

Quarterly Report

Third Quarter of 2025

Results for the Third Quarter of 2025

Overall Financial Results

Third quarter 2025 compared with third quarter 2024:

- Net income was \$24.9 million, compared with \$5.8 million
- Adjusted net income¹ was \$25.2 million, compared with \$12.5 million
- Net fair value gains were \$30.7 million, compared with \$6.9 million
- Net interest income was \$17.5 million, compared with \$9.7 million
- Return on equity (ROE)^{2,3} was 12.2%, compared with 2.1%
- Adjusted ROE² was 12.1%, compared with 6.0%

Year-to-date 2025 compared with year-to-date 2024:

- Net income of \$22.2 million, compared with \$47.8 million
- Adjusted net income¹ was \$53.9 million, compared with \$66.6 million
- Net fair value gains of \$41.7 million, compared with \$60.2 million
- Net interest income of \$55.5 million, compared with \$34.0 million
- ROE^{2,3} was 5.4%, compared with 8.0%
- Adjusted ROE² was 8.9%, compared with 11.2%

“This quarter’s results show consistent financial performance and solid management amid economic uncertainty,” said Sheila Vokey, Central 1’s President & CEO. “As an aggregated services provider, we continue to focus time and energy on investing in our payments infrastructure along with the industry and supporting clients through a generational transformation of Canada’s payments system.”

Central 1’s third quarter and year-to-date (YTD) continue to report strong financial performance in 2025. Central 1’s net income for the third quarter was \$24.9 million, an increase of \$19.1 million, compared to the third quarter last year, reflecting continued strength in net interest income and significant net fair value gains¹.

The reported YTD net income was \$22.2 million, a decrease of \$25.6 million, compared to the same period last year, primarily attributable to the recognition of the provision for onerous contracts related to the transition of Digital Banking to Intellect Design Arena Ltd. (Intellect).

Core Business & Financial Performance

Treasury

Treasury reported a net income of \$31.3 million, an increase of \$19.7 million compared to \$11.6 million reported in the same quarter last year. The strong performance was primarily driven by a \$7.7 million increase in net interest income and an increase of \$24.1 million in net fair value gains. The growth in net interest income reflects a strategic shift toward a more favorable funding mix, resulting in a meaningful reduction in interest expense. Additionally, the increase in net fair value gains was driven primarily by narrowing credit spreads, which contributed positively to the reported net income.

Payments

Payments delivered net income of \$0.2 million for the quarter, compared to \$0.7 million in the same quarter last year, reflecting continued investment in strategic initiatives to support long-term growth. Non-interest income grew by \$2.5 million year-over-year, driven by increased transaction volumes across select payment services. As part of the ongoing commitment to innovation and digital transformation, Payments continued to invest in key technology initiatives, resulting in a \$3.2 million increase in non-interest expenses, including higher direct costs and headcount expenditures.

Digital Banking

Digital Banking business reported a net loss of \$0.3 million, compared to a net loss of \$6.7 million in the same quarter last year, reflecting lower non-interest expense, partially offset by a lower non-interest income.

The transition of Digital Banking to Intellect Design Arena Ltd. (Intellect) progressed through the third quarter.

¹This is a non-GAAP financial measure. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

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

³When calculating the annualized ROA and ROE, certain items were treated as a non-recurring item and therefore not annualized.

Management's Discussion & Analysis

September 30, 2025

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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 27, 2025. 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, 2025, which were authorized for issue by the Board of Directors (the Board) on November 27, 2025. 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 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.

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 and on the reduction of corporate expenses over time in support of long-term financial sustainability, 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.

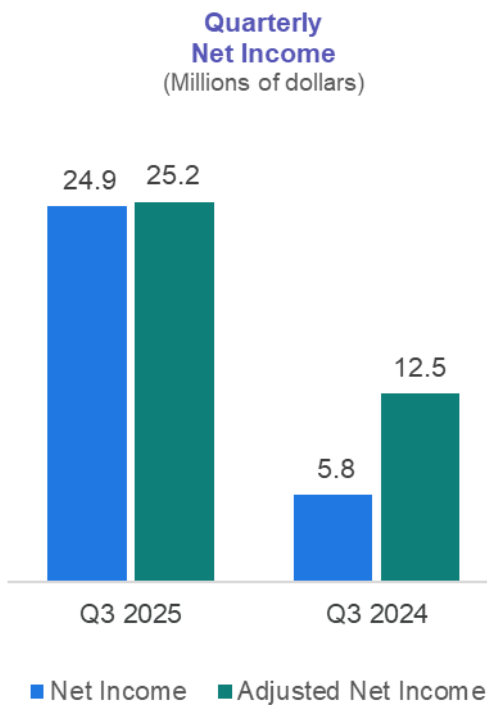
Forward-looking statements, by their nature, require us to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that predictions, forecasts or conclusions will not prove to be accurate, that assumptions may not be correct, and that financial objectives, 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 is subject to risks associated with evolving U.S. trade and tariff policies, inflationary pressures, interest rate volatility, and potential regulatory changes under the current U.S. administration. Shifts in tariff structures or global trade conditions may adversely affect our cost structure and overall operating environment. 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.

Financial Results

Overall Performance

Quarterly comparison – Q3 2025 vs. Q3 2024



\$ millions, except as indicated	Q3 2025		Q3 2024		Change
Net interest income	\$	17.5	\$	9.7	\$ 7.8
Net fair value gains		30.7		6.9	23.8
Non-interest income		37.2		42.7	(5.5)
Total revenue		85.4		59.3	26.1
Provision for credit losses		1.7		0.2	1.5
Non-interest expense		43.5		53.3	(9.8)
Income before income taxes		40.2		5.8	34.4
Income tax expense		15.3		-	15.3
Net income	\$	24.9		5.8	19.1
Adjusted net income ¹		25.2		12.5	12.7
Return on assets (ROA) - annualized ²		1.1%		0.2%	
Return on equity (ROE) - annualized ²		12.2%		2.1%	
Adjusted ROA - annualized ²		1.1%		0.5%	
Adjusted ROE - annualized ²		12.1%		6.0%	
Average assets ²	\$	9,150.8	\$	10,017.2	\$ (866.4)
Average equity ²	\$	827.7	\$	827.6	\$ 0.1
Weighted average shares outstanding (# of shares in millions)		43.4		43.4	-

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

¹Adjusted net income excludes the net loss from Digital Banking. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

²When calculating the annualized ROA and ROE, certain item was treated as a non-recurring item and therefore not annualized. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

Reported net income for the quarter was \$24.9 million, representing an increase of \$19.1 million compared to the same quarter last year. The year-over-year improvement was mainly attributable to a \$26.1 million increase in total revenue, reflecting continued strength in net interest income, as well as a significant net fair value gain in the third quarter of 2025. The adjusted net income¹ for the quarter was \$25.2 million, after excluding the net loss from Digital Banking business.

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

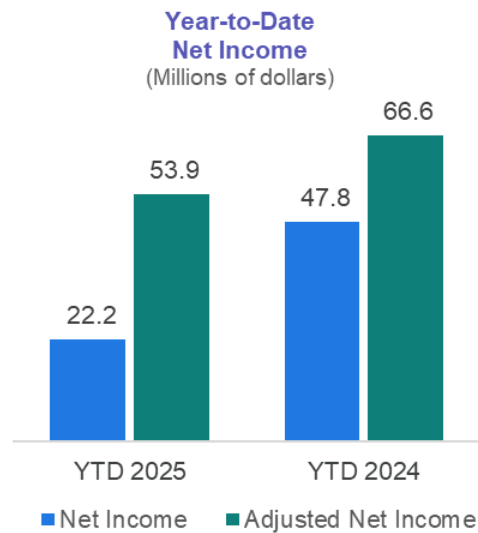
Net interest income increased by \$7.8 million compared to the same quarter last year, primarily driven by a decrease in interest expense. This decrease reflects a more favorable funding mix benefitting from the lower-cost customer deposits and a corresponding decrease in the use of higher-cost funding sources, including Canada Mortgage Bonds (CMB) obligations, commercial paper, and repurchase agreements.

Net fair value gains increased by \$23.8 million compared to the same quarter last year, primarily driven by narrowing credit spreads.

Non-interest income for the current quarter decreased by \$5.5 million compared to the same period last year, primarily due to lower revenue following the wind-down of Digital Banking operations, which were transitioned to Intellect after February 28, 2025. This is offset by higher payments revenue, attributable to elevated transaction volumes in certain payments services, reflecting continued growth in client expansion.

Non-interest expense decreased by \$9.8 million compared to the same quarter last year, primarily due to lower salaries and benefits, reflecting workforce reductions implemented associated with the transition of the Digital Banking business to Intellect. This is offset by increases in expenses due to higher transaction-related costs driven by volume growth and from investments in technology, and other strategic initiatives aimed at supporting the long-term growth of the Payments segment.

Year-to-date comparison – Q3 2025 vs. Q3 2024



\$ millions, except as indicated	For the nine months ended September 30		
	2025	2024	Change
Net interest income	\$ 55.5	\$ 34.0	\$ 21.5
Net fair value gains	41.7	60.2	(18.5)
Non-interest income	118.0	124.8	(6.8)
Total revenue	215.2	219.0	(3.8)
Provision for credit losses	2.2	-	2.2
Non-interest expense	184.3	156.1	28.2
Income before income taxes	28.7	62.9	(34.2)
Income tax expense	6.5	15.1	(8.6)
Net income	\$ 22.2	\$ 47.8	\$ (25.6)
Adjusted net income ¹	53.9	66.6	(12.7)
ROA - annualized ²	0.5%	0.7%	
ROE - annualized ²	5.4%	8.0%	
Adjusted ROA - annualized ²	0.8%	0.9%	
Adjusted ROE - annualized ²	8.9%	11.2%	
Average assets ²	\$ 9,372.3	\$ 9,810.9	\$ (438.6)
Average equity ²	\$ 813.9	\$ 794.4	\$ 19.5
Weighted average shares outstanding (# of shares in millions)	43.4	43.4	-

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

¹Adjusted net income excludes the net loss from Digital Banking. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

²When calculating the annualized ROA and ROE, certain item was treated as a non-recurring item and therefore not annualized. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

Reported net income was \$22.2 million, compared to a net income of \$47.8 million in the same period last year.

Net interest income increased \$21.5 million year-over-year benefitting from lower interest expense as a result of favorable funding mix with a higher focus on lower-cost customer deposits and a reduced reliance on higher-cost funding sources.

Net fair value gains of \$41.7 million were lower than observed during the same period last year as the speed of narrowing credit spreads moderated throughout 2025.

Non-interest income, which represents revenue generated from Central 1's fee-for-service based businesses, decreased by \$6.8 million compared to the same period last year, primarily driven by lower revenue from Digital Banking, reflecting the transition of operations to Intellect earlier in the year. This decline was partially offset by growth in the Payments business, driven by higher Enterprise Fraud Management (EFM) revenue and higher Automated Funds Transfer (AFT) revenue on e-transfer services primarily due to increased transaction volumes from client expansion.

Non-interest expense increased by \$28.2 million compared to the same period last year, primarily due to the recognition of provision for onerous contracts related to the infrastructure costs that Central 1 is expected to incur over the transition period related to the wind-down of Digital Banking business. Central 1's ongoing strategic investments in technology and key initiatives designed to drive innovation and support the long-term growth of the Payments business also contributed to higher non-interest expense. This was partially offset by lower salaries and benefits, reflecting workforce reductions implemented associated with the transition of the Digital Banking business to Intellect.

Adjusted net income¹ for the current period was \$53.9 million, after excluding the net loss from Digital Banking, representing a decrease of \$12.7 million compared to the same period last year.

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

Selected Financial Information

As at	Sep 30 2025	Dec 31 2024	Sep 30 2024
Balance Sheet (millions of dollars)			
Total assets	\$ 9,541.9	\$ 10,036.8	\$ 11,620.2
Regulatory Ratios			
Total capital ratio ¹	21.0%	21.2%	18.6%
Tier 1 capital ratio ¹	16.0%	16.1%	14.0%
Borrowing multiple ¹	9.0:1	9.9:1	11.8:1
Share Information ² (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	\$ 10	\$ 10
Class C - other	\$ 8	\$ 8	\$ 8
Outstanding number of shares (thousands of shares)			
Class A - credit unions	43,364	43,364	43,364
Class B - cooperatives	10	10	10
Class C - other	8	8	8
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)
Dividends per share (cents)			
Class A - credit unions	0.2	-	-

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

²Share 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.

The total capital ratio and Tier 1 capital ratio remained consistent with December 31, 2024 levels and increased relative to September 30, 2024. The year-over-year increase was primarily driven by higher retained earnings and a reduction in risk-weighted assets, reflecting a decrease in total assets and changes in the asset mix.

The borrowing multiple decreased to 9.0 as of September 30, 2025, compared to 9.9 as of December 31, 2024, and 11.8 as of September 30, 2024, primarily due to a reduction in overall borrowings and higher retained earnings.

Central 1 was in compliance with all regulatory capital requirements as at September 30, 2025, December 31, 2024 and September 30, 2024.

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 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.

Adjusted Measures and Ratios

Management considers both reported and adjusted results and measures to be useful in assessing underlying ongoing business performance. Adjusted results and measures remove certain specified items from operating results, as detailed in the following table. Adjusted results and measures presented in this document are non-GAAP. Presenting results on both a reported basis and an adjusted basis permit readers to assess the impact of certain items on results for the periods presented, and to better assess results excluding those items that may not be reflective of ongoing business performance. As such, the presentation may facilitate readers' analysis of trends. Except as otherwise noted, management's discussion of changes in reported results in this document applies equally to changes in the corresponding adjusted results.

Adjusting Item

Adjusted results for the three and nine months ended September 30, 2025, exclude the net loss from Digital Banking, which was transferred to Intellect Design Arena Ltd., effective March 1, 2025. To enhance comparability and present a clearer view of Central 1's core business performance, Digital Banking has been excluded from the calculation of the adjusted net income.

\$ millions, except as indicated				For the nine months ended September 30		
	Q3 2025	Q3 2024	Change	2025	2024	Change
Reported net income	\$ 24.9	\$ 5.8	\$ 19.1	\$ 22.2	\$ 47.8	\$ (25.6)
Add: Net loss from Digital Banking	0.3	6.7	(6.4)	31.7	18.8	12.9
Adjusted net income	\$ 25.2	\$ 12.5	\$ 12.7	\$ 53.9	\$ 66.6	\$ (12.7)

Average Assets and Average Equity

Average assets and average equity are non-GAAP financial measures, calculated from daily average balances for assets and equity, respectively. Average assets and average 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				For the nine months ended September 30		
	Q3 2025	Q3 2024	Change	2025	2024	Change
Total assets as reported	\$ 9,541.9	\$ 11,620.2	\$ (2,078.3)	\$ 9,541.9	\$ 11,620.2	\$ (2,078.3)
Impact of averaging daily balances	(391.1)	(1,603.0)	1,211.9	(169.6)	(1,809.3)	1,639.7
Average assets	\$ 9,150.8	\$ 10,017.2	\$ (866.4)	\$ 9,372.3	\$ 9,810.9	\$ (438.6)
Total equity as reported	\$ 813.7	\$ 781.3	\$ 32.4	\$ 813.7	\$ 781.3	\$ 32.4
Impact of averaging daily balances	14.0	46.3	(32.3)	0.2	13.1	(12.9)
Average equity	\$ 827.7	\$ 827.6	\$ 0.1	\$ 813.9	\$ 794.4	\$ 19.5

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 2025	Dec 31 2024	Sep 30 2024
Federal and provincial government issued and guaranteed securities	\$ 2,234.7	\$ 2,993.6	\$ 3,062.6
Corporate and financial institutions securities	3,827.7	3,507.9	3,409.7
Asset backed securities	283.6	252.3	253.1
Insured mortgages	20.0	23.7	24.4
Total liquid assets	\$ 6,366.0	\$ 6,777.5	\$ 6,749.8
Add: equity instruments	41.7	40.8	40.9
Securities as reported	\$ 6,407.7	\$ 6,818.3	\$ 6,790.7

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.

\$ millions, as at	Sep 30 2025	Dec 31 2024	Sep 30 2024
Total liabilities as reported	\$ 8,728.2	\$ 9,241.4	\$ 10,838.9
Less: other liabilities as reported	(106.1)	(79.5)	(75.2)
Less: subordinated liabilities	(200.3)	(195.5)	(194.5)
Less: settlements in-transit excluded from total borrowings	(615.4)	(573.4)	(930.9)
Total borrowings	\$ 7,806.4	\$ 8,393.0	\$ 9,638.3

Non-GAAP Financial Ratios

ROA and ROE

ROA and ROE are used to measure Central 1's profitability and present the annualized net income as a percentage of average assets and average equity, respectively, which are based on averaging month end balances. Adjusted ROA and ROE excluded the net loss from Digital Banking business.

