

READY. SET.  
CATALYST!

**PROGRESS  
SUMMARY**

**Fourth Quarter 2017**

# PROGRESS SUMMARY

Fourth Quarter 2017

Catalyst Corporate is pleased to report continued progress during the fourth 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 an 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](http://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.

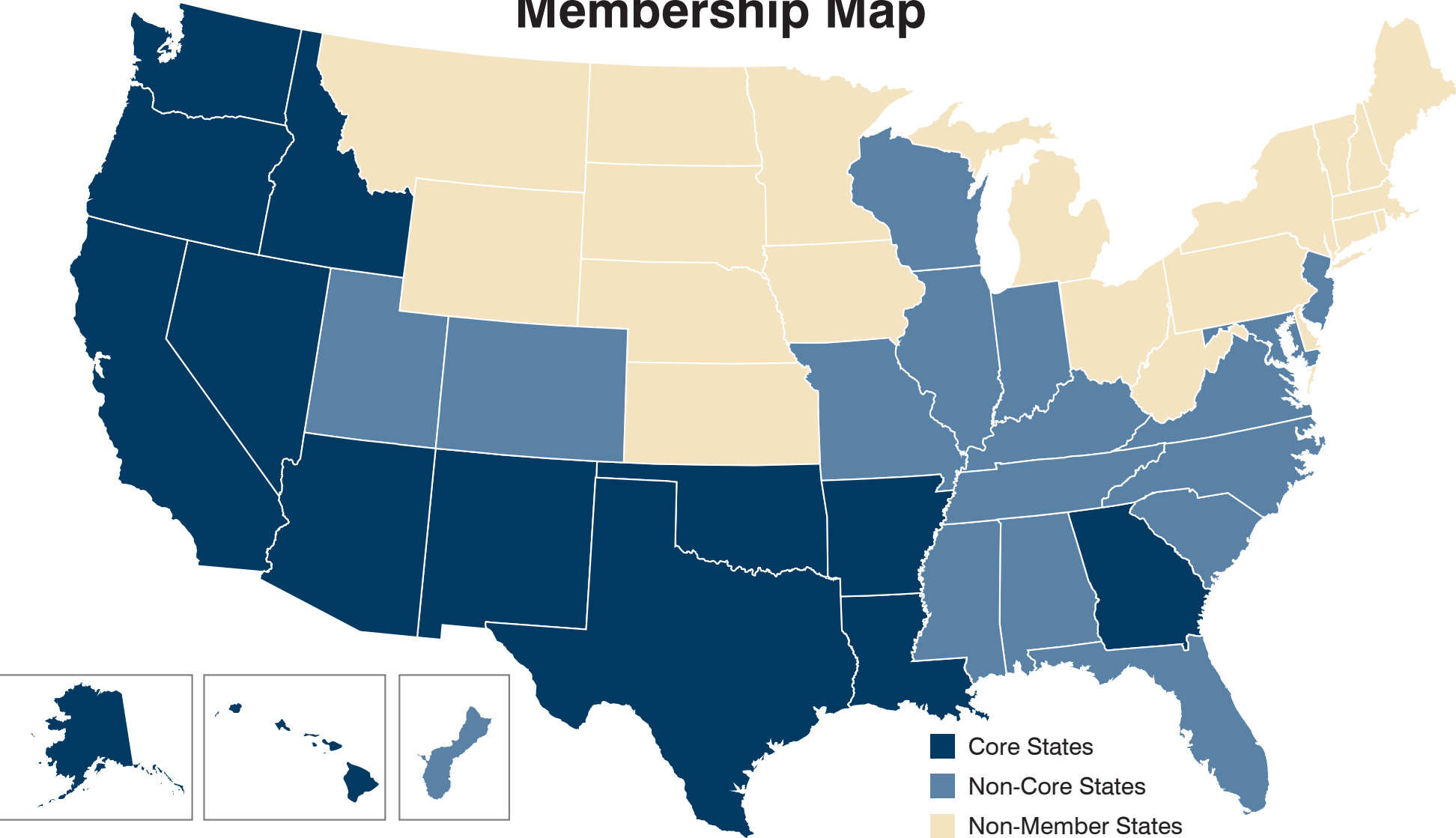
The Progress Summary also includes graphics illustrating Catalyst Corporate's performance related to key ratios that were established by the NCUA and by Catalyst Corporate's Board of Directors. A review of this information confirms

