatory capital requirements.

The Board of Directors, with endorsement from the Risk Review and Investment & Loan Committee (RRILC), oversees Central 1's capital management by approving our risk appetite, capital policy and plan. The RRILC receives regular updates on our capital position, including performance to date, updated forecasts, and any material regulatory developments that could impact our future capital position. Additionally, the RRILC is tasked with reviewing the Internal Capital Adequacy Assessment process (ICAAP) annually. The Asset Liability Committee (ALCO) monitors Central 1's capital position monthly, ensuring compliance with regulatory requirements and internal capital targets.

Key management activities of the framework include:

- The determination of the required capital to cover material risks to which the organization is exposed. This is achieved through the ICAAP which incorporates Central 1's enterprise-wide stress test and scenario analysis that is conducted to assess the impact of various stress conditions on our risk profile and capital requirements;
- The annual budget process which establishes operating targets for the organization. This supports the capital planning process which includes forecasted growth in assets, earnings, and projected market conditions; and
- The establishment of internal capital targets and the implementation of capital strategies.

Central 1's share capital, excluding nominal amounts, is entirely contributed by Class A members, which consist of member credit unions in B.C. and Ontario. These Class A members, collectively, hold Class A and E shares. According to Central 1's Constitution and Rules (Rules), an annual rebalancing of Class A share capital is required, based on each Class A members' consolidated assets in proportion to the total consolidated assets of all Class A members at the immediately preceding fiscal year-end.

[1]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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Regulatory Capital

$ millions, except as indicated, as at	Sep 30 2024	Dec 31 2023	Sep 30 2023
Share capital	**$ 43.4**	$ 43.4	$ 43.4
Retained earnings	**730.3**	682.5	680.7
Less: accumulated net after tax gain in investment property	**(4.7)**	(4.7)	(4.7)
Tier 1 capital[2]	**769.0**	721.2	719.4
Subordinated debt[1]	**200.0**	200.0	200.0
Add: accumulated net after tax gain in investment property	**4.7**	4.7	4.7
Tier 2 capital[2]	**204.7**	204.7	204.7
Total capital	**973.7**	925.9	924.1
Statutory capital adjustments	**(154.1)**	(169.9)	(172.5)
Total regulatory capital[2]	**$ 819.6**	$ 756.0	$ 751.6
Borrowing multiple - Consolidated[3]	**11.8:1**	12.6:1	12.5:1

[1]Subordinated debt, net of any required amortization in an instrument's final five years, is restricted to a maximum of 50 per cent of Tier 1 capital.
[2]These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.
[3]These are non-GAAP financial ratios. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

In determining regulatory capital, adjustments are required to the amount of capital reflected in our Interim Consolidated Statement of Financial Position. Deductions from capital are required for certain investments, including substantial investments in affiliated cooperative organizations. The computation of the provincial capital base is broadly similar to the federal regulatory capital used for borrowing multiple purposes.

BCFSA has set Central 1's borrowing multiple requirement at 18.0:1 and will apply the multiple to Central 1's Interim Consolidated Statement of Financial Position. Central 1 manages the borrowing multiple through growth in retained earnings and subordinated debt. As at September 30, 2024, Central 1's consolidated borrowing multiple was 11.8:1, which is within the regulatory limit of 18.0:1. The decrease from the levels reported from December 31, 2023, and September 30, 2023, was largely driven by higher year-to-date net income of $47.8 million, which led to higher retained earnings.

Financial Institutions Act (FIA) mandates that Central 1 maintain a total capital ratio of at least 8.0%. While this is the regulatory minimum, BCFSA has established a supervisory target on total capital ratio to be no less than 10.0%. As at September 30, 2024, total capital ratio stood at 18.6% which is above the supervisory target.

Central 1 was in compliance with all regulatory capital requirements as at September 30, 2024, December 31, 2023 and September 30, 2023.

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Risk Review

This section of the MD&A should be read in conjunction with the Risk Review section of our 2023 Annual Report. Central 1 is exposed to risks akin to those of our members and other financial institutions in Canada, including the symptoms and impacts of domestic and global economic conditions and other factors that could adversely affect our financial condition and operating results.

Central 1 recognizes that our reputation is one of our most valuable assets, and we actively strive to uphold a positive image for both ourselves and the credit union system. The potential erosion of stakeholder trust can stem from various outcomes outlined in the risk categories below. Such consequences may include revenue loss, litigation, and regulatory action.

Central 1's risk management framework encompasses the identification, measurement, management, monitoring, and reporting of all risks associated with our business activities.

Strategic Risk

Strategic risk is the risk of failing to establish or achieve appropriate strategic objectives within the context of both internal and external operating environments, resulting in a material impact (current or future impact) on business performance (such as earnings and capital), reputation or standing. The risk arises when Central 1 fails to adequately respond to changes in the internal and external environment, potentially affecting our ability to meet stakeholder expectations and fulfill Central 1's vision, mission, and core mandate. Strategic risk is influenced by the management's decision regarding the development of future offerings and our ability to deliver these offerings in a timely manner.

To manage strategic risk, management closely monitors the current landscape of the credit union system along with the emerging industry and regulatory trends. This informed understanding is then integrated into the strategic planning process to determine key strategic initiatives and to develop or maintain the necessary capabilities to achieve them.

Compliance Risk

Compliance risk is the risk of non-compliance with laws, regulations and regulatory guidance due to failure to identify their existence or failure to implement appropriate controls to ensure compliance. This risk excludes laws, regulations and regulatory guidance addressed in other risk types. Central 1 is exposed to compliance risk across all areas of the organization and has implemented an organization wide compliance framework to effectively manage this risk.

As a domestic systemically important financial institution, Central 1 has implemented a regulatory compliance management program aligned with regulatory guidance. This includes maintaining a regulatory inventory, tracking of regulatory developments, conducting risk assessments, and performing compliance testing. In addition, Central 1's compliance framework features organization-wide compliance policies, management standards, and procedures, as well as mandatory training to ensure adherence to relevant regulation. A privacy program managed by a dedicated Privacy Officer is in place as well as a financial crime compliance program lead by its Chief Anti-Money Laundering Officer (CAMLO), including measures to ensure compliance with anti-money laundering, sanctions and anti-bribery and corruption regulation.

Compliance risk is managed by lines of business, which serves as the first line of defense. The Compliance function, headed by the Chief Compliance Officer, acts as second line of defense, providing guidance and oversight to the first line. The Chief Compliance Officer regularly reports on compliance risk to the Risk Review and Investment & Loan Committee, as well as Central 1's Board of Directors.

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Credit Risk

Central 1 is exposed to credit risk from our investment and lending activities, as well as through our role as Group Clearer and other settlement business. Credit risk is the risk of financial loss or opportunity cost caused by the default or failure of a counterparty, borrower, endorser, guarantor, or issuer to repay their financial obligation, or to meet their obligations in accordance with contractual terms as they come due, resulting in adverse impact on Central 1's earnings and viability.

Risks are managed within parameters established in our policies, management standards and procedures that include:

- application of safe and sound, stringent lending and/or investment criteria to all credit exposures prior to acquisition
- clearly defined management and policy limits on the amounts, types, and concentrations of credit risk
- regular evaluation and assessment of existing credit risk exposures and allowances
- continuous monitoring of credit exposures to promptly identify deteriorating situations and take appropriate actions.

In the third quarter of 2024, Central 1 reported an expected credit loss of $387.7 thousand for the Commercial Real Estate Lending (CREL) portfolio, raising the total to $3.9 million. The increase is attributed to the transition of two loans to Stage 3. Meanwhile, expected credit losses for the Investment portfolio decreased by $229.7 thousand, resulting in a total of $158.0 thousand. There were no expected credit losses in the Credit Union Lending portfolio given ample security pledged to secure credit facilities.

Credit Quality Performance

Investments Portfolio

Our investment portfolio is comprised of high-quality liquid securities. AAA and R-1 (High) rated securities accounts for $3.5 billion, representing 54.3% of the portfolio. There are no impaired investments within the portfolio. Positions are based on notional, not market values, and do not include securitization assets sold to the Canada Housing Trust.

Credit Union Lending

There are no impaired loan facilities in the Credit Union Lending portfolio. As at September 30,2024, three Ontario credit unions and one BC credit union were classified as Watch List rating entities. A Watch List rating indicates a material increase in default risk, but the loans are not in default and remain on an accrual basis. These accounts require enhanced monitoring and/or workout planning. As of September 30, 2024, Watch List accounts represented 11.5% of the authorized portfolio. The security provided for these Watch List facilities is substantial and no losses are expected.

Commercial Real Estate Lending

The portfolio performance remained stable in the third quarter of 2024. One impaired account was paid in full in August 2024. As at September 30, 2024, there were two impaired loans representing 1.4% of the outstanding portfolio balance. The impaired loans are secured by a first priority security interest over real estate assets and are subject to close monitoring.

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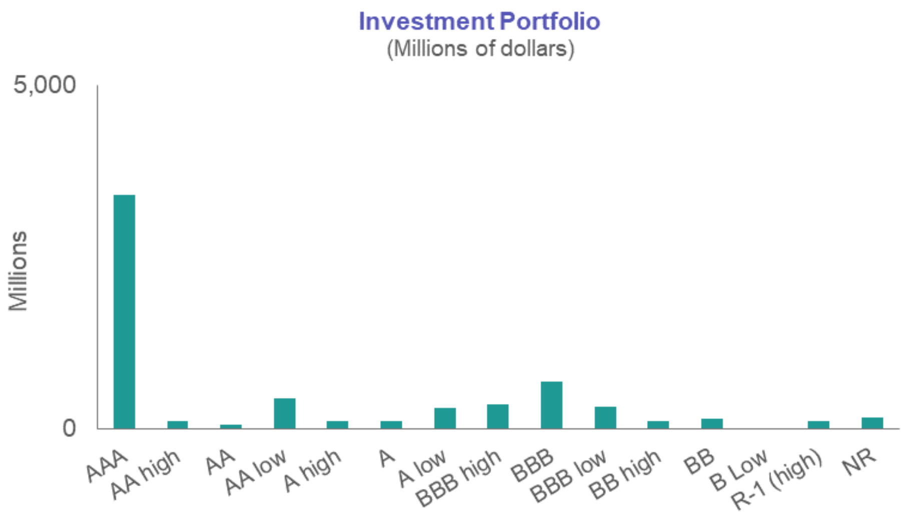

