

2025 Due Diligence Report

THE VALUE OF VISION



Letter from the President

Welcome.

This **2025 Due Diligence Report** is a comprehensive document designed to support credit union due diligence efforts by providing key financial performance and operational compliance data on Catalyst, our CUSOs and primary partners. It is one example of how we live out our organizational purpose: **Accelerating credit union success, enabling people to thrive.**

Supporting that purpose are values that drive Catalyst actions every day. Those values are:

- Passion – unwavering dedication to your success
- Leadership – breaking down barriers for you
- Integrity – doing the right thing, always
- Teamwork, Inside and Out – because we know we're stronger together

Whether it's building financial strength, managing risks, innovating with modern solutions, finding new efficiencies, supporting our credit union network or providing expertise and thought leadership, our ultimate goal is to serve as a catalyst for your credit union's growth. In the most basic sense, we want to help you manage money, move money and keep it safe.

The Due Diligence Report includes financial statements with detailed commentary and information about Catalyst's risk profile, portfolio composition, CUSO investments and compliance with NCUA Rules and Regulations Part 704. Information is also included about operational practices designed to protect credit unions.

The Due Diligence Report is posted annually and can be downloaded from Catalyst's website under [Resources / Due Diligence](#).

We hope this report serves as affirmation of your credit union's decision to collaborate with our organization on payments, asset management or liquidity solutions through capitalization or a non-capitalized client relationship. Please feel free to contact me or another Catalyst team member if you need additional information.

Best regards,



Bruce Fox, President/CEO
catalystcorp.org/contact

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Financial Report

RESULTS OF OPERATIONS

Catalyst's net income for the year ended December 31, 2025 totaled \$80,387,373. December year-to-date operations resulted in an operating efficiency ratio (net fee income divided by operating expenses) for 2025 of 69.9%.

A summary of the unaudited results of Catalyst's operations for the past four quarters is included in the following table.

	JAN-MAR 2025	APR-JUN 2025	JUL-SEP 2025	OCT-DEC 2025
Net interest income	\$24,695,806	\$24,236,856	\$24,081,135	\$25,907,696
Net fee income	11,718,876	12,078,075	12,254,069	12,123,734
Operating expenses	16,834,470	17,172,468	17,454,037	17,475,191
Other loss	-	-	-	(170,811)
Non controlling interest	795,285	698,615	590,793	313,410
Net income	\$20,375,497	\$19,841,078	\$19,471,960	\$20,698,838

KEY INFORMATION

Net operating expense	\$5,115,594	\$5,094,393	\$5,199,968	\$5,351,457
Operating efficiency ratio (YTD)	69.6%	70.0%	70.1%	69.9%
Return on assets (YTD)	1.60%	1.54%	1.44%	1.38%
Daily average net assets – 12-month rolling	\$5,151,970,054	\$5,278,651,945	\$5,555,579,801	\$5,835,790,185
Perpetual contributed capital (PCC)	\$168,843,721	\$169,050,487	\$169,706,737	\$169,706,737
Retained earnings	\$318,758,242	\$336,526,257	\$353,912,612	\$372,487,428
Retained earnings ratio	6.19%	6.38%	6.37%	6.38%
Leverage ratio	9.28%	9.39%	9.25%	9.12%
Tier one risk-based capital ratio	21.81%	21.65%	21.69%	20.92%
Total risk-based capital ratio	21.81%	21.65%	21.69%	20.92%

Financial Report

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

	DECEMBER 31,	
	2025	2024
Assets		
Cash and cash equivalents	\$2,057,328,324	\$1,605,216,428
Investments:		
Available-for-sale	3,934,250,079	3,027,430,233
Other investments	33,355,308	35,620,544
Loans	318,042,948	374,784,445
Accrued receivables and other assets	51,980,475	49,315,409
Property and equipment, net	14,168,537	14,550,690
Goodwill and other intangible assets	6,047,553	6,457,553
National Credit Union Share Insurance Fund (NCUSIF)	2,334,530	2,359,968
Total assets	\$6,417,507,754	\$5,115,735,270
Liabilities		
Members' shares and certificates	\$5,608,242,299	\$4,627,044,123
Borrowed funds	230,000,000	-
Accrued expenses and other liabilities	21,584,750	19,666,800
Total liabilities	5,859,827,049	4,646,710,923
Members' Equity		
PCC	169,706,737	168,843,167
Retained earnings	372,487,428	300,671,796
Non controlling interest	6,879,135	7,917,238
Accumulated other comprehensive income/(loss)	8,607,405	(8,407,854)
Total members' equity	557,680,705	469,024,347
Total liabilities and members' equity	\$6,417,507,754	\$5,115,735,270

The accompanying notes are an integral part of the consolidated financial statements.

