

**SaskCentral
Annual Report**

2024



CONTENTS

Vision, Purpose, Values	1
Letter from the Chair and the CEO	2
Corporate Profile	4
Executive Team	8
Corporate Governance	9
Management Discussion & Analysis	14
Audit and Risk Committee Report to the Members	26

Note: Visit saskcentral.com to view the audited Consolidated Financial Statements and Notes to the Consolidated Financial Statements.

Vision

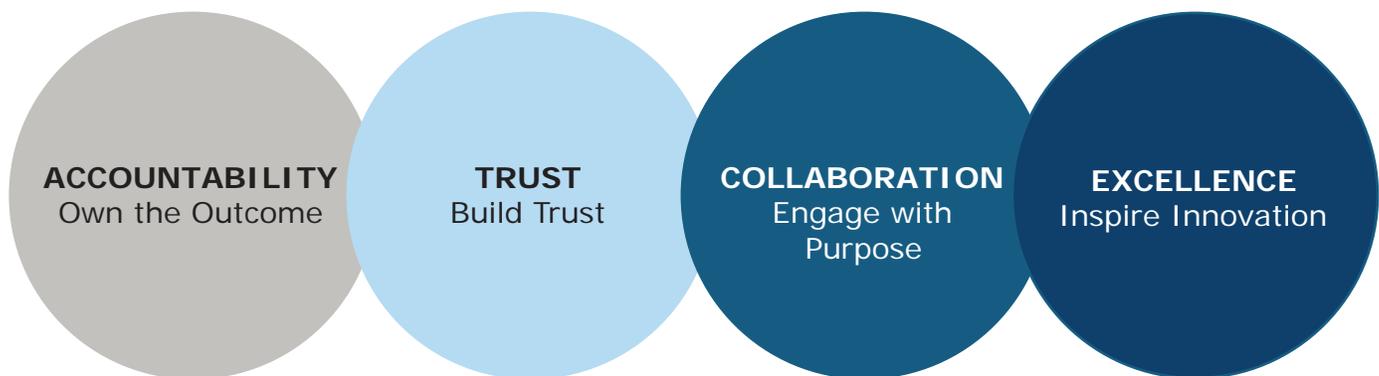
We are an exceptional partner that Saskatchewan credit unions trust to deliver expertise in liquidity management services and access to payment ecosystems.

Purpose

SaskCentral contributes to vibrant and sustainable Saskatchewan credit unions by providing access to modernized payments processing and market relevant liquidity solutions.

Our Values

SaskCentral follows four **Elevated Core Values**:



SaskCentral also subscribes to the core values on which co-operatives are based:

- Self-help: In co-operatives, people help each other whilst helping themselves by working together for mutual benefit.
- Self-responsibility: Individuals within co-operatives act responsibly and play a full part in the organization.
- Democracy: A co-operative will be structured so that members have control over the organization.
- Equality: Each member will have equal rights and benefits according to their contribution.
- Equity: Members will be treated justly and fairly.
- Solidarity: Members will support each other and other co-operatives.

In the tradition of co-operative founders, SaskCentral believes in the ethical values of:

- Honesty
- Openness
- Social responsibility
- Caring for others



Following the successful completion of a three-year journey of intentional transformation, in 2024, SaskCentral embarked on a new strategy, *Momentum Unleashed*, with a refreshed, clearly focused Vision to be: "...an exceptional partner that Saskatchewan credit unions trust to deliver expertise in liquidity management services and access to payments ecosystems."

Our new three-year strategy identifies three successive missions: **Enhance** in 2024, year one; **Embrace** in 2025, and **Excel** in the final year.

Throughout 2024, we established a solid foundation for the future, demonstrating our core Purpose of: "...contributing to vibrant and sustainable Saskatchewan credit unions by providing access to modernized payments processing and market relevant liquidity solutions to best serve the needs of our member owners and customers."

We achieved or exceeded all our goals with a focus on advancing in the following key building blocks to our strategy:

- Clearing and Settlement
- Payments
- Strategic Investments
- Operational Excellence

In the area of Clearing and Settlement, we made significant progress in our assessment of becoming a Direct Clearer post-2026. Achievements include Board approval of our business case and approval for a settlement account from the Bank of Canada. In addition, revised and updated Group Clearer Joint Venture (GCJV) agreements were executed. These accomplishments position us to take greater control over our clearing and settlement operations, while reducing our risk and collateral requirements.

In payments, we formalized a Payments department within SaskCentral, establishing leadership and developing the expertise required to oversee our clearing and settlement functions, particularly in the context of the future of payments modernization. We also finalized a master service agreement with the Prairie Payments Joint Venture (PPJV) designed to streamline communication, strengthen performance monitoring, maintain a strong working relationship, and ensure accountability.

Within our strategic investments, we achieved several key milestones in closing gaps between our investees and organizational objectives. This includes an additional distribution of proceeds from the sale of Concentra Bank to Saskatchewan credit unions; selling our 33.3% share in Celero to CGI while maintaining core banking, digital banking, and security service levels for credit union clients; installing a new executive team at PPJV, followed by a re-worked strategy to deliver on PPJV's original promise; and progressing on the future direction of Everlink.

After the extensive work from 2021 through 2024 to align SaskCentral to its two core businesses, we developed a new Strategic Investment Management framework that aligns investment decisions with our strategic goals, reinforces our value proposition, and ensures

LETTER FROM THE CHAIR AND THE CEO

purposeful financial outcomes for both our organization and Saskatchewan credit unions. This framework allows us to methodically evaluate all investments and develop action plans to ensure their alignment and value to SaskCentral.

We are also focused on operational excellence. To address the evolving digital landscape, we developed a Digital Strategy that will allow the organization to proactively identify opportunities to embrace technology and digitize existing capabilities. Ultimately, we aim to enhance the delivery of our services, build resilience to a rapidly changing technological environment, and support the shift to a digitally-savvy organizational culture.

As always, our people are at the heart of achieving our goals. As such, employee engagement remained a priority throughout 2024, with clear and consistent communications on progress made on our strategic objectives. In response, our employees clearly demonstrated our refreshed elevated Core Values of Accountability, Trust,

Collaboration and Excellence as we focused on new initiatives and organizational structure changes to equip us with the capabilities needed for the future.

As we look to the future and enter year two of our strategy, our goal is to execute our strategic initiatives by embracing new ideas and technologies and by fostering collaboration internally and amongst partners and stakeholders.

As always, in all of our decisions, SaskCentral remains committed to the credit unions we serve. We consider ourselves an important part of a strong Saskatchewan credit union sector – strength that was evidenced by continued growth in 2024, with Saskatchewan credit unions' assets reaching \$28.02 billion and membership increasing to more than 445,000.

We are grateful for the ongoing support and engagement from our credit unions, which we know is critical to achieving our goals and to our ultimate collective success.



Stephen Fitzpatrick,
CEO



Neil Cooper,
Chair



SaskCentral is owned by, and is the liquidity manager for, Saskatchewan credit unions. Working towards its vision of being an exceptional partner that Saskatchewan credit unions trust to deliver expertise in liquidity management services and access to payments ecosystems, SaskCentral's strategy is focused on continually evolving to keep pace with the rapidly changing financial services environment.

Liquidity Management

SaskCentral manages liquidity on behalf of Saskatchewan credit unions directly and through strategic investments. By aggregating statutory liquidity deposits, SaskCentral facilitates clearing and settlement, provides credit facilities that support daily cash flow management, coordinates emergency liquidity support and provides investment management services.