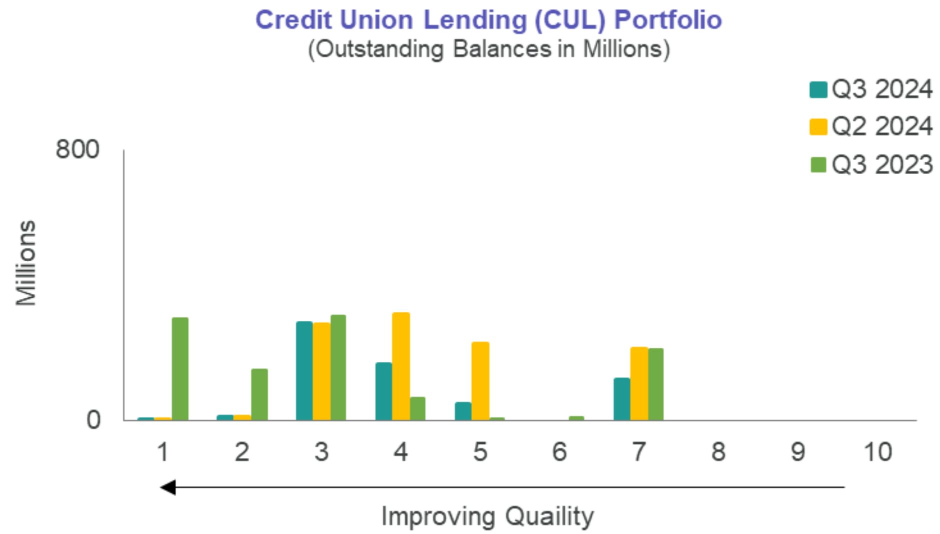

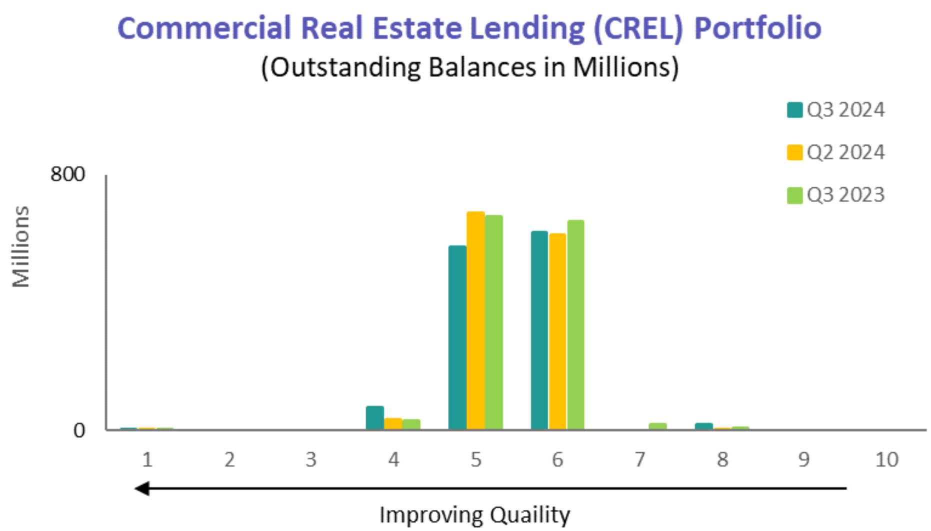

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Counterparty Risk

Within the Treasury operations, Central 1 incurs counterparty risk by entering into contracts with counterparties in return for a bilateral value-exchange of services. Counterparty risk is the risk of financial loss caused by the inability of a counterparty to fulfill its obligation to deliver on the terms of a contract at the agreed-upon time in a value-exchange transaction (i.e., derivative and repo-style transactions) after Central 1 has fulfilled its own obligation.

Counterparty risk is managed within the same risk assessment process as credit risk and continues to be assessed by management as low given the quality of counterparties being government entities, banks with external credit ratings A-Low to AAA (Morningstar DBRS), and Central 1's own credit union system where a robust internal risk rating regime is utilized.

Liquidity Risk

Liquidity Risk is the potential for financial loss resulting from the inability to meet cash-flow obligations in a timely or cost-effective manner. Liquidity risk arises when sources of funds become insufficient to meet scheduled payments and settlements, from systemic market and credit events, or from unexpected changes in the liquidity needs of our members.

Our sound liquidity management framework ensures continuous liquidity support for the credit union system, both in normal and stressed market conditions. Central 1 actively monitors the liquidity and funding needs of the credit union system, ready to address the liquidity requirements of its credit union members as required. To enhance preparedness for an exceptional liquidity event within the credit union system, Central 1 has strengthened its Enterprise-wide Stress Testing framework. In addition, the Contingency Funding Plan will be updated, and new decision-making framework and other tools for managing a liquidity crisis will be developed to bolster Central 1's operational readiness.

Central 1's liquidity position remains strong, supported by a portfolio of marketable liquid securities. The majority of these are either classified as High Quality Liquid Assets (HQLA) under OSFI's Liquidity Coverage Ratio stress test (LCR) or are eligible for pledging as collateral under the BoC's Standing Liquidity Facility (SLF).

The LCR demonstrates a financial institution's ability to meet 30-day cash flow requirements under stressed conditions. It assumes significant withdrawals of eligible deposits, increased utilization of committed credit facilities, no new extension or issuance of capital markets debt, and that only highly liquid assets can be sold to raise cash subject to a haircut of their market value. Central 1 uses the OSFI LCR for its risk appetite statement limit and regulatory reporting.

In addition, Central 1 monitors its structural and contingent liquidity risk using the Net Cumulative Cash Flow (NCCF) metric. This analysis enables us to assess risks arising from funding mismatches between assets and liabilities, considering potential asset devaluations, declines in market confidence, and reductions in its funding capacity. Central 1 reports OSFI LCR and NCCF to the BCFSA on a monthly basis.

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As of September 30, 2024, Central 1's NCCF and OSFI LCR indicated a high level of liquidity. Central 1 remains in a strong position to support the credit union system's liquidity needs.

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	LTM Average[1]
OSFI LCR	**150.7%**	126.6%	138.7%	139.8%	113.1%	126.8%

[1]Last twelve months (LTM) refers to the timeframe of the immediately preceding 12 months from the reporting date

At the end of the third quarter of 2024, the NCCF indicates that Central 1 had sufficient asset liquidity to meet its net cash flow obligations for up to 12 months under a liquidity scenario involving both idiosyncratic and systemic stresses.

Market Risk

Market risk is the risk of financial loss in Central 1's positions resulting from movements in market rates (interest rates, foreign exchange rates, credit spreads) and market prices that negatively impact market values or expected earnings. Central 1's exposure to market risk varies with market conditions and the composition of our investment, securitization, and derivative portfolios. We manage this exposure through a comprehensive set of governance and management processes. Our overall appetite for market risk and aggregate market risk exposure limits are defined in the internally prepared Risk Appetite Statements (RAS), while our Market Risk Policy outlines the key principles governing our market risk management. Central 1 does not pursue returns beyond what is necessary to fulfill its primary mandate of safeguarding system liquidity.

We monitor market risk exposure using measures such as interest rate and credit spread sensitivity, foreign exchange (FX) exposure limits, and stress tests. Additionally, we employ Value-at-Risk (VaR), Expected Shortfall (ES), and Stressed Value-at-Risk (SVaR) to monitor overall market risk levels.

Value at Risk

VaR is a statistical measure of potential losses in portfolio market value due to changes in market prices and rates. Central 1 calculates VaR for a 1-day holding period at a 99% confidence interval. This means that portfolio losses are not expected to exceed the calculated VaR more than one out of every 100 business days. This calculation uses a historical simulation approach based on 500 business days (two years) of historically observed changes in interest rates, foreign exchange rates, and credit spreads. Total VaR assesses the cumulative impact of these changes on portfolio values, while VaR by Risk Factor analyzes the changes in isolation. ES is the estimated size of the loss for the one business day where portfolio losses exceed VaR at a 99% confidence interval.

To mitigate interest rate and FX risk, Central 1 aligns its Treasury asset and liability portfolios by term and currency. Throughout the third quarter of 2024, the Total 1-Day VaR has remained stable, with both Interest Rate VaR and Credit Spread VaR also showing stability quarter-over-quarter.

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$ millions	Treasury Q3 2024	Treasury Q2 2024	Treasury Q1 2024	Treasury Q4 2023	Last 12 Months Average	Last 12 Months High	Last 12 Months Low
Interest Rate VaR	**$ 2.2**	$ 2.1	$ 2.3	$ 2.2	$ 2.2	$ 4.1	$ 1.9
Credit Spread VaR	**2.1**	2.0	1.7	2.0	1.9	2.6	1.6
Foreign Exchange VaR	**2.2**	1.8	1.8	1.8	1.6	2.3	1.0
Diversification[1]	**(3.3)**	(2.6)	(2.6)	(2.6)	(2.5)	nm	nm
Total VaR	**$ 3.2**	$ 3.3	$ 3.2	$ 3.4	$ 3.3	$ 4.7	$ 2.9
Expected Shortfall	**$ 4.3**	$ 3.4	$ 3.6	$ 3.7	$ 3.7	$ 6.7	$ 3.2

[1]Total VaR is less than the sum of Risk Factors' VaR as a result of diversification and offsetting risk factors.

nm - not meaningful to calculation

Stress Testing

In addition to conducting generic stress testing scenarios, Central 1 calculates SVaR to quantify portfolio market risk under stressed market conditions. SVaR is calculated using the same methodology as VaR, except that it is calibrated to historical data from a continuous 1-year period of significant financial stress for current portfolios. SVaR is calculated for 1-day and 10-day horizons at a 99% confidence interval. Treasury SVaR is currently calibrated to 2008/2009. Throughout the third quarter of 2024, SVaR has remained stable and within normal historical ranges.

$ millions	Treasury Q3 2024	Treasury Q2 2024	Treasury Q1 2024	Treasury Q4 2023	Last 12 Months Average	Last 12 Months High	Last 12 Months Low
1-Day SVaR	**$ 11.0**	$ 10.0	$ 8.4	$ 8.3	$ 9.3	$ 12.6	$ 7.7
10-Day SVaR	**$ 23.2**	$ 22.8	$ 23.2	$ 23.3	$ 21.9	$ 27.2	$ 17.0

Foreign Exchange Rate Exposure

Central 1 historically does not run material FX risk on its portfolio. Our FX exposure is largely concentrated in USD, and a small amount of FX exposure is held in other major currencies from foreign exchange services and products offered to member credit unions and other clients. The risk associated with fluctuating foreign currency values is managed by monitoring and limiting FX balances, utilizing FX derivatives to hedge exposures, and through VaR monitoring and limits.

$ millions	Balance Sheet in Native Currency	Off-Balance Sheet Items - Foreign Exchange Forwards	Net Position in Native Currency	BOC Closing Rate	CAD Equivalent
USD	$ 5.0	$ (8.2)	$ (3.2)	1.3513	$ (4.4)

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The Asset and Liability Committee (ALCO) oversees Central 1's financial risks, ensuring that the credit, market and liquidity risks are adequately understood, are adhered to internal policies and standards, identify and review critical and emerging risks, review strategies, capital allocations, and key metrics are regularly reviewed.

Operational Risk

Operational risk is the risk of loss resulting from people, inadequate or failed internal processes, and systems or from external events. Operational risk is inherent in all of our activities and third-party activities and failure to manage it can result in direct or indirect financial loss, reputational impact or regulatory scrutiny. In the normal course of business, operational risks are managed through implementing and adhering to policies and controls that are fundamental to the operating infrastructure.

Top and Emerging Risks

An important component of our risk management approach is to ensure that top and emerging risks are identified, actively managed and incorporated into our existing risk management assessment, measurement and monitoring processes.

Top risks are known, immediate and currently managed risks that management considers to be of prime importance and if not actively managed could have severe financial, operational or reputational impact. Emerging risks are risks that are newly developing or rapidly changing. They are difficult to quantify and may have a major impact on Central 1 and the credit union system.

Top and emerging risks are discussed by senior management and the Board on a regular basis.

Accounting Matters

Future Accounting Policies

We monitor the potential changes proposed by the International Accounting Standards Board (IASB) and analyse the effect that changes in the standards may have on Central 1's financial reporting and accounting policies.

Refer to Note 5 of Central 1's annual audited consolidated financial statements for the year ended December 31, 2023 and note 2 of the unaudited interim consolidated financial statements.

Use of Estimates and Judgements

In preparing these Interim Consolidated Financial Statements, management has exercised judgements and made estimates and assumptions that affect the application of Central 1's accounting policies and the carrying amounts of assets, liabilities, income and related disclosures. The most significant areas for which management must make subjective or complex estimates and judgements include the measurement of expected credit losses (ECL).