Financial Report

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	FOR THE YEARS ENDED DECEMBER 31,	
	2025	2024
Interest income		
Available-for-sale investments	\$161,331,661	\$144,082,960
Federal Reserve Bank (FRB)	84,428,980	94,944,227
Loans	15,646,174	18,765,893
Other	2,167,086	2,662,572
Total interest income	263,573,901	260,455,652
Interest expense		
Members' shares and certificates	158,542,067	171,824,689
Borrowed funds	6,110,341	4,540,963
Total interest expense	164,652,408	176,365,652
Net interest income	98,921,493	84,090,000
Net fee income		
Share draft and depository processing fees	23,196,807	21,732,922
Off-balance-sheet income	10,794,493	10,277,632
Other fee income	14,183,454	13,035,673
Total net fee income	48,174,754	44,996,227
Operating expenses		
Compensation and benefits	48,896,030	46,683,003
Information technology	12,528,301	10,669,195
Professional fees	1,646,213	1,880,549
Office occupancy	1,276,724	1,262,030
Other operating expense	4,588,898	4,341,624
Total operating expenses	68,936,166	64,836,401
Other loss	(170,811)	(1,123,599)
Non controlling interest	2,398,103	3,210,795
Net income	\$80,387,373	\$66,337,022

The accompanying notes are an integral part of the consolidated financial statements.

Financial Report

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
Net income	\$80,387,373	\$66,337,022
Other comprehensive income		
Net unrealized holding gains on investments classified as available-for-sale	16,938,008	7,874,523
Net unrealized holding gains on derivatives designated as cash flow	77,251	186,955
Total other comprehensive income	17,015,259	8,061,478
Comprehensive income	\$97,402,632	\$74,398,500

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

(Unaudited)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2025

	Perpetual Contributed Capital	Retained Earnings	Non Controlling Interest	Accumulated Other Comprehensive (Loss)/Income	Total
Balance at December 31, 2023	\$167,790,512	\$244,718,980	\$8,629,422	(\$16,469,332)	\$404,669,582
Net income/(loss)	-	66,337,022	(3,210,795)	-	63,126,227
Capital contributions - additional	-	-	2,698,758	-	2,698,758
TranzCapture, LLC distribution	-	-	(200,147)	-	(200,147)
PCC issued	1,052,655	-	-	-	1,052,655
Dividends paid on PCC	-	(10,384,206)	-	-	(10,384,206)
Other comprehensive income	-	-	-	8,061,478	8,061,478
Balance at December 31, 2024	168,843,167	300,671,796	7,917,238	(8,407,854)	469,024,347
Net income/(loss)	-	80,387,373	(2,398,103)	-	77,989,270
Capital contributions - additional	-	-	1,670,000	-	1,670,000
TranzCapture, LLC distribution	-	-	(310,000)	-	(310,000)
PCC issued	863,570	-	-	-	863,570
Dividends paid on PCC	-	(8,571,741)	-	-	(8,571,741)
Other comprehensive income	-	-	-	17,015,259	17,015,259
Balance at December 31, 2025	\$169,706,737	\$372,487,428	\$6,879,135	\$8,607,405	\$557,680,705

The accompanying notes are an integral part of the consolidated financial statements.

Financial Report

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and Cash Equivalents

Cash on deposit and cash items in the process of collection from correspondent banks and the FRB are included in cash and cash equivalents in the consolidated statements of financial condition.

2. Available-for-Sale Investments

The amortized cost and estimated fair value of available-for-sale investments as December 31, 2025 are as follows:

	Amortized Cost	Estimated Fair Value	Net Unrealized Gain/(Loss)
Asset-backed securities	\$2,992,068,951	\$2,996,845,236	\$4,776,285
Agency commercial mortgage-backed securities	765,762,548	768,298,784	2,536,236
Agency mortgage-backed securities	117,245,072	118,078,595	833,523
U.S. Treasury securities	50,167,261	50,478,611	311,350
Federal agency securities	548,875	548,853	(22)
Total	\$3,925,792,707	\$3,934,250,079	\$8,457,372

3. Other Investments

Other investments are comprised of the following as of December 31, 2025:

Interest-bearing certificates of deposit	\$11,896,000
Investments in credit union service organizations (CUSOs)	7,732,608
Federal Home Loan Bank (FHLB) capital stock	11,726,700
Other	2,000,000
Total	\$33,355,308

Investments in CUSOs includes equity method investments in CU Business Group, LLC and Primary Financial, LLC and investments carried at cost, less impairments, if any, which include investments in Velera, CURQL Fund I, LLLP, CU Investment Solutions, LLC, and Members Development Company, LLC.

4. Loans

The composition of loans is as follows as of December 31, 2025:

Term loans	\$259,382,098
Open-end credit lines	58,660,850
Total	\$318,042,948

Financial Report

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Members' Shares and Certificates

Members' shares and certificates are summarized as follows as of December 31, 2025:

Members' shares	\$5,145,977,299
Members' certificates	462,265,000
Total	\$5,608,242,299

Catalyst members transferred \$5,327,463,575 to the Excess Balance Account at the FRB as of December 31, 2025.