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



**1,398 Total Members**



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

**82 Percent Market Share:**  
IN 14 CORE STATES

**Member CUs:**  
**1,285**

**Total CUs in  
Core States:**  
**1,565**

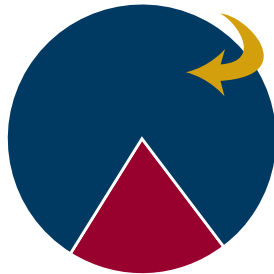
**22 Percent Market Share:**  
IN ENTIRE U.S.

**Member CUs:**  
**1,350**

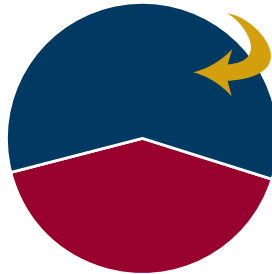
**Total CUs in  
the U.S.:**  
**6,058**

## Catalyst Corporate PCC Member CUs in Core States

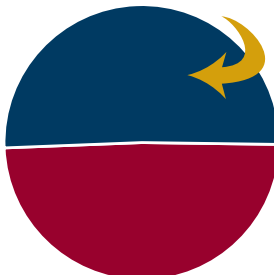
**Texas**  
Catalyst CUs:  
81%



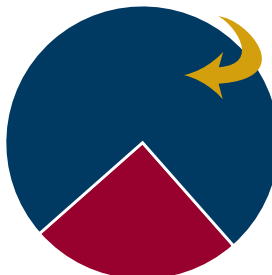
