

READY. SET.
CATALYST!

**PROGRESS
SUMMARY**

Second Quarter 2017

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Catalyst Corporate is pleased to report continued progress during the second quarter of 2017. Not only has Catalyst Corporate met the broad objectives of its original business plan, but it also has outperformed most budget projections during every period since.

Catalyst Corporate publishes a semi-annual Due Diligence Report – a comprehensive publication aimed at promoting transparency by helping members monitor adherence to commitments in the areas of financial performance, regulatory compliance, investment activity and future plans. To review the Due Diligence Report and other financial information, visit the Due Diligence page of the Catalyst Corporate website (www.catalystcorp.org) by navigating to [About Us/Due Diligence](#).

As a supplement to the Due Diligence Report, this Progress Summary provides a snapshot of Catalyst Corporate's performance to date, offering information about membership growth and key performance ratios.

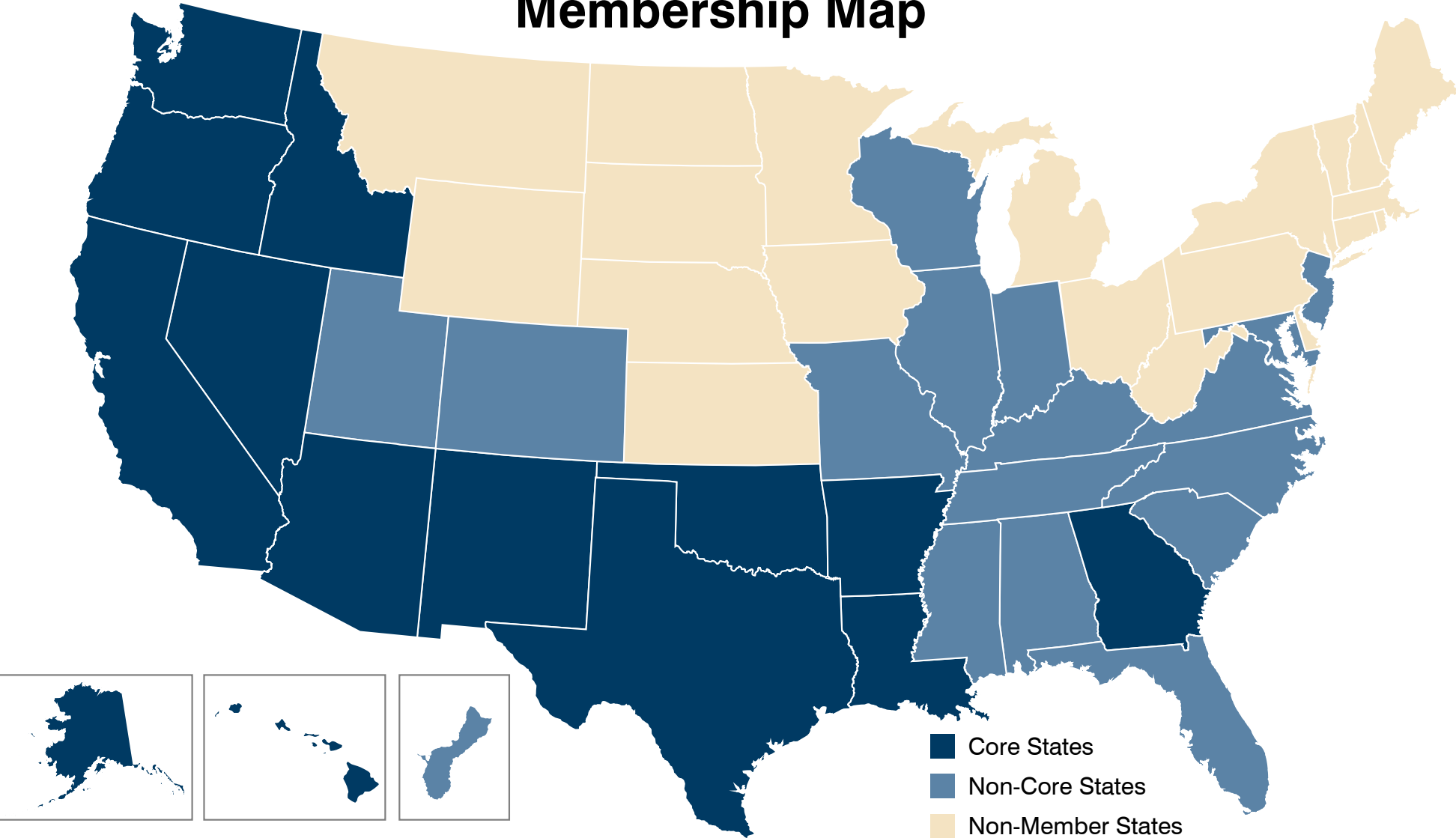
The Progress Summary also includes graphics illustrating Catalyst Corporate's performance related to key ratios that were established by the NCUA and by Catalyst Corporate's Board of Directors. A review of this information confirms

the long-term sustainability of the business model. We hope the successful implementation of Catalyst Corporate's member-driven strategies serves as affirmation of your credit union's dedication to support Catalyst Corporate through capitalization and ongoing patronage.