6. Regulatory Capital

Catalyst exceeded all of the regulatory capital requirements under section 704.3 of the NCUA Regulations as of December 31, 2024. The table below presents Catalyst's actual and required capital ratios as of December 31, 2025:

Capital Ratio	Ratio	Minimum level to be classified as adequately capitalized	Minimum level to be classified as well capitalized
Retained earnings ratio	6.38%	N/A	N/A
Leverage ratio / Tier 1 capital ratio	9.12%	4.00%	5.00%
Tier 1 risk-based capital ratio	20.92%	4.00%	6.00%
Total risk-based capital ratio	20.92%	8.00%	10.00%

Annual Report

Annually, Catalyst engages a third-party firm to conduct an external audit of its financial statements, including the consolidated statements of financial condition and related consolidated statements of income, comprehensive income, members' equity and cash flows for the prior year-end.

For the period ending December 31, 2025, the CPA firm of Doeren Mayhew performed this function. Catalyst's Annual Report and Audited Financials are available on Catalyst's website under Resources / Due Diligence.



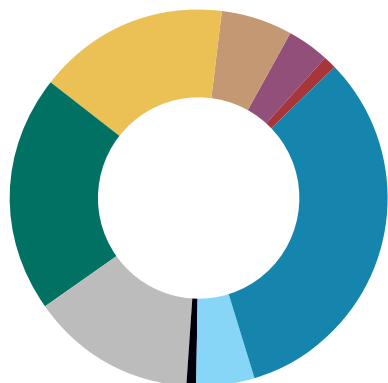
Catalyst's 2026 Annual Meeting will be held in-person:

**May 5, 2026, 10 a.m. Central Time
Catalyst's headquarters in Plano, Texas.**

The 2025 Annual Report and Audited Financials will be presented at the Annual Meeting and posted to Catalyst's website immediately prior to the Annual Meeting.

Risk Measures | Credit Risk

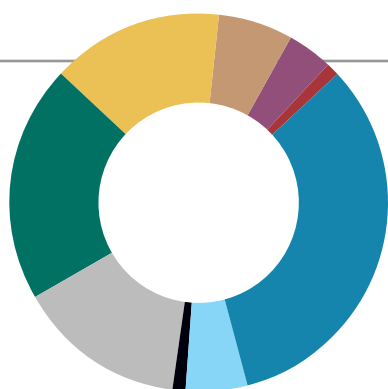
RISK EXPOSURE DECEMBER 31, 2025



DECEMBER 31, 2025

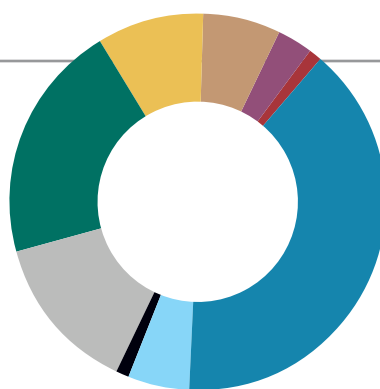
Overnight Cash	\$2,057,328,324
Secured Loans	\$318,042,948
U.S. Treasury	\$50,478,611
Agency Securities	\$886,926,232
Auto Loans	\$1,294,882,158
Credit Cards	\$1,029,115,012
FFELP Student Loans	\$376,641,041
Equipment	\$238,098,527
Other Securities	\$58,108,498

RISK EXPOSURE	REGULATORY LIMITS	CURRENT
Interest Rate Risk (NEV volatility)	-35%	-16.4%
Weighted Average Life of Financial Assets (yrs)	2.00	1.09
Weighted Average Life of Financial Assets - Stress Test (yrs)	2.25	1.14
Single Obligor Limits (% of Capital)		
Credit Card ABS	50%	23.1%
Sector Limits (% of Capital)		
Agency RMBS/CMBS	1000%	166.5%
Credit Card ABS	500%	193.3%
Asset Diversification (% of Assets)		
Agency RMBS/CMBS	50%	13.8%
Credit Card ABS	25%	16.0%



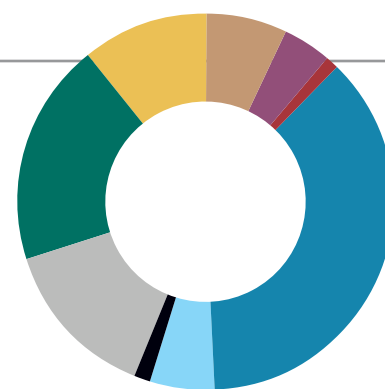
SEPTEMBER 30, 2025

Overnight Cash	\$1,895,483,512
Secured Loans	\$300,196,367
U.S. Treasury	\$54,209,974
Agency Securities	\$840,585,017
Auto Loans	\$1,164,596,710
Credit Cards	\$845,742,441
FFELP Student Loans	\$367,658,550
Equipment	\$218,045,795
Other Securities	\$58,004,784



JUNE 30, 2025

Overnight Cash	\$2,229,396,658
Secured Loans	\$308,794,402
U.S. Treasury	\$53,762,158
Agency Securities	\$780,317,572
Auto Loans	\$1,153,954,521
Credit Cards	\$514,573,333
FFELP Student Loans	\$376,616,314
Equipment	\$173,702,967
Other Securities	\$52,798,078