Statutory Liquidity Deposits

By regulation, Saskatchewan credit unions hold 8.65% of their deposits with SaskCentral. These are known as statutory liquidity deposits. For investments backing deposits, SaskCentral invests in liquid assets, which support clearing and settlement, daily cash flow management and emergency liquidity.

Statutory Liquidity deposit products are offered on the basis of the Liquidity Coverage Ratio, where the underlying asset mix backing the deposits are utilized on a pass-through basis by member credit unions for inclusion within Liquidity Adequacy requirements, as outlined by Credit Union Deposit Guarantee Corporation (CUDGC).

Clearing and Settlement

Clearing involves the routing of information related to payment items among financial institutions, to facilitate settlement of payments between payers and payees.

As a clearing Central, Clearing & Settlement is facilitated by SaskCentral, via the Group Clearer, on behalf of member credit unions.

Prairie Payments Joint Venture (PPJV) provides payment processing for credit unions, including processing Interac e-Transfer, wires, cheques, AFT and bill pay. Daily balances are cleared through SaskCentral; the net Saskatchewan cash flow is aggregated with other provinces and the Canadian system net amount is settled with the Bank of Canada.

Payments Canada sets the requirements for accessing the payments ecosystem via the Bank of Canada and outlines roles and responsibilities. Clearing credit union centrals are represented by Central 1 Credit Union (Central 1), which acts as the Group Clearer. A Group Clearing Joint Venture (GCJV) with representatives from Central 1, Alberta Central, SaskCentral and Credit Union Central of Manitoba (CUCM) oversees the functioning of the Group Clearer.

Daily Cash Flow Management

SaskCentral offers several products and services to help credit unions manage daily cash flow requirements, including a current account, credit facilities, and cash services.

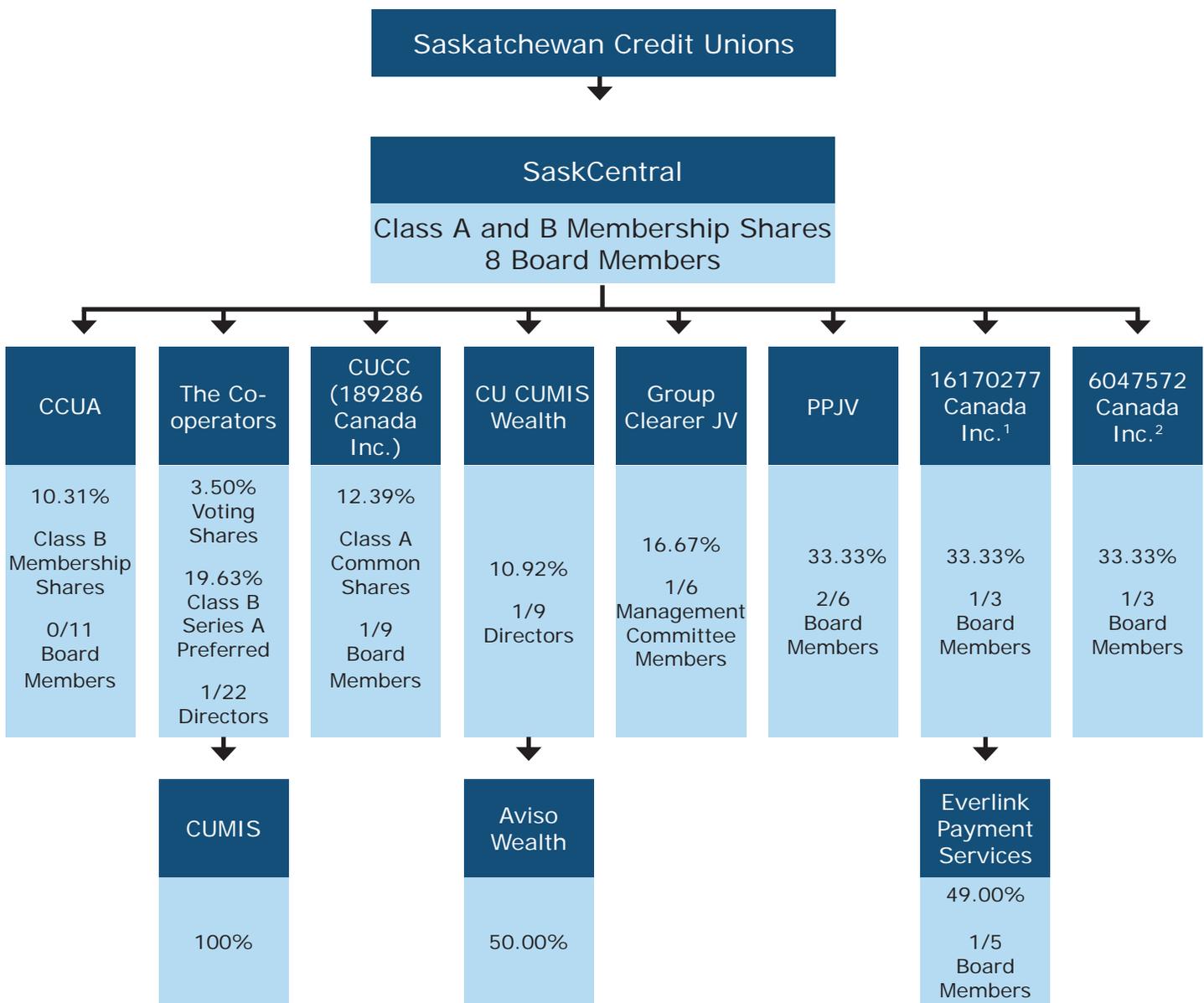
SaskCentral maintains a commercial paper program, supported by a R1-Low credit rating with Morningstar DBRS, coupled with a variety of Repurchase Facilities with Schedule 1 banks. Additionally, SaskCentral maintains access to the Bank of Canada's Standing Term Liquidity Facility (STLF).

Emergency Liquidity Support

SaskCentral provides emergency liquidity support to Saskatchewan credit unions, inclusive of short-term credit facilities, incident management, and communication protocols. SaskCentral’s emergency lending services are assessed annually, through comprehensive scenario-based testing.

Strategic Partners

SaskCentral holds an ownership position in strategic partners as a means of ensuring access to the products and services Saskatchewan credit unions need to provide full service to their members. SaskCentral’s ability to influence investee strategies is tied to its ownership interest in the investee.



1. Established on June 26, 2024
 2. Previously Celero Solutions

Canadian Credit Union Association (CCUA)

Share ownership by SaskCentral (Class B): 10.3%

CCUA is the national trade association that provides services to Canada's credit unions, caisses populaires (outside Quebec) and regional credit union central organizations. CCUA is distinct in its commitment to cooperative values and is the first national credit union-governed organization in Canada.

The Co-operators Group Limited

Share ownership by SaskCentral: 3.5%

The Co-operators is 100% Canadian-owned and operated by co-operatives, credit unions and like-minded organizations, representing a variety of sectors and regions across the country. The Co-operators owns CUMIS, which partners with credit unions to deliver a wide range of insurance and other financial services.

CUCC (legal name 189286 Canada Inc.)

Share ownership by SaskCentral: 12.4%

CUCC provides payments support for Interac Corp. products and services to the national credit union system and acts as the Master Client on behalf of credit unions that use Everlink Payment Services Inc. as the service provider for core Interac Corp. products and services.

CU CUMIS Wealth Holdings LP (CUC Wealth)

Share ownership by SaskCentral: 10.9%

Aviso Wealth, which is owned by CUC Wealth (50%) and Desjardins (50%), supports credit unions in meeting the wealth needs of their members by integrating wealth management services across Canada.