Judgement, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. While management makes its best estimates and assumptions, actual results may differ from those estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis with revisions to estimates being recognized prospectively.

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Internal Controls over Financial Reporting

No changes were made in our internal controls over financial reporting during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Related Party Disclosures

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Central 1, which include Central 1's Executive Management and Vice-Presidents and their close family members. There was no outstanding balance against key management personnel as on September 30, 2024 and December 31, 2023.

Details of our related party disclosures were disclosed in Note 25 of the Interim Consolidated Financial Statements.

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Glossary of Financial Terms

Basis Point (bps) is one one-hundredth of a percentage point.

Borrowing Multiple is the ratio of our total borrowings to regulatory capital.

Commitments to extend credit are amounts in undrawn credit facilities and unutilized lending arrangements that have been authorized to our members.

Credit Spread is the difference between the yield of a given debt security and the yield of a risk-free government bond with similar maturity.

Derivatives are contracts which require little or no initial investment and where payments between parties are "derived" from movements in interest or foreign exchange rates, indices, equities or commodity prices. Derivatives allow for the transfer, modification or reduction of current or expected risks from changes in rates and prices.

Earnings Per Share (EPS) is calculated by dividing profit by the average number of member common shares outstanding.

Provision for credit losses is the difference between the contractual cash flows due in accordance with relevant contractual terms and the cash flows that we expect to receive, discounted to the balance sheet date.

Fair Value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Group Clearer is the arrangement whereby we are appointed as the group clearing member of the Payments Canada that, on its own behalf and on behalf of the clearing Centrals, exchanges payment items and effects clearing and settlement into the Payments Canada system.

Net Interest Income is the difference between the amounts of interest earned on interest bearing assets less the amounts of interest paid on liabilities that have interest charges associated with them and include both on- and-off-balance sheet financial instruments.

Liquidity is the ability to meet debt obligations, guarantees and commitments as they become due through the use of cash or the conversion of assets that are readily convertible to cash.

Mark-to-Market represents the valuation of securities and derivatives at market rates as of the balance sheet date, where required by accounting rules.

Net Operating Income is a performance measure used to describe the B.C. and Ontario credit union systems. It is the source of retained earnings and is equal to net operating income after income taxes, but before dividends, patronage refunds, charitable donations, capital gains/extraordinary items and other comprehensive income.

Non-Interest Income consists of income excluding net interest income, derived from activities related to our other core business operations. This includes income generated from fees, dues and equity income, plus realized and unrealized gains or losses on financial instruments.

Non-Interest Expense consists of expense incurred from activities not related to our core business operations.

Securities lending transactions in which the owner of securities agrees to lend it under the terms of a contract to a borrower for a fee. Collateral for the underlying transaction consists of either securities or cash.

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Interim Consolidated Financial Statements

As at and for the Periods Ended September 30, 2024 and 2023

Interim Consolidated Statement of Financial Position (Unaudited)

$ thousands, as at	Notes		Sep 30 2024		Dec 31 2023
Assets					
Cash and cash equivalents	4	$	**2,709,708**	$	1,852,499
Settlements in-transit assets			**189,555**		158,539
Securities	5		**6,790,710**		7,000,251
Loans	6		**1,616,093**		1,783,708
Derivative assets	7		**106,972**		227,258
Current tax assets			**-**		729
Property and equipment			**9,999**		11,307
Intangible assets			**18,557**		19,694
Investments in affiliates			**94,543**		93,103
Deferred tax assets			**37,934**		55,715
Other assets	9		**46,125**		24,411
		$	**11,620,196**	$	11,227,214
Liabilities					
Settlements in-transit liabilities		$	**664,286**	$	544,941
Deposits	10		**6,525,799**		5,855,704
Obligations related to securities sold short			**76,194**		-
Securities under repurchase agreements			**627,413**		1,036,557
Securitization liabilities	11		**529,853**		559,990
Derivative liabilities	7		**71,379**		80,811
Debt securities issued	12		**2,074,245**		2,151,132
Subordinated liabilities	13		**194,543**		182,111
Other liabilities	14		**75,154**		89,984
			10,838,866		10,501,230
Equity					
Share capital	15		**43,401**		43,401
Retained earnings			**730,284**		682,526
Accumulated other comprehensive income			**7,645**		57
Total equity			**781,330**		725,984
		$	**11,620,196**	$	11,227,214
Guarantees, commitments, contingencies and pledged assets	22				
Subsequent events	26				

Approved by the Directors:

"Shelley McDade"

Shelley McDade
Chair

"Paul Challinor"

Paul Challinor
Chair
Audit and Finance Committee

See accompanying Notes to the Interim Consolidated Financial Statements

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Interim Consolidated Statement of Income (Unaudited)

$ thousands	Notes	For the three months ended Sep 30 2024	Sep 30 2023	For the nine months ended Sep 30 2024	Sep 30 2023
Interest income					
Securities		$ **65,982**	$ 83,633	$ **204,998**	$ 223,960
Loans		**33,176**	35,167	**99,602**	96,251
		99,158	118,800	**304,600**	320,211
Interest expense					
Deposits		**54,119**	49,433	**160,999**	140,364
Debt securities issued		**34,122**	48,432	**106,017**	134,287
Subordinated liabilities		**1,202**	1,341	**3,580**	4,245
		89,443	99,206	**270,596**	278,896
Net interest income	16	**9,715**	19,594	**34,004**	41,315
Gain (loss) on disposal of financial instruments	17	**(3,925)**	721	**53,952**	17,111
Change in fair value of financial instruments	18	**10,836**	(2,777)	**6,182**	7,147
Non-interest income	19	**42,676**	39,372	**124,811**	119,164
Total revenue		**59,302**	56,910	**218,949**	184,737
Provision for credit losses	8	**158**	991	**1**	502
Non-interest expense					
Salaries and employee benefits		**30,788**	31,815	**93,702**	91,838
Management information systems		**5,073**	5,237	**14,776**	12,993
Depreciation and amortization		**1,118**	1,460	**3,450**	4,047
Other administrative expense	20	**16,321**	12,370	**44,144**	48,696
		53,300	50,882	**156,072**	157,574
Income before income taxes		**5,844**	5,037	**62,876**	26,661
Income tax expense		**26**	1,162	**15,081**	3,045
Net income		$ **5,818**	$ 3,875	$ **47,795**	$ 23,616

See accompanying Notes to the Interim Consolidated Financial Statements

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Interim Consolidated Statement of Comprehensive Income (Unaudited)

$ thousands	For the three months ended Sep 30 2024	Sep 30 2023	For the nine months ended Sep 30 2024	Sep 30 2023
Net income	**$ 5,818**	$ 3,875	**$ 47,795**	$ 23,616
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to net income				
Fair value reserves (securities at fair value through other comprehensive income)				
Net change in fair value of debt securities at fair value through other comprehensive	**3,214**	994	**10,158**	6,643
Reclassification of realized loss to net income	**2,851**	837	**3,285**	1,068
Share of other comprehensive income of affiliates accounted for using the equity method	**34**	6	**60**	22
	6,099	1,837	**13,503**	7,733
Items that will not be reclassified subsequently to net income				
Net change in fair value due to change in own credit risk on financial liabilities designated under the fair value option	**958**	(333)	**(5,952)**	(3,591)
Total other comprehensive income, net of tax	**7,057**	1,504	**7,551**	4,142
Total comprehensive income, net of tax	**$ 12,875**	$ 5,379	**$ 55,346**	$ 27,758

Income Taxes – Other Comprehensive Income (Loss)

The following table shows income tax expense (recovery) for each component of other comprehensive income (loss):

$ thousands	For the three months ended Sep 30 2024	Sep 30 2023	For the nine months ended Sep 30 2024	Sep 30 2023
Income tax expense on items that may be reclassified subsequently to net income				
Fair value reserves (securities at fair value through other comprehensive income)				
Net change in fair value of debt securities at fair value through other comprehensive income	**$ 1,184**	$ 366	**$ 3,742**	$ 2,459
Reclassification of realized gain to net income	**1,050**	308	**1,210**	393
Share of other comprehensive income of affiliates accounted for using the equity method	**5**	1	**9**	3
Income tax expense (recovery) on items that will not be reclassified subsequently to net income				
Net change in fair value due to change in own credit risk on financial liabilities designated under the fair value option	**353**	(123)	**(2,192)**	(1,323)
	$ 2,592	$ 552	**$ 2,769**	$ 1,532

See accompanying Notes to the Interim Consolidated Financial Statements

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Interim Consolidated Statement of Changes in Equity (Unaudited)

$ thousands	Share Capital	Retained Earnings	Fair Value & Affiliates Reserves	Liability Credit Reserve	Employee Benefits Reserve	Total Equity
Balance as at December 31, 2023	$ 43,401	$ 682,526	$ (8,585)	$ 3,811	$ 4,831	**$ 725,984**
Total comprehensive income (loss), net of tax						
Net income		47,795				**47,795**
Other comprehensive income (loss), net of tax						
Fair value reserve (securities at fair value through other comprehensive income)			13,443			**13,443**
Share of other comprehensive income of affiliates accounted for using the equity method			60			**60**
Liability credit reserve				(5,952)		**(5,952)**
Total comprehensive income (loss)	-	47,795	13,503	(5,952)	-	**55,346**
Transactions with owners, recorded directly in equity						
Class "B" shares redeemed (Note 15)	(1)					**(1)**
Class "C" shares issued (Note 15)	1					**1**
Reclassification of liability credit reserve on derecognition[1]		(37)		37		**-**
Balance as at September 30, 2024	**$ 43,401**	**$ 730,284**	**$ 4,918**	**$ (2,104)**	**$ 4,831**	**$ 781,330**

[1]Transfer of accumulated own credit risk adjustments on derecognition of financial liabilities at FVTPL.

See accompanying Notes to the Interim Consolidated Financial Statements

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Interim Consolidated Statement of Changes in Equity (Unaudited)

$ thousands	Share Capital	Retained Earnings	Fair Value & Affiliates Reserves	Liability Credit Reserve	Employee Benefits Reserve	Total Equity
Balance as at December 31, 2022	$ 43,401	$ 656,814	$ (27,100)	$ 12,901	$ 4,908	$ 690,924
Total comprehensive income (loss), net of tax						
Net Income		23,616				23,616
Other comprehensive income (loss), net of tax						
Fair value reserve (securities at fair value through other comprehensive income)			7,711			7,711
Share of other comprehensive income of affiliates accounted for using the equity method			22			22
Liability credit reserve				(3,591)		(3,591)
Total comprehensive income (loss)	-	23,616	7,733	(3,591)	-	27,758
Reclassification of liability credit reserve on derecognition[1]		246		(246)		
Balance as at September 30, 2023	$ 43,401	$ 680,676	$ (19,367)	$ 9,064	$ 4,908	$ 718,682

[1]Transfer of accumulated own credit risk adjustments on derecognition of financial liabilities at FVTPL.

