AGENDA

FIFTH ANNUAL MEETING OF MEMBERS
CATALYST CORPORATE FEDERAL CREDIT UNION
Caesars Palace
Las Vegas, NV

May 5, 2016
12 p.m. PDT

1. Call to Order
   Lin Hodges, Chairman

2. Ascertainment of Quorum

3. Approval of the 2015 Annual Meeting Minutes
   Ayn Talley, Secretary

4. Chairman’s Report
   Lin Hodges, Chairman

5. President’s Report
   Kathy Garner, President/CEO

6. Supervisory Committee’s Report
   Craig Atkinson, Chairman

7. Unfinished Business

8. New Business

9. Nominating Committee’s Report
   Michael Hooper, Chairman

10. Adjournment
CALL TO ORDER

The Fourth Annual Meeting of the Members of Catalyst Corporate Federal Credit Union (Seventy-Ninth Annual Meeting under the corporate credit union’s charter) was called to order by Chairman of the Board Lin Hodges, Associated Credit Union, Norcross, Georgia, on Thursday, April 30, 2015, at 12:05 p.m. at Caesars Palace Hotel, Las Vegas, Nevada. Chairman Hodges expressed appreciation for those attending the meeting.

ASCERTAINMENT OF QUORUM

Chairman Hodges declared a quorum present, with 42 voting members represented at the meeting and only 15 required for quorum.

APPROVAL OF THE 2014 CATALYST CORPORATE FCU ANNUAL MEETING MINUTES

Chairman Hodges called on Ayn Talley, President and CEO of Houston Police FCU and Secretary of the Board, for the minutes.

Ms. Talley referred to the Minutes of the Third Annual Meeting of the Members of Catalyst Corporate Federal Credit Union located in the program.

Duly moved and seconded, it was unanimously

VOTED: To dispense with the reading of the minutes and to accept the Minutes of the Third Annual Meeting, as presented.

CHAIRMAN’S REPORT

Chairman Hodges expressed appreciation to the Board of Directors, the Supervisory Committee and the Asset/Liability Committee and introduced them individually. He then extended greetings to the members present on behalf of the Board of Directors, thanking them for their support. Chairman Hodges also thanked the management team and employees of Catalyst Corporate for their hard work and commitment to excellence in serving the member credit unions.

PRESIDENT’S REPORT

Chairman Hodges introduced Kathy Garner, President and CEO of Catalyst Corporate, for the president’s report.
Ms. Garner stated that the conference theme “Creating Tomorrow” speaks to the epitome of innovation when credit unions first came on the scene decades earlier. The idea gained momentum by offering consumers an opportunity to exercise greater control over their financial future. Like those pioneers in the credit union movement, Catalyst Corporate now has the opportunity to view the marketplace and find ways to do things better. She stated that the spirit of innovation is a driving force for Catalyst Corporate as we continuously strive to deliver meaningful solutions to member credit unions. As part of a thriving “culture of innovation,” many new services and enhancements were added over the past year and just as many are on point for 2015. “Creating Tomorrow” also requires that Catalyst Corporate attend to the present by adhering to its operating fundamentals and continuing to achieve solid financial performance. Ms. Garner reviewed the corporate’s 2014 activities and financial performance:

**Financial Performance.** Catalyst Corporate continues to achieve excellent financial results by performing better than plan in earnings and expenditures. At year-end, Catalyst Corporate had just over $37 million in retained earnings and a retained earnings ratio of 1.56 percent, surpassing the regulatory requirement of 1.00 percent retained earnings ratio required by October 2016. Catalyst Corporate’s leverage ratio was 8.18 percent at year-end, well above the regulatory requirement of 5.00 percent to be considered “well capitalized”. The operating efficiency ratio, which reflects the portion of operating expenses covered by fee income was 87 percent. This high percentage means Catalyst Corporate does not have to rely on the balance sheet for producing income, which allows Catalyst to minimize risk and withstand challenging market conditions. In 2014, Catalyst Corporate also added 10 new capitalized members and brought hundreds of new users on board for Catalyst Corporate services, driving up volume and scale.