**California**  
Catalyst CUs:  
59%



**Louisiana**  
Catalyst CUs:  
51%

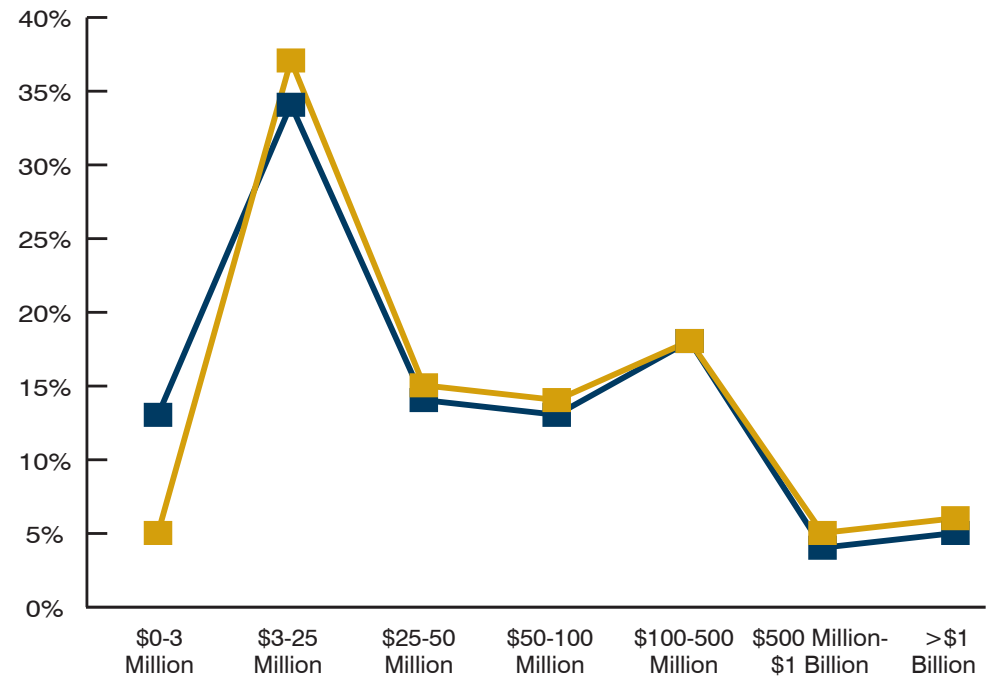
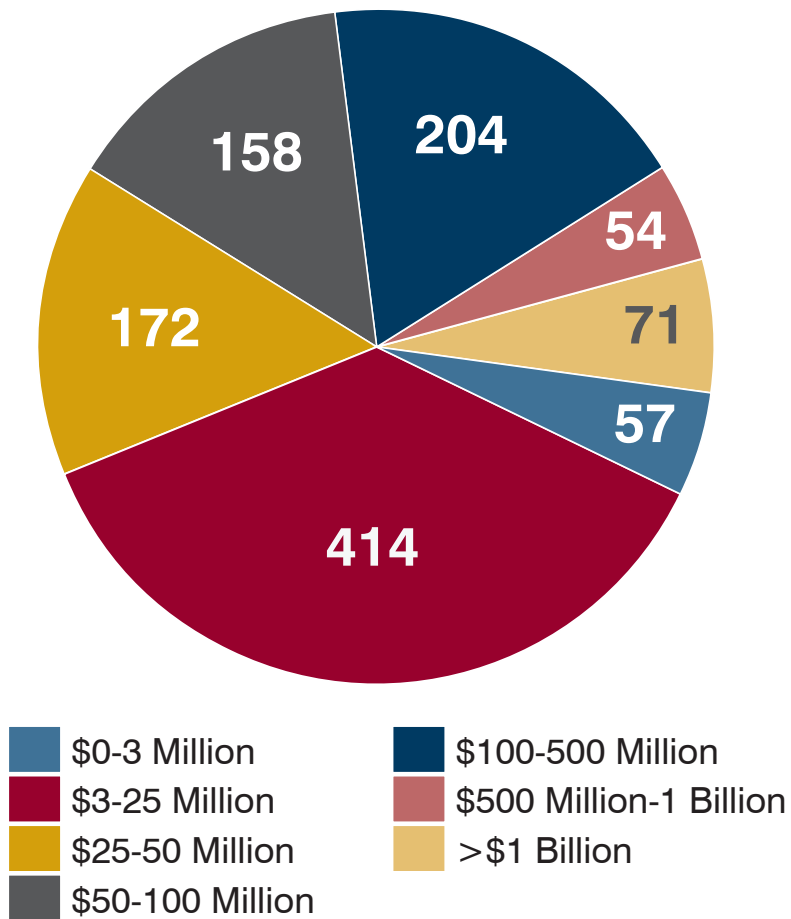


**Georgia**  
Catalyst CUs:  
75%



CORE STATES	MEMBER CUs	TOTAL CUs
TX	381	470
CA	192	325
LA	96	188
GA	83	111
WA	65	89
AR	52	58
OK	47	62
HI	40	57
AZ	38	43
OR	37	59
NM	32	41
ID	24	34
NV	9	16
AK	5	12

## Membership Demographics: PCC Member CUs by Assets



■ All U.S. CUs ■ Catalyst Corporate PCC Member CUs

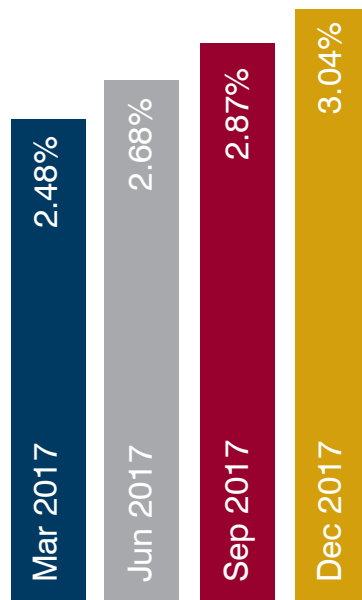
*Note: Catalyst Corporate's member demographics closely align with the national distribution, including the largest asset classes.*