\$ millions, except as indicated				For the nine months ended September 30		
	Q3 2025	Q3 2024	Change	2025	2024	Change
Average assets	\$ 9,150.8	\$ 10,017.2	\$ (866.4)	\$ 9,372.3	\$ 9,810.9	\$ (438.6)
ROA - annualized ¹	1.1%	0.2%		0.5%	0.7%	
Adjusted ROA - annualized	1.1%	0.5%		0.8%	0.9%	
Average equity	\$ 827.7	\$ 827.6	\$ 0.1	\$ 813.9	\$ 794.4	\$ 19.5
ROE - annualized ¹	12.2%	2.1%		5.4%	8.0%	
Adjusted ROE - annualized	12.1%	6.0%		8.9%	11.2%	

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

¹When calculating the annualized ROA and ROE, certain item was treated as a non-recurring item and therefore was not annualized.

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 assets¹ 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 Central 1's Tier 1 capital position and is calculated by dividing the Tier 1 capital by the risk weighted assets¹ which are calculated using different risk weightings for different assets as required by BCFSa.

Borrowing Multiple

Borrowing multiple is used to monitor if Central 1's borrowing is within the regulatory limit of 18.0:1 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 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.

Assets under Administration (AUA)

AUA includes amounts related to tax-deferred registered products for which Central 1 acts as trustee and administrator, under agency agreements with credit unions and mortgage management corporations.

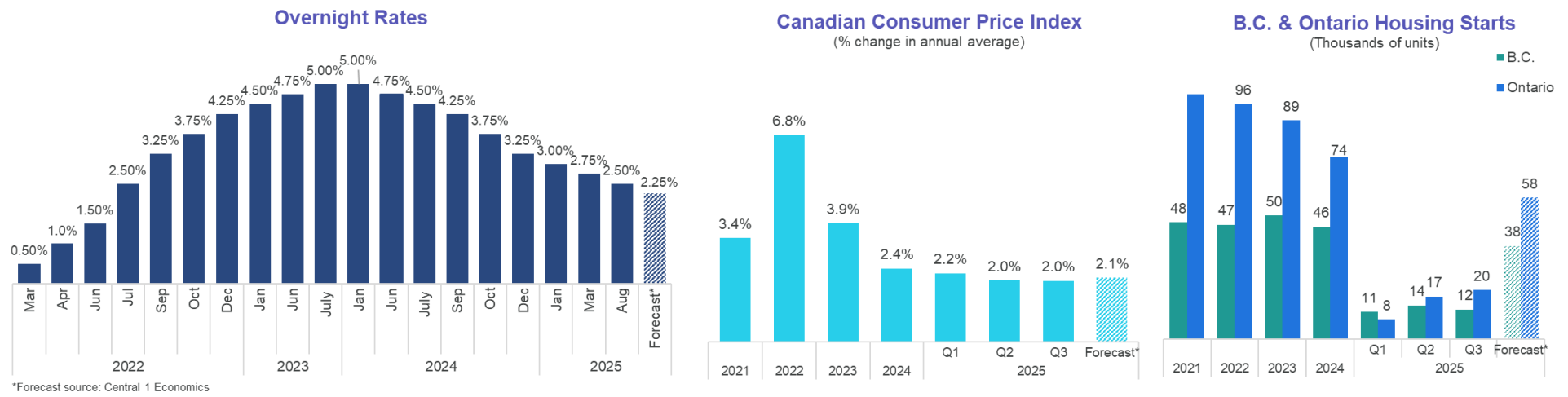
Liquidity Coverage Ratio (LCR)

LCR demonstrates whether Central 1 has a sufficient stock of high-quality liquid assets to meet 30-day cashflow requirements under a significant stress scenario that incorporates idiosyncratic and market-wide shocks. 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 conducts its operations within the Canadian financial markets. As such, its financial performance is inherently influenced by developments in the Canadian economic outlook and fluctuations in the financial markets, both of which are closely tied to global economic conditions and broader market dynamics. The following overview of the current economic environment and financial market conditions is intended to provide context for interpreting our quarterly results and to offer perspective on factors that may influence future performance.

Economic Environment



Recent indicators suggest that Canada may have experienced a mild and short-lived recession. Central 1 Economics currently forecasts a 0.2% annualized decline in real GDP for the third quarter of 2025, which would mark the second consecutive quarter of negative growth—meeting the technical definition of a recession. While the broader impacts of tariffs and trade tensions continue to weigh on business sentiment, particularly among exporters, many firms have adapted to the current environment under the USMCA framework, which exempts most exports from direct tariff exposure. Nonetheless, uncertainty remains elevated, and overall business outlooks continue to be subdued. Hiring and capital investment intentions remain conservative. Most firms are maintaining existing staffing levels and limiting capital expenditures to essential maintenance, deferring expansion plans. Employment growth has stagnated year-to-date, while both the labour force and population have continued to increase. This imbalance has resulted in a rise in the national unemployment rate to 7.1% as of September

2025, with job vacancy rates remaining below 3.0% throughout the year. Sectoral performance has been mixed. Manufacturing activity has shown modest improvement but remains below prior-year levels. Retail sales have been flat, although core consumer spending has demonstrated resilience. Looking ahead, consumption is expected to gradually recover alongside broader economic stabilization. Inflation has remained within the Bank of Canada's target range, with headline CPI below 2.0%. However, core inflation—excluding volatile food and energy prices—stands modestly higher at approximately 2.4%. Looking forward, GDP growth is expected to return in the fourth quarter of 2025, with forecasts calling for annualized growth of approximately 1.3%. For the full year 2025, real GDP is projected to grow by 1.1%, reflecting a modest recovery from the recent downturn.

Economic trends in the United States have been uneven. Following a contraction in the first quarter, U.S. real GDP rebounded strongly in the second quarter of 2025, growing at an annualized rate of 3.8%. Preliminary estimates for the third quarter indicate continued momentum, with the Atlanta Fed's GDPNow model projecting 3.8% growth, while the New York Fed's estimate is more conservative at 2.3%. Consumer spending has remained a key driver of growth, particularly in essential goods such as groceries, though discretionary spending has moderated, especially among middle- and lower-income households. Private investment has also strengthened, led by significant capital outlays in technology, particularly in sectors associated with artificial intelligence. Despite this strength, headwinds are emerging in the labour market. Employment growth slowed notably in the third quarter, and the second quarter gains were revised sharply downward—from 468,000 to 126,000 jobs. The unemployment rate rose to 4.3% in August 2025, marking the highest level since October 2021. In response, the Federal Reserve resumed interest rate cuts in September to support economic activity, even as inflation remains near the upper bound of its 1–3% target range. These rate adjustments are expected to provide some support for future hiring and investment activity. As a result of sustained economic output and adjusted policy expectations, the Federal Reserve's September dot plot revised its 2025 GDP growth projection to 1.6%, up from the previous estimate of 1.4%.

Financial Markets

Financial market conditions continued to ease during the third quarter of 2025. Government bond yields in both Canada and the United States declined from the second quarter levels, with yields across the 2-year to 10-year maturities falling by approximately 20 basis points. This reflects a broader trend of loosening financial conditions, supported by monetary policy adjustments and evolving investor sentiment. The Chicago Fed's National Financial Conditions Index (NFCI) declined to -0.55 at the beginning of October, marking the lowest level since January 2022. Credit markets remained supportive, with credit spreads continuing to narrow. As of quarter-end, the U.S. investment-grade credit spread was approximately 75 basis points, while Canadian investment-grade spreads were around 88 basis points—both indicating relatively low credit risk premiums.

Equity markets maintained upward momentum, with major indices advancing from the second quarter levels and trading near record highs. However, elevated valuations in certain sectors—particularly those tied to artificial intelligence—have raised concerns among some market participants about the potential emergence of asset bubbles.

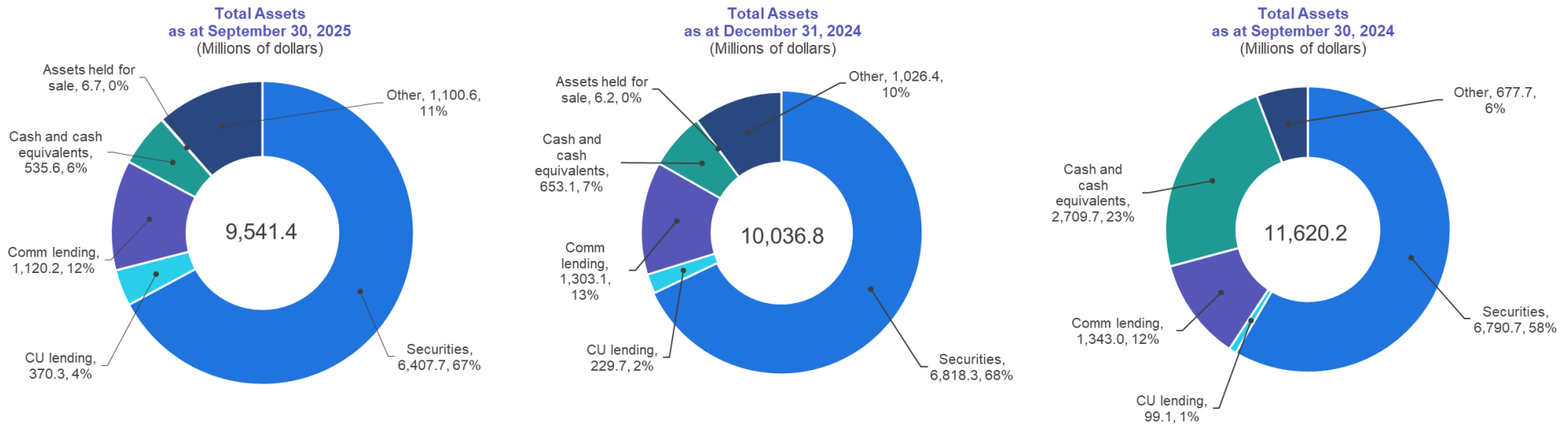
In commodity markets, oil prices softened due to increased supply from OPEC+ and reduced geopolitical risk following a ceasefire in Gaza. Conversely, precious metals such as gold and silver reached new all-time highs, driven by heightened demand for safe-haven assets. Despite strength in precious metals, the Bank of Canada's commodity price index declined on a broad-based moderation in global commodity prices. Market volatility remained relatively contained through the quarter, though temporary spikes were observed in response to renewed trade tensions between the United States and China.

Industry Regulation

There were no material industry or regulation developments impacting Central 1 in the third quarter of 2025.

Interim Consolidated Statement of Financial Position

Total Assets

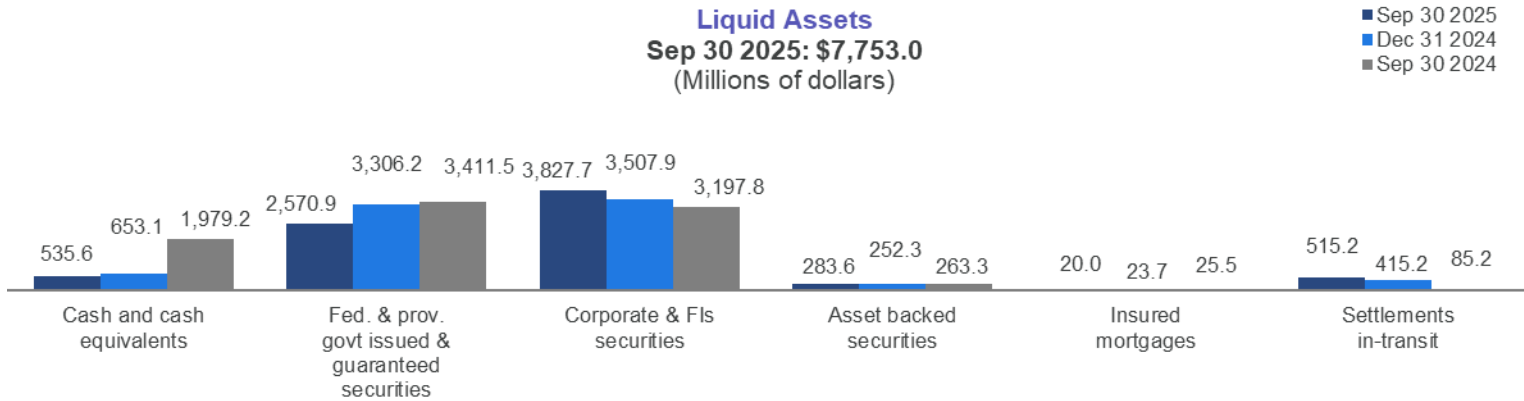


The change in total assets correlates to the change in the size of our funding portfolios. As of September 30, 2025, total assets decreased by \$494.9 million from December 31, 2024 mainly driven by lower securities balance which dropped to \$6.4 billion from \$6.8 billion as at December 31, 2024.

As of September 30, 2025, total assets decreased by \$2.1 billion from September 30, 2024 primarily driven by the lower deposits and repurchase agreements, partially offset by higher settlements in-transit liabilities due to increased payments clearing activities.

Central 1 has listed its head office (the Property) located at 1441 Creekside Drive, Vancouver B.C., for sale. The Property was reclassified as held for sale since December 31, 2024.

Cash and Liquid Assets



\$ millions, as at September 30, 2025				Encumbered Assets		Unencumbered Assets*	
	Liquid Assets	Securities Received as Collateral	Total Liquid Assets				
Cash and cash equivalents	\$ 535.6	\$ -	\$ 535.6	\$ -	\$ -	\$ 535.6	
Federal and provincial government issued and guaranteed securities	2,234.7	336.2	2,570.9	896.3	-	1,674.6	
Corporate and financial institutions securities	3,827.7	-	3,827.7	710.1	-	3,117.6	
Asset backed securities	283.6	-	283.6	-	-	283.6	
Insured mortgages	20.0	-	20.0	-	-	20.0	
Settlements in-transit	515.2	-	515.2	-	-	515.2	
Total	\$ 7,416.8	\$ 336.2	\$ 7,753.0	\$ 1,606.4	\$ -	\$ 6,146.6	

*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 December 31, 2024	Liquid Assets	Securities Received as Collateral	Total Liquid Assets	Encumbered Assets	Unencumbered Assets*
Cash and cash equivalents	\$ 653.1	\$ -	\$ 653.1	\$ -	\$ 653.1
Federal and provincial government issued and guaranteed securities	2,993.6	312.6	3,306.2	1,476.6	1,829.6
Corporate and financial institutions securities	3,507.9	-	3,507.9	744.7	2,763.2
Asset backed securities	252.3	-	252.3	-	252.3
Insured mortgages	23.7	-	23.7	-	23.7
Settlements in-transit	415.2	-	415.2	-	415.2
Total	\$ 7,845.8	\$ 312.6	\$ 8,158.4	\$ 2,221.3	\$ 5,937.1

*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.

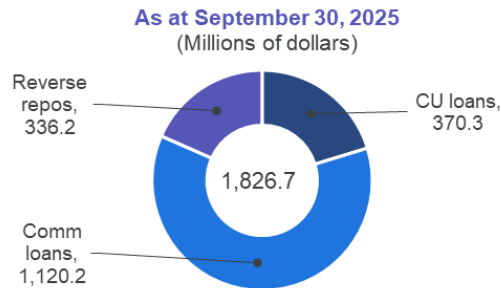
\$ millions, as at September 30, 2024	Liquid Assets	Securities Received as Collateral	Total Liquid Assets	Encumbered Assets	Unencumbered Assets*
Cash and cash equivalents	\$ 2,709.7	\$ -	\$ 2,709.7	\$ -	\$ 2,709.7
Federal and provincial government issued and guaranteed securities	3,062.6	172.4	3,235.0	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.

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.

As of September 30, 2025, total liquid assets decreased by \$405.4 million compared to December 31, 2024, driven by lower cash and cash equivalents balance as a result of decreased payments clearing activities under Group Clearer as well as a decreased securities balance. Unencumbered assets increased by \$209.5 million compared to December 31, 2024, and decreased by \$2.4 billion compared to September 30, 2024.