See accompanying Notes to the Interim Consolidated Financial Statements

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Interim Consolidated Statement of Cash Flows (Unaudited)

$ thousands	For the three months ended Sep 30 2024	Sep 30 2023	For the nine months ended Sep 30 2024	Sep 30 2023
Cash flows from (used in) operating activities				
Net income	**$ 5,818**	$ 3,875	**$ 47,795**	$ 23,616
Adjustments for:				
Depreciation and amortization	**1,118**	1,460	**3,450**	4,047
Net interest income	**(9,715)**	(19,594)	**(34,004)**	(41,315)
Loss (Gain) on disposal of financial instruments	**3,925**	(721)	**(53,952)**	(17,111)
Change in fair value of financial instruments	**(10,836)**	2,777	**(6,182)**	(7,147)
Provision for credit losses	**158**	991	**1**	502
Dividend income	**-**	-	**(2,688)**	-
Equity interest in affiliates	**(756)**	57	**267**	506
Income tax expense	**26**	1,162	**15,081**	3,045
	(10,262)	(9,993)	**(30,232)**	(33,857)
Change in settlements in-transit assets	**(104,400)**	(98,351)	**(31,016)**	(234,095)
Change in securities	**(69,945)**	323,850	**355,212**	716,553
Change in loans	**654,482**	(365,092)	**164,510**	78,728
Change in derivative assets and liabilities	**(11,556)**	(2,914)	**46,006**	14,934
Change in settlements in-transit liabilities	**(10,050)**	(223,698)	**119,345**	154,223
Change in deposits	**358,765**	(207,757)	**650,206**	(242,828)
Change in securities under repurchase agreements	**(69,302)**	98,009	**(408,835)**	(751,274)
Change in obligations related to securities sold short	**29,344**	(2,959)	**73,907**	1,083
Change in other assets and liabilities	**(7,502)**	1,628	**(31,552)**	(75,361)
Interest received	**92,741**	112,516	**302,457**	314,866
Interest paid	**(77,956)**	(96,174)	**(246,760)**	(264,806)
Income tax received (paid)	**-**	(3)	**671**	3,475
Net cash from (used in) operating activities	**774,359**	(470,938)	**963,919**	(318,359)

See accompanying Notes to the Interim Consolidated Financial Statements

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Interim Consolidated Statement of Cash Flows (Unaudited) (continued)

$ thousands	For the three months ended Sep 30 2024	Sep 30 2023	For the nine months ended Sep 30 2024	Sep 30 2023
Cash flows from (used in) investing activities				
Purchase of reinvestment assets under the CMB Program - NHA MBS Securities	**(33,121)**	(17,346)	**(63,113)**	(53,871)
Maturity of reinvestment assets under the CMB Program - NHA MBS Securities	**116,143**	46,106	**177,113**	120,594
Change in reinvestment assets under the CMB Program - Reverse repos	**(147,471)**	152,513	**(76,255)**	148,699
Property and equipment - net	**(353)**	(197)	**(844)**	(595)
Intangible assets - net	**(55)**	(440)	**(95)**	(1,977)
Dividend received	**-**	-	**2,688**	-
Investments in affiliates - net	**251**	15	**(1,638)**	(1,055)
Net cash from (used in) investing activities	**(64,606)**	180,651	**37,856**	211,795
Cash flows from (used in) financing activities				
Change in debt securities issued - Commercial paper	**(49,405)**	53,331	**(101,812)**	(124,852)
Proceeds from debt securities issued - Medium term notes	**-**	-	**-**	300,000
Repayment of lease liabilities	**(102)**	(73)	**(427)**	(218)
Change in securitization liabilities	**64,449**	(198,872)	**(37,745)**	(255,928)
Redemption of subordinated liabilities	**-**	(21,000)	**-**	(21,000)
Issuance of Class C shares	**1**	-	**1**	-
Redemption of Class B shares	**-**	-	**(1)**	-
Net cash from (used in) financing activities	**14,943**	(166,614)	**(139,984)**	(101,998)
Effect of exchange rate changes on cash and cash equivalents	**5,850**	(3,163)	**(4,582)**	(2,619)
Increase (decrease) in cash and cash equivalents	**730,546**	(460,064)	**857,209**	(211,181)
Cash and cash equivalents - beginning of period	**1,979,162**	1,206,111	**1,852,499**	957,228
Cash and cash equivalents - end of period	**$ 2,709,708**	$ 746,047	**$ 2,709,708**	$ 746,047

See accompanying Notes to the Interim Consolidated Financial Statements

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1. Reporting Entity

Central 1 Credit Union (Central 1) is domiciled in Canada with a registered office located at 1441 Creekside Drive, Vancouver, British Columbia V6J 4S7, Canada. Central 1 is governed by the *Credit Union Incorporation Act (British Columbia)*. These Interim Consolidated Financial Statements include Central 1 and its subsidiaries.

Central 1 provides financial, digital banking and payment products and services for over 300 financial institutions across Canada, including its member credit unions in British Columbia (B.C.) and Ontario.

2. Basis of Presentation

Basis of Accounting

These Interim Consolidated Financial Statements have been prepared on a condensed basis in accordance with International Accounting Standards (IAS) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB) using the same accounting policies as disclosed in Central 1's Annual Consolidated Financial Statements for the year ended December 31, 2023, with the exception of the accounting policies disclosed below.

As these Interim Consolidated Financial Statements do not include all of the annual financial statements' disclosures required under the IFRS Accounting Standards, they should be read in conjunction with Central 1's Annual Audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2023.

Certain comparative figures have been reclassified to conform with the current year's presentation.

These Interim Consolidated Financial Statements were authorized for issue by the Board of Directors on November 21, 2024.

Future Accounting Policies

Amendments to IFRS 9 Financial Instruments

On May 30, 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9, *Financial Instruments*. The amendments provide clarification on:

a) the classification of financial assets with environmental, social and corporate governance (ESG) and similar features to avoid divergence in practice, and
b) the derecognition date for settlement via electronic cash transfers

With these amendments, the IASB also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, such as features tied to ESG-linked targets.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. As at September 30, 2024, the impact of adopting this standard on the Interim Consolidated Financial Statements is currently under assessment.

IFRS 18 Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in the Financial Statements*, to replace IAS 1, *Presentation of Financial Statements*. This new standard sets out requirements for the presentation and disclosure of information in financial statements, including:

a) classifying all income and expense into specified categories and provide specified totals and subtotals in the statement of profit or loss,
b) how information is aggregated or disaggregated, and
c) the disclosure of management-defined performance measures.

Retrospective application of this standard is mandatory for annual periods starting from January 1, 2027 onwards but earlier application is permitted provided that this fact is disclosed. Central 1 has not applied this standard in preparing these Interim Consolidated Financial Statements as it plans to adopt the standard at its effective date. As at September 30, 2024, the impact of adopting this standard on the Interim Consolidated Financial Statements is currently under assessment.

3. Use of Estimates and Judgements

In preparing these Interim Consolidated Financial Statements, management has exercised judgements and made estimates and assumptions that affect the application of Central 1's accounting policies and the carrying amounts of assets, liabilities, income and related disclosures. The most significant areas for which management must make subjective or complex estimates and judgements include the measurement of expected credit losses (ECL).

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Judgement, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. While management makes its best estimates and assumptions, actual results may differ from those estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis with revisions to estimates being recognized prospectively.

Non-Current Assets Held for Sale

In determining if a non-current asset meets the criteria to be classified as held for sale, management exercises judgements and applies assumptions to assess if the asset is available for immediate sale and if the sale is highly probable to occur within one year. Judgement and estimates are also applied in determining if a disposal group can be operationally and financially distinguished from the rest of the operations or represents a separate major line of business or is part of a single co-ordinated plan.

4. Cash and Cash Equivalents

$ thousands, as at		Sep 30 2024		Dec 31 2023
With Bank of Canada	$	**2,630,481**	$	1,781,578
With other regulated financial institutions		**79,227**		70,921
	$	**2,709,708**	$	1,852,499

Central 1 is required to maintain reserves with certain financial institutions, totalling $0.4 million as at September 30, 2024 (December 31, 2023 - $1.9 million).

5. Securities

$ thousands, as at		Sep 30 2024		Dec 31 2023
Mandatorily at FVTPL				
Government and government guaranteed securities	$	**2,021,915**	$	2,191,425
Corporate and major financial institutions				
AA low or greater		**1,439,667**		1,369,361
A (high) to A (low)		**527,999**		395,618
BBB (high) to BB		**1,234,999**		1,087,147
Equity instruments		**40,905**		40,903
Fair value	$	**5,265,485**	$	5,084,454
Securities FVOCI				
Government and government guaranteed securities	$	**502,159**	$	678,728
Corporate and major financial institutions				
AA low or greater		**139,093**		199,099
A (high) to A (low)		**2,088**		91,419
BBB (high) to BB High		**352,032**		386,561
Fair value	$	**995,372**	$	1,355,807

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$ thousands, as at		Sep 30 2024		Dec 31 2023
Reinvestment assets under the CMB Program				
FVTPL				
Government and government guaranteed securities	$	**233,320**	$	339,712
Fair value	$	**233,320**	$	339,712
Amortized cost				
Assets acquired under reverse repurchase agreements	$	**296,533**	$	220,278
Total reinvestment assets under the CMB Program	$	**529,853**	$	559,990
Total	$	**6,790,710**	$	7,000,251

6. Loans

The following table presents loans that are classified as Amortized cost and FVTPL:

$ thousands, as at		Sep 30 2024		Dec 31 2023
Amortized cost				
Due on demand				
Credit unions	$	**44,122**	$	197,120
Commercial and others		**68,174**		8,758
		112,296		205,878
Term				
Credit unions		**55,000**		155,000
Commercial and others		**1,274,851**		1,333,977
Reverse repurchase agreements		**172,369**		73,894
		1,502,220		1,562,871
		1,614,516		1,768,749
Accrued interest		**5,449**		8,469
		1,619,965		1,777,218
Provision for credit losses (Note 8)		**(3,872)**		(3,819)
Carrying value		**1,616,093**		1,773,399

$ thousands, as at	Sep 30 2024	Dec 31 2023
FVTPL		
Term - Commercial and others		
Fair value	-	10,309
Total loans	$ **1,616,093**	$ 1,783,708

7. Derivative Instruments

Hedge Accounting

Central 1 uses interest rate swaps to hedge its exposure to changes in the fair value of selected securities at fair value through other comprehensive income (FVOCI), commercial loans and medium-term notes due to changes in interest rates. The terms of these interest rate swaps are largely matched to the terms of the specific hedged items that are designated as hedging. Hedging instruments are recorded at fair value, and the commercial loans and medium-term notes that are part of a hedging relationship are adjusted for the changes in fair value attributable to the risk being hedged (fair value hedge adjustment). To the extent that the change in the fair value of the hedging instruments does not offset changes in the fair value of the hedged item (hedge ineffectiveness), the net amount is recorded directly in the Interim Consolidated Statement of Income.

During Central 1's CORRA transition, seven CDOR swaps that were designated into hedging relationships with FVOCI securities were unwound and replaced with CORRA swaps that are not economically equivalent to the original CDOR swaps. This resulted in the de-designation of these hedging relationships as the Phase 2 relief in IBOR reform is not applicable and hedge accounting has to be discontinued. On March 22, 2024, Central 1 redesignated these securities into new hedging relationships with CORRA swaps.

As a result of the de-designation, the historical accumulated hedging adjustments of these securities prior to the de-designation totalling $22.9 million, which were recognized in profit or loss, should be transferred back from retained earnings to accumulated other comprehensive income given the hedged items are classified as FVOCI. The transfer of historical accumulated hedging adjustments previously recognized is through profit or loss and over the remaining life of the hedged items.

During the third quarter of 2024, three FVOCI securities that were designated into hedging relationships were sold and the respective hedging relationships were de-designated as a result. The swaps are not terminated, and all the related fair value changes are continued to be recognized in profit or loss.

