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 income[1] 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 ROE[2] 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 income[1] 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 ROE[2] 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 gains[1].

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.

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

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Cautionary Note Regarding Forward-Looking Statements

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

Within this document, forward-looking statements include, but are not limited to, statements relating to our financial and non-financial performance objectives, vision and strategic goals and priorities, including focus on capital and cost management 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.

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

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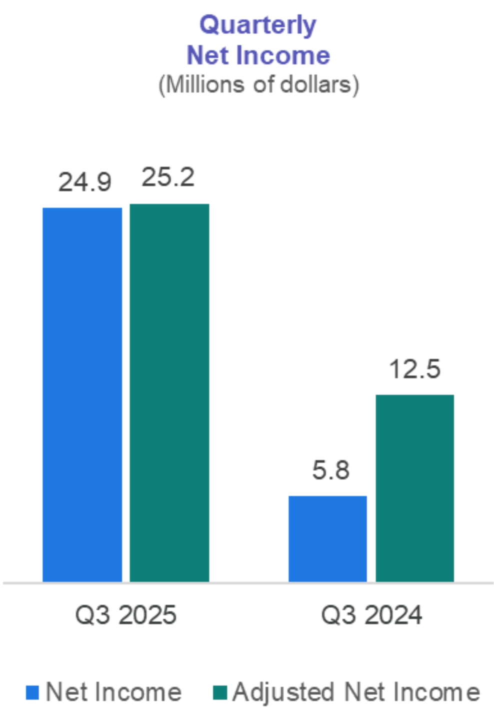
Financial Results

Overall Performance

Quarterly comparison – Q3 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.

[1]Adjusted 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.

[2]When 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 income[1] for the quarter was $25.2 million, after excluding the net loss from Digital Banking business.

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

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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.

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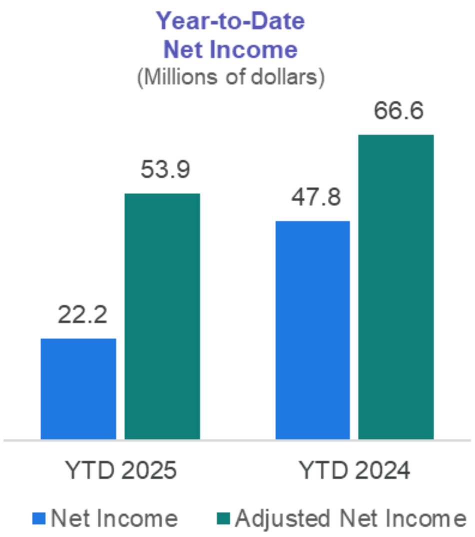
Year-to-date comparison – Q3 2025 vs. Q3 2024



$ 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.

[1]Adjusted 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.

[2]When 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.

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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 income[1] 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.

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

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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**		-		-

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

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

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.

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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.

				For the nine months ended September 30		
$ millions, except as indicated	**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)

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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.

				For the nine months ended September 30		
$ millions, except as indicated	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.

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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

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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	Q3 2025	Q3 2024	Change	For the nine months ended September 30 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.

[1]When 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 assets[1] which are calculated using different risk weightings for different assets as required by the BCFSA.

Tier 1 Capital Ratio

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

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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.

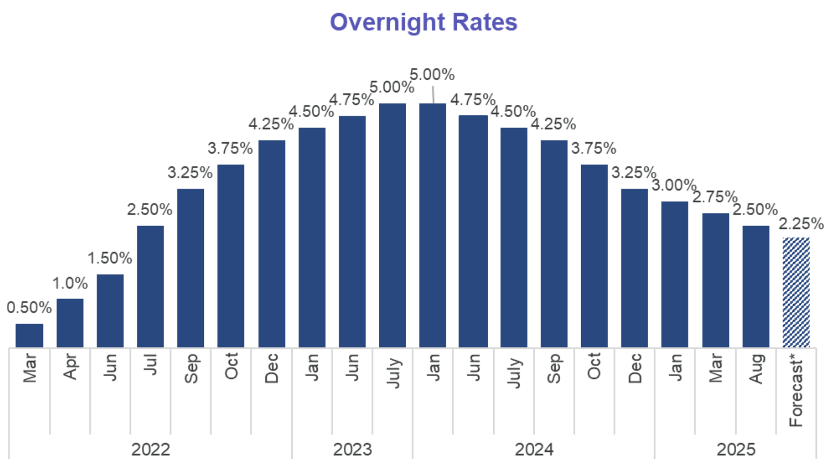
Liquidity Coverage Ratio (LCR)

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.