GCJV

Joint venture participation by SaskCentral: 16.7%

Group Clearing is a joint venture of SaskCentral, Central 1, Alberta Central and CUCM that provides governance and oversight for group clearing strategies, activities and risks on behalf of credit unions across the country.

PPJV

Share ownership by SaskCentral: 33.3%

PPJV provides payment processing, including Interac e-Transfer, wires, cheques, AFT and bill pay, for credit unions, their members and other organizations. PPJV is owned by SaskCentral (33.3%), Alberta Central (33.3%), and CUCM (33.3%).

16170277 Canada Inc. (161 Canada)

Share ownership by SaskCentral: 33.3%

The principal activity of 161 Canada is that of an investment holding company, specifically for a 49% equity share in Everlink. 161 Canada is owned by SaskCentral (33.3%), Alberta Central (33.3%), and CUCM (33.3%).

6047572 Canada Inc. (604 Canada), previously Celero Solutions Inc.

Share ownership by SaskCentral: 33.3%

Celero Solutions was a joint venture among Alberta Central, CUCM and SaskCentral, providing information technology solutions to its owner organizations, prairie credit unions and third-party clients.

Celero Solutions Inc. was created to manage contractual activities for the joint venture. On July 3, 2024, Celero Solutions sold its operational assets and activities, including the "Celero Solutions" brand name, to a third party. Following the completion of the

sale, Celero Solutions Inc. was continued as 6047572 Canada Inc. and is currently in the process of winding down its remaining operations.

Strategic Partners Governance

Governance processes balance investee needs to operate within their own environment with credit union needs as users and owners. SaskCentral's leadership team is represented on the following Boards and committees:

- PPJV Board
- CUC Wealth Board
- GCJV Management Committee
- Everlink Payments Services Inc. Board
- CUCC Board
- Co-operators Board
- 161 Canada Board
- 604 Canada Board

In addition to direct representation on the PPJV Board, SaskCentral has appointed M. Elchuk, CIO Affinity Credit Union, to the PPJV Board.

This representation provides opportunities to engage strategic investees where credit union concerns are identified (e.g., service, profitability).

SaskCentral provides updates to the SaskCentral board on investees' performance, and investees regularly present to the SaskCentral board at quarterly board meetings.



Executive Team



Stephen Fitzpatrick, Chief Executive Officer

- Joined SaskCentral in 2021 as CFO/CRO and was appointed CEO in April 2023
- Past Employers: Exchange Bank of Canada/Currency Exchange international, Canadian Credit Union Association, Capital Planning Solutions Inc., CIBC
- MBA, Accounting and Finance, University of Western Ontario - Richard Ivey School of Business; Bachelor of Business Administration (BBA), Accounting, University of Prince Edward Island
- ICD.D designation, Institute of Corporate Directors; CPA designation, Chartered Professional Accountants of Ontario
- Director: Interac Association/ Acxsys Corporation, Concentra Financial Services Association/Concentra Bank, Everlink Payments Services Inc.
- Chair: Interac Association
- Member: Prairie Payments Joint Venture Management Board



Cheryl Maksymiw, Chief Financial Officer & Chief Risk Officer

- Joined SaskCentral in 2009 and was appointed CFO/CRO in February 2024
- Past Employers: CUETS Financial, The Canada Life Assurance Company
- Bachelor of Administration with Cooperative Education designation, University of Regina
- Chartered Professional Accountant designation
- Member: CU CUMIS Wealth Holdings Board, Group Clearing Joint Venture Management Committee, 6047572 (formerly Celero)



Jennifer Uhren, Executive, Corporate Services

- Joined SaskCentral in 2004
- 25 years business and credit union experience
- Bachelor of Commerce, University of Calgary; Human Capital Management Certificate, Queen's School of Business
- Chartered Professional in Human Resources designation (CPHR)
- Director: Co-operators Group Limited, 189286 Canada Inc. (operating as CUCC)



Tyler Huntington, Executive, Investment Services & Liquidity Management

- Joined SaskCentral in 2004
- 25+ years in the financial services industry, with a focus within the Treasury and Capital Markets areas
- Bachelor of Finance, University of Regina
- Chartered Investment Manager and Derivatives Markets Specialist designations; Fellow of Canadian Securities Institute

SaskCentral's corporate governance is anchored in the co-operative principle of democratic member control. Our governance model and co-operative structure differentiate Saskatchewan credit unions from other financial service organizations. Dedicated to our co-operative values, we work to ensure SaskCentral has effective, ethical and transparent governance practices.

Board of Directors

SaskCentral has an eight-person board elected by Saskatchewan credit unions. The board provides strategic oversight to, and overall governance of, SaskCentral, monitoring progress toward business plan objectives and representing the interests of our province's credit unions. All directors are elected at large, with a competency-based board.



Neil Cooper, Chair
Elected in 2018
CFO, Conexus Credit Union
Term expires: 2027



Mark Lane
Elected in 2013
Retired CEO, Affinity Credit Union
Term expires: 2026



Doug Jones, Vice Chair
Elected in 2020
CEO, Cornerstone Credit Union
Term expires: 2026



Trevor Beaton
Elected in 2024
CEO, Synergy Credit Union
Term expires: 2027



Mitchell Anderson
Elected in 2014
Director, Affinity Credit Union
Term expires: 2025



Annette Revet
Elected in 2018
Chief Strategy & Governance
Officer, Conexus Credit Union
Term expires: 2025



Adam Franko
Elected in 2023
General Manager, Luseland
Credit Union
Term expires: 2026



Michelle MacDonald
Elected in 2024
Chief Innovation Officer,
Prosperity Credit Union
(prior, Chief Information Officer,
Prairie Centre Credit Union)
Term expires: 2027

Compensation

Director compensation is paid according to policy, which is periodically benchmarked against that of other like organizations. All payments are subject to review by the chair of the board and SaskCentral Internal Audit. Chair compensation is subject to review by the vice-chair as well as Internal Audit.

Director	Per Diem	Honorarium	Expenses*	Total
Mitchell Anderson	5,350	11,025	1,261	17,636
Trevor Beaton	6,700	8,000	4,300	19,000
Neil Cooper	6,731	25,000	782	32,513
Adam Franko	7,750	11,025	2,949	21,724
Doug Jones	6,550	13,275	2,004	21,829
Mark Lane	6,488	11,025	4,757	22,270
Michelle MacDonald**	4,938	11,025	2,912	18,875
Ian McArthur***	1,563	4,025	380	5,968
Annette Revet	6,513	11,025	326	17,864
Tim Goddard****	1,750	-	-	1,750
Total:	54,333	105,425	19,671	179,429

*Meals, Travel, Personal Development

**Michelle MacDonald was appointed by the Board on October 13, 2023 to replace Tim Goddard until the Annual General Meeting (AGM) in May 2024, when she was elected by the membership to serve on the board.

***Ian McArthur's term ended in April 2024.

****Tim Goddard resigned in September 2023; he continued as SaskCentral's Designate on the Cooperators Board until April 2024.

Board Attendance	Meetings Attended
Mitchell Anderson	11/11
Trevor Beaton	8/8*
Neil Cooper	11/11
Adam Franko	11/11
Doug Jones	11/11
Mark Lane	11/11
Michelle MacDonald	10/11
Ian McArthur	4/4*
Annette Revet	11/11

*Number represents the number of meetings they were eligible to attend due to changes following the AGM.

Meetings References Above	
Board	4
AGM	1
Planning/Development	2
Special Board	3

Note: Any meetings held by special committee of SaskCentral have not been reported on.