The amounts related to hedged items and results of the fair value hedges are as follows:

	2024			2023		
$ thousands, for the three months ended September 30	Fair value hedge adjustment - gains (losses)	Change in the fair value on hedging instruments - gains (losses)	Hedge ineffectiveness recorded in net income (loss)	Fair value hedge adjustment - gains (losses)	Change in the fair value on hedging instruments - gains (losses)	Hedge ineffectiveness recorded in net income (loss)
Securities at FVOCI[1]	$ 8,162	$ (7,629)	$ 533	$ (5,685)	$ 5,908	$ 223
Debt securities issued	(12,774)	14,514	1,740	7,834	(8,075)	(241)
	$ (4,612)	**$ 6,885**	**$ 2,273**	$ 2,149	$ (2,167)	$ (18)

[1]The designation of securities at FVOCI in a hedging relationship moves the changes in fair value due to interest rate risk from other comprehensive income (loss) to net income (loss)

	2024			2023		
$ thousands, for the nine months ended September 30	Fair value hedge adjustment - gains (losses)	Change in the fair value on hedging instruments - gains (losses)	Hedge ineffectiveness recorded in net income (loss)	Fair value hedge adjustment - gains (losses)	Change in the fair value on hedging instruments - gains (losses)	Hedge ineffectiveness recorded in net income (loss)
Securities at FVOCI[1]	$ 8,273	$ (7,728)	$ 545	$ (6,022)	$ 6,570	$ 548
Loans	-	-	-	140	(833)	(693)
Debt securities issued	(9,041)	11,127	2,086	21,048	(21,985)	(937)
	$ (768)	**$ 3,399**	**$ 2,631**	$ 15,166	$ (16,248)	$ (1,082)

[1]The designation of securities at FVOCI in a hedging relationship moves the changes in fair value due to interest rate risk from other comprehensive income (loss) to net income (loss)

	September 30, 2024				December 31, 2023			
$ thousands, as at	Notional value of hedged items	Carrying value of hedged items[2]	Carrying value of hedging instruments	Accumulated fair value hedge adjustment	Notional value of hedged items	Carrying value of hedged items[2]	Carrying value of hedging instruments	Accumulated fair value hedge adjustment
Securities at FVOCI[1]	$ 201,156	$ 187,888	$ (6,251)	$ 6,876	$ 235,156	$ 207,748	$ 25,355	$ (24,217)
Debt securities issued	(650,000)	(650,648)	8,470	(6,565)	(650,000)	(658,279)	(2,657)	2,476

[1]The designation of securities at FVOCI in a hedging relationship moves the changes in fair value due to interest rate risk from other comprehensive income (loss) to net income (loss)

[2]Represents the carrying value in the Consolidated Statement of Financial Position and includes amortized cost, before allowance for credit losses, plus fair value hedge adjustments, except for FVOCI securities that are carried at fair value.

8. Provision for (Recovery of) Credit Losses

$ thousands, as at September 30, 2024	Stage 1	Stage 2	Stage 3[1]	Total
Financial assets at amortized cost				
Balance as at December 31, 2023	$ 3,289	$ 322	$ 208	$ **3,819**
Provision for (recovery of) credit losses:				
Transfers in (out)	(26)	-	26	**-**
Purchases and originations	415	-	-	**415**
Derecognitions and maturities	(745)	(325)	(264)	**(1,334)**
Remeasurements	219	3	750	**972**
Total provision for (recovery of) credit losses	(137)	(322)	512	**53**
Balance as at September 30, 2024	**$ 3,152**	**$ -**	**$ 720**	**$ 3,872**
Financial assets at FVOCI				
Balance as at December 31, 2023	$ 230	$ -	$ -	$ **230**
Provision for credit losses:				
Derecognitions and maturities	(44)	-	-	**(44)**
Remeasurements	(8)	-	-	**(8)**
Total recovery of credit losses	(52)	-	-	**(52)**
Balance as at September 30, 2024	**$ 178**	**$ -**	**$ -**	**$ 178**

$ thousands, as at September 30, 2024	Stage 1	Stage 2	Stage 3[1]	Total
Total				
Balance as at December 31, 2023	$ 3,519	$ 322	$ 208	$ **4,049**
Provision for (recovery of) credit losses:				
Transfers in (out)	(26)	-	26	**-**
Purchases and originations	415	-	-	**415**
Derecognitions and maturities	(789)	(325)	(264)	**(1,378)**
Remeasurements	211	3	750	**964**
Total provision for (recovery of) credit losses	(189)	(322)	512	**1**
Balance as at September 30, 2024	**$ 3,330**	**$ -**	**$ 720**	**$ 4,050**

[1]Stage 3 loans are secured by a first priority security interest over real estate assets.

$ thousands, as at September 30, 2023	Stage 1	Stage 2	Stage 3[1]	Total
Financial assets at amortized cost				
Balance as at December 31, 2022	$ 3,386	$ -	$ 157	$ 3,543
Provision for (recovery of) credit losses:				
Transfers in (out)	(63)	51	12	-
Purchases and originations	240	-	-	240
Derecognitions and maturities	(540)	-	-	(540)
Remeasurements	(101)	270	568	737
Total provision for (recovery of) credit losses	(464)	321	580	437
Balance as at September 30, 2023	$ 2,922	$ 321	$ 737	$ 3,980
Financial assets at FVOCI				
Balance as at December 31, 2022	$ 284	-	-	$ 284
Provision for (recovery of) credit losses:				
Purchases	2	-	-	2
Derecognitions and maturities	(10)	-	-	(10)
Remeasurements	73	-	-	73
Total provision for (recovery of) credit losses	65	-	-	65
Balance as at September 30, 2023	$ 349	$ -	$ -	$ 349

$ thousands, as at September 30, 2023	Stage 1	Stage 2	Stage 3[1]	Total
Total				
Balance as at December 31, 2022	$ 3,670	$ -	$ 157	$ 3,827
Provision for (recovery of) credit losses:				
Transfers in (out)	(63)	51	12	-
Purchases and originations	242	-	-	242
Derecognitions and maturities	(550)	-	-	(550)
Remeasurements	(28)	270	568	810
Total provision for (recovery of) credit losses	(399)	321	580	502
Balance as at September 30, 2023	$ 3,271	$ 321	$ 737	$ 4,329

[1]Stage 3 loan is secured by a first priority security interest over real estate assets.

The following tables present the gross carrying amounts of the commercial loans as at September 30, 2024 and December 31, 2023, according to credit quality:

$ thousands, as at September 30, 2024	Stage 1	Stage 2	Stage 3	Total
Low Risk	$ 369,698	$ -	$ -	**$ 369,698**
Medium Risk	1,231,617	-	-	**1,231,617**
High Risk	-	-	-	**-**
Not Rated	309	-	-	**309**
Impaired	-	-	18,341	**18,341**
Total	**$ 1,601,624**	**$ -**	**$ 18,341**	**$ 1,619,965**

$ thousands, as at December 31, 2023	Stage 1	Stage 2	Stage 3	Total
Low Risk	$ 462,775	$ -	$ -	$ 462,775
Medium Risk	1,300,936	-	-	1,300,936
High Risk	-	11,254	-	11,254
Not Rated	356	-	-	356
Impaired	-	-	1,897	1,897
Total	$ 1,764,067	$ 11,254	$ 1,897	$ 1,777,218

Forward Looking Macroeconomic Variables

The inputs used to estimate the Stage 1 and 2 allowances for credit loss are modelled based on macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses. Each macroeconomic scenario used in the ECL calculation includes a projection of all relevant macroeconomic variables for the forecast period.

Central 1 determines ECL using multiple probability-weighted forward-looking scenarios. It considers both internal and external sources of information to achieve an unbiased, probability-weighted measure of the scenarios used. The scenarios are prepared using forecasts generated by its Allowance Working Group (AWG) Committee for:

- Real GDP (GDP),
- Unemployment rates (UR),
- 3-month Government of Canada Bond rate (GOC),
- Debt to income ratio (Debt/Income), and
- Housing price index (HPI)

	As at September 30, 2024						As at December 31, 2023					
	Optimistic Scenario		Base Scenario		Pessimistic Scenario		Optimistic Scenario		Base Scenario		Pessimistic Scenario	
All figures are average annual values	First 12 Months	Remaining Horizon[1]	First 12 Months	Remaining Horizon[1]	First 12 Months	Remaining Horizon[1]	First 12 Months	Remaining Horizon[1]	First 12 Months	Remaining Horizon[1]	First 12 Months	Remaining Horizon[1]
GDP	1.4%	3.0%	1.1%	2.1%	0.8%	0.3%	3.4%	2.1%	0.8%	1.9%	(4.3)%	1.3%
UR	6.3	4.8	6.4	5.3	6.6	6.5	5.5	4.9	6.3	5.3	7.3	6.6
BA	4.7	4.3	4.6	3.1	4.4	1.7	5.8	4.2	4.4	2.8	3.2	1.7
GOC	4.6	4.1	4.5	2.9	4.2	1.4	5.4	4.0	4.0	2.5	2.8	1.3
Debt/Income	176.7	185.0	176.5	180.6	176.0	177.6	182.7	185.3	181.6	183.1	178.6	181.0
HPI	3.1%	4.3%	2.9%	2.9%	1.9%	(1.1)%	5.4%	2.9%	(1.3)%	0.9%	(9.8)%	0.5%

[1]The remaining horizon represents a forecast period of four years.

9. Other Assets

$ thousands, as at		Sep 30 2024		Dec 31 2023
Prepaid expenses	$	**9,376**	$	7,822
Accounts receivable and other		**10,858**		8,340
Cash collateral receivable[1]		**18,554**		966
Post-employment benefits		**6,896**		6,775
Investment property		**441**		508
	$	**46,125**	$	24,411

[1]Paid as collateral for derivatives transactions.

10. Deposits

$ thousands, as at		Sep 30 2024		Dec 31 2023
Deposits designated as FVTPL				
Due within three months	$	**1,664,245**	$	1,570,372
Due after three months and within one year		**390,704**		614,193
Due after one year and within five years		**636,678**		647,766
		2,691,627		2,832,331
Accrued interest		**24,702**		22,327
Amortized cost	$	**2,716,329**	$	2,854,658
Fair value	$	**2,723,809**	$	2,844,471
Deposits held at amortized cost				
Due on demand	$	**3,796,289**	$	2,999,013
Due within three months		**5,680**		10,175
Due after three months and within one year		**-**		2,000
		3,801,969		3,011,188
Accrued interest		**21**		45
Amortized cost	$	**3,801,990**	$	3,011,233
Total carrying value	$	**6,525,799**	$	5,855,704

The fair value of deposits at September 30, 2024 was $6,525.8 million (December 31, 2023 - $5,855.7 million).