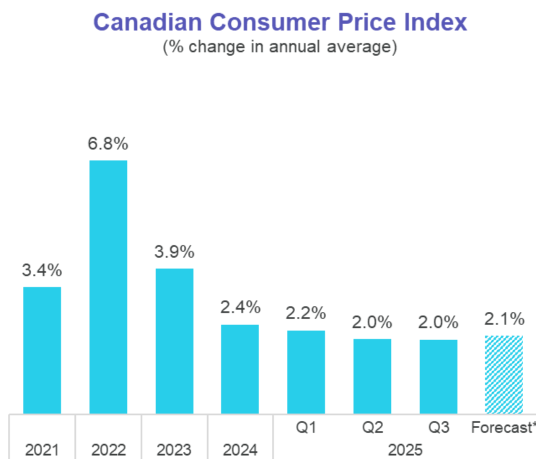
Economic Developments and Outlook

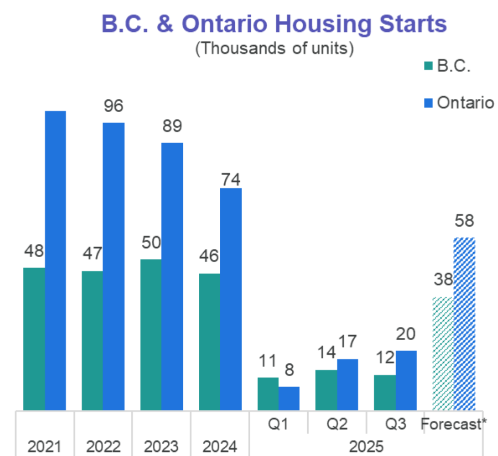
Central 1 conducts its operations within the Canadian financial markets. As such, its financial performance is inherently influenced by developments in the Canadian economic outlook and fluctuations in the financial markets, both of which are closely tied to global economic conditions and broader market 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



*Forecast source: Central 1 Economics





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

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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.

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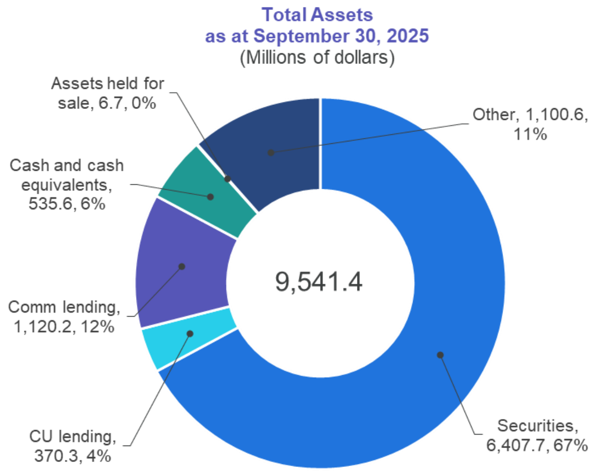
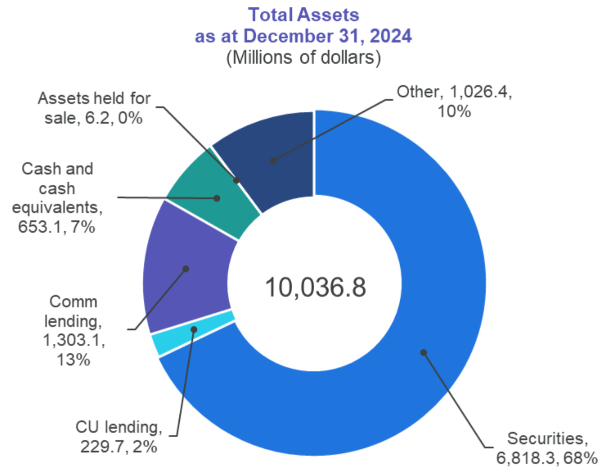
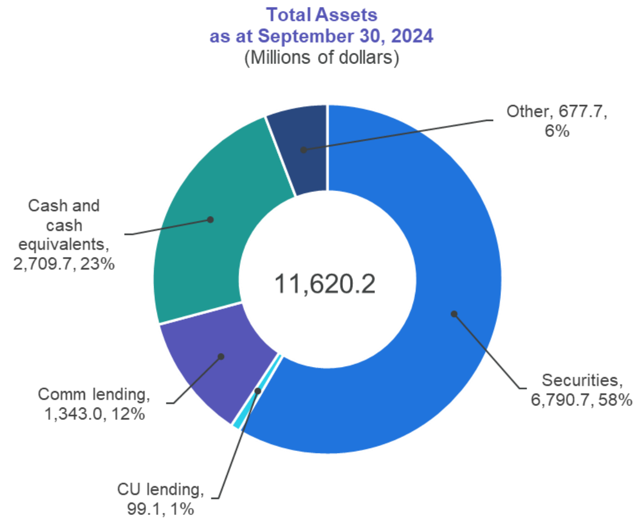
Interim Consolidated Statement of Financial Position