MARCH 31, 2025

Overnight Cash	\$2,094,503,602
Secured Loans	\$305,717,733
U.S. Treasury	\$79,424,162
Agency Securities	\$793,931,367
Auto Loans	\$1,071,104,515
Credit Cards	\$622,769,534
FFELP Student Loans	\$392,173,072
Equipment	\$233,968,940
Other Securities	\$52,744,831

Risk Measures | Interest Rate Risk

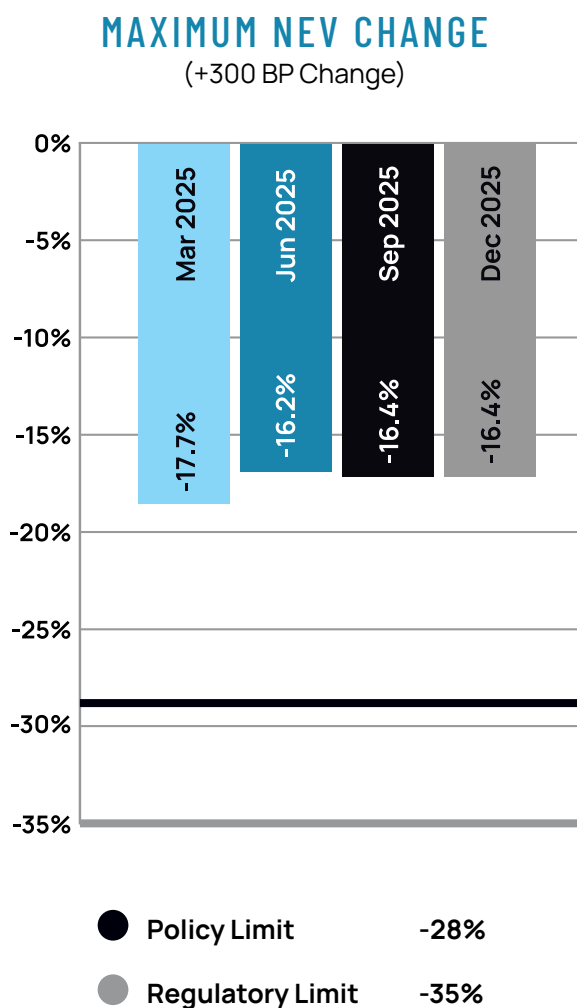
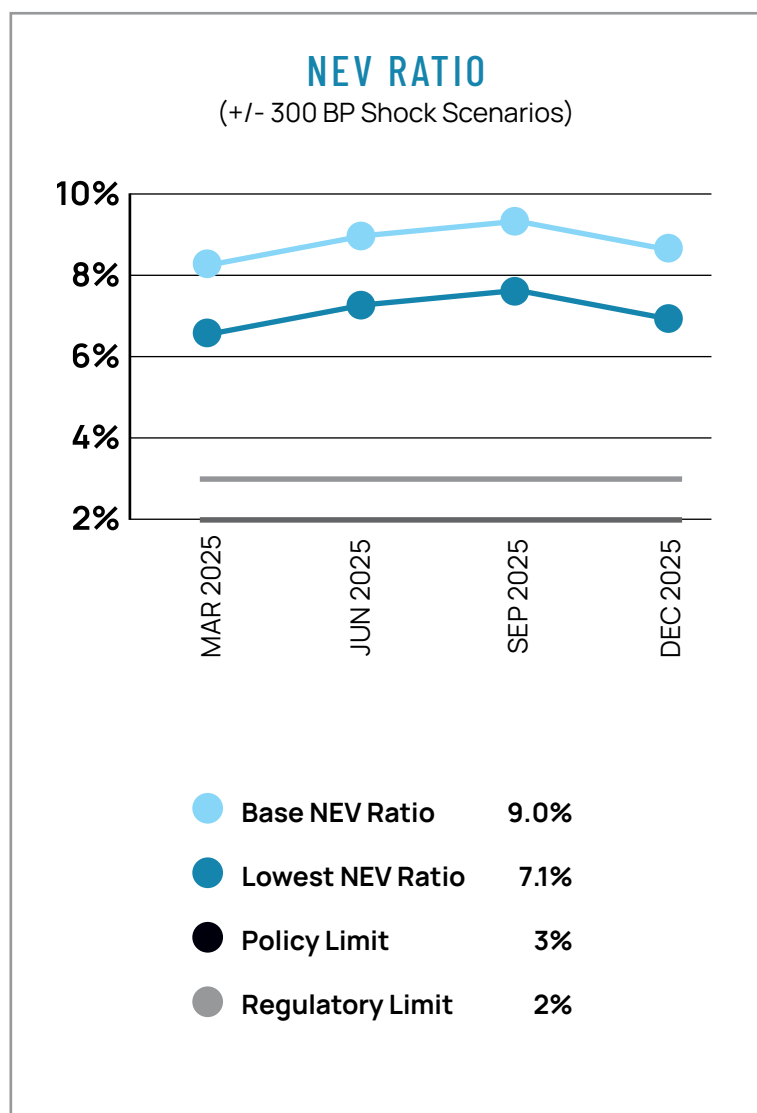
Catalyst's primary method of monitoring interest rate risk is through the net economic value (NEV) test.