11. Securitization Liabilities

Central 1 has recognized its obligations under indirect securitization activities at fair value in the Interim Consolidated Statement of Financial Position. The maturities of these obligations are indicated below:

$ thousands, as at		Sep 30 2024		Dec 31 2023
Amounts				
Due within three months	$	**329,089**	$	232,088
Due after three months and within one year		**112,916**		160,562
Due after one year and within five years		**90,109**		177,210
Amortized cost	$	**532,114**	$	569,860
Fair value	$	**529,853**	$	559,990

The underlying assets which are designated to offset these obligations are as follows:

$ thousands, as at		Sep 30 2024		Dec 31 2023
FVTPL				
Total reinvestment assets under the CMB Program (Note 5)	$	**233,320**	$	339,712
Fair value	$	**233,320**	$	339,712
Amortized cost				
Total reinvestment assets under the CMB Program (Note 5)	$	**296,533**	$	220,278
Total underlying assets designated	$	**529,853**	$	559,990

12. Debt Securities Issued

$ thousands, as at		Sep 30 2024		Dec 31 2023
Amortized cost				
Due within three months	$	**520,446**	$	695,183
Due after three months and within one year		**573,064**		151,242
Due after one year and within five years		**298,929**		647,826
		1,392,439		1,494,251
Accrued interest		**2,188**		10,453
Amortized cost	$	**1,394,627**	$	1,504,704
Fair value hedge adjustment[1]		**6,565**		(2,476)
Carrying value	$	**1,401,192**	$	1,502,228
Designated as FVTPL				
Due after one year and within five years	$	**650,000**	$	650,000
Accrued interest		**9,936**		4,792
Amortized cost	$	**659,936**	$	654,792
Fair value		**673,053**		648,904
Total carrying value	$	**2,074,245**	$	2,151,132

[1]Central 1 enters into fair value hedges to hedge the risks caused by changes in interest rates.

At September 30, 2024, the short-term commercial paper facility had a total par value of $750.8 million (December 31, 2023 - $853.4 million) and the medium-term note facility had a total par value of $1.3 billion (December 31, 2023 - $1.3 billion).

13. Subordinated Liabilities

$ thousands, as at		Sep 30 2024		Dec 31 2023
Designated as FVTPL				
Series 7	$	**200,000**	$	200,000
Accrued interest		**1,216**		26
Amortized cost	$	**201,216**	$	200,026
Fair value	$	**194,543**	$	182,111
Total carrying value	$	**194,543**	$	182,111

14. Other Liabilities

$ thousands, as at		Sep 30 2024		Dec 31 2023
Deferred revenue[1]	$	**28,740**	$	30,544
Accounts payable		**11,579**		18,936
Short-term employee benefits		**15,523**		17,450
Post-employment benefits		**12,776**		12,885
Cash collateral payable[2]		**4,654**		7,860
Finance lease		**1,882**		2,309
	$	**75,154**	$	89,984

[1]Deferred revenue includes the amount received from credit union clients under the Payments Modernization Cost Share Arrangement.

[2]Received as collateral for derivatives transactions.

15. Share Capital

Central 1 may issue an unlimited number of Class A, B, C, D, and E shares and may, at its option and with the approval of the Board of Directors, redeem its shares. There are no restrictions on the number of shares that may be held by a member shareholder. The holders of each class of share are entitled to receive dividends as declared from time to time. The Class A, B, C, and D shares have a par value of $1 per share, and the Class E shares have a par value of $0.01 per share and a redemption value of $100 per share.

Subject to certain exceptions set out in Central 1's Constitution and Rules (Rules), Class A members are entitled to cast one vote for each Class A share they hold on any matter. Each Class B or Class C shareholder is entitled to cast one vote per share on matters on which they are entitled to vote. The allocation of Class A shares is based on the assets of each credit union in proportion to the combined assets of all Class A members. This allocation is adjusted periodically to reflect changes in credit union assets.

thousands of shares, as at or for the year ended December 31	Sep 30 2024	Dec 31 2023	Sep 30 2023
Number of shares issued			
Class A - credit unions: balance at the beginning and end of period	**43,364**	43,364	43,364
Balance at beginning of period	**11**	11	11
Redeemed during the period	**(1)**	-	-
Class B - co-operatives: balance at the beginning and end of period	**10**	11	11
Balance at beginning of period	**7**	7	7
Issued during the period	**1**	-	-
Class C - other: balance at the beginning and end of period	**8**	7	7

Class E - credit unions: balance at the beginning and end of period	**2,154**	2,154	2,154
Number of treasury shares			
Treasury shares - Class E: balance at the beginning and end of period	**(264)**	(264)	(264)

thousands of dollars, as at	Sep 30 2024	Dec 31 2023	Sep 30 2023
Amount of share capital outstanding			
Outstanding $1 par value shares			
Class A - credit unions	**$ 43,364**	$ 43,364	$ 43,364
Class B - cooperatives	**10**	11	11
Class C - other	**8**	7	7
Outstanding $0.01 par value shares			
Class E - credit unions	**21**	21	21
	43,403	43,403	43,403
Amount of treasury shares			
Treasury shares - Class E	**(2)**	(2)	(2)
Balance at the end of period	**$ 43,401**	$ 43,401	$ 43,401

16. Net Interest Income

$ thousands	For the three months ended Sep 30 2024	Sep 30 2023	For the nine months ended Sep 30 2024	Sep 30 2023
Interest Income				
FVTPL	**$ 53,304**	$ 63,776	**$ 165,279**	$ 176,031
FVOCI	**7,996**	12,868	**29,446**	38,445
Amortized cost	**37,858**	42,156	**109,875**	105,735
	99,158	118,800	**304,600**	320,211
Interest Expense				
FVTPL	**35,448**	27,278	**104,600**	80,107
Amortized cost	**53,995**	71,928	**165,996**	198,789
	89,443	99,206	**270,596**	278,896
Net Interest Income	**9,715**	19,594	**$ 34,004**	$ 41,315

17. Gain (Loss) on Disposal of Financial Instruments

$ thousands	For the three months ended Sep 30 2024	Sep 30 2023	For the nine months ended Sep 30 2024	Sep 30 2023
Realized gain (loss) on securities at FVTPL	$ **316**	$ (1,933)	$ **(6,651)**	$ (4,199)
Realized loss on securities at FVOCI	**(3,901)**	(1,145)	**(4,495)**	(1,461)
Realized gain on derivative instruments	**1,237**	2,787	**66,839**	20,870
Realized gain (loss) on deposits designated at FVTPL	**(1)**	558	**129**	818
Realized gain (loss) on obligations related to securities sold short	**(1,633)**	454	**(1,927)**	1,083
Realized gain on term loans	**57**	-	**57**	-
	$ **(3,925)**	$ 721	$ **53,952**	$ 17,111

18. Change in Fair Value of Financial Instruments

$ thousands	For the three months ended Sep 30 2024	Sep 30 2023	For the nine months ended Sep 30 2024	Sep 30 2023
Change in unrealized gains (losses)				
Securities at FVTPL	$ **99,059**	$ (4,509)	$ **163,312**	$ 20,433
Loans at FVTPL	**-**	48	**-**	72
Activities under the CMB Program				
Reinvestment assets	**3,736**	2,189	**7,608**	3,814
Securitization liabilities	**(3,736)**	(2,831)	**(7,608)**	(5,881)
Derivative instruments	**(12,451)**	1,289	**(22,621)**	4,071
Derivative instruments	**(36,573)**	565	**(94,452)**	(14,646)
Financial liabilities at FVTPL				
Deposits designated at FVTPL	**(17,681)**	(106)	**(17,744)**	(1,006)
Obligations related to securities sold short	**(304)**	(126)	**(287)**	-
Debt securities issued designated at FVTPL	**(16,652)**	81	**(16,364)**	(373)
Subordinated liabilities designated at FVTPL	**(4,562)**	623	**(5,662)**	663
	$ **10,836**	$ (2,777)	$ **6,182**	$ 7,147

19. Non-Interest Income

For the three months ended September 30	2024			2023		
$ thousands	Revenue arising from contracts with customers	Revenue arising from other sources	Total	Revenue arising from contracts with customers	Revenue arising from other sources	Total
Treasury						
Lending fees	$ 3,435	$ -	**$ 3,435**	$ 3,615	$ -	$ 3,615
Securitization fees	1,706	-	**1,706**	1,508	-	1,508
Foreign exchange income	-	2,728	**2,728**	-	743	743
Asset management services	915	-	**915**	901	-	901
Other	1,354	74	**1,428**	1,150	(33)	1,117
Payments & Digital Banking						
Payment processing and other fees	21,691	-	**21,691**	19,963	-	19,963
Direct banking fees	9,870	-	**9,870**	11,162	-	11,162
System Affiliates & Other						
Equity interest in affiliates	-	682	**682**	-	(24)	(24)
Dividend Income	-	-	**-**	-	-	-
Other	221	-	**221**	387	-	387
	$ 39,192	**$ 3,484**	**$ 42,676**	$ 38,686	$ 686	$ 39,372

Certain comparative figures have been reclassified to conform with the current period's presentation.

For the nine months ended September 30	2024			2023		
$ thousands	Revenue arising from contracts with customers	Revenue arising from other sources	Total	Revenue arising from contracts with customers	Revenue arising from other sources	Total
Treasury						
Lending fees	$ 10,576	$ -	**$ 10,576**	$ 10,384	$ -	$ 10,384
Securitization fees	5,069	-	**5,069**	4,421	-	4,421
Foreign exchange income	-	3,637	**3,637**	-	2,938	2,938
Asset management services	2,731	-	**2,731**	2,673	-	2,673
Other	3,802	(2)	**3,800**	3,461	(128)	3,333
Payments & Digital Banking						
Payment processing and other fees	67,693	-	**67,693**	58,939	-	58,939
Direct banking fees	28,184	-	**28,184**	31,427	-	31,427
System Affiliates & Other						
Equity interest in affiliates	-	(265)	**(265)**	-	(378)	(378)
Dividend Income	-	2,688	**2,688**	-	2,906	2,906
Other	698	-	**698**	2,521	-	2,521
	$ 118,753	**$ 6,058**	**$ 124,811**	$ 113,826	$ 5,338	$ 119,164

Certain comparative figures have been reclassified to conform with the current period's presentation.

20. Other Administrative Expense

	For the three months ended		For the nine months ended	
$ thousands	Sep 30 2024	Sep 30 2023	Sep 30 2024	Sep 30 2023
Cost of digital and payments processing	**$ 5,459**	$ 5,911	**$ 18,593**	$ 17,750
Professional fees	**7,835**	3,250	**16,413**	21,404
Cost of sales and services	**1,688**	1,789	**5,160**	5,691
Other	**704**	796	**1,898**	2,054
Occupancy	**505**	445	**1,562**	1,411
Business development projects	**130**	179	**518**	386
	$ 16,321	$ 12,370	**$ 44,144**	$ 48,696

21. Segment Information

For management reporting purposes, Central 1's operations and activities are organized around two key business segments: Treasury and Payments & Digital Banking. All other activities or transactions, including investments in equity shares of system-related entities, other than the wholly owned subsidiaries, and those which do not relate directly to these business segments, are reported in "System Affiliates & Other". A description of each business segment is as follows:

Treasury

Treasury supports the structural and tactical liquidity needs of member credit unions in pursuit of regular, day-to-day business objectives. The segment is funded by members' deposits augmented by capital market funding.

Treasury fosters the credit union system's growth through supporting the financial needs of member credit unions. Many of the products and services that this business segment provides, including credit union lending and access to securitization vehicles, allows members to take advantage of Central 1's strong financial ratings, industry expertise and access to the capital markets for short-term and long-term funding. Treasury also supports the short-term liquidity requirement for the Payments & Digital Banking segment. Central 1 provides foreign exchange services, derivative capabilities, and other ancillary treasury services.

The Treasury segment also operates the Group Clearer settlement function. As a Group Clearer under the rules of Payments Canada, Central 1 is a Lynx participant and acts as the credit union systems' financial institution connection to the Canadian payments system and the Bank of Canada.

Payments & Digital Banking

Payments & Digital Banking develops and operates innovative digital banking technologies and payment processing solutions for member credit unions, other financial institutions and corporate clients. This segment offers *MemberDirect*® services and a host of digital banking solutions that allow member credit unions to offer a variety of direct banking services to their individual customers through their online banking platform. Certain strategic initiatives relating to digital banking and payments solutions are included in this segment such as Forge 2.0.