Loans

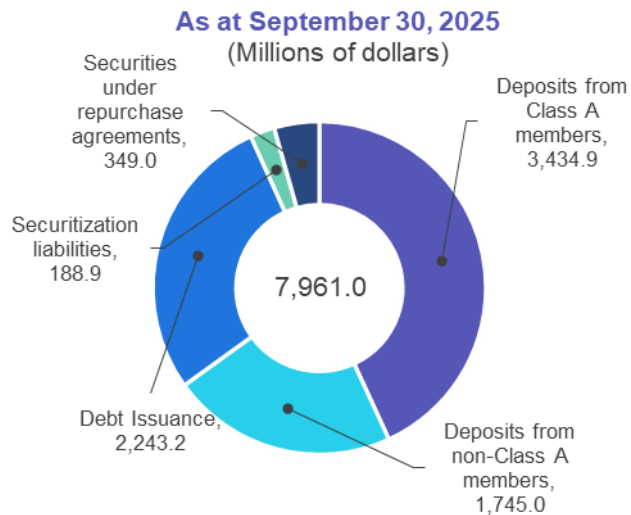


\$ millions, as at	Sep 30 2025	Dec 31 2024	Sep 30 2024
Loans to credit unions	\$ 370.3	\$ 229.7	\$ 99.1
Commercial and other loans	1,120.2	1,303.1	1,343.0
Reverse repurchase agreements	336.2	312.5	172.4
	\$ 1,826.7	\$ 1,845.3	\$ 1,614.5

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

Overall total loan portfolio remained stable at \$1.8 billion as on September 30, 2025, compared to December 31, 2024. Commercial loans outstanding have reduced as construction and real estate lending markets have slowed. The credit unions use of loans and reverse repurchase agreements to facilitate efficient cash management have increased leading to a marginal uptick in usage relative to outstanding committed credit facilities.

Funding



\$ millions, as at	Sep 30 2025	Dec 31 2024	Sep 30 2024
Deposits			
Deposits from Class A members	\$ 3,434.9	\$ 3,596.2	\$ 4,557.4
Deposits from non-Class A members	1,745.0	1,650.3	1,968.4
	5,179.9	5,246.5	6,525.8
Debt Issuance			
Commercial paper	374.0	723.3	750.8
Medium-term notes	1,668.9	1,331.4	1,323.4
Subordinated liabilities	200.3	195.5	194.5
	2,243.2	2,250.2	2,268.7
Securitization liabilities	188.9	436.8	529.9
Securities under repurchase agreements	349.0	691.3	627.4
	\$ 7,961.0	\$ 8,624.8	\$ 9,951.8

Central 1 primarily relies on deposits from member credit unions as its main source of funding. In addition, the organization maintains access to external markets and a range of diverse funding options, including medium-term notes, commercial paper, subordinated liabilities, and repurchase agreements. Central 1 expects to generate sufficient working capital from its ongoing operations and does not anticipate significant changes to its future funding sources.

Securitization liabilities decreased by \$247.9 million compared to December 31, 2024, and by \$341.0 million compared to September 30, 2024. This decline was primarily driven by the maturity of CMB series in June 2025. The reduction is also reflected in a corresponding decrease in assets, as these assets were utilized to settle the related obligations.

Repurchase agreements decreased by \$342.3 million compared to December 31, 2024, and by \$278.4 million compared to September 30, 2024. This reduction reflects Central 1's continued focus on utilizing lower-cost customer deposits.

Results by Segment

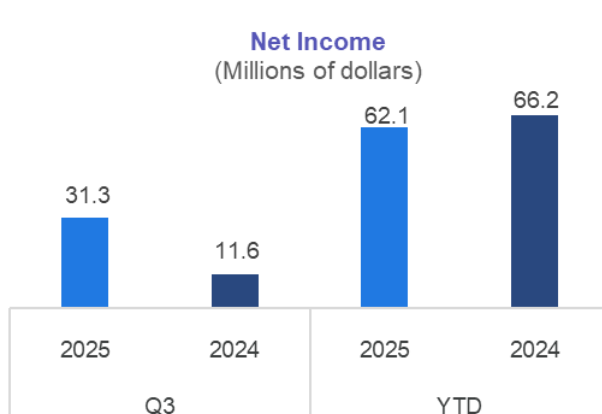
Central 1's operations and activities are reported around three business segments: Treasury, Payments and Digital Banking. All other activities or transactions are reported in System Affiliates & Other including Central 1's investments in equity shares of system-related entities, other than the wholly owned subsidiaries. The costs of Corporate Support functions are attributed to business lines as appropriate, with unattributed amounts included in System Affiliates & Other.

On February 28, 2025, the agreement to transition Central 1's Digital Banking business to Intellect was successfully closed. Intellect took over responsibility for Central 1's digital banking operations and the transition is expected to be completed over the next few years. Under the agreement, Central 1's Forge, *MemberDirect*®, public website and mobile applications and product, along with digital banking engineering and service teams, were transferred to Intellect. They took over client contracts and are responsible for supporting client migrations to new digital banking providers. Central 1 continues to provide the technology infrastructure and related services under the agreement and reports Digital Banking business as a separate reportable segment.

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
Core Operations and Activities	<ul style="list-style-type: none">• Supports the financial and liquidity needs of member credit unions• Provides member credit unions with access to:<ul style="list-style-type: none">○ securitization services;○ credit facilities and loans for short- and long-term fundings;○ foreign exchange services;○ derivative capabilities;○ Group Clearer settlement function; and○ other treasury services	<ul style="list-style-type: none">• Develops and operates payment processing solutions for member credit unions, other financial institutions and corporate clients• Implements the Payments Modernization Processing initiative to enable clients to be compliant with new Payments Canada and BoC requirements
System Affiliates & Other	<ul style="list-style-type: none">• 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	
Digital Banking	<p>Before March 1, 2025:</p> <ul style="list-style-type: none">• Operated innovative digital banking technologies for member credit unions, other financial institutions and corporate clients• Offered <i>MemberDirect</i>® services and digital banking solutions to credit unions and their members <p>Effective March 1, 2025:</p> <ul style="list-style-type: none">• Provides underlying technology infrastructure and related supports to Intellect	

Treasury



\$ millions	Q3 2025	Q3 2024	Change	For the nine months ended September 30		
				2025	2024	Change
Net interest income	\$ 17.7	\$ 10.0	\$ 7.7	\$ 56.2	\$ 35.6	\$ 20.6
Net fair value gains	31.0	6.9	24.1	42.7	60.2	(17.5)
Non-interest income	8.1	10.2	(2.1)	24.8	25.8	(1.0)
Total revenue	56.8	27.1	29.7	123.7	121.6	2.1
Provision for (recovery of) credit losses	1.7	0.2	1.5	2.2	-	2.2
Non-interest expense	12.3	11.0	1.3	36.6	31.0	5.6
Income before income taxes	42.8	15.9	26.9	84.9	90.6	(5.7)
Income tax expense	11.5	4.3	7.2	22.8	24.4	(1.6)
Net income	\$ 31.3	\$ 11.6	\$ 19.7	\$ 62.1	\$ 66.2	\$ (4.1)

Quarterly comparison – Q3 2025 vs. Q3 2024

Treasury's net income for the quarter was \$31.3 million, increased by \$19.7 million, compared to net income of \$11.6 million in the same quarter last year. The increase was primarily attributable to higher net interest income and higher net fair value gains.

Net interest income increased by \$7.7 million compared to the third quarter last year, mainly due to lower interest expense.

Net fair value gains increased by \$24.1 million compared to the third quarter last year, largely due to general market spread tightening.

Non-interest income decreased by \$2.1 million compared to the third quarter last year, primarily due to lower foreign exchange revenue.

Non-interest expense increased by \$1.3 million compared to the third quarter last year, primarily due to a greater allocation of corporate expenses and continued investments in initiatives towards infrastructure-related expenses, such as server operations, data center management, and network services.

Year-to-date comparison – Q3 2025 vs. Q3 2024

Treasury's net income was \$62.1 million for the nine months ended September 30, 2025, compared to \$66.2 million for the same period last year.

The decrease in net income was primarily attributable to year-over-year lower net fair value gains, which contributed \$42.7 million to net income for the nine months ended September 30, 2025, down from \$60.2 million in the same period last year. The decrease reflects reaching technical limits to tighter credit spreads at historical low levels as very strong investor demand for credit and corporate bonds into the third quarter of 2025 attempts to balance potential risks.

Net interest income, contributed \$56.2 million to net income, representing a \$20.6 million increase compared to the same period last year. This increase was primarily driven by a decline in interest expense.

Non-interest income decreased by \$1.0 million compared to the same period last year, mainly due to lower foreign exchange revenue and lower Credit Union lending standby fees charged to members.

Non-interest expenses increased by \$5.6 million compared to the same period last year, primarily due to a greater allocation of corporate expenses and continued investments in initiatives towards infrastructure-related expenses, such as server operations, data center management, and network services.

Payments

Net Income (Loss) (Millions of dollars)				For the nine months ended September 30						
				\$ millions	Q3 2025	Q3 2024	Change	2025	2024	Change
0.2	0.7			Net interest expense	\$ (0.2)	\$ (0.3)	\$ 0.1	\$ (0.7)	\$ (1.6)	\$ 0.9
				Non-interest income	24.2	21.7	2.5	71.6	67.6	4.0
				Total revenue	24.0	21.4	2.6	70.9	66.0	4.9
				Non-interest expense	23.7	20.5	3.2	80.9	59.6	21.3
				Income (loss) before income taxes	0.3	0.9	(0.6)	(10.0)	6.4	(16.4)
				Income tax expense (recovery)	0.1	0.2	(0.1)	(2.7)	1.7	(4.4)
				Net income (loss)	\$ 0.2	\$ 0.7	\$ (0.5)	\$ (7.3)	\$ 4.7	\$ (12.0)

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

Quarterly comparison – Q3 2025 vs. Q3 2024

Payments reported a net income of \$0.2 million for the third quarter, compared to a net income of \$0.7 million in the same quarter last year, reflecting higher non-interest expense, which is partially offset by growth in non-interest income.

Non-interest income increased by \$2.5 million compared to the same quarter last year, mainly driven by higher revenue from e-transfer, AFT and EFM on e-transfer services. This growth was largely attributable to increased transaction volumes resulting from client expansion. The increase was partially offset by a decline in cheques revenue, reflecting lower volumes due to evolving product demand.

Non-interest expense increased by \$3.2 million compared to the same quarter last year, primarily driven by higher direct costs and salaries and benefits, along with a greater allocation of corporate expenses. This increase reflects higher transaction-related costs driven by volume growth as well as continued investments in technology, and other strategic initiatives to support the long-term growth of the Payments segment. In parallel, Central 1 remains focused on identifying opportunities to streamline operations and reduce corporate expenses over the long-term.

Year-to-date comparison – Q3 2025 vs. Q3 2024

Payments reported a net loss of \$7.3 million for the nine months ended September 30, 2025, compared to a net income of \$4.7 million in the same period last year, primarily due to higher non-interest expense, partially offset by higher non-interest income.

Non-interest income increased by \$4.0 million compared to the same period last year, reflecting continued growth in transaction volumes, the realization of benefits from pricing adjustments on existing products, and the successful adoption of new product offerings within the Payments segment.

Non-interest expense increased by \$21.3 million compared to the same period last year, largely driven by increased salaries and benefits related to workforce expansion, some of which are non-recurring, along with a higher allocation of corporate expenses. The increase reflects continued investments in technology and strategic initiatives to drive sustainable growth within Payments. Central 1 continues to implement initiatives aimed at enhancing operational efficiency and cutting corporate expenses over the long-term.

Digital Banking

\$ millions				For the nine months ended September 30		
	Q3 2025	Q3 2024	Change	2025	2024	Change
Non-interest income	\$ 4.5	\$ 9.9	\$ (5.4)	\$ 17.5	\$ 28.2	\$ (10.7)
Total revenue	4.5	9.9	(5.4)	17.5	28.2	(10.7)
Non-interest expense	4.9	19.1	(14.2)	60.9	53.9	7.0
Loss before income taxes	(0.4)	(9.2)	8.8	(43.4)	(25.7)	(17.7)
Income tax recovery	(0.1)	(2.5)	2.4	(11.7)	(6.9)	(4.8)
Net loss	\$ (0.3)	\$ (6.7)	\$ 6.4	\$ (31.7)	(18.8)	\$ (12.9)
Adjusting item:						
Net loss from Digital Banking	0.3	6.7	(6.4)	31.7	18.8	12.9
Adjusted net loss ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

¹Adjusted net loss excludes the net loss from Digital Banking. Refer to the Non-GAAP and Other Financial Measures section of this MD&A for more information.

Quarterly comparison – Q3 2025 vs. Q3 2024

Digital Banking's reported net loss for the quarter was \$0.3 million, compared to a net loss of \$6.7 million in the same quarter last year, reflecting lower non-interest expense, partially offset by a lower non-interest income. Adjusted net loss¹ for the third quarter was nil across all comparable periods, reflecting the classification of Digital Banking as a non-core business operation for Central 1.

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

Compared to the same quarter last year, non-interest income decreased by \$5.4 million and non-interest expenses decreased by \$14.2 million, primarily reflecting the transition of the Digital Banking business to Intellect.

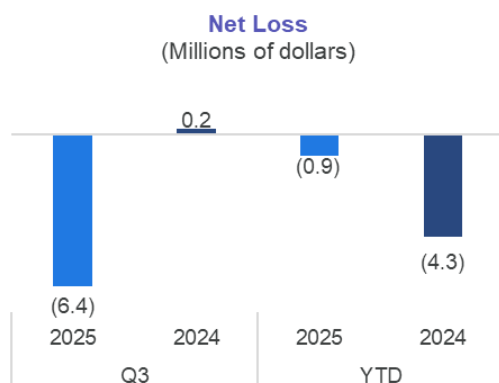
Year-to-date comparison – Q3 2025 vs. Q3 2024

Digital Banking's reported year-to-date net loss was \$31.7 million, compared to a net loss of \$18.8 million in the same period last year. Adjusted net loss¹ was nil year-over-year, reflecting the classification of Digital Banking as a non-core business operation for Central 1.

Non-interest income decreased by \$10.7 million compared to the same period last year reflecting the transition of the Digital Banking business to Intellect.

Non-interest expenses increased by \$7.0 million primarily driven by the recognition of provision for onerous contracts for the infrastructure costs that Central 1 is expected to incur over the transition period. The provision relates primarily to Central 1's obligation to provide continued access to its digital banking infrastructure to Intellect, which is assuming responsibility for servicing the remaining customer contracts under the Asset Transfer Agreement between Central 1 and Intellect. Central 1 is required to maintain the infrastructure necessary to support Intellect's operations over the remaining life of the contracts, which have varying terms, with the longest extending up to four years. The provision is expected to be utilized over a period of five years. This increase was partially offset by lower salaries and employee benefits from the transition of the workforce to Intellect.

System Affiliates & Other



\$ millions				For the nine months ended September 30		
	Q3 2025	Q3 2024	Change	2025	2024	Change
Net fair value losses	\$ (0.3)	\$ -	(0.3)	\$ (1.0)	\$ -	(1.0)
Non-interest income	0.4	0.9	(0.5)	4.1	3.1	1.0
Total revenue	0.1	0.9	(0.8)	3.1	3.1	0.0
Non-interest expense	2.7	2.7	0.0	5.9	11.5	(5.6)
Income (loss) before income taxes	(2.6)	(1.8)	(0.8)	(2.8)	(8.4)	5.6
Income tax expense (recovery)	3.8	(2.0)	5.8	(1.9)	(4.1)	2.2
Net income (loss)	\$ (6.4)	\$ 0.2	\$ (6.6)	\$ (0.9)	\$ (4.3)	\$ 3.4

Quarterly comparison – Q3 2025 vs. Q3 2024

System Affiliates & Other's net loss was \$6.4 million for the quarter, compared with a net income of \$0.2 million in the same quarter last year. This movement was primarily due to higher tax expense.

Total revenue for the quarter was \$0.1 million, compared to \$0.9 million in the same quarter last year, primarily reflecting lower equity pickups from affiliates during the period.

Non-interest expense remained consistent with the same quarter last year.

Year-to-date comparison – Q3 2025 vs. Q3 2024

System Affiliates & Other recorded a net loss of \$0.9 million, compared to a net loss of \$4.3 million in the same period last year, driven by lower non-interest expenses and income tax recovery.

Non-interest income, primarily comprised of income from investments in Central 1's affiliates, increased by \$1.0 million compared to the same period last year, largely driven by a \$1.5 million one-time tax-related refund, partially offset by lower dividend income.

Non-interest expense decreased by \$5.6 million compared to the same period last year, largely attributable to higher corporate recoveries resulting from a greater allocation of corporate resources to support other business lines. This decrease was partially offset by higher professional fees associated with technology initiatives.