Strategy Snapshot

After launching its new, low-risk business model in September of 2011, Catalyst Corporate has added hundreds of credit unions to its membership rolls through a combination of strategies, including consolidation, partnership and organic growth. This expansion demonstrates rapid fulfillment of an established goal to improve the corporate's existing high level of efficiency by increasing scale – allowing Catalyst Corporate to return maximum value to all of its member-owners. During this time, Catalyst Corporate and Catalyst Strategic Solutions also have delivered numerous new services and enhancements while maintaining the quality of support that credit unions have come to expect. This accomplishment is reflected in a high net promoter score of 81 percent. In its sixth year, Catalyst Corporate is prioritizing mission-driven innovation as part of its goal to help member credit unions achieve success in an increasingly competitive financial services landscape.

Membership Map



Catalyst Corporate Membership



1,411 Total Members



**Non-PCC members, off-balance sheet service users
and legacy Daily Share members*

83% Market Share:
IN 14 CORE STATES

Member CUs:
1,298

**Total CUs in
Core States:**
1,582

22% Market Share:
IN ENTIRE U.S.

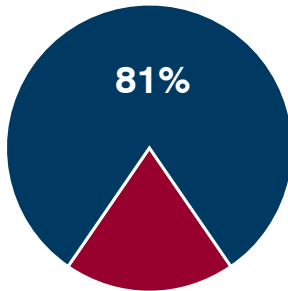
Member CUs:
1,363

**Total CUs in
the U.S.:**
6,075

Catalyst Corporate PCC Member CUs in Core States

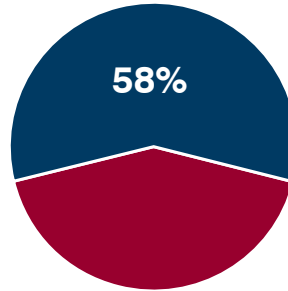
Texas

Catalyst Member CUs:



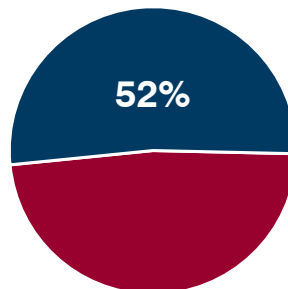
California

Catalyst Member CUs:



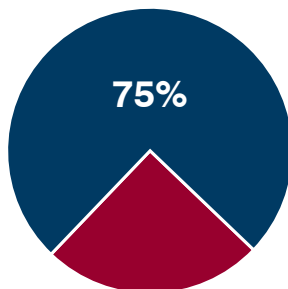
Louisiana

Catalyst Member CUs:



Georgia

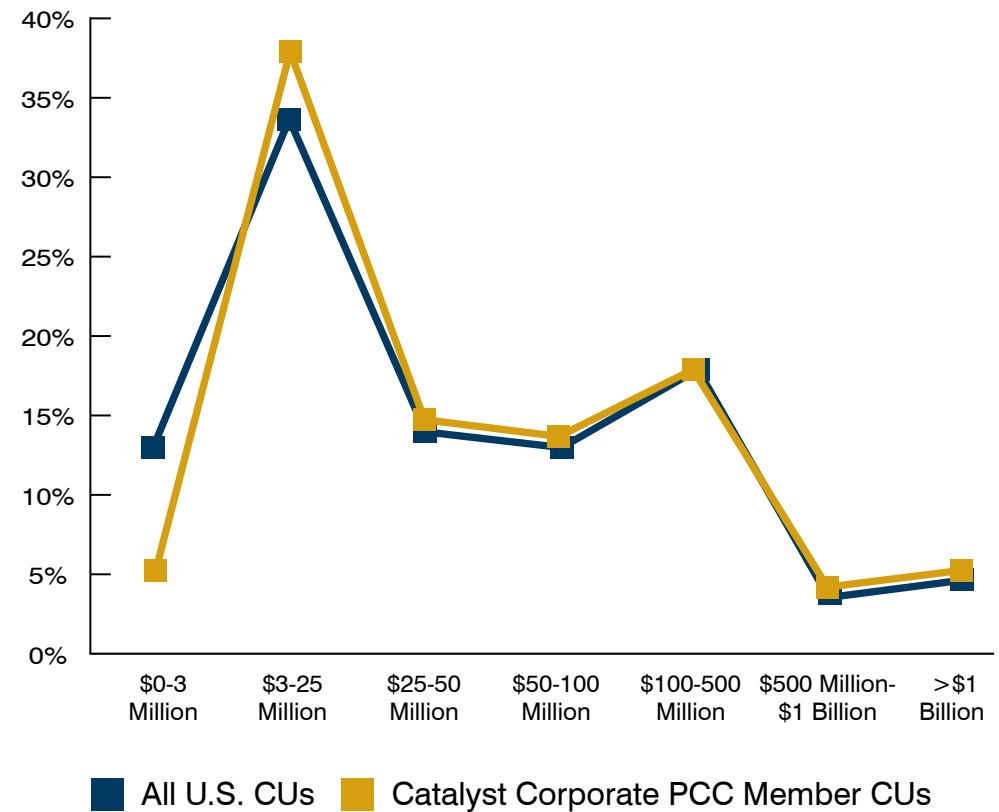
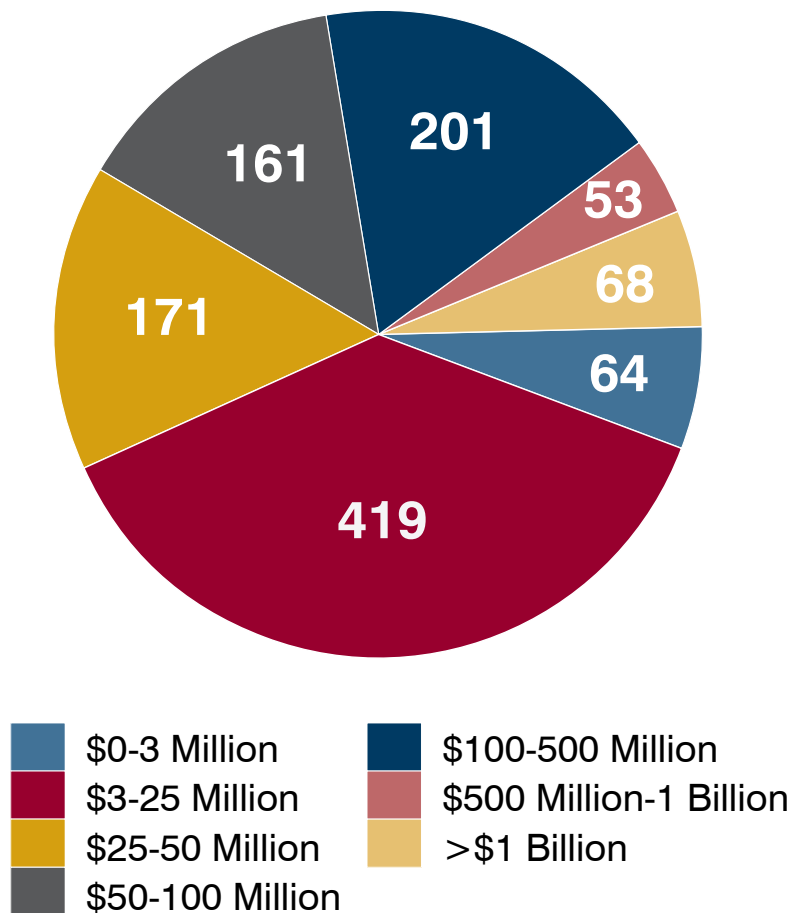
Catalyst Member CUs:



Member CUs vs. Total CUs by State

CORE STATES	MEMBER CUs	TOTAL CUs
TX	383	472
CA	189	327
LA	100	192
GA	84	112
WA	65	89
AR	52	58
OK	49	64
HI	42	61
AZ	38	43
OR	37	59
NM	32	41
ID	24	35
NV	9	17
AK	4	12

Membership Demographics: PCC Member CUs by Assets



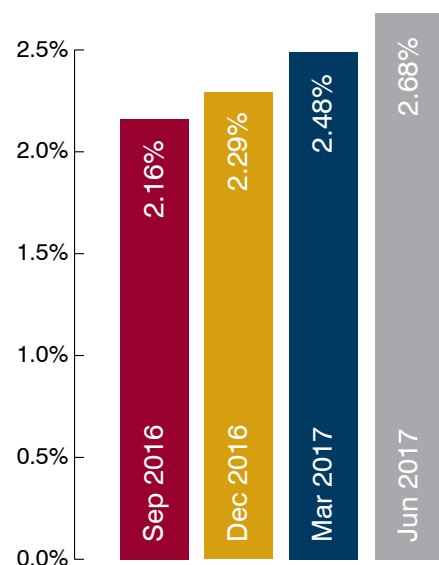
Note: Catalyst Corporate's member demographics closely align with the national distribution, including the largest asset classes.