Payments operations encompass processing paper and electronic transactions such as automated funds transfer, bill payments and wire transfers on behalf of member credit unions. The payment processing solutions are secure and reliable tools that allow financial and corporate-sector clients to complete a variety of digital, paper and remittance transactions.

System Affiliates & Other

System Affiliates & Other consist of enterprise level activities which are not allocated to the business segments described above. This business segment includes Central 1's investments in equity shares of system-related entities, other than the wholly owned subsidiaries. It also includes the costs of implementing certain strategic initiatives other than ones included in the key segments of business above.

Management Reporting Framework

The results of these segments are regularly reviewed by Central 1's executive leadership team for the purpose of making decisions about resource allocation and performance assessment. The expenses in each business segment may include costs of services incurred directly and those that are allocated. The management reporting framework assists in the attribution of capital and the transfer pricing of funds to the business segments in a manner that fairly and consistently measures and aligns the economic costs with the underlying benefits and risks of that specific business segment. Central 1's capital plan allows for tactical capital allocations within all segments.

Central 1 does not have any inter-segment revenue between business segments. Income tax provision or recovery is generally applied to each segment based on a statutory tax rate and may be adjusted for items and activities unique to each segment.

The accounting policies used to prepare these segments are consistent with those followed in the preparation of Central 1's Interim Consolidated Financial Statements as described in Note 2.

Periodically, certain business lines and units are transferred among business segments to more closely align Central 1's organizational structure with its strategic priorities. Results for prior periods are restated to conform to the current period presentation.

In July 2024, the IASB issued the International Financial Reporting Interpretations Committee's (IFRIC) final agenda decision regarding IFRS 8, *Operating Segments*, which was effective immediately. The final decisions relate to the requirements in IFRS 8.23 to disclose specified nine items of revenue and expense including other material items for each reportable segment, even if they are not specifically reviewed by the Chief Operating Decision Maker. Central 1 has adopted this decision and disclosed five of the nine items of income and expense for reportable segments in the third quarter of 2024, with inclusion of comparative figures, and will include the remaining items in the 2024 year end financial statements.

Results by Segment

The following table summarizes the segment results for the three months ended September 30, 2024:

$ thousands, for the three months ended September 30, 2024	Treasury	Payments & Digital Banking	System Affiliates & Other	Total
Interest income	$ 99,158	$ -	$ -	**$ 99,158**
Interest expense	89,101	342		**89,443**
Net interest income (expense)	10,057	(342)	-	**9,715**
Loss on disposal of financial instruments	(3,925)	-	-	**(3,925)**
Change in fair value of financial instruments	10,836	-	-	**10,836**
Non-interest income, excluding equity interest in affiliates	10,138	31,561	221	**41,920**
Equity interest in affiliates	74	-	682	**756**
Total revenue	27,180	31,219	903	**59,302**
Provision for credit losses	158	-	-	**158**
Non-interest expense, excluding depreciation and amortization	11,383	36,222	4,577	**52,182**
Depreciation and amortization	252	158	708	**1,118**
Income (loss) before income taxes	15,387	(5,161)	(4,382)	**5,844**
Income tax expense (recovery)	4,129	(1,389)	(2,714)	**26**
Net income (loss)	**$ 11,258**	**$ (3,772)**	**$ (1,668)**	**$ 5,818**

The following table summarizes the segment results for the three months ended September 30, 2023:

$ thousands, for the three months ended September 30, 2023	Treasury	Payments & Digital Banking	System Affiliates & Other	Total
Interest income	$ 118,800	$ -	$ -	$ 118,800
Interest expense	98,783	423	-	99,206
Net interest income (expense)	20,017	(423)	-	19,594
Gain on disposal of financial instruments	721	-	-	721
Change in fair value of financial instruments	(2,777)	-	-	(2,777)
Non-interest income, excluding equity interest in affiliates	7,917	31,125	387	39,429
Equity interest in affiliates	(33)	-	(24)	(57)
Total revenue	25,845	30,702	363	56,910
Provision for credit losses	991	-	-	991
Non-interest expense, excluding depreciation and amortization	8,910	36,805	3,707	49,422
Depreciation and amortization	258	415	787	1,460
Income (loss) before income taxes	15,686	(6,518)	(4,131)	5,037
Income tax expense (recovery)	4,195	(1,795)	(1,238)	1,162
Net income (loss)	$ 11,491	$ (4,723)	$ (2,893)	$ 3,875

Certain comparative figures have been reclassified to conform with the current period's presentation.

The following table summarizes the segment results for the nine months ended September 30, 2024:

$ thousands, for the nine months ended September 30, 2024	Treasury	Payments & Digital Banking	System Affiliates & Other	Total
Interest income	$ 304,600	$ -	$ -	**$ 304,600**
Interest expense	268,955	1,641	-	**270,596**
Net interest income (expense)	35,645	(1,641)	-	**34,004**
Gain on disposal of financial instruments	53,952	-	-	**53,952**
Change in fair value of financial instruments	6,182	-	-	**6,182**
Non-interest income, excluding equity interest in affiliates	25,815	95,877	3,386	**125,078**
Equity interest in affiliates	(2)	-	(265)	**(267)**
Total revenue	121,592	94,236	3,121	**218,949**
Provision for credit losses	1	-	-	**1**
Non-interest expense, excluding depreciation and amortization	31,430	106,583	14,609	**152,622**
Depreciation and amortization	767	496	2,187	**3,450**
Income (loss) before income taxes	89,394	(12,843)	(13,675)	**62,876**
Income tax expense (recovery)	24,068	(3,458)	(5,529)	**15,081**
Net income (loss)	**$ 65,326**	**$ (9,385)**	**$ (8,146)**	**$ 47,795**
Total assets as at September 30, 2024	**$ 11,387,521**	**$ 19,593**	**$ 213,082**	**$ 11,620,196**
Total liabilities as at September 30, 2024	**$ 10,602,862**	**$ 33,745**	**$ 202,259**	**$ 10,838,866**

The following table summarizes the segment results for the nine months ended September 30, 2023:

$ thousands, for the nine months ended September 30, 2023	Treasury	Payments & Digital Banking	System Affiliates & Other	Total
Interest income	$ 320,210	$ -	$ -	$ 320,210
Interest expense	276,848	2,047	-	278,895
Net interest income (expense)	43,362	(2,047)	-	41,315
Gain on disposal of financial instruments	17,111	-	-	17,111
Change in fair value of financial instruments	7,147	-	-	7,147
Non-interest income, excluding equity interest in affiliates	23,877	90,366	5,427	119,670
Equity interest in affiliates	(128)	-	(378)	(506)
Total revenue	91,369	88,319	5,049	184,737
Provision for credit losses	502	-	-	502
Non-interest expense, excluding depreciation and amortization	29,119	112,963	11,445	153,527
Depreciation and amortization	759	959	2,329	4,047
Income (loss) before income taxes	60,989	(25,603)	(8,725)	26,661
Income tax expense (recovery)	16,381	(10,037)	(3,299)	3,045
Net income (loss)	$ 44,608	$ (15,566)	$ (5,426)	$ 23,616
Total assets as at September 30, 2023	$ 10,644,587	$ 17,186	$ 230,393	$ 10,892,166
Total liabilities as at September 30, 2023	$ 9,947,669	$ 16,837	$ 208,978	$ 10,173,484

Certain comparative figures have been reclassified to conform with the current period's presentation.

22. Guarantees, Commitments, Contingencies and Pledged Assets

In the normal course of business, Central 1 enters into various off-balance sheet arrangements to meet the financing, credit and liquidity requirements of its member credit unions. These are in the form of commitments to extend credit, guarantees, and standby letters of credit.

Central 1 is a Group Clearer under the rules of the Payments Canada and acts as the credit union system's financial institution connection to the Canadian payments system. Pursuant to a joint venture agreement, Central 1 provides payment services to the credit union centrals of Alberta, Manitoba, and Saskatchewan (collectively, the Prairie Centrals). Central 1 guarantees payment of payment items drawn on or payable by the Prairie Centrals and their member credit unions. Each of the Prairie Centrals in return provides Central 1 with a guarantee for those payments.

The table below presents the maximum amount of credit that Central 1 could be required to extend if commitments were to be fully utilized, and the maximum amount of guarantees that could be in effect if the maximum authorized committed amounts were transacted.

$ thousands, as at		Sep 30 2024		Dec 31 2023
Commitments to extend credit	$	**5,182,674**	$	5,093,356
Guarantees				
Financial guarantees	$	**794,600**	$	793,600
Performance guarantees	$	**500,000**	$	500,000
Standby letters of credit	$	**218,894**	$	228,982
Future prepayment reinvestment commitment	$	**853,820**	$	883,881

Amounts utilized under these agreements representing off-balance sheet amounts for commitments to extend credit, guarantees, and standby letters of credit, respectively, on September 30, 2024 are $27.5 million, $924.7 million and $100.3 million (December 31, 2023 - $66.3 million, $596.6 million and $104.3 million).

All the financial guarantees mature within a year with fees charged at inception of the contract. Central 1 from time-to-time issues performance guarantees related to the Asset Backed Commercial Paper Program. The performance guarantees represented in the table above are the maximum limits for parties in existing contractual obligations. Central 1 also issues blanket approvals for performance guarantees on a non-committed basis which will become contractual obligations for specified amounts if requested and authorized by Central 1, in their sole discretion. Central 1 has the ability to unilaterally withdraw anytime from these approved limits. The un-committed performance guarantee approved limits for September 30, 2024 were $1.0 billion (December 31, 2023 - $1.0 billion).

Future prepayment reinvestment commitment represents Central 1's commitment for reinvestment under the indirect securitization activities.

Central 1 evaluates contingencies on an ongoing basis and establishes provisions for matters in which the outflow of economic resources is probable and the amount of obligation can be reliably estimated. Central 1 is involved in legal actions in the ordinary course of business, in which the likelihood of a loss and amount of loss, if any, cannot be reliably estimated at September 30, 2024.

Pledged Assets

In the normal course of business, Central 1 pledges securities and other assets as collateral. A breakdown of encumbered assets pledged as collateral is provided in the following table. These transactions are conducted in accordance with standard terms and conditions for such transactions.

$ thousands, as at		Sep 30 2024		Dec 31 2023
Assets pledged to Bank of Canada & Direct Clearing Organizations[1,2]	$	**60,537**	$	52,911
Assets pledged in relation to:				
Derivative financial instrument transactions		**18,102**		11,266
Securities lending		**9,108**		40,192
Derivative clearing activities		**18,554**		966
Reinvestment assets under the CMB Program		**529,853**		559,990
Securities under repurchase agreements		**627,413**		1,036,557
	$	**1,263,567**	$	1,701,882

[1]Includes assets pledged as collateral for Payments Canada High Value Payment System (Lynx) activities.
[2]Central 1 acts as Group Clearer on behalf of other central credit unions. Securities pledged by other centrals as collateral for settlements are not included in pledged assets.

23. Financial Instruments – Fair Value

Certain financial instruments are recognized in the Consolidated Statement of Financial Position at fair value. These include derivative instruments, commercial loans designated at FVTPL, securities, deposits and debt securities issued and a subordinated note that are designated at FVTPL, obligations related to the securities sold short, reinvestment assets and securitization liabilities. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants which takes place in the principal (or most advantageous) market at the measurement date under current market conditions. The determination of fair value requires judgement and is based on market information, where available and appropriate. The fair value of financial instruments is best evidenced by unadjusted quoted prices in active markets. When there is no quoted price in an active market, valuation techniques which maximize the use of relevant observable inputs and minimize the use of unobservable inputs are used to derive the fair value.