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	2025			2024				2023
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Interest income	\$ 80,811	81,910	\$ 83,851	\$ 92,288	\$ 99,158	\$ 101,442	\$ 104,000	\$ 111,370
Interest expense	63,299	61,338	66,406	77,877	89,443	91,619	89,534	98,368
Net interest income	17,512	20,572	17,445	14,411	9,715	9,823	14,466	13,002
Net fair value gains (losses)	30,713	18,383	(7,387)	29,341	6,911	18,765	34,458	4,128
Non-interest income	37,244	41,056	39,744	40,220	42,676	40,380	41,755	42,483
Total revenue	85,470	80,011	49,802	83,972	59,302	68,968	90,679	59,613
Provision for (recovery of) credit losses	1,727	638	(164)	3,752	158	(340)	183	(280)
Non-interest expense	43,535	53,476	87,263	57,546	53,300	51,624	51,148	56,461
Income (loss) before income taxes	40,207	25,897	(37,297)	22,674	5,844	17,684	39,348	3,432
Income tax expense (recovery)	15,344	4,490	(13,269)	6,358	26	4,582	10,473	1,561
Net income (loss)	\$ 24,863	21,407	\$ (24,028)	\$ 16,316	\$ 5,818	\$ 13,102	\$ 28,875	\$ 1,871
Adjusting item:								
Net loss from Digital Banking	293	915	30,631	8,420	6,733	5,885	7,077	7,989
Adjusted net income ¹	\$ 25,156	22,322	\$ 6,603	\$ 24,736	\$ 12,551	\$ 18,987	\$ 35,952	\$ 9,860
Weighted average shares outstanding (millions)	43.4	43.4	43.4	43.4	43.4	43.4	43.4	43.4
Earnings per share (cents) ²								
Basic/Diluted	57.4	49.3	(55.3)	37.6	13.4	30.2	66.6	4.4
Adjusted basic/diluted ²	58.1	51.4	15.2	56.9	29.0	43.8	83.0	22.8

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

¹Adjusted net income excludes net loss from Digital Banking from reported results. Refer to the Non-GAAP and Other Financial Measures section of this MD&A for more information.

²Earnings 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. Adjusted basic/diluted EPS refer to the Non-GAAP and Other Financial Measures section.

Net interest income is influenced by the average balance of the investment portfolio and fluctuations in effective yields. From the fourth quarter of 2023 through the third quarter of 2024, net interest income declined, driven by lower average balances in the investment portfolios. This trend reversed in the fourth quarter of 2024, with an increase of \$4.7 million, primarily attributable to higher effective yields and an increase in average deposits with financial institutions. The upward momentum continued into 2025, with sequential increases of \$3.0 million in the first quarter – reflecting a strategic shift in investment mix toward higher-yielding securities – and \$3.1 million in the second quarter, mainly due to lower interest expense from an increased proportion of lower-cost customer deposits relative to

more expense market issued funding such as commercial paper and repurchase agreements. In the third quarter of 2025, net interest income declined to \$17.5 million due to a decrease in interest income driven by lowered effective yields, coupled with higher interest expense following the issuance of \$500.0 million in medium-term notes in August, with an expiry of \$350.0 million medium-term loan at the end of September.

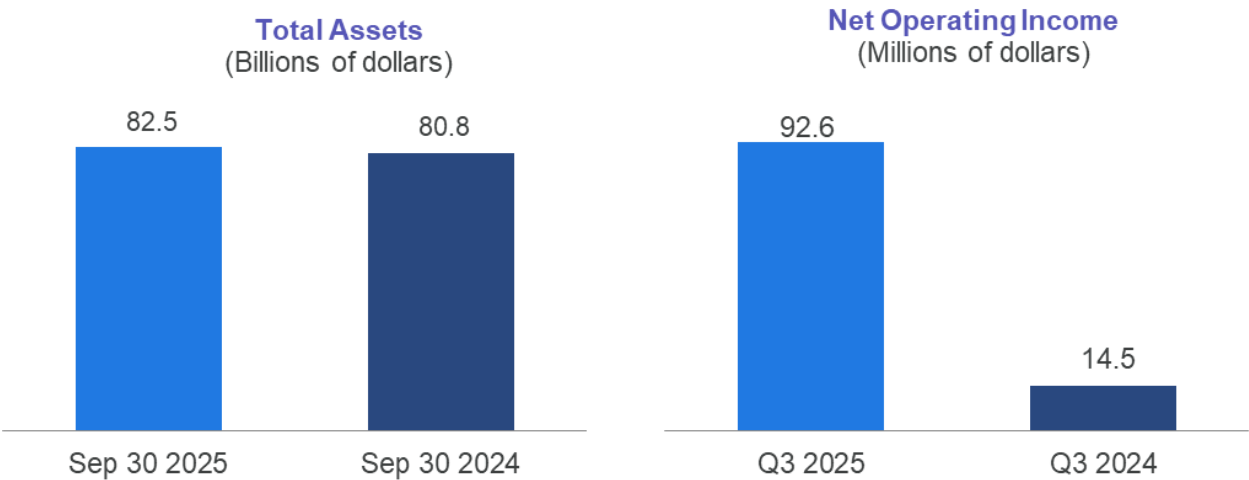
Net fair value gains or losses are mainly driven by movements in credit spreads. Narrowing spreads supported fair value gains through the fourth quarter of 2023 and 2024. In 2025, heightened market uncertainty surrounding tariffs imposed by the United States contributed to increased volatility in fair value measurement.

Non-interest income remained relatively stable throughout 2023 and most of 2024, with an upward trend emerging in late 2023 and peaking in the third quarter of 2024, primarily driven by the adoption of new payments products. This positive momentum continued into 2025, supported by increased transaction volumes within the Payments segment. However, these gains were partially offset by the loss of revenue previously generated by Digital Banking operations, following the transfer of the Digital Banking business to Intellect on February 28, 2025. In the third quarter of 2025, non-interest income declined further, reflecting lower foreign exchange revenue.

Non-interest expense remained stable through 2023 and 2024, with increases observed in the fourth quarter of each year. The increase in the fourth quarter of 2023 was mainly due to restructuring activities undertaken during the period. In the fourth quarter 2024, higher non-interest expenses were driven by elevated third-party costs associated with the strategic wind-down of the Digital Banking business and the sale of Central 1's Vancouver office building. In the first quarter 2025, non-interest expense increased significantly, largely due to the recognition of a provision for onerous contracts related to the infrastructure costs that Central 1 is expected to incur over the transition period as Digital Banking business is transferred to Intellect. In the second and third quarter of 2025, non-interest expense declined meaningfully, primarily due to workforce reductions implemented associated with the transition of the Digital Banking business to Intellect. This decrease was partially offset by Central 1's ongoing strategic investments in technology and key initiatives designed to drive innovation and support the long-term growth of the Payments business.

Credit Union System Performance

British Columbia



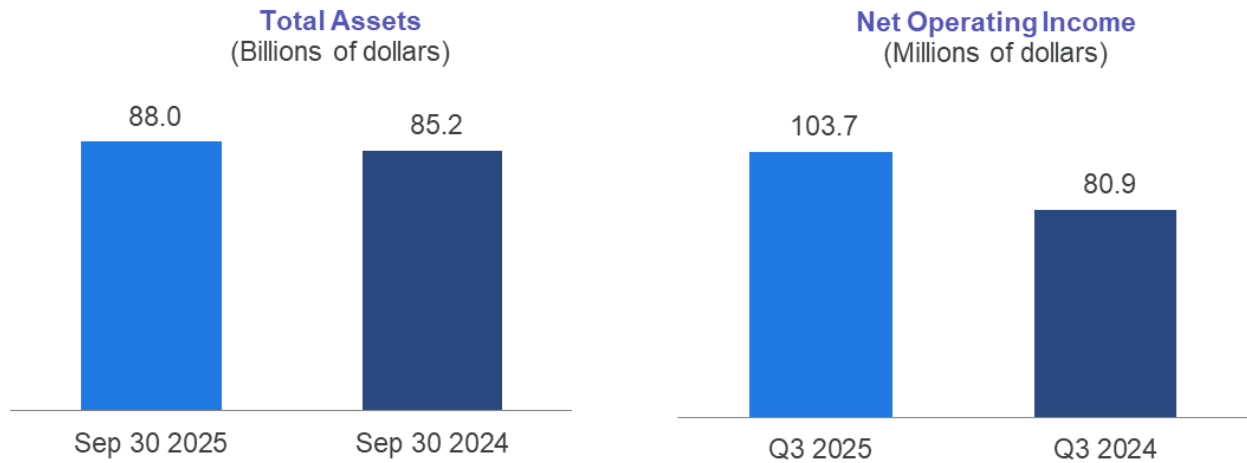
The B.C. system’s net operating income for the third quarter of 2025 was a profit of \$92.5 million, up \$78.0 million from the same period in 2024. Net interest income rose by \$111.7 million or 38.6% over the same period on widening lending spread and on slightly higher loan volume. Non-interest income rose by \$17.3 million or 24.1% year-over-year on higher member service fees. Non-interest expenses increased by \$51.0 million or 14.7% year-over-year on higher loan loss expenses and other non-interest expenses.

Total assets increased by \$1.7 billion or 2.1% year-over-year to reach \$82.5 billion at the end of the third quarter of 2025. Asset growth was led by growth in personal mortgages. Total liabilities increased \$1.5 billion or 2.0% due to higher non-registered deposits.

The system’s rate of loan delinquencies over 90 days was 0.64% of total loans at the end of September 2025, up 24 bps from a year ago. The B.C. system’s loan loss expense ratio in the third quarter of 2025 was 0.1%, up six bps from a year ago.

The B.C. system had \$40.0 billion in risk weighted assets (RWA) and regulatory capital as a percentage of RWA was 14.4% at the end of September 2025, down 29 bps from a year ago. The aggregate liquidity ratio of the B.C. system, including that held by Central 1, was 14.2% of deposit and debt liabilities, down 182 bps from a year ago. The B.C. system’s return on assets was 0.45% annualized in the third quarter, up 38 bps from a year ago.

Ontario



The Ontario system’s net operating income for the third quarter of 2025 was \$103.7 million, up 28.2% or \$22.8 million from a year earlier. Net interest income was up 17.2% or \$61.1 million from a year ago to \$416.5 million on widening lending spreads and higher loan volume. Non-interest income increased 10.1% or \$7.6 million year-over-year to \$83.0 million on higher income from insurance, mutual funds, and credit cards. Non-interest expense increased 13.1% or \$45.8 million year-over-year to \$395.8 million led by higher loan costs and salaries and benefits.

Total assets increased 3.3% year-over-year to reach \$88.0 billion as of September 30, 2025, led by higher commercial loans and residential mortgages. Total liabilities increased 3.3% year-over-year to reach \$81.6 billion led by growth in term deposits, which were up 3.4% or \$1.0 billion and demand deposits, which were up 3.7% or \$861.3 million.

The rate of loan delinquencies over 90 days was 0.81% of total loans at the end of September 30, 2025, up 28 bps year-over-year. Provisions for credit losses as a percentage of loans was 0.35%, up seven bps from a year earlier. The Ontario system’s loan loss expense ratio was 0.13% annualized in the third quarter of 2025, up 10 bps from the same period last year.

The Ontario system’s RWA was \$42.4 billion and regulatory capital as a percentage of RWA was 14.0% at the end of September 30, 2025, down 12 bps from a year ago. The aggregate liquidity ratio, including that held by Central 1, was 12.2% of deposit and debt liabilities, down 167 bps from a year ago. The Ontario system’s return on assets was 0.47% annualized in the third quarter, up nine bps from a year ago.

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 2025	Dec 31 2024	Sep 30 2024
Interest rate contracts			
Swap contracts	\$ 23,181.0	\$ 21,736.1	\$ 22,435.2
Futures contracts	1,990.0	1,072.0	1,635.0
Bond forwards	0.0	32.7	79.1
	25,171.0	22,840.8	24,149.3
Foreign exchange contracts			
Foreign exchange forward contracts	1,274.6	959.4	818.4
Other derivative contracts			
Equity index-linked options	104.8	135.5	141.5
	\$ 26,550.4	\$ 23,935.7	\$ 25,109.2

Central 1 serves as an intermediary for swaps between the Canada Housing Trust and member credit unions, while also providing derivative capabilities to member credit unions for the purpose of managing asset/liability on their respective balance sheets.

Changes in fair values of these derivatives are recognized in our Interim Consolidated Statement of Financial Position; however, the notional amounts of these derivatives are not presented, 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 is mitigated through the use 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 associated with these derivative contracts is managed in accordance with our overall market risk policies, as detailed in the Risk Review section of this MD&A.

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 2025	Dec 31 2024	Sep 30 2024
Commitments to extend credit	\$ 4,790.3	\$ 5,016.5	\$ 5,182.7
Guarantees			
Financial guarantees	\$ 808.6	\$ 794.6	\$ 794.6
Performance guarantees	\$ 500.0	\$ 500.0	\$ 500.0
Standby letters of credit	\$ 224.8	\$ 221.1	\$ 218.9
Future prepayment reinvestment commitment	\$ 857.8	\$ 796.3	\$ 853.8

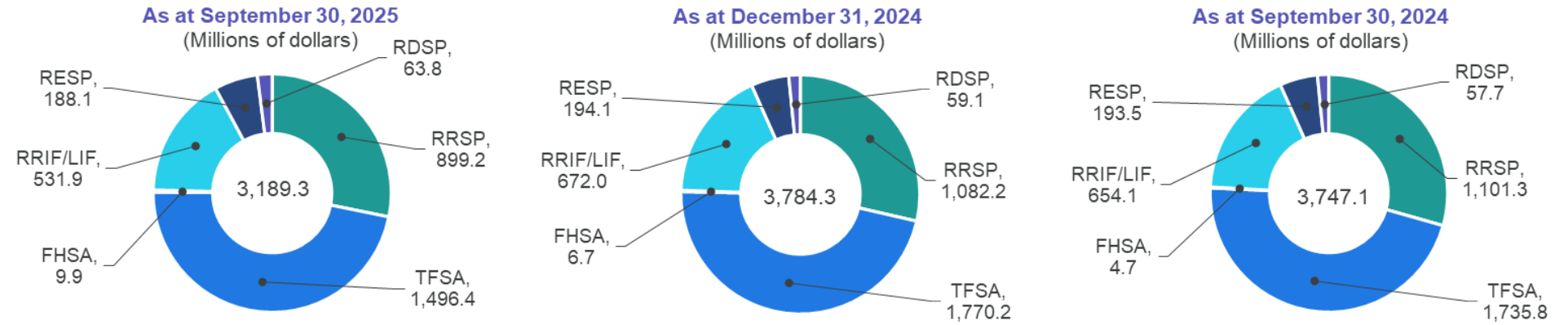
In the normal course of business, Central 1 engages in various off-balance sheet arrangements to address the financing, credit, and liquidity needs of our member credit unions. These are in the form of commitments to extend credit, guarantees, standby letter of credit, and future prepayment reinvestment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

Commitments to extend credit, representing undrawn credit facilities, declined by \$226.2 million and \$392.4 million compared to December 31, 2024, and September 30, 2024, respectively. The decrease primarily reflects increased utilization of these facilities by credit unions, which are now recognized as loans on Central 1's Interim Consolidated Statement of Financial Position.

Future prepayment reinvestment commitments increased by \$61.5 million since December 31, 2024, primarily driven by new commitments entered into subsequent to year-end.

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. Counterparty credit risk arising from these guarantee contracts is managed within the context of our overall credit risk policies as disclosed in the Risk Review section of this MD&A.

Assets under Administration (AUA)



AUA is exclusively associated with government-approved registered plans that are trustee 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.

The year-over-year decline in contracts and AUA reflects the continued consolidation within the credit union system and the natural attrition of client relationships. Merger and acquisition (“M&A”) activity led to the offboarding of multiple clients, including the active acquisitions of several entities into single organizations throughout the year. This activity contributed to an overall decrease in contracts of 21% and a 15% decline in AUA compared to the prior year.

The reduction in contracts and AUA affected all product lines, with the exception of the Registered Disability Savings Plan (RDSP), which posted modest year-over-year growth of 7% in contracts and 10.6% in AUA. All other contracts and assets, except the First Home Savings Account (FHSA), were reduced significantly due to M&A activity.

FHSA continued to experience strong growth during the period, supporting by its novelty and sustained promotional efforts by credit unions. Introduced in the prior year, the product’s early stage of adoption contributed to an immense increase in the number of contracts, rising from one to approximately 1.6 thousand year-over-year. FHSA AUA more than doubled, rising by 111% from prior year. Ongoing marketing initiatives and credit unions engagement have driven continued asset growth, with total FHSA AUA reaching \$9.9 million at quarter-end, up from \$4.7 million a year earlier. The FHSA is gaining steady traction and is expected to establish itself as a competitive alternative to RRSP and TFSA products.

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.

Regulatory Capital

\$ millions, except as indicated, as at	Sep 30 2025	Dec 31 2024	Sep 30 2024
Share capital	\$ 43.4	\$ 43.4	\$ 43.4
Retained earnings	761.6	746.7	730.3
Less: accumulated net after tax gain in investment property	(4.7)	(4.7)	(4.7)
Tier 1 capital ²	800.3	785.4	769.0
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	1,005.0	990.1	973.7
Statutory capital adjustments	(141.5)	(146.1)	(154.1)
Total regulatory capital²	\$ 863.5	\$ 844.0	\$ 819.6
Borrowing multiple - Consolidated ³	9.0:1	9.9:1	11.8:1

¹Subordinated debt, net of any required amortization in an instrument's final five years, is restricted to a maximum of 50% of Tier 1 capital.