## 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

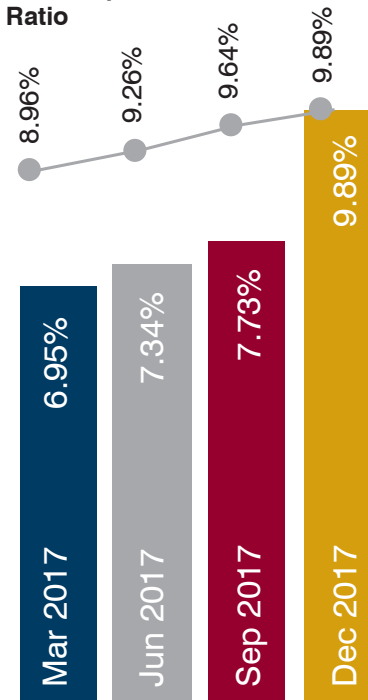
NCUA regulation requires that corporates achieve a retained earnings ratio of 2.00 percent by October 2020.



### CAPITAL RATIOS

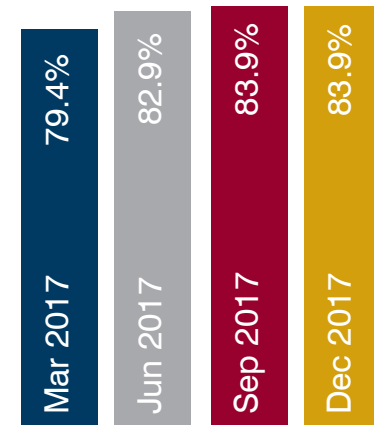
A well-capitalized regulatory leverage ratio is defined as 5.00 percent.

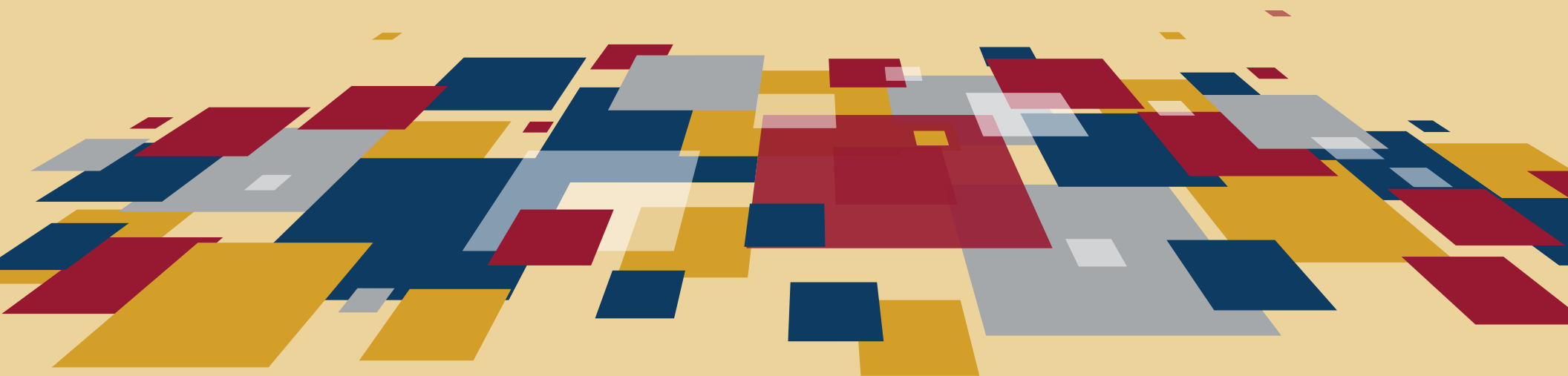
#### Total Capital Ratio



### 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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