Board Evaluation

Evaluations are periodically conducted to ensure board operations are efficient and adhere to the highest standards of integrity. The board conducts an ongoing cycle of self-evaluations, board and committee evaluations and peer evaluations. The board also maintains a board and director development policy aimed at providing resources to support ongoing personal development.

Code of Conduct

A written code of ethical business conduct has been adopted by the board to guide director and employee activities and ensure accountability. All directors, delegates and employees of SaskCentral are required annually to sign a statement that they have read and will abide by this code. The Code of Conduct is reviewed every two years by the board and corporate counsel. The last review took place in March 2024.

Whistleblower Policy

The SaskCentral whistleblower policy states that all SaskCentral employees and directors are responsible for reporting actual or potential unethical conduct. The intent of this policy is to provide individuals with a mechanism or channel by which they can report incidents of actual or potential improper or unethical conduct without fear of reprisal or unwarranted negative consequences. The whistle blower policy is reviewed by the board and corporate counsel every two years. The last review took place in December 2023.

CEO Position Description

The SaskCentral board maintains a written description of the position of the CEO, outlining the role, accountabilities, qualifications and challenges of the position and provides a reference point for the development of the CEO's annual performance plan. The CEO position profile was reviewed and updated in 2024. A CEO performance plan is developed and evaluated based on the position description and priority deliverables for the year aligned to the business plan and balanced scorecard.

Committees

Audit and Risk Committee

Role:

Responsible for assisting the Board in its oversight of SaskCentral's financial operations and enterprise risk management in areas deemed necessary to maintain the integrity of:

- SaskCentral's financial statements and other financial information;
- the qualifications, performance, and independence of the external auditors,
- the performance of SaskCentral's internal audit function;
- the adequacy of internal controls;
- adherence to sound business practices, and
- compliance with legal and regulatory requirements.

Audit and Risk Committee	Meetings Attended
Mitchell Anderson (Chair-3)	3/4
Neil Cooper	4/4
Doug Jones	1/1*
Adam Franko	4/4
Trevor Beaton (Chair-1)	3/3*

*Number represents the number of meetings they were eligible to attend due to changes following the AGM.

Governance, Human Resources and Conduct Review Committee

Role:

- Monitors and oversees governance practices and processes used to support the board in carrying out its governance mandate, which is to direct and control the business affairs of SaskCentral.
- Reviews SaskCentral's human resources strategy and initiatives, human resources policies and programs, and oversees CEO performance management and compensation processes.
- Ensures related party transactions are identified, reviewed and dealt with in accordance with prudent business practices.
- Promotes ethical behaviours through SaskCentral's Code of Conduct.
- Supports the performance of SaskCentral by overseeing the overall Board policy framework, including SaskCentral's bylaws.

Governance, HR and Conduct Review Committee	Meetings Attended
Annette Revet (Chair)	4/4
Doug Jones	3/3*
Mark Lane	4/4
Ian McArthur	1/1*
Michelle MacDonald	4/4
Neil Cooper (Board Chair)	3/4

*Number represents the number of meetings they were eligible to attend due to changes following the AGM.

Nominating Committee

Role:

- Oversees the annual nomination process of directors to the Board.
- Recommends the director election process and short list of candidates to the Board.
- Pro-actively searches for nominees who possess the competencies, experiences, and diversity the Board is seeking in upcoming director positions.
- Leads the process of reviewing and interviewing qualified candidates.
- Maintains and regularly reviews an evergreen list of individuals who have expressed an interest in serving on the Board.

Nominating Committee	Meetings Attended
Annette Revet (Chair-3)	3/3*
Doug Jones (Chair-1)	4/4
Adam Franko	4/4
Mark Lane	3/3*
Michelle MacDonald	1/1*
Trevor Beaton	1/1*

*Number represents the number of meetings they were eligible to attend due to changes following the AGM.

Transaction Oversight Committee: Project Eagle

Role:

- The Transaction Oversight Committee Project Eagle was established by the SaskCentral Board of Directors to act on its behalf with respect to the divestiture of SaskCentral's ownership of Concentra Bank. In February 2024, this Committee was dissolved.

Transaction Oversight Committee	Meetings Attended
Neil Cooper (Chair)	1/1
Doug Jones	1/1
Mark Lane	0/1
Annette Revet	1/1

Transaction Oversight Committee: Project Cheetah

Role:

- The Transaction Oversight Committee Project Cheetah was established by the SaskCentral Board of Directors to act on its behalf with respect to SaskCentral's ownership interest of Celero Solutions Inc.

Transaction Oversight Committee	Meetings Attended
Mark Lane (Chair)	5/5
Doug Jones	5/5
Annette Revet	5/5
Michelle MacDonald	2/2*
Ian McArthur	2/3*

*Number represents the number of meetings they were eligible to attend due to changes following the AGM.

Transaction Oversight Committee: Project North

Role:

- The Transaction Oversight Committee Project North was established by the SaskCentral Board of Directors to act on its behalf with respect to SaskCentral's ownership interest of Everlink.

Transaction Oversight Committee	Meetings Attended
Mark Lane (Chair)	3/3
Doug Jones	3/3
Adam Franko	3/3
Michelle MacDonald	3/3

CEO Search Committee

Role:

- The CEO Search Committee has been established by the SaskCentral Board of Directors to lead the process for conducting the search for the new CEO, including making recommendations to the Board on qualified candidates.

CEO Search Committee	Meetings Attended
Mark Lane (Chair)	4/4
Adam Franko	4/4
Annette Revet	4/4
Trevor Beaton	3/4

Co-operative Social Responsibility (CSR)

SaskCentral's CSR strategy focuses on organizational behavior that benefits society, the economy and the environment, linking to our corporate values and business plan and aligning with the plans and priorities of our key stakeholders – credit unions, employees and the community.

Credit Unions

Stakeholder engagement is a key component of CSR. SaskCentral engages directly with credit unions on a daily basis to support their needs. SaskCentral's strategy is designed to enhance our focus on credit unions and to deliver to a high standard in our two core business competencies, liquidity management and access to payments ecosystems. By offering products and services on commercial terms, we ensure SaskCentral understands the markets in which it operates on behalf of our credit union members and customers.

Employees

SaskCentral encourages and supports volunteerism among staff with a company policy allowing employees up to three paid days per year to serve in volunteer activities. In 2024, more than 40% of employees donated 133 hours of their time.

Creating a safe, comfortable and environmentally friendly workplace is also a priority. In 2022, SaskCentral renewed its BOMA BEST silver certification which it will hold until 2025. BOMA BEST® is a national green building certification program which assesses an organization's environmental performance and management of its buildings.

Community

As a co-operative, SaskCentral upholds the principle of giving back to the community. In 2024, the organization donated more than \$52,000 to local charities and non-profit organizations through financial contributions and volunteer hours. This includes SaskCentral's Building Communities Grant program, which allows each employee to name a charity or non-profit of their choice to receive a donation of \$300. In 2024, we donated \$11,100 to 17 Saskatchewan community organizations through that program.

Environmental, Social and Governance (ESG)

In 2024, we began work to develop an ESG Strategy to demonstrate our commitment to sustainability and ethical practices, help strengthen stakeholder trust and satisfaction and reinforce SaskCentral's role as a reliable and responsive partner for credit unions. The strategy will be aligned with our organizational objectives, values and risk appetite, as well as our strategic and operational priorities and capacity.

In 2025, we will complete strategy development and begin implementation of the identified priority areas of focus.

Diversity, Equity, and Inclusion (DEI)

In 2024, SaskCentral built on the foundation of the DEI strategy implemented in 2023 providing the organization with formal education to build DEI competence. Actions included providing cultural competence, unconscious bias, and Truth & Reconciliation education and training for all employees; implementing inclusive leadership training opportunities for senior leaders; and implementing a land recognition practice for corporate meetings.