²These are non-GAAP financial measures. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

³These are non-GAAP financial ratios. Refer to the "Non-GAAP and Other Financial Measures" section of this MD&A for more information.

To determine regulatory capital, adjustments must be made to the capital reported in our Interim Consolidated Statement of Financial Position. Certain investments, including significant holdings in affiliated cooperative organizations, require deductions from capital. The calculation of the provincial capital base is generally similar to the federal regulatory capital used for various borrowing 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, 2025, Central 1's consolidated borrowing multiple was 9.0:1, which is within the regulatory limit of 18.0:1. The borrowing multiple decreased to 9.0 as of September 30, 2025, compared to 9.9 as of December 31, 2024, and 11.8 as of September 30, 2024. The decline was primarily driven by a reduction in total borrowings and an increase in 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, 2025, total capital ratio stood at 21.0% which is above the supervisory target. The total capital ratio remained consistent with the level reported as of December 31, 2024, and increased relative to September 30, 2024. The year-over-year increase was mainly attributable to higher retained earnings and a reduction in risk-weighted assets, reflecting both a decrease in total assets and changes in the asset mix.

Central 1 was in compliance with all regulatory capital requirements as at September 30, 2025, December 31, 2024 and September 30, 2024.

Risk Review

This section of the MD&A should be read in conjunction with the Risk Review section of our 2024 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 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 regulations. 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.

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 businesses. 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.

Central 1 reported an increase in allowances for expected credit losses (ECL) of \$1.7 million for the Commercial Real Estate Lending (CREL) portfolio, resulting in a total allowance of \$9.9 million. The increase is mainly attributed to reclassification of two loans from Stage 1 to Stage 2 and reassessment of one Stage 3 loan. The allowance for expected credit losses for the Investment portfolio remains largely unchanged. There were no expected credit losses in the Credit Union Lending portfolio given ample security pledged to secure credit facilities.

The credit risk outlook remains negative amid ongoing economic headwinds and heightened geopolitical uncertainties. These external factors have increased the potential for higher delinquency rates and borrower defaults. In response, Central 1 continues to actively monitor its portfolios to identify and manage emerging risks.

Credit Quality Performance

Investments Portfolio

A substantial portion of our investment portfolio is comprised of high-quality liquid securities. AAA and R-1 (High) rated securities account for \$2.3 billion, representing 40.6% of the portfolio. There are no impaired investments within the portfolio. The amount reported are based on notional, not market values, and do not include securitization assets sold to the Canada Housing Trust.

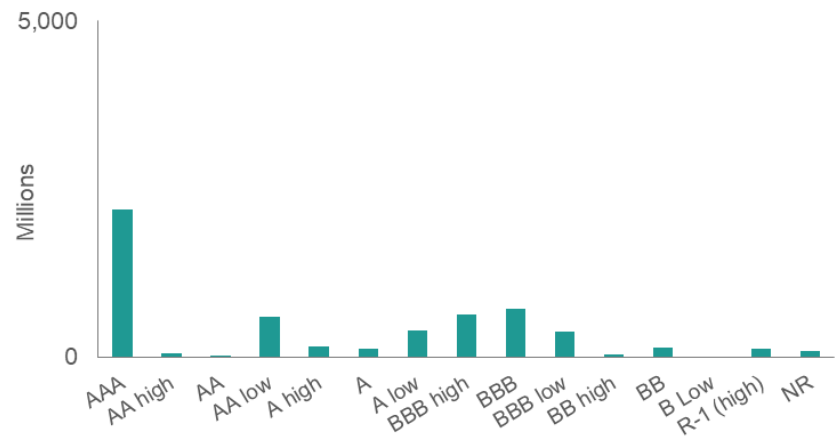
Credit Union Lending

There are no impaired loan facilities in the Credit Union Lending portfolio. As of September 30, 2025, five 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 are subject to enhanced monitoring. As of September 30, 2025, Watch List accounts represented 17.4% of the authorized portfolio. The security provided for these Watch List facilities is substantial and no losses are expected.

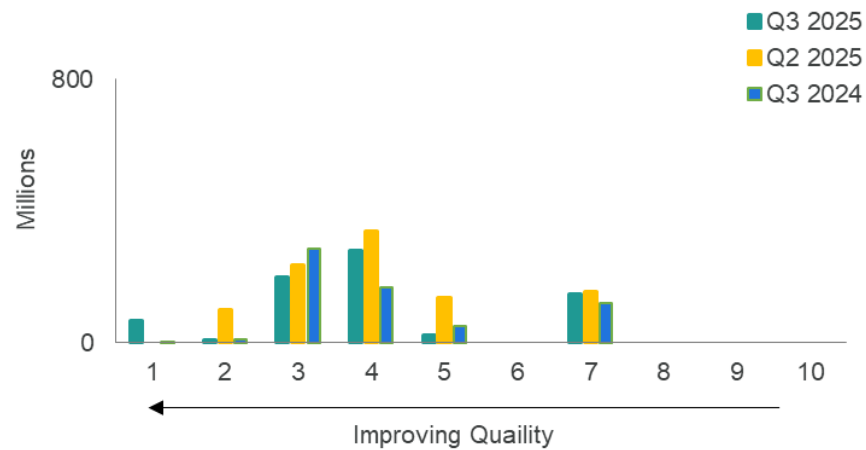
Commercial Real Estate Lending

As at September 30, 2025, there were four accounts classified as Stage 3, credit-impaired, representing 4.6% of the outstanding portfolio balance. Three accounts representing 5.7% of the portfolio balance have experienced a significant increase in credit risk and were classified as Stage 2. All loans are secured by a first priority security interest over real estate assets and are subject to close monitoring.

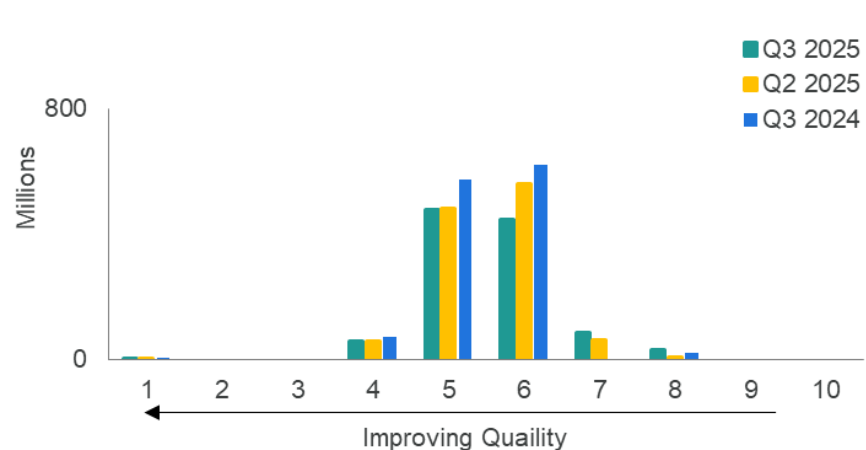
Investment Portfolio
(Millions of dollars)



Credit Union Lending (CUL) Portfolio
(Outstanding Balances in Millions)



Commercial Real Estate Lending (CREL) Portfolio
(Outstanding Balances in Millions)



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 credit 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 credit 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 is regularly updated, and a 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 Bank of Canada (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. While Central 1 is expected to maintain at least 100% LCR under normal conditions, Central 1 may use HQLA under stressed conditions which could result in an LCR below 100%.

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.

As of September 30, 2025, Central 1's OSFI LCR has sufficient surplus over internal targets and regulatory minimum. HQLA level 1 (consists of deposits with central bank, highly rated securities issued or guaranteed by governments, public sector entities, central banks and multilateral development banks) accounts for 83% of Central 1's total HQLA. Aside from the HQLA eligible under OSFI LCR, Central 1 has other liquid assets that would be available during a period of stress.

	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	LTM Average ¹
OSFI LCR	148.4%	152.0%	159.8%	157.2%	150.7%	147.4%

¹Last 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 2025, 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.

Central 1 continues to closely monitor its own liquidity risk exposures, as well as those of the broader credit union system. In the event that credit unions’ liquidity and funding positions are materially affected by factors such as, but not limited to, economic uncertainty or market volatility, Central 1 remains well-positioned to provide liquidity support.

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.

Central 1 manages this exposure through a comprehensive set of governance and management processes. Our overall appetite for market risk and aggregate market risk exposure limits is 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.

Central 1 monitors 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 when portfolio losses exceed VaR at a 99% confidence interval.

To mitigate interest rate and foreign exchange risk, Central 1 aligns its Treasury asset and liability portfolios by term and currency. Throughout the third quarter of 2025, the Total 1-Day VaR -and ES decreased.

\$ millions	Treasury		Last 12 Months		
	Q3 2025	Q3 2024	Average	High	Low
Interest Rate VaR	\$ 1.2	\$ 2.2	\$ 1.7	\$ 2.4	\$ 1.1
Credit Spread VaR	1.4	2.1	2.2	2.7	1.2
Foreign Exchange VaR	1.9	2.2	1.9	2.5	1.1
Diversification ¹	(1.7)	(3.3)	(2.2)	nm	nm
Total VaR	\$ 2.8	\$ 3.2	\$ 3.6	\$ 5.1	\$ 2.6
Expected Shortfall	\$ 3.9	\$ 4.3	\$ 4.7	\$ 6.1	\$ 3.7

¹Total 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. SVaR is currently calibrated to 2008/2009. Throughout the third quarter of 2025, SVaR has remained stable and within normal historical ranges.

\$ millions	Treasury		Last 12 Months		
	Q3 2025	Q3 2024	Average	High	Low
1-Day SVaR	\$ 13.4	\$ 11.0	\$ 11.8	\$ 14.6	\$ 9.2
10-Day SVaR	\$ 27.0	\$ 23.2	\$ 24.2	\$ 31.2	\$ 19.7

Foreign Exchange Rate Exposure

Central 1 historically has not run material FX risk on its portfolio. Our FX exposure is largely concentrated in U.S. dollar, 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, as at September 30, 2025		Balance Sheet in Native Currency	Off-Balance Sheet Items - Foreign Exchange Forwards	Net Position in Native Currency	BOC Closing Rate	CAD Equivalent
USD	\$	(7.1)	\$ (0.5)	\$ (7.6)	1.3914	\$ (10.6)

During the third quarter of 2025, Canadian financial markets demonstrated stability, supported by easing inflationary pressures and a coordinated shift toward more accommodative monetary policy. Market volatility declined relative to previous quarters, as both the Federal Reserve and the Bank of Canada reduced their policy rates by 25 basis points in September.

The Canadian yield curve experienced a bull steepening over the quarter, with short-term yields declining more than long-term yields. This reflected front-end rate repricing in response to the policy rate cut, alongside growing expectations for further monetary easing.

Credit spreads across both corporate and financial sectors narrowed, underpinned by improved investor sentiment and continued stability in funding conditions. The Canadian dollar weakened against the US dollar toward the end of the quarter, mainly driven by softer domestic economic data and persistent demand for safe-haven assets.

Looking ahead to the fourth quarter, market risk will remain sensitive to developments in global economic growth, the direction of monetary policy, and ongoing trade and geopolitical dynamics. Further signs of economic deceleration may reinforce expectations for additional policy easing, while a resurgence in inflation or renewed fiscal pressures may introduce upward risks to policy rates and credit spreads.

Central 1 continues to closely monitor market developments and conducts regular stress testing and scenario analysis focused on interest rate, credit, and foreign exchange exposure, to proactively manage risk across its portfolios.

The 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 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.

U.S. – Canada Trade relations

The ongoing uncertainty in the U.S. – Canada trade relations, particularly with respect to tariffs and cross-border policy shifts, continues to pose a potential risk to the Canadian economy, and by extension, to Central 1 and to the broader Credit Union System. These dynamics are creating unpredictability in market conditions, widening credit spreads, movements in interest rates and foreign exchange, and members' business activity, all of which can impact financial performance and squeeze liquidity.

Perspectives on how tariffs and broader economic uncertainty could impact our core risk categories:

Market risk

- Increased Volatility & Market Uncertainty: Unpredictable tariff measures, policy shifts, and geopolitical issues elevate overall market volatility, leading to sudden repricing across asset classes.
- Investor Risk-Off Behavior: Heightened uncertainty pushes investors into safe-haven assets, reducing demand for riskier assets.
- Credit Spread Risk: Credit spreads widen as investor risk-off behavior and investors reassess corporate earnings and default probabilities, especially in sectors exposed to trade and global demand and securities with high-risk premiums.
- Interest Rate Risk: Canadian dollar yield curve steepened, and volatility increased.
- FX Risk: Volatility increased. Insignificant impact to Central 1 given the size of the FX position.

Liquidity risk

- Potential decline in members' deposits with Central1 when members will experience deposits run-off in their balance sheets.
- Members may be drawing down on their credit/liquidity facilities with Central 1 much more than their normal usage.
- Potential lower lending activity in some credit unions may result in higher liquidity, which they will either place in Central 1 or high-quality liquid investments.

Credit risk

- CREL: Expected increase in delinquencies and higher probability of default of commercial borrowers. Higher ECL allowances for Central 1.
- Credit Union Lending: Vulnerability of credit unions with geographic or member base concentrated in trade-sensitive areas can result in increased delinquencies and loan loss provisions; lower lending activity.

Capital Adequacy risk

- Market volatility will result in fair value changes for Central 1's security portfolio and result in volatility on the capital ratios. The widening of credit spreads would result in losses and pressure on capital ratios.
- The unplanned increase in deposit balances if there is a slowdown in consumer spending will also put pressure on Central 1's capital ratio.

While the ultimate outcomes remain unclear, we are taking a cautious and proactive approach by closely monitoring developments, engaging in scenario analysis, and applying stress testing to our portfolios. This ensures we remain resilient and well-positioned to support the system sustainably, even in the face of continued volatility.

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, 2024 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 provision for onerous contracts and 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. The new tariffs imposed by the U.S. Federal Government on U.S. imports along with the retaliation actions taken by its trading partners has heightened the uncertainty for Canadian economy. The full impact on Central 1's results of operations and financial conditions remains unknown. Developing reliable estimates and applying appropriate judgment for the purposes of preparing Central 1's Interim Consolidated Financial Statements are substantially complex and inherently uncertain.

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.

Internal Controls over Financial Reporting

No changes were made in our internal controls over financial reporting during the quarter ended September 30, 2025 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, 2025 and December 31, 2024.

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

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.

Interim Consolidated Financial Statements

As at and for the Periods Ended September 30, 2025 and 2024

Interim Consolidated Statement of Financial Position (Unaudited)

\$ thousands, as at	Notes	Sep 30 2025	Dec 31 2024
Assets			
Cash and cash equivalents	4	\$ 535,551	\$ 653,055
Settlements in-transit assets		515,165	415,161
Securities	5	6,407,689	6,818,312
Loans	6	1,821,823	1,843,106
Derivative assets	7	68,078	108,679
Current tax assets		25	5
Assets held for sale	9	6,737	6,182
Property and equipment		3,201	3,949
Intangible assets		22,368	18,416
Investments in affiliates		90,852	89,917
Deferred tax assets		26,509	31,602
Other assets	10	43,908	48,371
Total assets		\$ 9,541,906	\$ 10,036,755
Liabilities			
Settlements in-transit liabilities		\$ 594,235	\$ 440,047
Deposits	11	5,179,868	5,246,499
Obligations related to securities sold short		-	32,526
Securities under repurchase agreements		348,966	691,268
Securitization liabilities	12	188,945	436,761
Derivative liabilities	7	66,918	64,705
Debt securities issued	13	2,042,935	2,054,651
Subordinated liabilities	14	200,258	195,456
Other liabilities	15	106,067	79,476
Total liabilities		8,728,192	9,241,389
Equity			
Share capital	16	43,401	43,401
Retained earnings		761,583	746,668
Accumulated other comprehensive income		8,730	5,297
Total equity		813,714	795,366
Total liabilities and equity		\$ 9,541,906	\$ 10,036,755
Guarantees, commitments, contingencies and pledged assets	22		

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)

		For the three months ended		For the nine months ended	
		Sep 30	Sep 30	Sep 30	Sep 30
\$ thousands	Notes	2025	2024	2025	2024
Interest income					
Securities		\$ 57,259	\$ 65,982	\$ 174,661	\$ 204,998
Loans		23,552	33,176	71,911	99,602
		80,811	99,158	246,572	304,600
Interest expense					
Deposits		31,931	54,119	100,893	160,999
Debt securities issued		30,166	34,122	86,570	106,017
Subordinated liabilities		1,202	1,202	3,580	3,580
		63,299	89,443	191,043	270,596
Net interest income	17	17,512	9,715	55,529	34,004
Net fair value gains	18	30,713	6,911	41,709	60,134
Non-interest income	19	37,244	42,676	118,044	124,811
Total revenue		85,469	59,302	215,282	218,949
Provision for credit losses	8	1,727	158	2,201	1
Non-interest expense					
Salaries and employee benefits		22,956	30,788	80,404	93,702
Management information systems		7,026	5,073	19,588	14,776
Depreciation and amortization		627	1,118	2,001	3,450
Provision for (release of) onerous contracts	15	(3,469)	-	29,262	-
Other administrative expense	20	16,395	16,321	53,019	44,144
		43,535	53,300	184,274	156,072
Income before income taxes		40,207	5,844	28,807	62,876
Income tax expense		15,344	26	6,565	15,081
Net income		\$ 24,863	\$ 5,818	\$ 22,242	\$ 47,795

