



Agenda: Seventh Annual Meeting

Catalyst Corporate Federal Credit Union

Plano, TX

May 1, 2018 – 10 a.m. CT

- 1. CALL TO ORDER**
Lin Hodges, Chairman
- 2. ASCERTAINMENT OF QUORUM**
- 3. APPROVAL OF THE 2017 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**
Bobbie Threlkeld, Chairman
- 10. ADJOURNMENT**

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Catalyst Corporate Federal Credit Union

February 16, 2017

CALL TO ORDER

The Sixth Annual Meeting of the Members of Catalyst Corporate Federal Credit Union (Nineteenth Annual Meeting under the corporate credit union's charter) was called to order by Vice Chairman of the Board Rodney Taylor, President and CEO of Barksdale Federal Credit Union, Barksdale AFB, Louisiana, on Thursday, February 16, 2017, at 12:05 p.m. at the Omni National Resort, Tucson, Arizona.

ASCERTAINMENT OF QUORUM

Vice Chairman Taylor declared a quorum present, with 43 voting members represented at the meeting and only 15 required present for quorum.

APPROVAL OF THE 2016 CATALYST CORPORATE FCU ANNUAL MEETING MINUTES

Vice Chairman Taylor 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 2016 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 2016 Annual Meeting, as presented.

CHAIRMAN'S REPORT

Vice Chairman Taylor expressed appreciation to the Board of Directors, the Supervisory Committee and the Asset/Liability Committee and introduced those present individually. He then extended greetings to the members present on behalf of the Board of Directors, thanking them for their support. Vice Chairman Taylor 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

Vice Chairman Taylor introduced Kathy Garner, President and CEO of Catalyst Corporate, for the president's report.

Ms. Garner stated that Catalyst Corporate embraced several opportunities over the last 12 months. Ms. Garner reviewed the corporate's 2016 activities:

Financials

- Catalyst ended 2016 with a net income of \$15 million, retained earnings of \$59 million and a retained earnings ratio of 2.29 percent. This exceeded the 1 percent regulatory requirement by October 2016 and 2 percent by October 2020. Catalyst's total capital ratio was 8.67 percent and regulatory leverage ratio was 6.57 percent, both well above the 5 percent level for "well capitalized" corporate credit unions.
- Catalyst also demonstrated its ability to generate income apart from its balance sheet by ending the year with an operating efficiency ratio of 85.6 percent. The operating efficiency ratio is the percentage of operating expenses covered by fee income.
- Catalyst also added 14 new capitalizing members in 2016, contributing to our base of strength.

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New Services

- Catalyst announced at last year's annual meeting the development of TranzCapture which is a next-generation suite of remote deposit services. The entire TranzCapture suite was operational by year-end 2016. Services include Branch, Teller, ATM and ITM, Mobile and Business Capture. The new platform provides greater convenience and customization, and the web-based services require no software installation and are accessed directly through TranZact. Key features include real-time detection of duplicate deposits and real-time fraud protection across all deposit channels. As of January, 60 credit unions with 184 total branches have moved onto the TranzCapture system and credit unions will continue that transition throughout 2017. Coinciding with the development of the TranzCapture platform, Catalyst partnered with Alloya Corporate to form a CUSO, called TranzCapture, LLC. Both corporates are in the process of combining their item processing and remote deposit volume in the CUSO. This move will create the largest credit union item processor in the nation. Members of both organizations will benefit from new efficiencies and economies of scale, as other organizations are invited to consider the credit union-focused payments solution.
- In addition to TranzCapture, Catalyst introduced a host of new services in 2016:
 - 1) Vault View, a web-based branch, ATM and vault cash forecasting tool
 - 2) "What If" ALM Online, a service to help credit unions perform quick ALM projections
 - 3) Early Warning fraud protection for ACH transactions
 - 4) A liquidity stress testing tool to evaluate liquidity positions under a variety of economic scenarios.
- Service enhancements in 2016 include: CardNav, a new feature that enables debit/ATM cardholders to turn their cards on and off and set controls for use; additional documentation and security features in the wire section of TranZact; and six free customizable marketing campaigns for credit unions to use in promoting Checking with Benefits.
- The Checking with Benefits program strengthens member engagement and generates fee income. It offers 360,000 local and online discounts at retailers, restaurants and health care providers, as well as cell phone insurance, roadside assistance and identity theft protection. Checking with Benefits continues to gain momentum, with nearly 20 credit unions now signed up for the service.
- Responding to credit unions' need for information on Same Day ACH, Catalyst conducted a number of educational webinars and established a new ACH microsite and newsletter to answer their questions. The microsite and newsletter will continue to be used for future ACH-specific communications, including those associated with phase 2 of Same Day ACH. In 2016, Catalyst Corporate also helped 544 ACH credit unions transition to multiple ACH receipt files per day, a requirement for Same Day ACH.
- Catalyst Corporate's loan participation program expanded in 2016, helping more credit unions meet their balance sheet needs. By year-end, 19 deals closed, totaling \$886 million. This brings the program total to 32 deals and \$1.3 billion since its inception in 2014. The service, which connects loan buyers and sellers, manages many of the loan participation administrative functions for credit unions.

Member Education

- Catalyst Corporate hosted almost 50 educational webinars, all free of charge, with many eligible for CPE credits.
- Catalyst gauges its member satisfaction in large part on results of its annual Member Survey. In 2016, members awarded a high Net Promoter score of 67%, with any score above 50% considered excellent. Survey results are used in Catalyst Corporate's strategic planning each year.

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The Future

- Catalyst Corporate will work to achieve its financial performance goals, will focus on increasing market share – particularly in our 14 core states – and will search for additional business partnership opportunities.
- Product development efforts will rally around new efficiencies for the ACH platform, card services enhancements and additional features for TranzCapture.
- Catalyst Corporate will be monitoring interest rate activity in 2017. We are ready to implement an off-balance sheet overnight investment program to replace the Federal Reserve’s Excess Balance Account, should it discontinue paying competitive interest rates.

SUPERVISORY COMMITTEE’S REPORT

Vice Chairman Taylor stated that Craig Atkinson, Chairman of the Supervisory Committee, was unable to attend the meeting. He noted that the Supervisory Committee’s Report can be found in the printed Annual Report.

There were no items of **UNFINISHED BUSINESS**.

There were no items of **NEW BUSINESS**.

NOMINATING COMMITTEE’S REPORT

Vice Chairman Taylor introduced John Papagno, Vice President and CFO of Alive Credit Union and Chairman of the Nominating Committee, for a report of the committee. Mr. Papagno expressed his appreciation to the other committee members, Steven Devan and Syed Dinar. Mr. Papagno stated that, in accordance with 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:

Ayn Talley, Houston Police Federal Credit Union
Rodney Taylor, Barksdale Federal Credit Union
Bobbie Threlkeld, Baptist Health Federal Credit Union
Trevor Tokishi, Valley Isle Community Federal Credit Union

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:21 p.m.

Richard Hein, Treasurer of the Board

Ayn Talley, Secretary of the Board