Total Assets







The change in total assets corelates 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.

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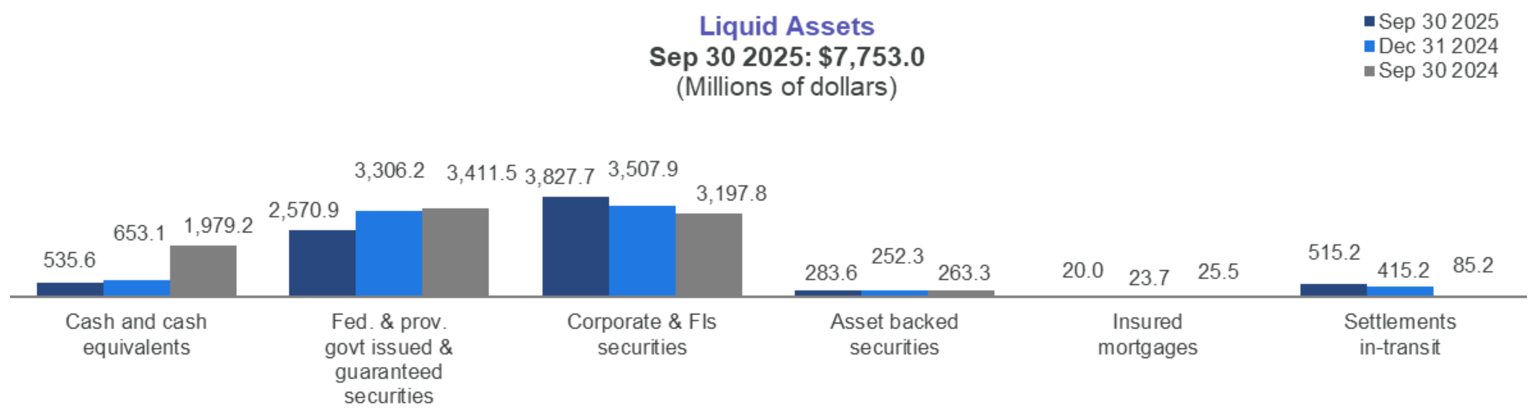
Cash and Liquid Assets



$ millions, as at September 30, 2025	Liquid Assets	Securities Received as Collateral	Total Liquid Assets	Encumbered Assets	Unencumbered 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.

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$ 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.