See accompanying Notes to the Interim Consolidated Financial Statements

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Interim Consolidated Statement of Comprehensive Income (Loss) (Unaudited)

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Net income	\$ 24,863	\$ 5,818	\$ 22,242	\$ 47,795
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 income	1,214	3,214	3,416	10,158
Reclassification of realized gain to net income	30	2,851	206	3,285
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	(6)	34	74	60
	1,238	6,099	3,696	13,503
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	(1,276)	958	(269)	(5,952)
Total other comprehensive income (loss), net of tax	(38)	7,057	3,427	7,551
Total comprehensive income, net of tax	\$ 24,825	\$ 12,875	\$ 25,669	\$ 55,346

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		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Income tax expense (recovery) 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	\$ 451	\$ 1,184	\$ 1,279	\$ 3,742
Reclassification of realized gain to net income	11	1,050	76	1,210
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	-	5	12	9
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	(470)	353	(99)	(2,192)
	\$ (8)	\$ 2,592	\$ 1,268	\$ 2,769

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, 2024	\$ 43,401	\$ 746,668	\$ 2,925	\$ (3,149)	\$ 5,521	\$ 795,366
Total comprehensive income, net of tax						
Net income	-	22,242	-	-	-	22,242
Other comprehensive income, net of tax						
Fair value reserve (securities at fair value through other comprehensive income)	-	-	3,622	-	-	3,622
Share of other comprehensive income of affiliates accounted for using the equity method	-	-	74	-	-	74
Liability credit reserve	-	-	-	(269)	-	(269)
Total comprehensive income (loss)	-	22,242	3,696	(269)	-	25,669
Transactions with owners, recorded directly in equity						
Dividends to members	-	(10,000)	-	-	-	(10,000)
Related tax savings on dividends	-	2,679	-	-	-	2,679
Reclassification of liability credit reserve on derecognition¹	-	(6)	-	6	-	-
Balance as at September 30, 2025	\$ 43,401	\$ 761,583	\$ 6,621	\$ (3,412)	\$ 5,521	\$ 813,714

¹Transfer of accumulated own credit risk adjustments on derecognition of financial liabilities designated 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, 2023	\$ 43,401	\$ 682,526	\$ (8,585)	\$ 3,811	\$ 4,831	\$ 725,984
Total comprehensive income, net of tax						
Net income	-	47,795	-	-	-	47,795
Other comprehensive income, 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 16)	(1)	-	-	-	-	(1)
Class "C" shares issued (Note 16)	1	-	-	-	-	1
Reclassification of liability credit reserve on derecognition¹	-	(37)	-	37	-	-
Balance as at September 30, 2024	\$ 43,401	\$ 730,284	\$ 4,918	\$ (2,104)	\$ 4,831	\$ 781,330

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

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

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Cash flows from (used in) operating activities				
Net income	\$ 24,863	\$ 5,818	\$ 22,242	\$ 47,795
Adjustments for:				
Depreciation and amortization	627	1,118	2,001	3,450
Net interest income	(17,512)	(9,715)	(55,529)	(34,004)
Net fair value gains	(30,713)	(6,911)	(41,709)	(60,134)
Provision for (release of) onerous contracts	(3,469)	-	29,262	-
Unwinding of discount and effect of changes in discount rate on provisions	657	-	1,622	-
Provision for credit losses	1,727	158	2,201	1
Dividend income	-	-	(2,160)	(2,688)
Equity interest in affiliates	(255)	(756)	101	267
Income tax expense	15,344	26	6,565	15,081
	(8,731)	(10,262)	(35,404)	(30,232)
Change in settlements in-transit assets	(205,354)	(104,400)	(100,004)	(31,016)
Change in securities	107,389	(69,945)	249,660	355,212
Change in loans	4,910	654,482	18,406	164,510
Change in derivative assets and liabilities	1,953	(11,556)	9,663	46,006
Change in settlements in-transit liabilities	(433,785)	(10,050)	154,188	119,345
Change in deposits	(503,518)	358,765	(71,716)	650,206
Change in securities under repurchase agreements	13,166	(69,302)	(341,674)	(408,835)
Change in obligations related to securities sold short	(126)	29,344	(33,540)	73,907
Change in other assets and liabilities	536	(7,502)	(10,626)	(31,552)
Interest received	70,397	92,741	234,465	302,457
Interest paid	(47,735)	(77,956)	(169,029)	(246,760)
Income tax received	-	-	-	671
Income tax paid	(20)	-	(80)	-
Net cash from (used in) operating activities	(1,000,918)	774,359	(95,691)	963,919

See accompanying Notes to the Interim Consolidated Financial Statements

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Consolidated Statement of Cash Flows

For the years ended December 31

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Cash flows from (used in) investing activities				
Purchase of reinvestment assets under the CMB Program - NHA MBS Securities	(55,366)	(33,121)	(118,903)	(63,113)
Maturity of reinvestment assets under the CMB Program - NHA MBS Securities	39,256	116,143	124,978	177,113
Change in reinvestment assets under the CMB Program - Reverse repos	(13,201)	(147,471)	243,862	(76,255)
Property and equipment - net	(573)	(353)	(448)	(844)
Intangible assets - net	(2,995)	(55)	(5,312)	(95)
Dividend received	-	-	2,160	2,688
Investments in affiliates - net	(6)	251	(950)	(1,638)
Net cash from (used in) investing activities	(32,885)	(64,606)	245,387	37,856
Cash flows from (used in) financing activities				
Change in debt securities issued - Commercial paper	(155,358)	(49,405)	(168,137)	(101,812)
Proceeds from debt securities issued - Medium term notes	500,000	-	500,000	-
Redemption of debt securities issued - Medium term notes	(350,000)	-	(350,000)	-
Repayment of lease liabilities	(28)	(102)	(239)	(427)
Change in securitization liabilities	29,311	64,449	(249,937)	(37,745)
Dividends paid	-	-	(10,000)	-
Issuance of Class C shares	-	1	-	1
Redemption of Class B shares	-	-	-	(1)
Net cash from (used in) financing activities	23,925	14,943	(278,313)	(139,984)
Effect of exchange rate changes on cash and cash equivalents	7,084	5,850	11,113	(4,582)
Increase (decrease) in cash and cash equivalents	(1,002,794)	730,546	(117,504)	857,209
Cash and cash equivalents - beginning of period	1,538,345	1,979,162	653,055	1,852,499
Cash and cash equivalents - end of period	\$ 535,551	\$ 2,709,708	\$ 535,551	\$ 2,709,708

See accompanying Notes to the Interim Consolidated Financial Statements

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As at and for the period ended September 30, 2025

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 4S8, 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 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, 2024, except as outlined 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, 2024.

These Interim Consolidated Financial Statements were authorized for issue by the Board of Directors on November 27, 2025.

Provisions

Provisions are recognized when Central 1 has a present obligation (legal or constructive) as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources will be required to settle the obligation.

Provisions are measured based on management's best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation. The carrying amounts of provisions and the discount rate applied are regularly reviewed and adjusted for new facts or changes in financial markets.

A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received. The provision for onerous contracts is measured at the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Before an onerous contract provision is determined, all assets used in fulfilling the contract are tested for impairment.

Future Accounting Policies

There have been no significant updates from the future accounting policies disclosed in Note 5(s) of Central 1's Annual Audited Consolidated Financial Statements for the year ended December 31, 2024.

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) and provision for onerous contracts.

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. The new tariffs imposed by the U.S. Federal Government on U.S. imports along with the retaliation actions taken by its trading partners has heightened the uncertainty for the Canadian economy. The full impact on Central 1's results of operations and financial conditions remains unknown. Developing reliable estimates and applying appropriate judgement for the purposes of preparing Central 1's Interim Consolidated Financial Statements are

Notes to the Interim Consolidated Financial Statements (Unaudited)

As at and for the period ended September 30, 2025

substantially complex and inherently uncertain.

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.

Provision for Onerous Contracts

In determining provision for onerous contracts, management applies judgements and makes assumptions regarding the unavoidable costs of fulfilling the contracts and expected benefits to be received under them. Due to the inherent uncertainty associated with the estimation of these provisions, changes in assumptions or the occurrence of unforeseen events could result in material adjustments to the provision in future reporting periods.

Key assumptions used in the calculation of provision for onerous contracts include:

- **Client Transition Timing:** Estimates regarding the timing of when clients are expected to transition off the Forge Digital Banking Platform, which directly affects the duration and magnitude of revenues and ongoing obligations; and
- **Operating Expenses:** Projected operating expenses, including both direct costs attributable to service delivery and infrastructure, as well as Enterprise IT support costs necessary to maintain the platform during the transition period.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /10

As at and for the period ended September 30, 2025

4. Cash and Cash Equivalents

\$ thousands, as at		Sep 30 2025		Dec 31 2024
With Bank of Canada	\$	485,979	\$	534,512
With other regulated financial institutions		49,572		118,543
	\$	535,551	\$	653,055

Central 1 is required to maintain reserves with certain financial institutions, totalling \$0.2 million as at September 30, 2025 (December 31, 2024 - \$0.4 million).

5. Securities

\$ thousands, as at		Sep 30 2025		Dec 31 2024
Mandatorily at FVTPL				
Government and government guaranteed securities	\$	1,794,139	\$	2,089,065
Corporate and major financial institutions				
AA low or greater		1,322,473		1,326,235
A (high) to A (low)		665,016		704,510
BBB (high) to BB		1,703,067		1,250,225
Equity instruments		41,701		40,801
Fair value	\$	5,526,396	\$	5,410,836
Securities FVOCI				
Government and government guaranteed securities	\$	271,541	\$	491,537
Corporate and major financial institutions				
AA low or greater		144,115		187,948
A (high) to A (low)		51,271		2,101
BBB (high) to BB High		225,421		289,129
Fair value	\$	692,348	\$	970,715

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /11

As at and for the period ended September 30, 2025

\$ thousands, as at	Sep 30 2025	Dec 31 2024
Reinvestment assets under the CMB Program		
Mandatorily at FVTPL		
Government and government guaranteed securities	\$ 175,744	\$ 179,698
Fair value	\$ 175,744	\$ 179,698
Amortized cost		
Assets acquired under reverse repurchase agreements	\$ 13,201	\$ 257,063
Total reinvestment assets under the CMB Program	\$ 188,945	\$ 436,761
Total	\$ 6,407,689	\$ 6,818,312

As of September 30, 2025, securities with a fair value totalling \$1.0 billion (December 31, 2024: \$1.0 billion) were pledged to the Bank of Canada and Group Clearer in accordance with *the Bank of Canada Pledge Agreement* and *Group Clearer Pledge Agreement* (Note 22) as collateral for Central 1 to manage the liquidity risk relating to the clearing and settlement activities of the Group Clearer.

6. Loans

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

\$ thousands, as at	Sep 30 2025	Dec 31 2024
Amortized cost		
Due on demand		
Credit unions	\$ 134,345	\$ 229,664
Commercial and others	37,133	60,080
	171,478	289,744
Term		
Credit unions	236,000	-
Commercial and others	1,083,042	1,243,031
Reverse repurchase agreements	336,153	312,555
	1,655,195	1,555,586
	1,826,673	1,845,330
Accrued interest	5,067	5,436
	1,831,740	1,850,766
Allowance for credit losses (Note 8)	(9,917)	(7,660)
Carrying value	\$ 1,821,823	\$ 1,843,106

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As at and for the period ended September 30, 2025

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) 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 instruments. Hedging instruments are recorded at fair value, 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.

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

\$ thousands, for the three months ended September 30	2025			2024		
	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	\$ 1,040	\$ (504)	\$ 536	\$ 8,162	\$ (7,629)	\$ 533
Debt securities issued	(1,433)	1,810	377	(12,774)	14,514	1,740

¹The 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)

\$ thousands, For the nine months ended September 30	2025			2024		
	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	\$ 2,660	\$ (1,077)	\$ 1,583	\$ 8,273	\$ (7,728)	\$ 545
Debt securities issued	(1,299)	1,882	583	(9,041)	11,127	2,086

¹The 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)

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /13

As at and for the period ended September 30, 2025

\$ thousands, as at	September 30, 2025				December 31, 2024			
	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	\$ 194,348	\$ (6,056)	\$ 8,967	\$ 201,156	\$ 187,622	\$ (4,979)	\$ 6,307
Debt securities issued	(300,000)	(301,298)	7,500	(5,595)	(650,000)	(659,101)	6,738	(6,096)

¹The 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)

²Represents the carrying value in the Interim 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 Credit Losses

\$ thousands, as at September 30, 2025	Stage 1	Stage 2	Stage 3 ¹	Total
Financial assets at amortized cost				
Balance as at December 31, 2024	\$ 4,727	\$ 1,755	\$ 1,178	\$ 7,660
Provision for (recovery of) credit losses:				
Transfers in (out)	660	(1,490)	830	-
Purchases and originations	685	-	-	685
Derecognitions and maturities	(1,575)	-	-	(1,575)
Remeasurements	(948)	1,694	2,401	3,147
Total provision for (recovery of) credit losses	(1,178)	204	3,231	2,257
Balance as at September 30, 2025	\$ 3,549	\$ 1,959	\$ 4,409	\$ 9,917
Financial assets at FVOCI				
Balance as at December 31, 2024	\$ 142	\$ -	\$ -	\$ 142
Recovery of credit losses:				
Derecognitions and maturities	(15)	-	-	(15)
Remeasurements	(41)	-	-	(41)
Total recovery of credit losses	(56)	-	-	(56)
Balance as at September 30, 2025	\$ 86	\$ -	\$ -	\$ 86

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

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /14

As at and for the period ended September 30, 2025

\$ thousands, as at September 30, 2025	Stage 1		Stage 2		Stage 3 ¹		Total
Total							
Balance as at December 31, 2024	\$	4,869	\$	1,755	\$	1,178	\$ 7,802
Provision for (recovery of) credit losses:							
Transfers in (out)		660		(1,490)		830	-
Purchases and originations		685		-		-	685
Derecognitions and maturities		(1,590)		-		-	(1,590)
Remeasurements		(989)		1,694		2,401	3,106
Total provision for credit losses		(1,234)		204		3,231	2,201
Balance as at September 30, 2025	\$	3,635	\$	1,959	\$	4,409	\$ 10,003

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

\$ 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
Recovery of 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

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /15

As at and for the period ended September 30, 2025

\$ 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

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

The following tables present the gross carrying amounts of the loans as at September 30, 2025 and December 31, 2024, according to credit quality:

\$ thousands, as at September 30, 2025	Stage 1		Stage 2		Stage 3		Total
Low Risk	\$	800,689	\$	-	\$	-	\$ 800,689
Medium Risk		918,866		-		-	918,866
High Risk		-		62,255		-	62,255
Impaired		-		-		49,930	49,930
Total	\$	1,719,555	\$	62,255	\$	49,930	\$ 1,831,740

\$ thousands, as at December 31, 2024	Stage 1		Stage 2		Stage 3		Total
Low Risk	\$	653,546	\$	-	\$	-	\$ 653,546
Medium Risk		1,136,309		-		-	1,136,309
High Risk		-		42,476		-	42,476
Not Rated ¹		206		-		-	206
Impaired		-		-		18,229	18,229
Total	\$	1,790,061	\$	42,476	\$	18,229	\$ 1,850,766

¹Non rated loans are the loans where internal risk ratings are not assigned. Alternative credit risk assessments, rating methodologies, policies and tools are used to manage credit risk for these portfolios.

ECL for Credit-Impaired Loans

Stage 3 loans are those classified as credit-impaired. A loan is considered credit-impaired when one or more loss events have occurred, as outlined in Note 5(g) of the Annual Audited Consolidated Financial Statements for the year ended December 31, 2024. When a financial asset has been identified as credit-impaired, expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate. Interest income is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

Significant judgement is required in assessing evidence of credit-impairment and estimation of the amount and timing of future cash flows when determining ECL. Changes in the amount expected to be received would have a direct impact on the provision for credit losses and may result in a change in the allowance for credit losses. As Central 1's commercial loans are mostly construction and real estate, the collaterals for these loans are mostly the subject real estate properties as stated in the loan agreements.

Forward Looking Macroeconomic Variables

The inputs that are used to estimate the Stage 1 and 2 allowances for credit loss are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in Central 1's commercial loan portfolio. Each macroeconomic scenario used in the ECL calculation includes a projection of all relevant macroeconomic variables used in the models for the forecast period. The forecasting of macroeconomic variables requires significant judgements and estimates based on a number of assumptions and uncertainties inherent in the current macroeconomic environment.