The NEV test measures the dollar and percentage potential change in the fair value of Catalyst's capital (PCC and retained earnings) given a parallel, instantaneous and permanent 300 basis point upward and downward change in the yield curve.

The objective of the NEV test is to measure whether Catalyst has sufficient capital to absorb potential changes to the fair value of its balance sheet given large, sustained instantaneous interest rate shocks.

A summary of Catalyst's NEV test at December 31, 2025 is as follows (in thousands):

	NEV	\$ Change in NEV	% Change in NEV
Fair Value Base	\$550,800	N/A	N/A
Fair Value +300 BP	\$460,300	(\$90,500)	-16.4%
Fair Value -300 BP	\$648,500	\$97,700	17.7%



Risk Measures | Liquidity Risk

Liquidity risk pertains to whether Catalyst has sufficient short-term assets, marketable securities and borrowing capacity to meet member credit unions' potential liquidity needs.

As of December 31, 2025, Catalyst has \$2,057,328,324 in cash and cash equivalents. In addition, Catalyst has access to a \$2,716,697,918 borrowing capacity at the FRB based on available collateral. Catalyst also has access to a \$784,942,752 advised line of credit (LOC) with FHLB of Dallas, as well as a \$200,000,000 repurchase agreement LOC with J.P. Morgan Securities LLC, all of which are secured with qualified investment securities. Additionally, Catalyst has access to a \$30,000,000 unsecured Fed Funds LOC with JPMorgan Chase Bank as of December 31, 2025. Catalyst has an outstanding borrowing of \$230,000,000 as of December 31, 2025.

Catalyst continues to meet members' liquidity needs. Catalyst has outstanding loans of \$318,042,948 and additional uncommitted LOCs to members of

\$12,351,476,991 as of December 31, 2025. All outstanding LOCs are collateralized by specific or general pledges of the members' assets.

EXCESS BALANCE ACCOUNT

Catalyst uses the FRB's EBA to manage excess liquidity by sweeping funds above certain thresholds to member EBAs nightly. Below is a chart showing member share balances and the EBA balances for the month ending each of the last four quarters.

	Members' Shares Balances	EBA Balance
Mar 2025	\$5.2 billion	\$6.1 billion
Jun 2025	\$4.8 billion	\$5.6 billion
Sep 2025	\$4.7 billion	\$5.4 billion
Dec 2025	\$5.1 billion	\$5.3 billion

CURRENT PORTFOLIO* DECEMBER 31, 2025

Assets		
ASSETS	PERCENT OF BALANCE SHEET	WAL (YEARS)
Loans	5.0%	3.2
ABS - Autos	20.2%	0.8
ABS - Credit Cards	16.0%	1.4
FFELP Student Loans	5.9%	3.7
ABS - Equipment	3.7%	0.8
ABS - Other	0.9%	1.1
Agency RMBS/CMBS	13.8%	4.8
SBA Pools	0.0%	2.8
U.S. Treasury	0.8%	4.0
FDIC/NCUA Guaranteed Certificates	0.2%	0.1
FHLB Capital Stock	0.2%	-
Subordinated Debt	0.0%	4.1
Other (Non-Earning)	1.3%	-
Overnight Investments	32.0%	-
Total	100.0%	1.1

Liabilities & Capital		
SHARES & EQUITY	PERCENT OF BALANCE SHEET	WAL (YEARS)
Overnight Shares	80.2%	-
Borrowed Funds	3.6%	-
Certificates	7.2%	0.5
Member Capital	2.6%	-
RUDE	6.1%	-
Other Liabilities	0.3%	-
Total	100.0%	0.10
Asset Average Life Mismatch (years)		.99

WAL = Weighted Average Life
*Based on a \$6.418 billion balance sheet

Portfolio

ALM LIMITS

DECEMBER 31, 2025	REGULATION	CURRENT
No prohibited securities	None	None
NEV Volatility (Base Plus)	35%	16.4%
NEV Ratio (Base Plus)	2%	7.3%
Weighted Average Life of Financial Assets (yrs)	2.00	1.09
Stressed Weighted Average Life of Financial Assets (yrs)	2.25	1.14

SINGLE OBLIGOR LIMITS TO CAPITAL*

DECEMBER 31, 2025	REGULATION	CURRENT
Auto Loan Asset Backed Securities	25%	12.2%
Credit Card Asset Backed Securities	50%	23.1%
FFELP Student Loan Securities	25%	10.6%
Equipment Asset Backed Securities	25%	4.9%
Other Asset Backed Securities	25%	4.2%

* Obligor limits are set as a percentage of the corporate's total capital. As of December 31, 2025, total capital is \$532,461,557. Total capital consists of PCC and Retained Earnings, less Investments in Unconsolidated CUSOs and subordinated debt, plus allowance for loan and lease losses.