The strategy, laid out as the Inclusion Diversity Equity and Accessibility (IDEA) Roadmap, includes a vision to create an organization where we welcome and celebrate diverse perspectives and experiences, engage and respect all employees, and nurture our connection to our community.

Plans for 2025 include aligning the DEI plan with the ESG strategy, with the development of relevant DEI metrics, reporting, and analysis.

This section of the report, which provides management's discussion and analysis (MD&A), reviews and analyzes the results of operations and financial condition of SaskCentral for the year ended December 31, 2024. The financial information within this MD&A should be read in conjunction with SaskCentral's audited consolidated financial statements for the year ended December 31, 2024, which were approved by the Board of Directors (the Board) on March 5, 2025.

The results presented in this MD&A, and in the consolidated financial statements, are reported in Canadian dollars and have been prepared in accordance with IFRS® Accounting Standards. For the purpose of SaskCentral's consolidated MD&A, SaskCentral refers to the consolidated entity, including its downstream investees, Prairie Payments Joint Venture (PPJV), 16170277 Canada Inc. (161 Canada) and CU CUMIS Wealth Holdings LP (CUC Wealth).

Caution Regarding Forward-Looking Statements

From time to time, SaskCentral makes written and verbal forward-looking statements. Statements of this type are included in reports to Saskatchewan credit union shareholders and the annual report and may be included in filings with Canadian regulators in other communications. Forward-looking statements include, but are not limited to, statements about SaskCentral's objectives and strategies, targeted and expected financial results and the outlook for SaskCentral's business or for the Canadian economy.

By their very nature, forward-looking statements involve numerous assumptions. A variety of factors, many of which are beyond SaskCentral's control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, changes in economic and political conditions, legislative and regulatory developments, alignment of strategies of potential partners, legal developments, the accuracy of and completeness of information SaskCentral receives from counterparties, the ability to attract and retain key personnel and management's ability to anticipate and manage the risks associated with these factors. The preceding list is not exhaustive

of possible factors. These and other factors should be considered carefully, and readers are cautioned not to place undue reliance on these forward-looking statements. SaskCentral does not undertake to update any forward-looking statements, whether written or verbal, that may be made from time to time by it or on its behalf.

Company Profile

SaskCentral is owned by, and is the liquidity manager for, Saskatchewan's credit unions. By aggregating statutory liquidity deposits, SaskCentral facilitates clearing and settlement, provides credit facilities that support daily cash flow management, coordinates emergency liquidity support and provides investment management services.

SaskCentral maintains business arrangements with, and investments in, a number of co-operative financial service organizations. These relationships provide Saskatchewan credit unions with required services and enable SaskCentral to achieve efficiencies by dealing with key service suppliers on behalf of all Saskatchewan credit unions.

A summary of SaskCentral's strategic partners and their classification for accounting purposes is as follows:

MANAGEMENT DISCUSSION AND ANALYSIS

Strategic Partners	Accounting Classification
16170277 Canada Inc. (161 Canada)	Joint operation
189286 Canada Inc. (CUCC)	Equity investment
6047572 Canada Inc. (604 Canada), previously Celero Solutions	Investment in associate
Canadian Credit Union Association (CCUA)	Equity investment
The Co-operators Group Limited	Equity investment
CUC Wealth	Investment in associate
Prairie Payments Joint Venture (PPJV)	Subsidiary

604 Canada (previously Celero Solutions) was classified as an asset held for sale in the 2023 year-end consolidated financial statements. On July 3, 2024, Celero Solutions sold its operational assets and activities to a third party, including the "Celero Solutions" brand name. Following the completion of the sale, Celero Solutions changed its name to 6047272 Canada Inc. 604 Canada is currently in the process of winding down its operations. Refer to note 24 of the consolidated financial statements for further information regarding the sale.

Economic Overview

Economic activity expanded at a moderate pace throughout 2024, supported by higher household and government spending. As inflation continued to fall and remained below 3%, the Bank of Canada shifted its attention to rising unemployment and bolstering economic growth. The Bank of Canada cut the overnight rate from 5.0% to 3.25% throughout 2024, with consecutive 50 basis-point cuts towards the end of the year.

The Canadian economy is expected to modestly grow around 1.5% for 2025 as

momentum from interest rate cuts gradually builds and strengthen growth. Population growth, which has largely supported the Canadian economy in recent years, is expected to slow with reduced immigration targets, limiting growth and potentially improving the labour market towards the end of 2025. The largest uncertainty for the Canadian economy in 2025 is the impact from U.S. policy changes, particularly tariffs. Potential tariffs could lower Canadian GDP growth to below 1.0%, as well as moderate business investment as demand will be more difficult to forecast. Overall, the 2025 outlook for Canada remains cautiously optimistic with economic recovery supported by favorable monetary policy, clouded by trade uncertainties and ongoing geopolitical conflicts.

Saskatchewan Credit Union Performance

SaskCentral manages liquidity on behalf of Saskatchewan credit unions and SaskCentral's financial strength is built upon the financial strength of Saskatchewan credit unions, which are financially sound.

Credit Union Deposit Guarantee Corporation (CUDGC) functions as the deposit guarantor for Saskatchewan credit unions and serves as the primary regulator for credit unions and SaskCentral. Together, these entities are considered Provincially Regulated Financial Institutions (PRFIs). CUDGC operates under provincial legislation, namely, *The Credit Union Act, 1998*, and *The Credit Union Central of Saskatchewan Act, 2016*. The responsibility for overseeing CUDGC is assigned to the Registrar of Credit Unions at the Financial and Consumer Affairs Authority of Saskatchewan as stipulated by provincial legislation.

Established in 1953, CUDGC holds the distinction of being the first deposit guarantor in Canada, ensuring the successful guarantee of deposits against credit union failure. Through promoting responsible governance, risk management, and prudent management of capital, liquidity, along with guaranteeing deposits, CUDGC plays a crucial role in fostering confidence in Saskatchewan PRFIs.

Saskatchewan Credit Union Performance (continued)

For more information about CUDGC's responsibilities and its role in promoting the strength and stability of Saskatchewan PRFIs, consult its website at www.cudgc.sk.ca.

CUDGC provides Quarterly Highlights containing detailed information on Saskatchewan Credit Union performance, also available on its website.

Statistical Review of Provincial Credit Unions

	2020	2021	2022	2023*	2024*
Credit Unions	39	36	35	32	32
Employees	3,277	3,384	3,449	2,998	3,054
Members	486,152	490,288	497,389	444,614	445,034

* In June 2023, Innovation Credit Union became a federal credit union and therefore, is not included in the statistics for 2023 and 2024.

2024 SaskCentral Consolidated Financial Performance

Results Overview

SaskCentral's consolidated financial performance includes results from SaskCentral and its investees. The financial performance and stability of SaskCentral is summarized according to the following categories: profitability, growth, liquidity, and return on equity (ROE).

Assets Held for Sale and Discontinued Operations

Regina Commercial Office Building

In 2023, SaskCentral's land, building, and investment property were classified as held for sale and presented separately in the consolidated balance sheet. SaskCentral continues to market the assets as the disposal is consistent with SaskCentral's long-term business plan.

Celero Solutions

During 2023, the Board approved the intent to sell SaskCentral's investment in Celero Solutions. The investment was reclassified as an asset held for sale in the consolidated

balance sheet. Prior to 2023, SaskCentral accounted for Celero Solutions as an investment in associate using the equity method. The operational assets, contracts and the brand name of Celero Solutions were sold in 2024.