A probability weighting is assigned to Central 1's base scenario, optimistic scenario and pessimistic scenario based on management judgement. The forecasting process is overseen by Central 1's Allowance Working Group (AWG), which includes internal stakeholders from various departments, such as Risk Management, Economics, Finance and the relevant business units. This process requires a significant amount of judgement, both in determining the forward-looking information forecasts for different scenarios and in determining the probability weighting assigned to each scenario.

As at September 30, 2025, the base case scenario reflects a weak recovery from an economic slowdown or a technical recession before transitioning to a stable economic environment characterized by moderate and consistent growth. This scenario also assumes one additional interest rate cut in the last quarter of 2025. The optimistic scenario envisions a period of economic expansion, while the pessimistic scenario reflects a severe recession during the forecast period.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /17

As at and for the period ended September 30, 2025

All figures are average annual values	As at September 30, 2025					
	Optimistic Scenario		Base Scenario		Pessimistic Scenario	
	First 12 Months	Remaining Horizon ¹	First 12 Months	Remaining Horizon ¹	First 12 Months	Remaining Horizon ¹
Real GDP	2.3%	2.4%	1.0%	1.9%	(1.6)%	1.4%
Unemployment rate	5.9	5.8	6.7	6.3	7.8	7.6
5 year bond yield	5.0	5.2	3.0	3.2	2.6	2.8
CAD/USD exchange rate	0.8	0.8	0.7	0.7	0.7	0.7
Debt service ratio	14.7	15.2	14.5	14.7	14.0	14.0
Housing price index	4.7%	2.9%	1.6%	2.2%	(4.5)%	1.9%

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

All figures are average annual values	As at December 31, 2024					
	Optimistic Scenario		Base Scenario		Pessimistic Scenario	
	First 12 Months	Remaining Horizon ¹	First 12 Months	Remaining Horizon ¹	First 12 Months	Remaining Horizon ¹
Real GDP	4.0%	2.5%	1.8%	2.0%	(1.3)%	1.3%
Unemployment rate	5.4	4.9	6.4	5.3	7.3	6.4
Bankers acceptance rate ²	5.0	3.9	3.0	2.9	1.6	1.6
3-month GOC rate	4.9	3.8	2.8	2.7	1.3	1.3
Debt to income ratio	182.1	186.2	176.5	181.8	173.6	179.2
Housing price index	3.7%	4.0%	2.3%	2.8%	0.0%	2.1%

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

² Bankers acceptance (BA) ceased to be published after June 28, 2024. A proxy value of BA is used for December 31, 2024 to reflect the spread over Treasury bills to approximate the Bank of Canada's lending rates.

Management Overlays

Overlays are modifications applied to the outputs of the ECL model that occur outside the standard ECL calculation and reporting process, determined by applying Central 1's knowledge of the industry and macroeconomic environment.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /18

As at and for the period ended September 30, 2025

9. Assets held for sale

Central 1 has listed its head office (the Property) located on 1441 Creekside Drive, Vancouver BC, for sale. There was no change in the carrying value upon reclassification, as the estimated fair value less costs to sell exceeds the carrying value of \$6.7 million (December 31, 2024 - \$6.2 million).

\$ thousands, as at		Sep 30 2025		Dec 31 2024
Property and equipment	\$	6,310	\$	5,755
Other Assets				
Investment Property		427		427
	\$	6,737	\$	6,182

10. Other Assets

\$ thousands, as at		Sep 30 2025		Dec 31 2024
Prepaid expenses	\$	11,721	\$	12,716
Accounts receivable and other		11,073		10,886
Cash collateral receivable ¹		12,940		16,757
Post-employment benefits		8,174		8,012
	\$	43,908	\$	48,371

¹Paid as collateral for derivatives transactions.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /19

As at and for the period ended September 30, 2025

11. Deposits

\$ thousands, as at	Sep 30 2025	Dec 31 2024
Deposits designated at FVTPL		
Due within three months	\$ 1,152,171	\$ 1,333,139
Due after three months and within one year	557,392	462,394
Due after one year and within five years	526,018	613,143
	2,235,581	2,408,676
Accrued interest	22,818	20,942
Amortized cost	\$ 2,258,399	\$ 2,429,618
Fair value	\$ 2,269,168	\$ 2,437,195
Deposits held at amortized cost		
Due on demand	\$ 2,902,275	\$ 2,800,138
Due within three months	8,410	9,140
	2,910,685	2,809,278
Accrued interest	15	26
Amortized cost	\$ 2,910,700	\$ 2,809,304
Total carrying value	\$ 5,179,868	\$ 5,246,499

The fair value of deposits as at September 30, 2025 was \$5,179.9 million (December 31, 2024 - \$5,246.5 million).

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /20

As at and for the period ended September 30, 2025

12. Securitization Liabilities

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

\$ thousands, as at	Sep 30 2025	Dec 31 2024
Amounts		
Due within three months	\$ 59,184	\$ 285,632
Due after three months and within one year	24,661	76,334
Due after one year and within five years	105,054	76,869
Amortized cost	\$ 188,899	\$ 438,835
Fair value	\$ 188,945	\$ 436,761

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

\$ thousands, as at	Sep 30 2025	Dec 31 2024
Mandatorily at FVTPL		
Total reinvestment assets under the CMB Program (Note 5)	\$ 175,744	\$ 179,698
Total underlying assets mandatorily at fair value	\$ 175,744	\$ 179,698
Amortized cost		
Total reinvestment assets under the CMB Program (Note 5)	\$ 13,201	\$ 257,063
Total underlying assets designated	\$ 188,945	\$ 436,761

As at and for the period ended September 30, 2025

13. Debt Securities Issued

\$ thousands, as at	Sep 30 2025	Dec 31 2024
Amortized cost		
Due within three months	\$ 502,768	\$ 646,253
Due after three months and within one year	48,455	422,483
Due after one year and within five years	548,408	299,032
	1,099,631	1,367,768
Accrued interest	3,102	10,453
Amortized cost	\$ 1,102,733	\$ 1,378,221
Fair value hedge adjustment ¹	5,595	6,096
Carrying value	\$ 1,108,328	\$ 1,384,317
Designated at FVTPL		
Due after three months and within one year	\$ 250,000	-
Due after one year and within five years	650,000	\$ 650,000
Accrued interest	11,087	4,792
Amortized cost	\$ 911,087	\$ 654,792
Fair value	934,607	670,334
Total carrying value	\$ 2,042,935	\$ 2,054,651

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

At September 30, 2025, the short-term commercial paper facility had a total par value of \$552.9 million (December 31, 2024 - \$723.3 million) and the medium-term note facility had a total par value of \$1.45 billion (December 31, 2024 - \$1.3 billion).

On August 6, 2025, Central 1 issued \$250.0 million principal amount of Series 23 medium-term floating rate notes, maturing on August 20, 2027. These notes bear interest at a rate equal to the daily compound Canadian Overnight Repo Rate Average (CORRA), calculated per annum and payable quarterly on the 20th day of February, May, August, and November of each year, commencing November 20, 2025, and continuing until maturity. The notes are not redeemable at the option of Central 1. These notes were classified and are subsequently measured at amortised cost.

On August 6, 2025, Central 1 also issued \$250.0 million principal amount of Series 24 medium-term fixed rate notes, maturing on August 20, 2030. These notes bear interest at a fixed annual rate of 3.998%, payable semi-annually on the 20th day of February and August of each year, commencing February 20, 2026. The notes are redeemable at the option of Central 1. These notes were designated at FVTPL at inception, as they are managed together with the securities portfolio on a fair value basis.

On September 29, 2025, the \$350.0 million principal of Series 19 medium-term fixed rate notes matured.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /22

As at and for the period ended September 30, 2025

14. Subordinated Liabilities

\$ thousands, as at		Sep 30 2025	Dec 31 2024
Designated as FVTPL			
Series 7	\$	200,000	\$ 200,000
Accrued interest		1,215	26
Amortized cost	\$	201,215	\$ 200,026
Fair value	\$	200,258	\$ 195,456
Total carrying value	\$	200,258	\$ 195,456

15. Other Liabilities

\$ thousands, as at		Sep 30 2025	Dec 31 2024
Deferred revenue ¹	\$	26,247	\$ 27,620
Short-term employee benefits		15,441	21,496
Accounts payable		15,811	15,556
Post-employment benefits		12,758	12,941
Finance lease		1,540	1,779
Cash collateral payable ²		3,386	84
Provision for onerous contracts		30,884	-
	\$	106,067	\$ 79,476

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

²Received as collateral for derivatives transactions.

During the first quarter of 2025, Central 1 recognized a provision for onerous contracts related to the planned wind-down of its Digital Banking business. The provision, recorded at \$35.1 million at inception, represents the lower of the cost of fulfilling the contracts and any compensation or penalties arising from failure to fulfil them.

The provision relates primarily to Central 1's obligation to provide continued access to its digital banking infrastructure to Intellect Design Arena Ltd. ("Intellect"), which is assuming responsibility for servicing the remaining customer contracts under the Asset Transfer Agreement between Central 1 and Intellect (ATA). Central 1 is required to maintain the infrastructure necessary to support Intellect's operations over the remaining life of the contracts, which have varying terms, with the longest estimated extending up to the end of 2028. The provision is expected to be utilized over a period of five years.

Notes to the Interim Consolidated Financial Statements (Unaudited)

As at and for the period ended September 30, 2025

Pursuant to the Commercial Services Agreement, compensation received from Intellect during the transition period has been recognized as income from commercial services agreement. The difference between the income from commercial services agreement and the costs incurred to fulfil the contracts is recognized as a release of the previously recorded provision for onerous contracts.

\$ thousands, as at		Sep 30 2025
Balance as at January 1, 2025	\$	-
Provision recognized		35,050
Release of onerous contracts		(5,788)
Unwinding of discount and changes in the discount rate		1,622
Balance as at September 30, 2025	\$	30,884

16. 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.

On March 11, 2025, the Board of Directors of Central 1 approved the declaration of a dividend of \$10 million to Class A shareholders which was distributed to the shareholders on March 26, 2025.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /24

As at and for the period ended September 30, 2025

thousands of shares, as at or for the period ended	Sep 30 2025	Dec 31 2024	Sep 30 2024
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	10	11	11
Redeemed during the period	-	(1)	(1)
Class B - co-operatives: balance at the end of period	10	10	10
Balance at beginning of period	8	7	7
Issued during the period	-	1	1
Class C - other: balance at the end of period	8	8	8
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 2025	Dec 31 2024	Sep 30 2024
Amount of share capital outstanding			
Outstanding \$1 par value shares			
Class A - credit unions	\$ 43,364	\$ 43,364	\$ 43,364
Class B - cooperatives	10	10	10
Class C - other	8	8	8
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

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /25

As at and for the period ended September 30, 2025

17. Net Interest Income

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Interest Income				
FVTPL	\$ 50,603	\$ 53,304	\$ 151,671	\$ 165,279
FVOCI	5,094	7,996	18,111	29,446
Amortized cost	25,114	37,858	76,790	109,875
	80,811	99,158	246,572	304,600
Interest Expense				
FVTPL	28,095	35,448	79,976	104,600
Amortized cost	35,204	53,995	111,067	165,996
	63,299	89,443	191,043	270,596
Net Interest Income	\$ 17,512	\$ 9,715	\$ 55,529	\$ 34,004

18. Net Fair Value Gains

The following table summarizes the realized gains (losses) for the three months and nine months ended September 30, 2025 and 2024.

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Realized gain (loss) on securities at FVTPL	\$ (256)	\$ 316	\$ 885	\$ (6,651)
Realized loss on securities at FVOCI	(41)	(3,901)	(282)	(4,495)
Realized gain on derivative instruments	62	1,237	4,754	66,839
Realized gain (loss) on deposits designated at FVTPL	(35)	(1)	(29)	129
Realized loss on obligations related to securities sold short mandatorily at FVTPL	(126)	(1,633)	(1,342)	(1,927)
Realized gain on term loans	-	57	74	57
Realized loss - other	(251)	-	(251)	-
	\$ (647)	\$ (3,925)	\$ 3,809	\$ 53,952

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /26

As at and for the period ended September 30, 2025

The following table summarizes the unrealized gains (losses) for the three months and nine months ended September 30, 2025 and 2024.

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Change in unrealized gains (losses)				
Securities at FVTPL	\$ 41,658	\$ 99,059	\$ 68,743	\$ 163,312
Activities under the Canada Mortgage Bond Program				
Reinvestment assets	482	3,736	2,120	7,608
Securitization liabilities	(482)	(3,736)	(2,120)	(7,608)
Derivative instruments	349	(12,451)	1,570	(22,621)
Derivative instruments	(4,785)	(36,573)	(18,274)	(94,452)
Financial liabilities at FVTPL				
Deposits designated at FVTPL	(943)	(17,681)	(2,900)	(17,744)
Obligations related to securities sold short mandatorily at FVTPL	-	(304)	275	(287)
Debt securities issued designated at FVTPL	(4,293)	(16,652)	(8,923)	(16,364)
Subordinated liabilities designated at FVTPL	(626)	(4,562)	(2,591)	(5,662)
	\$ 31,360	\$ 10,836	\$ 37,900	\$ 6,182

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /27

As at and for the period ended September 30, 2025

The following table summarizes the net fair value gains for the three months and nine months ended September 30, 2025 and 2024.

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Securities mandatorily at FVTPL	\$ 41,402	\$ 99,375	\$ 69,628	\$ 156,661
Securities at FVOCI	(41)	(3,901)	(282)	(4,495)
Term loans	-	57	74	57
Activities under the Canada Mortgage Bond Program				
Reinvestment assets	482	3,736	2,120	7,608
Securitization liabilities	(482)	(3,736)	(2,120)	(7,608)
Derivative instruments	349	(12,451)	1,570	(22,621)
Derivative instruments	(4,723)	(35,336)	(13,520)	(27,613)
Financial liabilities at FVTPL				
Deposits designated at FVTPL	(978)	(17,682)	(2,929)	(17,615)
Obligations related to securities sold short mandatorily at FVTPL	(126)	(1,937)	(1,067)	(2,214)
Debt securities issued designated at FVTPL	(4,293)	(16,652)	(8,923)	(16,364)
Subordinated debt issued designated at FVTPL	(626)	(4,562)	(2,591)	(5,662)
Other financial assets	(251)	-	(251)	-
	\$ 30,713	\$ 6,911	\$ 41,709	\$ 60,134

Notes to the Interim Consolidated Financial Statements (Unaudited)

As at and for the period ended September 30, 2025

Central 1 Credit Union /28

19. Non-Interest Income

For the three months ended September 30					2025	2024						
		Revenue arising from contracts with customers		Revenue arising from other sources	Total	Revenue arising from contracts with customers		Revenue arising from other sources		Total		
\$ thousands												
Treasury												
Lending fees	\$	2,649	\$	-	\$	2,649	\$	3,435	\$	-	\$	3,435
Securitization fees		1,965		-		1,965		1,706		-		1,706
Foreign exchange income		-		885		885		-		2,728		2,728
Asset management services		905		-		905		915		-		915
Other		1,721		29		1,750		1,353		74		1,427
Payments												
Payment processing and other fees		24,210		-		24,210		21,692		-		21,692
Digital banking												
Digital banking fees		-		-		-		9,870		-		9,870
Income from Commercial Services Agreement		-		4,492		4,492		-		-		-
System Affiliates & Other												
Equity interest in affiliates		-		226		226		-		682		682
Other		162		-		162		221		-		221
	\$	31,612	\$	5,632	\$	37,244	\$	39,192	\$	3,484	\$	42,676

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /29

As at and for the period ended September 30, 2025

For the nine months ended September 30				2025	2024			
\$ 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	\$ 9,293	\$ -		\$ 9,293	\$ 10,576	\$ -		\$ 10,576
Securitization fees	5,472	-		5,472	5,069	-		5,069
Foreign exchange income	-	2,839		2,839	-	3,637		3,637
Asset management services	2,743	-		2,743	2,731	-		2,731
Other	4,287	199		4,486	3,802	(2)		3,800
Payments								
Payment processing and other fees	71,669	-		71,669	67,693	-		67,693
Digital Banking								
Digital banking fees	7,209	-		7,209	28,184	-		28,184
Income from Commercial Services Agreement	-	10,276		10,276	-	-		-
System Affiliates & Other								
Equity interest in affiliates	-	(300)		(300)	-	(265)		(265)
Dividend Income	-	2,160		2,160	-	2,688		2,688
Other	652	1,545		2,197	698	-		698
	\$ 101,325	\$ 16,719		\$ 118,044	\$ 118,753	\$ 6,058		\$ 124,811

20. Other Administrative Expense

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Professional fees	\$ 5,199	\$ 7,835	\$ 20,684	\$ 16,413
Cost of payments processing	5,546	4,571	16,827	16,211
Cost of sales and services	3,817	2,576	9,958	7,542
Unwinding of discount and effect of changes in discount rate on provisions	657	-	1,622	-
Other	631	834	2,358	2,416
Occupancy	545	505	1,570	1,562
	\$ 16,395	\$ 16,321	\$ 53,019	\$ 44,144

21. Segment Information

For management reporting purposes, Central 1's operations and activities are organized around three key business segments: Treasury, Payments and 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

Payments develops and operates innovative payment processing solutions for member credit unions, other financial institutions and corporate clients. 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.