Key Performance Ratios

Below are graphics representing Catalyst Corporate's key regulatory capital ratios for the month ending each of the last four quarters.

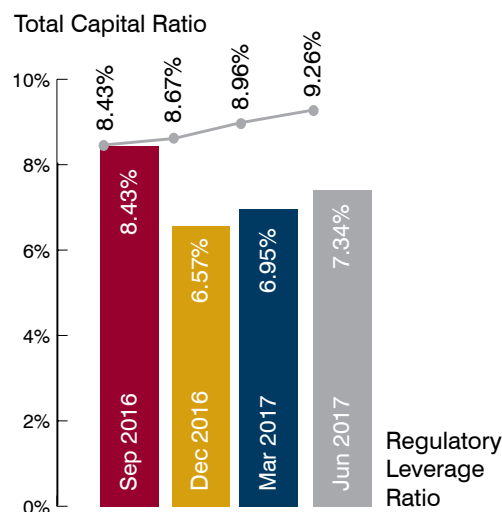
RETAINED EARNINGS RATIO

NCUA regulation requires that corporates achieve a retained earnings ratio of .45 percent by October 2013, 1.00 percent by October 2016, and 2.00 percent by October 2020.



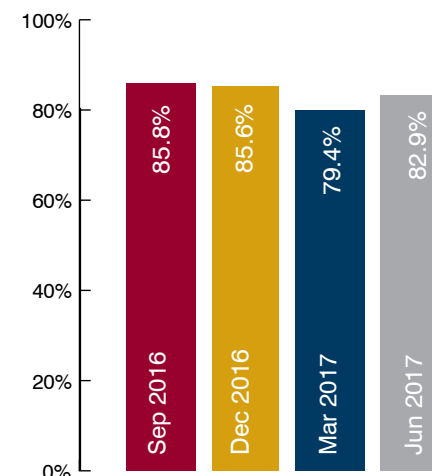
CAPITAL RATIOS

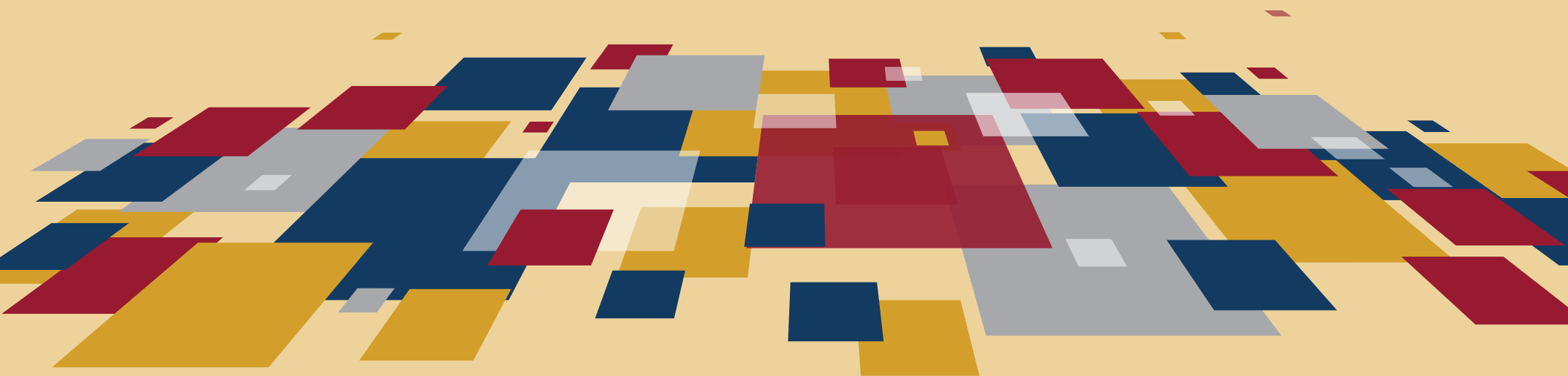
Adequately-capitalized and well-capitalized leverage ratios are defined as 4.00 percent and 5.00 percent, respectively. Total capital and regulatory leverage ratios were the same until October 2016. In October 2016, NCUA changed the method of calculating regulatory leverage ratio, resulting in a regulatory leverage ratio decrease. Total capital continues to increase. See Catalyst Corporate's 2Q 2017 Due Diligence Report for more information.



YEAR TO DATE OPERATING EFFICIENCY RATIO

The operating efficiency ratio is calculated as a percentage of expenses covered by fee income. The ability to cover expenses with fee income supports a business model less reliant on balance-sheet activity for income and therefore supports a risk-averse portfolio for the long-term. Management anticipates the operating efficiency ratio to settle into the 75-85 percent range on a long-term basis.





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