Everlink

Collectively, the Board of Directors of SaskCentral, Alberta Central, and Credit Union Central of Manitoba have committed to a plan to sell their 49% ownership in Everlink. The disposal is consistent with SaskCentral's long-term business plan.

Future information regarding the assets held for sale and discontinued operations is provided in note 24 of the consolidated financial statements.

Profitability

SaskCentral generated profit of \$6.0 million (2023 – \$12.7 million). SaskCentral's profit from continuing operations was \$9.9 million (2023 – \$3.2 million). Non-interest income increased by \$21.7 million and was offset by a decrease in net interest income of \$6.0 million. SaskCentral's loss from discontinued operations was \$3.9 million (2023 - \$9.6 million profit).

MANAGEMENT DISCUSSION AND ANALYSIS

Consolidated Profit (in millions)

Net interest income decreased to \$15.1 million (2023 - \$21.2 million) driven by declining interest rates in 2024. Assessment revenue of \$6.7 million (2023 - \$6.2 million) increased from prior year due to system asset growth. SaskCentral continued to offer market comparable pricing on products and services consistent with benchmarks in 2024.

Fee for service revenue increased to \$27.7 million (2023 - \$12.8 million) due to an increase in payment processing fees revenue in PPJV.

Realized and unrealized gains on financial instruments increased to \$4.8 million (2023 - \$1.3 million) primarily due to an increase in unrealized gains on financial assets as a result of decreasing interest rates, as well as closing of long-term credit spreads related to financial liabilities impacting SaskCentral's own credit risk reserve.

The share of profit in associates represents SaskCentral's share of net income (losses) from its investees. SaskCentral's share of profits was \$1.9 million (2023 - \$0.9 million loss). The increase was due to strong earnings from CUC Wealth.

Non-interest expenses of \$42.7 million (2023 - \$36.2 million) represent expenditures incurred to manage liquidity for Saskatchewan credit unions and payments processing services, as well as general operating expenses such as salary and employee benefits and occupancy

costs. The non-interest expenses related to payments processing services increased due to previously capitalized development costs for the payments platform being recorded as amortization expense. This is due to a change in PPJV's platform development plans resulting in this cost no longer meeting the criteria to be recognized as an asset. The non-interest expenses related to SaskCentral's core services decreased largely due to reduced professional fees.

Growth

Deposits are comprised of statutory liquidity deposits and credit union cash balances. Statutory liquidity deposits increased 5.0% (2023 - 18.4% decrease). The statutory liquidity requirement as percent of credit unions deposits reduced from 10.0% to 8.65% in 2023. Credit union cash balances increased 1.7% (2023 - 13.5%). Credit union cash balances can fluctuate substantially year over year. The balances shown for 2020 and 2021 include Concentra Bank deposits. Concentra Bank was sold in 2022.

Consolidated Deposits (in millions)



Liquidity

SaskCentral continued to hold a strong liquidity position in 2024. Cash and securities totaled \$2.5 billion, or 95.9% of assets (2023 – \$2.4 billion or 95.6%).

Return on Equity

Equity decreased by \$15.9 million from 2023. Annual earnings resulted in a net increase to retained earnings of \$5.7 million. SaskCentral repatriated \$17.6 million of Class A membership shares and \$2.4 million of Class B membership shares in 2024. For 2024, SaskCentral’s ROE was 2.5% (2023 – 4.6%). The ROE from continuing operations improved to 4.2% from 1.1%.

Consolidated Return on Equity



Liquidity Management

SaskCentral manages liquidity by evaluating regulatory developments, monitoring liquidity risks and assessing liquidity sufficiency.

SaskCentral uses two metrics to monitor

liquidity risk: the SaskCentral stand-alone Liquidity Coverage Ratio (LCR) and CUDGC’s LCR. The stand-alone LCR is modeled after the Standards of Sound Business Practice – Liquidity Adequacy Requirements (SSBP-LAR) published by CUDGC. This guideline does not apply to SaskCentral; however, SaskCentral

has incorporated the SSBP-LAR principles in the LCR. CUDGC's LCR is based on the balance sheet of all Saskatchewan credit unions and includes their statutory liquidity deposit investments. Both measures are used to assess SaskCentral's liquidity position, and all policy requirements have been met in 2024. Refer to note 3 of the consolidated financial statements for further information.

SaskCentral supports credit unions in managing their LCR. A credit union's stock of High-Quality Liquid Assets (HQLA) includes securities held directly as well as those held indirectly in the form of statutory liquidity deposits with SaskCentral. A credit union may allocate the amount of its statutory liquidity deposits to each level of HQLA and other liquid assets on a 'look-through' basis and in accordance with the investment allocation of the liquidity pool at each level.

Capital Management

Capital management consists of maintaining the capital required to cover risks and comply with the regulatory capital ratios defined by CUDGC. Policies are developed to set out the principles and practices SaskCentral incorporates into its capital management strategy. These policies also set out the basic criteria SaskCentral adopts to ensure that it has sufficient capital at all times and prudently manages such capital in view of its future capital requirements.

SaskCentral has developed an Internal Capital Adequacy Assessment Process (ICAAP) as an important component of its Enterprise Risk Management (ERM) framework. ICAAP provides a comprehensive financial analysis of the organization's major risks. This analysis improves the understanding of the issues facing SaskCentral and their financial impact on the organization. The ICAAP allows SaskCentral to make more informed decisions about its strategic initiatives, organizational policies, and capital optimization strategies.

Doing so assists SaskCentral in meeting its strategic objectives.

SaskCentral actively manages capital to ensure long-term financial stability, support liquidity functions, and maintain an investment-grade credit rating. Capital plans analyze the different strategies that are available to SaskCentral to optimize capital. Specifically, the purpose of capital planning is to ensure SaskCentral has adequate capital to meet regulatory and operational requirements; provide flexibility for changes in business plans; and signal financial strength to stakeholders.

Regulatory Capital and Capital Ratios

Capital levels are regulated pursuant to guidelines issued by CUDGC. Regulatory capital is allocated to two tiers. Tier 1 capital comprises the highest quality capital and is a core measure of SaskCentral's financial strength. It consists of more permanent components of capital, is free of mandatory fixed charges against earnings and has a subordinate legal position to the rights of depositors and other creditors. SaskCentral's Tier 1 capital is comprised of credit union membership shares and retained earnings. Tier 2 capital includes supplementary capital instruments that contribute to the overall strength of SaskCentral as a going concern but fall short of meeting the Tier 1 requirements. Total capital is defined as the sum of Tier 1 and Tier 2 capital. For further details on the terms and conditions of the various capital components, refer to note 5 of the consolidated financial statements. Regulatory capital is adjusted for investments in unconsolidated subsidiaries, where SaskCentral holds an ownership position of 10% or higher. The investment in CUC Wealth (net of accumulated other comprehensive income) is deducted from SaskCentral's capital. This allows CUDGC to monitor the capital strength of SaskCentral's stand-alone operations.

Borrowing Multiple

Regulatory capital adequacy for SaskCentral is measured by CUDGC through the borrowing multiple. The borrowing multiple is calculated by dividing total borrowings by Tier 1 and Tier 2 regulatory capital. Total borrowings consist of deposits, loans payable, notes payable, and other adjustments. CUDGC sets a limit of 20.0:1 that the borrowing multiple must not exceed. SaskCentral has set its own ceilings that are below that of CUDGC.