Digital Banking

Digital Banking operated innovative digital banking technologies for member credit unions, other financial institutions and corporate clients to offer a variety of direct banking services to their individual customers through their online banking platform, including Forge 2.0 until February 28, 2025. Effective March 1, 2025, Central 1 completed the transition of the Digital Banking business to Intellect. Intellect assumed responsibility for Central 1's Digital Banking operations, which includes Forge, Member Direct, public website, mobile applications, and related products, as well as the Digital Banking engineering and service teams. Central 1 will continue to provide the underlying technology infrastructure and related services for the Digital Banking business over the next few years.

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, and Central 1's Vancouver office land and building and associated expenses. It also includes the costs of implementing certain strategic initiatives other than ones included in the key segments of business above.

As at and for the period ended September 30, 2025

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 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 budget process ensures that resources are allocated effectively across all operating segments to support their individual needs and objectives.

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. The planned wind down of the Digital Banking business led to a change in the composition of reportable segments in Q1 2025, with Digital Banking now presented as a reportable segment, rather than being reported together with Payments. Results for prior periods have been updated to conform to the current period presentation.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /32

As at and for the period ended September 30, 2025

Results by Segment

The following table summarizes the segment results for the three months ended September 30, 2025:

\$ thousands, for the three months ended September 30, 2025	Treasury	Payments	Digital Banking	System Affiliates & Other	Total
Interest income	\$ 80,811	\$ -	\$ -	\$ -	80,811
Interest expense	63,097	202	-	-	63,299
Net interest income (expense)	17,714	(202)	-	-	17,512
Net fair value gains (loss)	31,047	-	-	(334)	30,713
Non-interest income from external customers, excluding equity interest in affiliates	7,240	24,210	-	162	31,612
Income from Commercial Services Agreement	-	-	4,492	-	4,492
Income from other sources	885	-	-	-	885
Equity interest in affiliates	29	-	-	226	255
Total revenue	56,915	24,008	4,492	54	85,469
Provision for credit losses	1,727	-	-	-	1,727
Non-interest expense					
Salaries and employee benefits	7,663	11,390	3,011	892	22,956
Management information systems	1,305	2,538	3,183	-	7,026
Depreciation and amortization	286	341	-	-	627
Release of onerous contracts	-	-	(3,469)	-	(3,469)
Other administrative expense	3,051	9,416	2,169	1,760	16,396
	12,305	23,685	4,894	2,652	43,536
Income (loss) before income taxes	42,883	323	(402)	(2,598)	40,206
Income tax expense (recovery)	11,536	88	(109)	3,829	15,344
Net income (loss)	\$ 31,347	\$ 235	\$ (293)	\$ (6,427)	\$ 24,862

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /33

As at and for the period ended September 30, 2025

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	89,102	341	-	-	89,443
Net interest income (expense)	10,056	(341)	-	-	9,715
Net fair value gains (loss)	6,911	-	-	-	6,911
Non-interest income from external customers, excluding equity interest in affiliates	7,409	21,692	9,870	221	39,192
Income from other sources	2,728	-	-	-	2,728
Equity interest in affiliates	74	-	-	682	756
Total revenue	27,178	21,351	9,870	903	59,302
Recovery of credit losses	158	-	-	-	158
Non-interest expense					
Salaries and employee benefits	6,527	9,980	13,264	1,017	30,788
Management information systems	1,488	2,553	1,032	-	5,073
Depreciation and amortization	428	406	284	-	1,118
Other administrative expense	2,668	7,452	4,499	1,702	16,321
	11,111	20,391	19,079	2,719	53,300
Income (loss) before income taxes	15,909	960	(9,209)	(1,816)	5,844
Income tax expense (recovery)	4,268	258	(2,476)	(2,024)	26
Net income (loss)	\$ 11,641	\$ 702	\$ (6,733)	\$ 208	5,818

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /34

As at and for the period ended September 30, 2025

The following table summarizes the segment results for the nine months ended September 30, 2025:

\$ thousands, For the nine months ended September 30, 2025	Treasury	Payments	Digital Banking	System Affiliates & Other	Total
Interest income	\$ 246,572	\$ -	\$ -	\$ -	246,572
Interest expense	190,357	686	-	-	191,043
Net interest income (expense)	56,215	(686)	-	-	55,529
Net fair value gain	42,648	-	-	(939)	41,709
Non-interest income from external customers, excluding equity interest in affiliates	21,795	71,669	7,209	652	101,325
Income from Commercial Services Agreement	-	-	10,276	-	10,276
Income from other sources	2,839	-	-	3,705	6,544
Equity interest in affiliates	199	-	-	(300)	(101)
Total revenue	123,696	70,983	17,485	3,118	215,282
Provision for credit losses	2,201	-	-	-	2,201
Non-interest expense					
Salaries and employee benefits	23,493	38,448	15,474	2,989	80,404
Management information systems	4,098	9,370	6,120	-	19,588
Depreciation and amortization	892	1,019	90	-	2,001
Provision for (release of) onerous contracts	-	-	29,262	-	29,262
Other administrative expense	8,146	32,085	9,886	2,903	53,020
	36,629	80,922	60,832	5,892	184,275
Income (loss) before income taxes	84,866	(9,939)	(43,347)	(2,774)	28,806
Income tax expense (recovery)	22,812	(2,675)	(11,669)	(1,903)	6,565
Net income (loss)	\$ 62,054	\$ (7,264)	\$ (31,678)	\$ (871)	22,241
Total assets as at September 30, 2025	\$ 9,315,900	\$ 18,446	\$ 6,806	\$ 200,754	9,541,906
Total liabilities as at September 30, 2025	\$ 8,438,233	\$ 42,393	\$ 32,309	\$ 215,257	8,728,192

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /35

As at and for the period ended September 30, 2025

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
Net fair value gain	60,134	-	-	-	60,134
Non-interest income from external customers, excluding equity interest in affiliates	22,178	67,693	28,184	698	118,753
Income from other sources	3,637	-	-	2,688	6,325
Equity interest in affiliates	(2)	-	-	(265)	(267)
Total revenue	121,592	66,052	28,184	3,121	218,949
Recovery of credit losses	1	-	-	-	1
Non-interest expense					
Salaries and employee benefits	19,934	30,870	40,698	2,200	93,702
Management information systems	2,908	6,571	5,297	-	14,776
Depreciation and amortization	1,294	1,306	850	-	3,450
Other administrative expense	6,913	20,878	7,071	9,282	44,144
	31,049	59,625	53,916	11,482	156,072
Income (loss) before income taxes	90,542	6,427	(25,732)	(8,361)	62,876
Income tax expense (recovery)	24,376	1,731	(6,928)	(4,098)	15,081
Net income (loss)	\$ 66,166	\$ 4,696	\$ (18,804)	\$ (4,263)	\$ 47,795
Total assets as at September 30, 2024	\$ 11,387,521	\$ 14,441	\$ 5,152	\$ 213,082	\$ 11,620,196
Total liabilities as at September 30, 2024	\$ 10,602,862	\$ 29,030	\$ 4,715	\$ 202,259	\$ 10,838,866

As at and for the period ended September 30, 2025

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.

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 2025		Dec 31 2024
Commitments to extend credit	\$	4,790,270	\$	5,016,544
Guarantees				
Financial guarantees	\$	808,600	\$	794,600
Performance guarantees	\$	500,000	\$	500,000
Standby letters of credit	\$	224,830	\$	221,127
Future prepayment reinvestment commitment	\$	857,839	\$	796,324

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, 2025 are \$5.3 million, \$769.3 million and \$90.1 million (December 31, 2024 - \$22.8 million, \$888.6 million and \$98.4 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, 2025 were \$1.0 billion (December 31, 2024 - \$1.0 billion).

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

On October 23, 2024, Central 1 entered into agreements with Portage Ventures IV GP Inc. to invest in Portage Ventures IV LP equity fund and Portage Ventures IV International LP equity fund and has committed to invest a total of USD \$10.0 million. As at September 30, 2025, Central 1 contributed CAD \$3.3 million (US \$2.6 million) (December 31, 2024: CAD \$0.8 million (USD \$0.6 million)) which has been presented under Securities on Central 1's Interim Consolidated Statement of Financial Position.

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, 2025.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /37

As at and for the period ended September 30, 2025

Pledged Assets

Central 1 is a Group Clearer under the rules of Payments Canada and acts as the credit union system's financial institution connection to the Canadian payments system. Pursuant to the Group Clearer arrangement, Central 1 provides payment services to the credit union centrals of Alberta, Manitoba, and Saskatchewan (collectively, the Prairie Centrals).

Pursuant to the terms of the *Group Clearer Joint Venture Agreement* and *Group Clearer Service Agreement* among Central 1 and each of the Prairie Centrals (collectively, Clearing Centrals), each of the Clearing Centrals is required to pledge securities with the Bank of Canada and Group Clearer as collateral for its clearing activities in the normal course of business. Central 1 acts as the Group Clearer as the credit union system's financial institution connection to the Canadian Payments system.

On October 1, 2024, the Clearing Centrals entered into two separate pledging agreements, *the Bank of Canada Pledge Agreement* and *Group Clearer Pledge Agreement*, to grant the Group Clearer a security interest in a pool of Acceptable Securities delivered by each Clearing Central and held in the Canadian Depository for Securities (CDS) Accounts under the custody and control of the Bank of Canada and Group Clearer, respectively.

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 2025	Dec 31 2024
Securities^{1 2}		
Pledged to Bank of Canada in the Group Clearer Arrangement	\$ 1,010,064	\$ 1,002,787
Reinvestment assets under the CMB Program	188,945	436,761
Canadian Depository for securities - Settlement Agents proportionate share of collateral pool amount	24,541	24,544
Securities lending	23,010	50,202
Derivative assets		
Derivative financial instrument transactions	10,877	15,819
Other assets		
Centrally-cleared derivative activities	12,940	16,757
Securities under repurchase agreements	348,966	691,268
	\$ 1,619,343	\$ 2,238,138

¹Includes assets pledged as collateral for Payments Canada High Value Payment System (Lynx) activities.

²Central 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.

As at and for the period ended September 30, 2025

23. Financial Instruments – Fair Value

Certain financial instruments are recognized in the Interim Consolidated Statement of Financial Position at fair value. These include derivative instruments, securities, deposits and debt securities issued and a subordinated note that are designated at FVTPL, reinvestment assets, obligations related to securities sold short 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: inputs that are quoted market 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. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable, and the unobservable inputs have a significant effect on the instruments' valuation.

Securities are classified as Level 1 in the hierarchy where unadjusted transaction prices, dealer quotes or vendor prices of identical instruments from active market are readily available on measurement date and Level 2 when fair value is determined using observable prices or rate inputs such as quoted prices for similar instruments in active or inactive market.

Deposits, obligations related to securities sold short, debt securities issued, and a subordinated note which are designated at FVTPL, and derivatives (except for futures which are Level 1) are classified as Level 2 in the fair value hierarchy. These instruments are valued using observable market inputs, such as quoted prices for similar instruments, interest rate curves, and credit spreads. These inputs are derived from market data and applied in valuation techniques when quoted prices for identical instruments in active markets are not available.

Equity instruments, where inputs are unobservable, are classified as Level 3 in the hierarchy. As at September 30, 2025 and December 31, 2024, Level 3 financial assets includes \$32.1 million (September 30, 2024 and December 31, 2023 - \$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 between level 1 and level 2 are dependent on the recency of issuance and availability of quoted market prices in the active market. Transfers are recognized at the end of the reporting period, consistent with the date of the determination of fair value.

There were no transfers between the levels during the nine months ended September 30, 2025. During the nine months ended September 30, 2024, securities with a fair value totalling \$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.

As at and for the period ended September 30, 2025

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 purchased under reverse repurchase agreements and sold 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 mandatorily measured at FVTPL and FVOCI, derivative instruments (except for futures which are Level 1), deposits and debt securities issued, and a subordinated debt designated at FVTPL, reinvestment assets and securitization liabilities.

To determine the fair value of securities and debt securities issued, Central 1 uses broker quotes or third-party prices observed in active markets, which are classified as Level 1 inputs under fair value hierarchy. When observable inputs other than those quoted prices included within Level 1 are not available, these inputs are classified as Level 2.

For derivative instruments, 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. These inputs are considered observable and fall under level 2.

For Central 1's equity instruments in Cooperative entities, quoted market prices are not available, in which case Central 1 uses Level 3 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, 2025 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.

Notes to the Interim Consolidated Financial Statements (Unaudited)

Central 1 Credit Union /40

As at and for the period ended September 30, 2025

\$ millions, as at September 30, 2025	Level 1		Level 2		Level 3		Amounts at Fair Value	Amounts at Amortized Cost ¹	Total Carrying Value
Financial assets									
Cash and cash equivalents	\$	-	\$	-	\$	-	\$	535.6	\$ 535.6
Settlements in-transit assets		-		-		-		515.2	515.2
Securities		86.3		6,266.5		41.7		6,394.5	6,407.7
Loans		-		-		-		1,821.8	1,821.8
Derivative assets		0.4		67.7		-		68.1	68.1
Other assets		-		-		-		24.0	24.0
Total financial assets	\$	86.7	\$	6,334.2	\$	41.7	\$	6,462.6	\$ 2,909.8 9,372.4
Financial liabilities									
Settlements in-transit liabilities		-		-		-		594.2	594.2
Deposits		-		2,269.2		-		2,269.2	2,910.7 5,179.9
Obligations related to securities sold short		-		-		-		-	-
Securities under repurchase agreements		-		-		-		349.0	349.0
Securitization liabilities		-		188.9		-		188.9	- 188.9
Derivative liabilities		0.5		66.4		-		66.9	- 66.9
Debt securities issued		-		934.6		-		934.6	1,108.3 2,042.9
Subordinated liabilities		-		200.3		-		200.3	- 200.3
Other liabilities		-		-		-		20.7	20.7
Total financial liabilities	\$	0.5	\$	3,659.4	\$	-	\$	3,659.9	\$ 4,982.9 8,642.8

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

\$ millions, as at December 31, 2024	Level 1		Level 2		Level 3		Amounts at Fair Value	Amounts at Amortized Cost ¹	Total Carrying Value
Financial assets	\$	51.1	\$	6,578.0	\$	40.8	\$	6,669.9	\$ 3,196.1 9,866.0
Financial liabilities	\$	0.8	\$	3,836.2	\$	-	\$	3,837.0	\$ 5,342.3 9,179.3

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

As at and for the period ended September 30, 2025

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

\$ millions						Changes in fair value of assets in net income or loss		Fair value at Sep 30 2025
	Fair value at Dec 31 2024	Purchases	Repayments	Transfer				
Equity shares	\$ 40.8	\$ 2.5	\$ (0.7)	\$ -	\$ (0.9)	\$ 41.7		
Total financial assets	\$ 40.8	\$ 2.5	\$ (0.7)	\$ -	\$ (0.9)	\$ 41.7		

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.

Regulatory Capital

Central 1’s capital levels are regulated under provincial regulations administered by the B.C. Financial Services Authority (BCFSA). 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, 2025 and December 31, 2024 and September 30, 2024.

As at and for the period ended September 30, 2025

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, 2024.

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, 2025 and December 31, 2024.

The following table presents the compensation to key management personnel:

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Salaries and short-term employee benefits	\$ 1,561	\$ 1,721	\$ 5,218	\$ 4,905
Incentive	31	-	3,450	3,054
Post-employment benefits	79	68	232	208
Termination and other long-term employee benefits	-	520	1,617	520
	\$ 1,671	\$ 2,309	\$ 10,517	\$ 8,687

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

\$ thousands	For the three months ended		For the nine months ended	
	Sep 30 2025	Sep 30 2024	Sep 30 2025	Sep 30 2024
Total remuneration	\$ 157	\$ 178	\$ 569	\$ 620

Notes to the Interim Consolidated Financial Statements (Unaudited)

As at and for the period ended September 30, 2025

Significant Subsidiaries

% of direct ownership outstanding, as at	Sep 30 2025	Dec 31 2024
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 2025	Dec 31 2024
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 2025, Central 1 contributed \$1.0 million (Q1 2024: \$2.0 million) to 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 2025	Dec 31 2024
The Co-operators Group Limited	21%	21%
Canadian Credit Union Association	59%	59%