DIVERSIFICATION LIMITS TO ASSET SIZE

DECEMBER 31, 2025	REGULATION	CURRENT
Loans	N/A	5.0%
Auto Loan Asset Backed Securities	25%	20.2%
Credit Card Asset Backed Securities	25%	16.0%
FFELP Student Loan Securities	50%	59%
Equipment Asset Backed Securities	25%	3.7%
Other Asset Backed Securities	25%	0.9%
Agency Residential/ Commercial Mortgage Backed Securities	50%	13.8%
SBA Pools	25%	0.0%
U.S. Treasury	N/A	0.8%
FDIC/NCUA Guaranteed Certificates	N/A	0.2%
FHLB Capital Stock	N/A	0.2%
Subordinated Debt	N/A	0.0%
Other (Non-Earning)	N/A	1.3%
Overnight Investments	N/A	32.0%

SECTOR LIMITS TO CAPITAL**

DECEMBER 31, 2025	REGULATION	CURRENT
Auto Loan Asset Backed Securities	500%	243.2%
Credit Card Asset Backed Securities	500%	193.3%
FFELP Student Loan Securities	1,000%	70.7%
Equipment Asset Backed Securities	500%	44.7%
Other Asset Backed Securities	500%	10.9%
Agency Residential/ Commercial Mortgage Backed Securities	1,000%	166.5%
SBA Pools	500%	0.1%
U.S. Treasury	N/A	9.5%

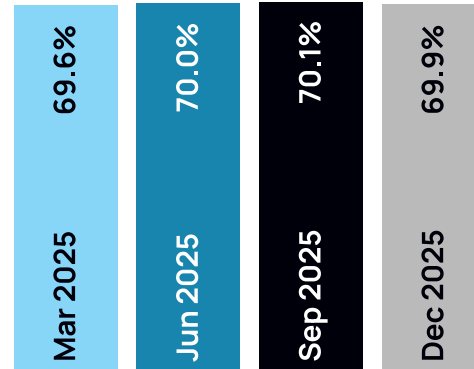
** Sector limits are set as a percentage of the corporate's total capital. As of December 31, 2025, total capital is \$532,461,557. Total capital consists of PCC and Retained Earnings, less Investments in Unconsolidated CUSOs and subordinated debt, plus allowance for loan and lease losses.

Key Performance Ratio Graphics

OPERATING EFFICIENCY RATIO

The operating efficiency ratio is calculated as net fee income divided by operating expenses. Catalyst's ability to cover expenses through fee income supports a business model that is less reliant on balance-sheet activity for income and therefore supports a risk-averse portfolio for the long-term.

YTD Operating Efficiency Ratio



REGULATORY CAPITAL RATIOS

Retained Earnings Ratio



Leverage Ratio



Tier One Risk-Based Capital Ratio



Total Risk-Based Capital Ratio



CUSOs and Partners

APTYS SOLUTIONS, LLC

Aptys Solutions, LLC, (Aptys) owned by Catalyst and ten other corporate credit unions and bankers' banks, is a leading provider of correspondent electronic payment processing software for community financial institutions. Partnering with correspondent service providers, Aptys' payments platform processes over a billion ACH, check, wire, debit and instant payment transactions annually for over 5,000 credit unions and community banks nationwide.

CU BUSINESS GROUP, LLC

CU Business Group, LLC, provides business service consultation to credit union clients in areas such as: loan origination, underwriting and servicing, business deposit services, documentation and compliance, education and training, risk monitoring, loan participation network, independent loan review, strategic consulting, SBA lending and operational training. CU Business Group is owned by six corporate credit unions. As of December 31, 2025, Catalyst owns approximately 37% of this CUSO and has 189 member credit unions using its services.

CU INVESTMENT SOLUTIONS, LLC

CU Investment Solutions, LLC provides broker/dealer services to corporates and natural person credit unions. Catalyst has an investment of \$100,000 in the CUSO, which equates to an 11% ownership stake. Catalyst employs registered investment representatives to provide investment management services to credit unions through CU Investment Solutions, LLC. Catalyst's sales volume as of December 31, 2025 was \$3.5 billion.

CURQL FUND 1, LLLP

CURQL is an on-ramp for fintech entrepreneurs to bring innovation to credit unions and their members. CURQL offers a collaborative network for credit unions to identify, assess, partner with, and invest in fintech companies. Fintechs receive expertise, coaching, guidance, and support on their technology development journeys. Catalyst has an investment of \$1.6 million in the CUSO as of December 31, 2025.

CUSOURCE, LLC/ CATALYST STRATEGIC SOLUTIONS

CUSOURCE, LLC, doing business as Catalyst Strategic Solutions, is a wholly-owned CUSO of Catalyst that provides client credit unions with balance sheet consulting, including an SEC-registered advisory service, asset-liability management modeling, derivative hedging support and related consultation. Catalyst Strategic Solutions has been in operation since 1989. As of December 31, 2025, 108 credit unions use the advisory service and 831 credit unions and corporates use ALM and consulting services. As of December 31, 2025, Catalyst Strategic Solutions had over \$3.7 billion in credit union investments under advisement.