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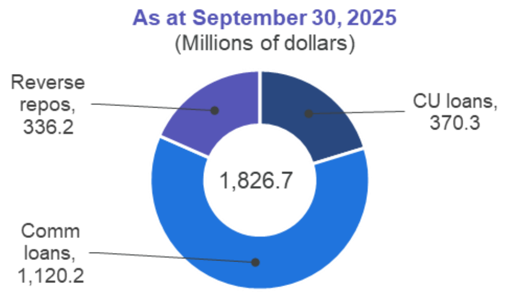
Loans

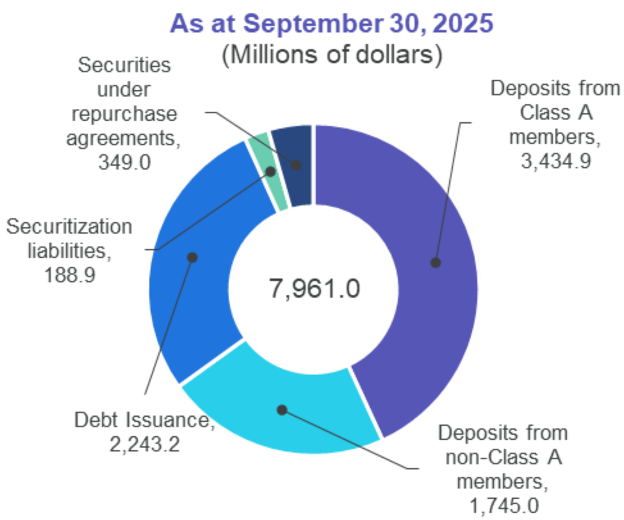


$ millions, as at		Sep 30 2025		Dec 31 2024		Sep 30 2024
Loans to credit unions	$	**370.3**	$	229.7	$	99.1
Commercial and other loans		**1,120.2**		1,303.1		1,343.0
Reverse repurchase agreements		**336.2**		312.5		172.4
	$	**1,826.7**	$	1,845.3	$	1,614.5

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.

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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.

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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	• Supports the financial and liquidity needs of member credit unions • Provides member credit unions with access to: ○ 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	• 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	• 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	Before March 1, 2025: • Operated innovative digital banking technologies for member credit unions, other financial institutions and corporate clients • Offered *MemberDirect*® services and digital banking solutions to credit unions and their members Effective March 1, 2025: • Provides underlying technology infrastructure and related supports to Intellect

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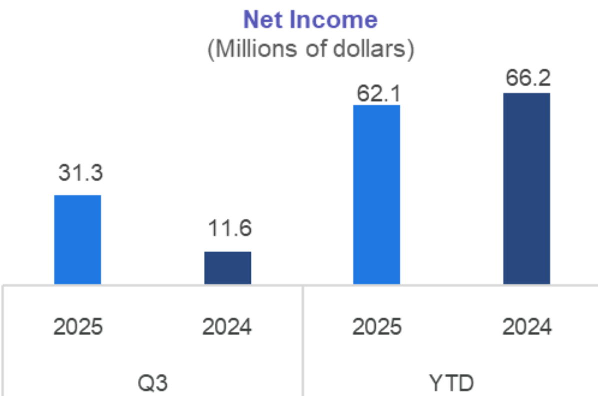
Treasury



$ 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.

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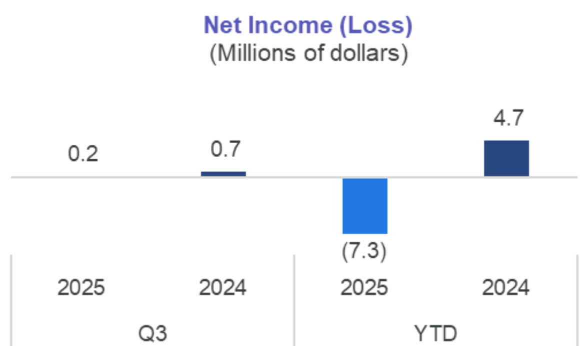
Net interest income, contributed $56.2 million to net income, representing a $20.6 million increase compared to the same period last year. This increase was primarily driven by a decline in interest expense.

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



$ millions	Q3 2025	Q3 2024	Change	For the nine months ended September 30 2025	2024	Change
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.

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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	Q3 2025	Q3 2024	Change	For the nine months ended September 30 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.
[1]Adjusted 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 loss[1] 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.

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

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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.