The *Financial Management Policy* establishes an internal limit of 18.0:1, at which point SaskCentral's Board of Directors must require management to take mitigating action to make certain the borrowing multiple does not exceed CUDGC's limit. The *Financial Management Policy* also establishes a management limit of 17.0:1, at which point management will outline actions to the Board to assuage the situation. As of December 31, 2024, the borrowing multiple was 13.2:1 (2023– 11.6:1).

Tier 1 and Tier 2 Capital

	2024	2023
Tier 1 Capital	220,180	236,121
Total Borrowing Multiple Capital	179,963	194,886
Total Borrowings	2,374,916	2,269,796
Actual Borrowing Multiple	13.2:1	11.6:1
SaskCentral Policy Limit	18.0:1	18.0:1
Tier 1 Regulatory Capital		
Membership shares	71,562	91,503
Retained earnings	155,023	149,310
Own credit risk ¹	(2,534)	(821)
IFRS related reclassification ²	(3,871)	(3,871)
Total Tier 1 Capital	220,180	236,121
Tier 2 Regulatory Capital		
IFRS related reclassification ²	3,871	3,871
Total Tier 2 Capital	3,871	3,871
Total Tier 1 and Tier 2 Capital	224,051	239,992
Deduct:		
Investments in unconsolidated subsidiaries	32,711	30,859
Assets of little or no realizable value	11,377	14,247
Total Tier 1 and Tier 2 Capital	179,963	194,886

¹ Represents the cumulative impact of SaskCentral's own credit risk (OCR) on financial liabilities measured at fair value through profit or loss.

² Accumulated net after-tax fair value gain on investment property is reclassified to Tier 2.

MANAGEMENT DISCUSSION AND ANALYSIS

SaskCentral's capital plan evaluates projected capital adequacy and considers capital options, including membership share true-ups and organic growth of retained earnings.

SaskCentral's bylaws require each Class A and Class B member credit union to maintain mandatory membership share capital equal to a percentage of their previous year's assets, as determined by the Board. The percentage shall not be less than 0.01% and not more than 1.0% for each of Class A and Class B.

The mandatory membership share capital level in 2024 was set at 0.30% of 2023 year-ending assets (2023 – 0.32%) for Class A membership shares and 0.27% (2023 – 0.32%) for Class B membership shares. This lower setting resulted in repatriating \$1.7 million (net) in Class A membership shares and \$0.3 million in Class B membership shares back to credit unions.

During the year, SaskCentral repatriated \$17.9 million in shares (2023 - \$82.3 million) relating to Concentra sale proceeds. This action reset the capitalization rates for Class A and Class B membership shares to 0.24% and 0.216% of 2023 year-end assets, respectively.

SaskCentral remains well capitalized and able to support Saskatchewan credit unions. Based on the borrowing multiple at the end of 2024, SaskCentral would be able to withstand additional capital shocks of \$48.0 million before reaching the Board policy limit of 18.0:1.

Capital Requirements

The primary purpose of capital is to support clearing and settlement, daily cash flow management and emergency liquidity support. Regulatory limits are established to ensure sufficiency of capital for these purposes.

Uses of Capital

Capital is directed to strategic investments

that provide products and services to assist credit unions in servicing their members. These investments include PPJV, CUC Wealth, 6047572 Canada (formerly Celero Solutions), 161 Canada, The Co-operators, Canadian Credit Union Association, and 189286 Canada Inc. (operating as CUCC). Excess capital that is not required to manage risk and comply with regulatory requirements is returned to credit unions either through a dividend, or through the repatriation of membership share capital.

Future Capital Environment

SaskCentral continues to closely monitor developments in domestic and international regulatory environments to assess the impact on our current and future capital position and will revise its capital management strategies to reflect any changes.

Enterprise Risk Management

SaskCentral's ERM framework aligns with the ERM framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The ERM framework is approved by the Board and implemented by the ERM function, led by the Chief Risk Officer (CRO). The framework describes the principles, governance structures, roles and responsibilities and key concepts that SaskCentral uses to guide its assessment of risks within the organization and outlines a thorough and systematic way that risk is identified, measured, managed, monitored and reported.

ERM is designed to identify potential events and risks that may significantly affect SaskCentral's ability to achieve its statutory obligations and strategic goals and objectives. The aim of ERM at SaskCentral is not to eliminate risk, but to ensure existing and emerging risks are identified and managed within the board approved risk appetite and tolerances.

ERM is closely tied with SaskCentral's strategy and business plan and is integrated with SaskCentral's strategic goals and balanced scorecard. SaskCentral's key risks and emerging risks are reviewed, challenged, and approved by the SaskCentral Audit and Risk Committee of the Board quarterly. SaskCentral has identified a multi-year strategy which includes the primary strategic goals most critical to the organization's success. These strategic goals are used as the major risk categories, facilitating more intense scrutiny of critical areas during risk identification.

As a financial institution, SaskCentral takes on risk to create value for its shareholders. Credit and market risk are undertaken within the risk tolerance levels outlined in the Board's policies. These portfolios of risk reflect the organization's competencies and capacities. They are evaluated, managed, and priced on the basis of changing business conditions in the competitive environment.

SaskCentral provides centralized coordination of emergency liquidity injection as described in the Liquidity Crisis Management Plan. The plan provides the basis for navigating through a liquidity crisis in a timely and appropriate manner by outlining triggers, roles and responsibilities and communication protocols. The plan is reviewed annually. The Liquidity Crisis Management Team is comprised of decision makers from SaskCentral, CUDGC, the affected credit union(s), PPJV, the Group Clearer Joint Venture and the Canadian Credit Union Association (CCUA).

SaskCentral's *Capital Crisis Management Plan* provides a basis for analyzing capital management options during a capital stress event and the organization's ability to minimize capital erosion, maintain or replenish capital levels.

As a Provincial Systemically Important Financial Institution, SaskCentral maintains a Recovery Plan with a purpose to restore

stakeholders' confidence in the financial soundness of the institution following an extreme, but plausible, stress event. The Recovery Plan outlines management actions that demonstrate SaskCentral's ability to recover from extreme liquidity and capital events. Recovery Plan scenarios and actions are updated annually and filed with CUDGC.

Every organization is vulnerable to loss as a result of business disruption or disasters. SaskCentral is responsible for preventing or mitigating the impact on the organization, including recovering critical functions for clients and protecting employees and tenants. To minimize the potential impact from these types of events, SaskCentral maintains a comprehensive Continuity Management Program to direct the effective management of any major business continuity disruption.

SaskCentral has a Board-approved conflict of interest policy and a code of conduct that all employees and directors must follow. In addition, SaskCentral has a regulatory compliance framework and anti-money laundering / anti-terrorist financing framework and an appointed Chief Compliance Officer / Chief Anti-Money Laundering Officer, who oversees and is responsible for the framework, regular risk assessments and reporting to executive management and the Board on legislative and regulatory compliance.

2025 Outlook

The following forward-looking information in this section must be read in conjunction with the Caution Regarding Forward-Looking Statements described at the beginning of the MD&A.

Credit unions continue to operate in and respond to a rapidly changing environment, one driven by technological advancements, economic and competitive pressures, and changing consumer behavior and preferences. This presents continued pressures around

MANAGEMENT DISCUSSION AND ANALYSIS

margins, growth and member acquisition for credit unions, and impacts technology, digitization and efficiency.

In addition, the payments landscape is changing. Payments Canada is working to modernize Canada's payment systems; a modern payments infrastructure designed for the digital world will introduce new opportunities to simplify and enhance everyday payment interactions.