**New and Enhanced Services.**
- In April 2014, Catalyst Corporate launched its loan participation program with overwhelmingly positive response. In 2014, Catalyst Corporate closed five deals totaling over $100 million, making the process as convenient as possible for participants by providing consultation, connecting buyers and sellers, assembling loan pool review packages, facilitating agreement execution, and servicing.
- Catalyst Strategic Solutions launched derivative hedging services last spring, as well. This program helps credit unions reduce interest rate risk by taking advantage of the NCUA’s rule authorizing derivative hedging. With 10+ years of experience as an approved vendor under the NCUA’s pilot program, Catalyst Strategic Solutions is uniquely positioned to help credit unions launch successful programs.
- Member feedback is the impetus for many of our new and expanded services. In 2014, Catalyst Corporate added a SimpliCD portal to TranZact for online CD purchases and created a Liquidity Analysis report to simplify tracking of overnight account balances. Catalyst Corporate also rolled out item processing enhancements to help credit unions minimize risk, control expenses and optimize convenience.
- The most significant enhancement of 2014 was the comprehensive modernization of the TranZact system, which credit unions use to manage accounts and execute transactions. In October, credit unions began an organized migration to the new, web-based version of TranZact that provides a more intuitive user experience, additional features and increased security.

**Member Engagement.**
- To accurately reflect the needs of its membership, Catalyst Corporate sought to increase face-to-face engagement with members in 2014. Senior management accomplished this
goal through attendance at approximately 300 credit union visits and 20 credit union conferences.
  o Catalyst Corporate’s management believe its high Net Promoter Score of 70 percent on the 2014 Member Satisfaction Survey was a direct result of this member engagement at many levels. Member engagement delivers insights, which in turn drive actions that meet member needs. The 2015 Member Satisfaction Survey results are in, and once again, Catalyst Corporate received a Net Promoter Score of 70 percent using methodology that considers any score above 50 percent as “excellent.”

• The Future.
  o Looking ahead, Catalyst Corporate is well on its way to offering member credit unions a number of new services and service enhancements in 2015.
  o Catalyst Corporate recently launched a partnership with Visible Equity, a firm that provides loan portfolio analytics services to help credit unions make data-driven decisions that optimize service to borrowers and reduce credit union risk.
  o Catalyst Corporate rolled out a new Checking with Benefits Program that can breathe new life into checking accounts and generate additional revenue for credit unions.
  o Catalyst Corporate has been working on a new sweep trading platform to replace the Federal Reserve’s Excess Balance Account once interest rates rise and the Fed lowers the rate paid on excess reserves. Credit unions will be able to use this one-of-a-kind trading platform to invest overnight and short-term funds with the help of Catalyst Corporate.
  o Catalyst Corporate and Catalyst Strategic Solutions launched new websites designed to bring improvements in navigation and resources to credit unions.
  o Other developments on the horizon include an ACH “data mining” service, new mobile services, a vault cash forecasting tool and an expansion of our international payments services.

SUPERVISORY COMMITTEE’S REPORT

Ms. Garner introduced Kerry Parker, Chairman of the Supervisory Committee, for the committee’s report.

Ms. Parker expressed her appreciation to the other committee members for their service on the committee. She stated that the Supervisory Committee had reviewed the results of work performed by the internal audit department and examinations performed by the National Credit Union Administration (NCUA). The Supervisory Committee also met with the external auditors to discuss the 2014 external audit. Catalyst Corporate received an unqualified opinion on the audited 2014 financial statements. The audited financial statements are also available on the website. Based upon the results of the examinations and discussions with external auditors, the committee believed that Catalyst Corporate had complied with all applicable regulations and laws throughout 2014.

There were no items of UNFINISHED BUSINESS.

There were no items of NEW BUSINESS.
NOMINATING COMMITTEE’S REPORT

Chairman Hodges introduced Trevor Tokishi, President and CEO of Valley Isle Community Federal Credit Union and Chairman of the Nominating Committee, for a report of the committee. Mr. Tokishi expressed his appreciation to the other committee members, Bobbie Threlkeld, Ayn Talley and Rodney Taylor. Mr. Tokishi stated that, in accordance with the election procedures, the membership was notified of the committee’s nominations and advised of the petition procedure to add candidates to the ballot. There were no candidates by petition. Therefore, the four candidates presented by the Nominating Committee were elected. The nominees were:

*For 3-year terms:*
Connie Cofer, Communications FCU  
Rick Hein, Oregon State CU  
Michael Hooper, La Capitol FCU

*To fill the unexpired term through 2016 for a resigning Board member:*
Steven Devan, Grossmont Schools FCU

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:20 p.m.

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Lin Hodges, Chairman of the Board  Ayn Talley, Secretary of the Board