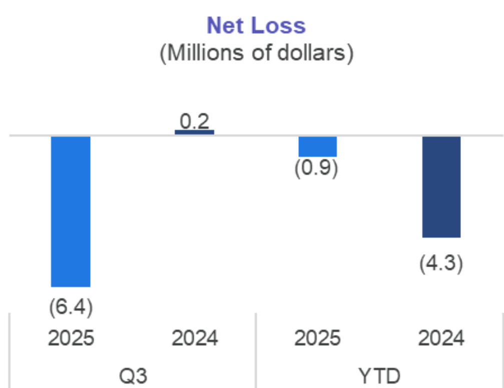
Year-to-date comparison – Q3 2025 vs. Q3 2024

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 loss[1] 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	Q3 2025	Q3 2024	Change	For the nine months ended September 30 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.

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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.

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Summary of Quarterly Results

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

$ thousands, except as indicated	2025 Q3	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 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

[1]Adjusted 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.

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

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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, heighten 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 untaken 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.

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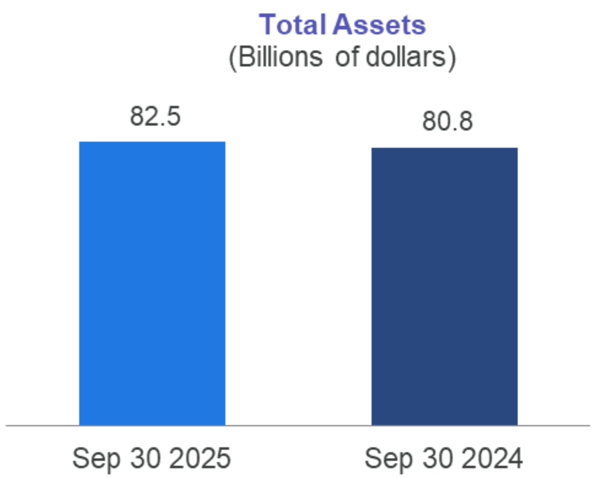
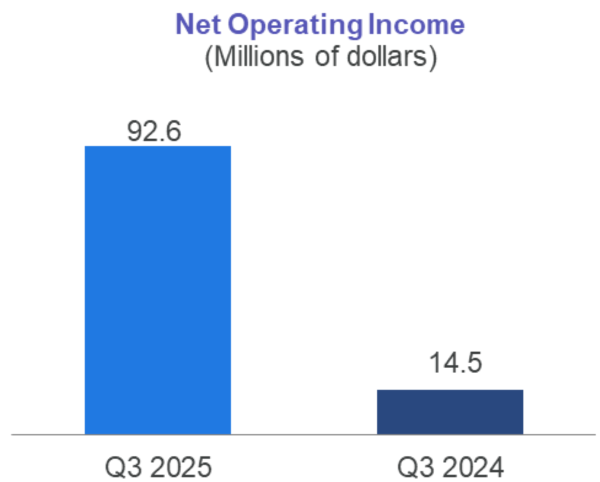
Credit Union System Performance

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.

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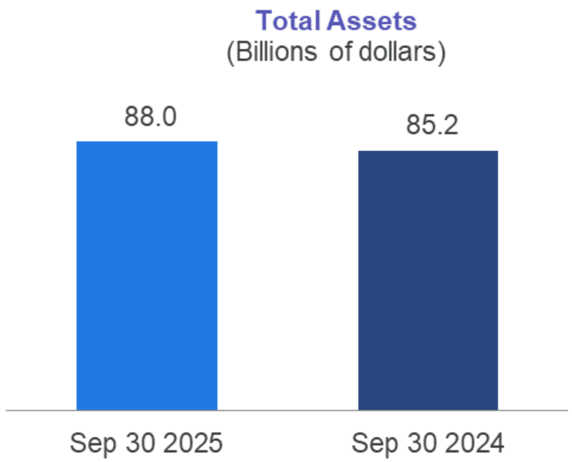
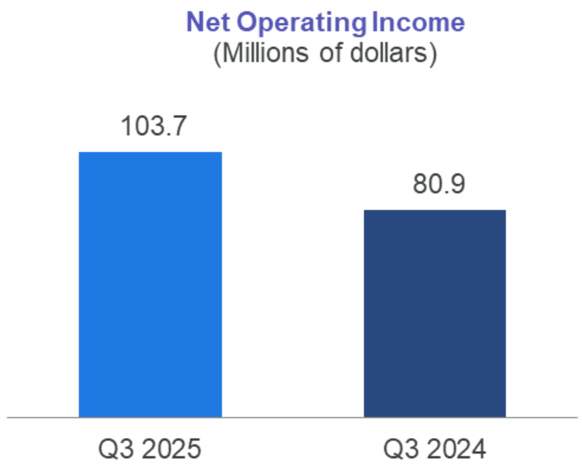
Ontario





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.