JPMORGAN CHASE

JPMorgan Chase is a Catalyst partner, facilitating the safekeeping of its members' securities. Catalyst does not have an ownership stake in JPMorgan Chase, but does entrust execution of highly-regulated service activities to this partner. As a result, Catalyst monitors its financial and service performance. JPMorgan Chase is deeply familiar with the regulatory requirements credit unions must meet with regard to security safekeeping and due diligence of safekeeping service providers. It is competent and committed to ensuring safe and sound custodianship practices. Catalyst has 321 credit unions using the program that is offered in partnership with JPMorgan Chase, with approximately \$19.4 billion in safekeeping for credit unions and \$3.1 billion in corporate holdings as of December 31, 2025.

For additional due diligence information on these CUSOs and partners, contact us at catalystcorp.org/contact or call 800.442.5763, option 1.

CUSOs and Partners

MEMBERS DEVELOPMENT COMPANY, LLC

Members Development Company, LLC provides research and development services to credit unions. Members address issues faced by credit unions and work toward the introduction of innovative products and services, along with enhanced opportunities for collaboration and industry education. Catalyst has an investment of \$30,000 in the CUSO as of December 31, 2025.

PRIMARY FINANCIAL, LLC

Primary Financial, LLC is owned by 10 corporate credit unions and provides brokered certificates of deposit to natural person credit unions nationwide, as well as a channel for these credit unions to issue certificates. Catalyst has an investment of \$1.4 million in Primary Financial, equating to an 8% interest in the company. As of December 31, 2025, Catalyst had SimpliCD agreements with 715 credit unions, including 279 credit unions actively using the service over the last 12 months, and \$713.7 million in sales year-to-date. As of December 31, 2025, Catalyst had SimpliCD issuance agreements with 355 credit unions, with issuance outstanding of \$1.6 billion.

TRANZCAPTURE, LLC

TranzCapture, LLC is a credit union services organization established to provide software, primarily next-generation remote deposit capture. Services include branch, teller, ATM, business, mobile and ITM (interactive teller machine) capture applications. As of December 31, 2025, Catalyst owns 69% of the CUSO, Alloya Corporate Federal Credit Union owns 25% of the CUSO, VIZO Financial Corporate Credit Union owns 5% of the CUSO and Corporate One Federal Credit Union owns 1% of the CUSO. As of December 31, 2025, 1,662 credit unions were using TranzCapture services.

VELERA

Velera is a payments CUSO that leverages digital technology to support the success of more than 4,000 financial institutions, serving 140 million members. Velera's comprehensive, highly integrated payments solutions include credit, debit, ATM and prepaid card programs, digital banking, risk management, data analytics, marketing and strategic consulting, tailored for credit unions.

For additional due diligence information on these CUSOs and partners, contact us at catalystcorp.org/contact or call 800.442.5763, option 1.

Operational Compliance

ENTERPRISE RESILIENCE SUMMARY

Catalyst's Enterprise Resilience Program is based on practices established by the Federal Financial Institutions Examination Council (FFIEC). Oversight is performed by the Operations Risk Management Committee, consisting primarily of management and senior management. The Enterprise Resilience (ER) Program and related activities are reviewed annually by the Technology Steering Committee and Board.

Catalyst has established a governance structure to oversee and implement resilience, continuity and response capabilities for safeguarding employees, members/clients, products and services.

Catalyst's ER governance includes:

- Establishing robust ER policy and plans
- Aligning ER plans and policies with the risk appetite
- Identifying the continuity requirements to match the operation's criticality
- Allocating adequate resources to ER activities
- Providing management oversight to implement and manage the program
- Monitoring and assessing ER performance relative to these goals

Catalyst attempts to minimize the impact of threats by the implementation of preventative controls. Should preventative controls fail to protect from a threat, the overall enterprise resilience strategy is to plan for impacts that escalate all the way through to the worst-case scenario to develop plans of action that are applicable across a broad spectrum of scenarios. These situations may range from non-catastrophic outages of individual computing systems or business processes to catastrophic outages that require redirecting operations to the collocation site.

The following strategies provide the framework for ensuring Catalyst can sustain critical business processes at a level acceptable to the business and member/client institutions.

Enterprise Resilience Plans

Enterprise Resilience Plans are developed for each business process to document the procedures to be followed to meet minimum service levels and recovery time objectives. Solutions are identified for potential issues, and resources are put in place to ensure the timely resolution to anticipated service disruptions.

Business units have developed and refined continuity plans for their critical systems and processes. Each plan is exercised annually per FFIEC guidelines. These plans, which are approved by senior management, collectively address a wide variety of scenarios:

- Employee emergency procedures provide guidance in steps to be taken should certain threats occur
- Immediate action items document in detail items that require immediate action during a disruption
- Disaster declaration plans address the building being inaccessible and/or totally destroyed
- Scenario outage plans address the loss of specific services
- Temporary evacuation plans address the evacuation of the building for a few hours
- The pandemic preparedness plan details steps to be taken in a pandemic event

Backup

Systems and data are backed up as often as required. Server backups and our common file storage systems data are archived into a secure online cloud solution for retention. Data backups are tested periodically to verify the backup system is working properly. Because recovery of data from magnetic media backup would take longer than what is acceptable during a disaster, a hot site is managed so that data can be mirrored or replicated to identical equipment for rapid recovery. Windows server backups and our common file storage systems are also backed up online, then replicated to additional disk storage at our hot site.