With this highly evolving environment directly driving SaskCentral's strategy, in 2024, SaskCentral introduced *Momentum Unleashed*, a three-year plan designed to strengthen our role as a trusted partner in the delivery of liquidity management and access to the payments ecosystem for Saskatchewan credit unions. Our achievements over the past year demonstrate our core purpose of contributing to vibrant and sustainable Saskatchewan credit unions by providing access to modernized payments processing and market relevant liquidity solutions to best serve the needs of our member owners and customers.

As we move into 2025, we will continue executing our strategy, focused on four key areas:

Clearing and Settlement

Our primary objective is to ensure operational readiness for the transition to Direct Clearer post-2026, which will position SaskCentral as a direct participant in Payments Canada. This includes receiving approval from Payments Canada for our direct participation in the Automated Clearing Settlement System (ACSS), finalizing agreements, and establishing our exit strategy from the Group Clearing Joint Venture (GCJV). Through this work, we will collaborate with our system partners on the development and testing of the systems and processes required to become a direct clearer. We will also engage with our regulator, key stakeholders and Saskatchewan credit

unions, to secure support and approval for our initiatives, while enhancing our collaborative approach.

Liquidity Management

In 2025, we will engage with our credit unions to enhance our market-relevant liquidity offerings and collaborate with our regulator to update and expand self-managed Statutory Liquidity options. Building on our progress towards becoming a Direct Clearer, we will explore further opportunities to reduce capital and statutory liquidity requirements by leveraging lower collateral needs and optimizing our liquidity management strategies. We will also continue to evolve and strengthen our emergency liquidity procedures and protocols in collaboration with our regulator. In addition, we will focus on modernizing our client service delivery platform by leveraging our digital strategy.

Payments

Leveraging our current relationship with Payments Canada and other industry partners, in 2025 we will ensure SaskCentral is operationally prepared for the implementation of Real-Time Rail (RTR) and the implications of Payments Canada's exploration of the Future of Retail Batch payments (FSRB). This will involve a comprehensive assessment of business and IT-related requirements. We will also prioritize operational readiness for the migration of wires, AFT, and cheques, ensuring that our internal settlement processes and system changes are fully aligned with the PPJV framework and that credit unions continue to receive uninterrupted service throughout the transition. A key focus will be developing and implementing metrics to monitor and measure PPJV performance, establishing controls and processes to close gaps and improve risk oversight.

Strategic Investees

In 2024, SaskCentral received board approval of a new Strategic Investment Management (SIM) framework, designed to evaluate the organization's strategic investments based on alignment with strategic goals, value to credit unions, governance, and financial risk and return. Executing decisions from our SIM framework, we will advance efforts to refine our portfolio, ensuring alignment with SaskCentral's purpose while providing value to credit unions. In collaboration with our central partners, we will oversee the execution of PPJV's strategy, as well as identify the most effective corporate structure, governance framework, and funding model for PPJV to improve the stability, security and cost-effectiveness of services for credit unions.

Accounting Matters

Critical Accounting Policies and Estimates

The accompanying consolidated financial statements have been prepared in accordance with the IFRS® Standards. The material accounting policies used in the preparation of the consolidated financial statements are described in note 2. The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses at year end. Critical accounting estimates and judgments are described in note 2 of the consolidated financial statements.

Changes in Accounting Policies

A number of new accounting standards are effective for annual reporting periods beginning after January 1, 2024, and earlier application is permitted. However, SaskCentral has not early adopted any new or amended accounting standards in preparing these consolidated financial statements. SaskCentral does not expect the new or amended accounting standards to have an impact on SaskCentral's consolidated financial statements, with the exception of the following:

IFRS 18, *Presentation and Disclosures in Financial Statements*, will replace IAS 1, *Presentation of Financial Statements*, and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces requirements to present specific categories and defined subtotals in the statement of profit or loss, provides disclosures on management defined performance measures in the notes to the financial statements, and improves aggregation and disaggregation. SaskCentral anticipates that the application of the new standard will have an impact on the presentation of the consolidated financial statements when it is applied in future periods.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of Credit Union Central of Saskatchewan

Management has responsibility for preparing the accompanying consolidated financial statements and ensuring that all information in the annual report is consistent with the consolidated financial statements. This responsibility includes selecting appropriate accounting principles and making objective judgements and estimates in accordance with IFRS® Standards.

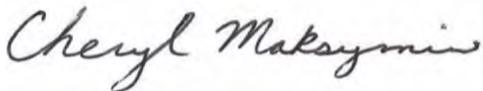
In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained. The system of internal controls is further supported by Internal Audit, which regularly reviews all aspects of SaskCentral's operations. The Board of Directors and the Audit and Risk Committee are composed entirely of directors who are neither management nor employees of SaskCentral. The Audit and Risk Committee is appointed by the Board to review the consolidated financial statements in detail with management and to report to the Board prior to its approval of the consolidated financial statements for publication.

Credit Union Deposit Guarantee Corporation (CUDGC) of Saskatchewan reviews the activities of SaskCentral to ensure compliance with the *Cooperative Credit Associations Act (Canada)* and the *Credit Union Central of Saskatchewan Act, 2016*, to ensure the safety of depositors and members of SaskCentral and to ensure that SaskCentral is in sound financial condition. Their findings are reported directly to management.

External auditors are appointed by the members to audit the consolidated financial statements and report directly to them; their report is presented separately.



Stephen Fitzpatrick,
Chief Executive Officer



Cheryl Maksymiw,
Chief Financial Officer / Chief Risk Officer
March 5, 2025

To the Members of Credit Union Central of Saskatchewan

The purpose of the Audit and Risk Committee is to ensure an independent review of SaskCentral's financial operation in areas deemed necessary to maintain the integrity of financial data, adequacy of internal controls and adherence to sound financial practices.

The Audit and Risk Committee, composed of four directors independent of management, meets at least quarterly and provides a report to the Board of Directors on its activities following every meeting. The Audit and Risk Committee reviews the annual consolidated financial statements with management and recommends their approval to the Board of Directors.

The Audit and Risk Committee requires management to implement and maintain appropriate internal control procedures, and reviews, evaluates and approves those procedures. Annually, management prepares amendments to the *Financial Management Policy*, which are reviewed by the Audit and Risk Committee. As part of its mandate, the Audit and Risk Committee monitors management's adherence to the *Financial Management Policy*. In addition, any significant transactions that could affect the well-being of SaskCentral are reviewed by the Audit and Risk Committee.

The Audit and Risk Committee recommends the appointment of the external auditor and reviews the terms of the external audit engagement, annual fees, audit plans and scope, and the audit summary report. The Audit and Risk Committee meets with the Chief Internal Auditor to review and approve audit plans, and reviews reports from Internal Audit on the effectiveness of the internal control environment. Both the external auditor and Internal Audit have free access to, and meet periodically with, the Audit and Risk Committee to discuss their findings.

Management provides the Audit and Risk Committee with certifications on its compliance with the Credit Union Deposit Guarantee Corporation (CUDGC) requirements. Also, management letter recommendations received from CUDGC are reviewed by the Audit and Risk Committee.



Mitchell Anderson
Chair, Audit and Risk Committee
March 5, 2025



SaskCentral's head office is located in Regina, on Treaty 4 land and within the traditional territory of the Métis.

Saskatchewan credit unions serve members and communities associated with Treaties 2, 4, 5, 6, 8 and 10. This includes the traditional lands of the Nêhiyawak (Plains Cree), Nahkawiniwak (Saulteaux), Nakota (Assiniboine), Dakota and Lakota (Sioux), and Denesuline (Dene/Chipewyan).

SaskCentral
2055 Albert Street, P.O. Box 3030
Regina, Saskatchewan S4P 3G8
www.saskcentral.com