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Off-Balance Sheet Arrangements

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

Derivative Financial Instruments

Notional Amount $ millions, as at	Sep 30 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.

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Guarantees, Commitments and Contingencies

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

$ millions, as at	Sep 30 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.

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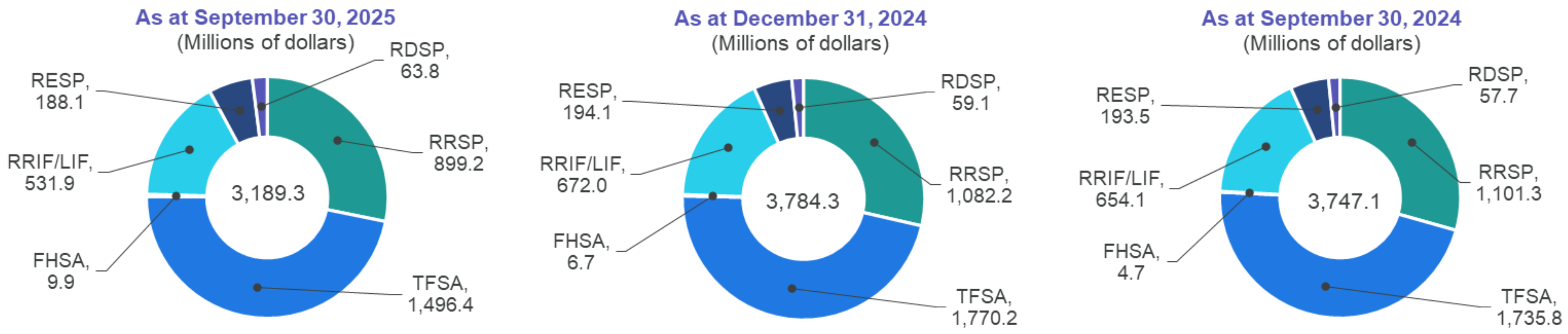
Assets under Administration (AUA)



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

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

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.

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Capital Management and Capital Resources

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

Capital Management Framework

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

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

Key management activities of the framework include:

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

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

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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 capital[2]	**$ 863.5**	$ 844.0	$ 819.6
Borrowing multiple - Consolidated[3]	**9.0:1**	9.9:1	11.8:1

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

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.

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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.

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Credit Risk

Central 1 is exposed to credit risk from our investment and lending activities, as well as through our role as Group Clearer and other settlement 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.