Fair value measurements are categorized into three levels within the following hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly.
- Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation.

Securities, deposits, obligations related to the securities sold short, debt securities issued and a subordinated note that are designated at FVTPL, derivatives (except for futures which are Level 1) are classified as Level 2 in the hierarchy with observable prices or rate inputs as compared to transaction prices, dealer quotes or vendor prices. Equity instruments, where inputs are unobservable, are classified as Level 3 in the hierarchy. As at September 30, 2024 and December 31, 2023, Level 3 financial assets includes $32.1 million of equity instrument that is measured at cost which is an appropriate estimate of fair value as the most recent available information is not sufficient to measure fair value. Central 1 has determined that this value remains the same as prior periods.

Transfers between the levels in the fair value hierarchy occur when there are changes to the relevant inputs which are consistent with the characteristics of the asset or liability. Transfers are recognized at the end of the reporting period. During the nine months ended September 30, 2024, securities with a fair value totaling $497.5 million were transferred from Level 1 to Level 2 of the fair value hierarchy due to changes in the observability of the inputs used to value these securities. During the nine months ended September 30, 2024, securities with fair value $13.2 million were transferred from Level 2 to Level 1 of the fair value hierarchy due to changes in the observability of the inputs used to value these securities. There were no transfers between the levels during the nine months ended September 30, 2023.

Financial Instruments with Fair Value Approximating Carrying Value

Fair value is assumed to be equal to the carrying value for financial instruments that are not carried at fair value as the carrying value is considered to be a reasonable approximation of fair value due to their short-term nature. These instruments are cash and cash equivalents, settlements in-transit assets, loans and deposits due on demand classified as amortized cost, settlements in-transit liabilities, securities under reverse repurchase agreements and under repurchase agreements, and certain other financial assets and liabilities.

Financial Instruments with Fair Value Determined Using Valuation Techniques

The most significant assets and liabilities for which fair values are determined using valuation techniques include: securities at FVTPL and FVOCI, derivative instruments (except for futures which are Level 1), deposits and debt securities issued and a subordinated liability designated at FVTPL, reinvestment assets and securitization liabilities. To determine fair value, Central 1 uses broker quotes or third-party prices observed in the market. When observable quoted prices are not available, fair value is determined based on discounting the expected cash flows using interest rates currently being offered on instruments with similar terms or for the instruments.

For Central 1’s equity instruments, quoted market prices are not available, in which case Central 1 uses valuation techniques such as discounted cash flows, comparison with instruments where observable inputs exist, and other valuation techniques. Assumptions and inputs used in these valuation techniques include cash flows, risk-free rate, benchmark interest rate, and spreads. The estimated fair value would increase (decrease) if:

- the expected cash flows were higher (lower);
- the risk-free rates and benchmark interest rates were lower (higher); or
- the spreads were higher (lower).

The following table presents the carrying values and fair values of Central 1's financial assets and financial liabilities as at September 30, 2024 and their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

$ millions, as at September 30, 2024	Level 1	Level 2	Level 3	Amounts at Fair Value	Amounts at Amortized Cost[1]	Total Carrying Value
Financial assets						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 2,709.7	**$ 2,709.7**
Settlements in-transit assets	-	-	-	-	189.6	**189.6**
Securities	13.6	6,439.7	40.9	6,494.2	296.5	**6,790.7**
Loans	-	-	-	-	1,616.1	**1,616.1**
Derivative assets	0.7	106.3	-	107.0	-	**107.0**
Other assets	-	-	-	-	29.4	**29.4**
Total financial assets	$ 14.3	$ 6,546.0	$ 40.9	$ 6,601.2	$ 4,841.3	**$ 11,442.5**
Financial liabilities						
Settlements in-transit liabilities	-	-	-	-	664.3	**664.3**
Deposits	-	2,723.8	-	2,723.8	3,802.0	**6,525.8**
Obligations related to securities sold short	-	76.2	-	76.2	-	**76.2**
Securities under repurchase agreements	-	-	-	-	627.4	**627.4**
Securitization liabilities	-	529.9	-	529.9	-	**529.9**
Derivative liabilities	1.4	70.0	-	71.4	-	**71.4**
Debt securities issued	-	673.1	-	673.1	1,401.2	**2,074.3**
Subordinated liabilities	-	194.5	-	194.5	-	**194.5**
Other liabilities	-	-	-	-	18.1	**18.1**
Total financial liabilities	$ 1.4	$ 4,267.5	$ -	$ 4,268.9	$ 6,513.0	**$ 10,781.9**

[1]Amounts carried at amortized cost include financial instruments classified as amortized cost or other financial liabilities.

$ millions, as at December 31, 2023	Level 1	Level 2	Level 3	Amounts at Fair Value	Amounts at Amortized Cost[1]	Total Carrying Value
Financial assets	$ 451.7	$ 6,514.7	$ 51.2	$ 7,017.6	$ 4,014.0	$ 11,031.6
Financial liabilities	$ 1.4	$ 4,314.9	$ -	$ 4,316.3	$ 6,124.0	$ 10,440.3

[1]Amounts carried at amortized cost include financial instruments classified as amortized cost or other financial liabilities.

The following tables present the change in fair value for financial instruments included in Level 3 of the fair value hierarchy:

$ millions	Fair value at Dec 31 2023	Purchases	Repayments	Transfer	Changes in fair value of assets in net income or	Fair value at Sep 30 2024
Equity shares	$ 40.9	$ -	$ -	$ -	$ -	**$ 40.9**
Loans	10.3	-	(10.3)	-	-	**-**
Total financial assets	$ 51.2	$ -	$ (10.3)	$ -	$ -	**$ 40.9**

Transfers into and out of Levels 1, 2, and 3 occur when there are changes to the relevant inputs which are consistent with the characteristics of the asset or liability. Transfers are recognized at the end of the reporting period.

24. Capital Management

Central 1's Capital Policy ensures that each business segment has sufficient capital to support its business activities. The objective of managing capital includes, but is not limited to the following:

- ensuring that regulatory capital adequacy requirements are met at all times;
- ensuring internal capital targets are not breached; and
- sufficient capital is maintained to support the risk-taking activities of the organization.

Capital Management Framework

The capital management framework provides the policies and processes for defining, measuring, and allocating all types of capital across Central 1. The process of attributing capital to business segments is linked to the budgeting process and to the Internal Capital Adequacy Assessment Process (ICAAP). The budget process establishes expected business activities over the course of the following fiscal year and the ICAAP establishes the required amount of capital based on an internal risk assessment. Central 1's capital plan allows for tactical capital allocations within all segments. Capital, except for those which are attributed to business segments, is held in the System Affiliates & Other segment.

Regulatory Capital

Central 1's capital levels are regulated under provincial regulations administered by the B.C. Financial Services Authority (BCFSA). BCFSA has also adopted the previous federal regulations administered by the Office of the Superintendent of Financial Institutions (OSFI). This regulation requires Central 1 to maintain a consolidated borrowing multiple, specifically the ratio of deposit liabilities and other loans to total regulatory capital, of 18.0:1 or less.

Provincial regulations in British Columbia, which apply to B.C. credit unions as well as to Central 1, use a risk-weighted approach for capital adequacy that is based on standards issued by the Bank for International Settlements. The provincial risk weightings generally parallel the methodology used by OSFI to regulate Canadian chartered banks. Financial Institutions Act (FIA) mandates that Central 1 maintain a total capital ratio of at least 8.0%. While this is the regulatory minimum, the BCFSA has established a supervisory target on total capital ratio to be no less than 10.0%. Additionally, in accordance with the provisions of FIA, Central 1 must maintain a total capital ratio of at least 10.0% to enable member credit unions to risk-weight their deposits with Central 1 at 0.0%. Central 1's capital base includes Tier 1 capital in the form of share capital, contributed surplus and retained earnings. Subject to certain conditions, Central 1 may include its subordinated debt in Tier 2 capital. In calculating Central 1's capital base, certain deductions are required for certain assets.

Central 1 was in compliance with all regulatory capital requirements as at September 30, 2024 and December 31, 2023 and September 30, 2023.

25. Related Party Disclosures

Related parties of Central 1 include:

- key management personnel and their close family members;
- Board of Directors and their close family members;
- entities over which Central 1 has control or significant influence; and
- Central 1's post-employment benefits as described in Note 29 of the Annual Audited Consolidated Financial Statements for the year ended December 31, 2023.

Transactions with Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Central 1, which include Central 1's Executive Management and Vice-Presidents and their close family members. There was no outstanding balance against key management personnel as on September 30, 2024 and December 31, 2023.

The following table presents the compensation to key management personnel:

	For the three months ended		For the nine months ended	
$ thousands	**Sep 30 2024**	**Sep 30 2023**	**Sep 30 2024**	**Sep 30 2023**
Salaries and short-term employee benefits	**$ 1,721**	$ 1,575	**$ 4,905**	$ 4,375
Incentive	**-**	-	**3,054**	1,967
Post-employment benefits	**68**	52	**208**	163
Termination and other long-term employee benefits	**520**	-	**520**	159
	$ 2,309	$ 1,627	**$ 8,687**	$ 6,664

In addition to their salaries, Central 1 also provides non-cash benefits to key management personnel and contributes to post-employment benefits plan on their behalf. Termination benefits represent amounts paid or payable, pursuant to contractual arrangements, to members of key management personnel who left Central 1 during the period.

Transactions with Board of Directors

	For the three months ended		For the nine months ended	
$ thousands	**Sep 30 2024**	**Sep 30 2023**	**Sep 30 2024**	**Sep 30 2023**
Total remuneration	**$ 178**	$ 217	**$ 620**	$ 545

Significant Subsidiaries

% of direct ownership outstanding, as at	Sep 30 2024	Dec 31 2023
Central 1 Trust Company	**100%**	100%
C1 Ventures (VCC) Ltd.	**100%**	100%
0789376 B.C. Ltd.	**100%**	100%

Investment in Affiliates

The affiliates that Central 1 exercises significant influence over are as follows:

% of direct ownership outstanding, as at	Sep 30 2024	Dec 31 2023
The CUMIS Group Limited	**27%**	27%
CU CUMIS Wealth Holdings LP	**35%**	35%
189286 Canada Inc.	**52%**	52%
Agility Forex Ltd.	**27%**	27%

During the first quarter of 2024, Central 1 contributed $2.0 million (Q1 2023: $1.4 million) and $nil for the second and third quarter of 2024 ($nil for Q2 2023 & Q3 2023) in 189286 Canada Inc.

Substantial Investments

Central 1 also has substantial investments in the following entities over which Central 1 does not have significant influence:

% of direct ownership outstanding, as at	Sep 30 2024	Dec 31 2023
The Co-operators Group Limited	**21%**	21%
Canadian Credit Union Association	**59%**	59%

26. Subsequent Events

On October 22, 2024, Central 1 announced its intention to wind down its digital banking business and transition clients to one or more alternative digital banking providers. Central 1 is currently completing the necessary planning to support clients to smoothly transition to other providers. While no firm date has been set for completing this transition, Central 1 is working with digital banking providers and clients to complete transitions within a three-to-four-year timeline. The financial impact of this decision cannot be reasonably determined at this time.

Subsequent to September 30, 2024, Central 1 reclassified its Vancouver office land and building as assets held for sale. There is no change in the carrying value upon reclassification.