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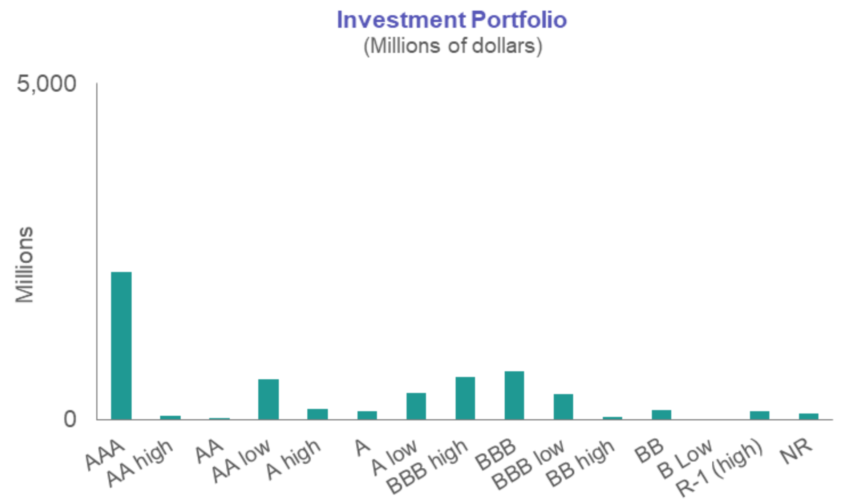
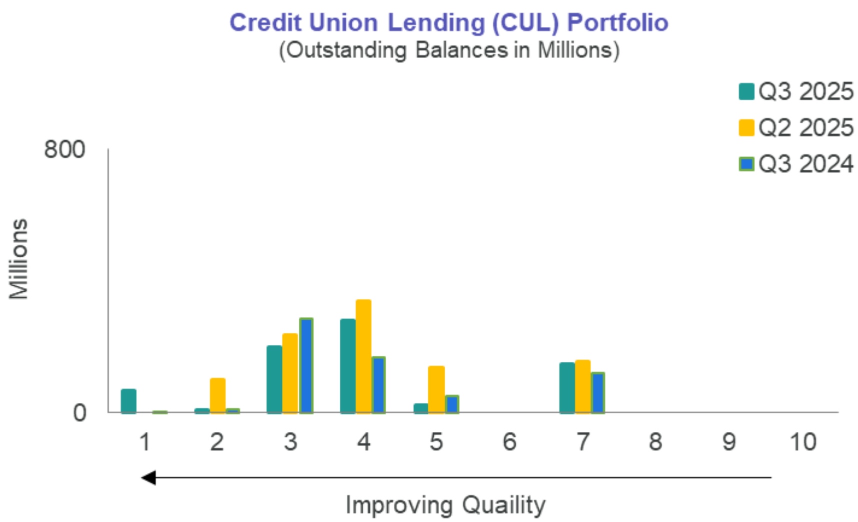
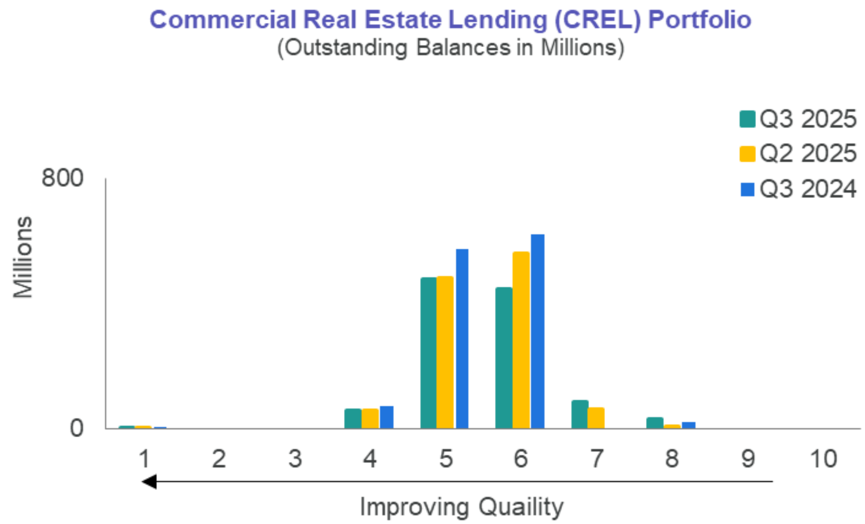
Commercial Real Estate Lending

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.







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Counterparty Risk

Within the Treasury operations, Central 1 incurs counterparty risk by entering into contracts with counterparties in return for a bilateral value-exchange of services. Counterparty 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.

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	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%

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

At the end of the third quarter of 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.

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$ millions	Treasury Q3 2025	Treasury Q3 2024	Last 12 Months Average	Last 12 Months High	Last 12 Months 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

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

nm - not meaningful to calculation

Stress Testing

In addition to conducting generic stress testing scenarios, Central 1 calculates SVaR to quantify portfolio market risk under stressed market conditions. SVaR is calculated using the same methodology as VaR, except that it is calibrated to historical data from a continuous 1-year period of significant financial stress for current portfolios. SVaR is calculated for 1-day and 10-day horizons at a 99% confidence interval. SVaR is currently calibrated to 2008/2009. Throughout the third quarter of 2025, SVaR has remained stable and within normal historical ranges.

$ millions	Treasury Q3 2025	Treasury Q3 2024	Last 12 Months Average	Last 12 Months High	Last 12 Months 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.

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$ 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.

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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.

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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.

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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.

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