Operational Compliance

ENTERPRISE RESILIENCE SUMMARY (CONTINUED)

Hot-site

The hot site provides a highly secured environment with connectivity to numerous telecommunication carriers and utility power backed up by a UPS. Redundant firewalls, routers, switches, servers and data storage devices are in place and are exercised on a regular basis to protect against prolonged service disruptions. High-speed telecommunication lines are installed to connect the hot site to Catalyst's Plano, Texas office for rapid transmission of high volumes of data and images. Throughout the day, data is mirrored and replicated between the office and the hot site for storage on redundant disk. With implementation of active/active SAN for our virtual infrastructure, the virtual environment is configured so that in the event of a total site disaster, all our virtual machines would automatically reboot at our hot site. This same functionality allows our virtuals to be moved between the two locations throughout the day, without any interruption of services.

Cloud Services

In addition to on-premise data center services, Catalyst leverages cloud services for a variety of software, platform, and infrastructure-as-a-service requirements. Each of these implementations considers each department function's Recovery Time Objectives and Recovery Point Objectives to establish an implementation that meets the requirement. For solutions Catalyst is unable to control the configuration, necessary contractual obligations from the service provider are documented.

Telephonics

Catalyst's IT Telephone Management team provides technology and functionality to enable voice communication among employees, customers, partners and suppliers in accordance with security and privacy policies and standards. We use digital VOIP (voice over IP) technology for our telephonic needs. Catalyst also provides call record tracking, voicemail and voice recording functions. We use a cloud-based ACD solution for call routing for our member-facing support teams. The ACD solution provides more flexibility for telephone communication with member credit unions.

Resilience Exercises

Critical business processes identified in the business impact analysis are exercised at least annually, and some of the more critical systems are exercised on a quarterly basis. Exercise exceptions are presented to senior management after each exercise. An overview of all exercises and exercise exceptions is presented to the Board annually.

Web-based System & Security Alerts

Catalyst uses dynamic web-based banners for system and security alerts. These alerts are prominently displayed on our public website and within the TranZact platform, ensuring timely and effective dissemination of critical information. Additionally, historical alerts are archived and accessible on our dedicated system & security updates webpage, providing a comprehensive resource for reference and review. This not only streamlines our communication process but also ensures that our stakeholders are consistently informed and prepared.

Third-party Risk Management

Catalyst has a comprehensive Third-party Risk Management program. All new vendors undergo due diligence commensurate with the work they will be providing for Catalyst and its members. Due diligence for high-risk vendors includes a detailed review of business continuity controls, as well as information security and financial performance. Due diligence is updated periodically according to a schedule determined by the level of risk to Catalyst.

Operational Compliance

ENTERPRISE RESILIENCE ACTIVITY REPORT

Service Alert Message (SAM) System

Regular SAM notifications are sent to participating credit unions to ensure that contact information for specific processes is up-to-date. These notifications also provide timely communication to member credit unions about the nature and duration of any process-specific disruptions. In 2025, the SAM system was utilized multiple times to successfully communicate with member credit unions during service disruptions.

Disaster Recovery Exercises

Disaster Recovery Exercises are conducted for all critical business processes. Each business unit has identified and prioritized, by function, the critical systems in its disaster recovery plan. The exercises are designed to compare results to pre-established Recovery Time Objectives. The last full failover disaster recovery exercise was performed in the 2nd quarter of 2025. No significant issues were identified during any of the disaster recovery exercises performed in 2025.

Employee Notification Exercise

Employee notification exercises are conducted semi-annually to ensure immediate and responsive communication to Catalyst management and employees in the event of a disruption. A third-party mass notification and conferencing system can deliver alerts and information by phone, text and email. Additionally, conference bridges are available to streamline recovery collaboration efforts. Multiple employee notification exercises were conducted successfully in 2025.

Data Recovery Exercise

The data recovery exercise is conducted quarterly, if necessary, to validate that off-site backup data can be recalled and recovered as needed. Routine business activity often requires items to be restored outside the on-premise retention window. Day-to-day recovery needs in 2025 adequately demonstrated the ability to recover from storage.

Application Specific Exercises

Catalyst conducts application specific exercises of its critical systems and simulates scenarios that are different from those used during Catalyst's full-scale exercises, in order to assess additional areas of coverage.

System & Security Alerts

System and security alerts were posted on the corporate website and as banner messages in TranZact multiple times during 2025. Messages included software updates, authorization reminders and fraud alerts.

Operational Compliance

BANK SECRECY ACT (BSA)/OFFICE OF FOREIGN ASSETS CONTROL (OFAC) SUMMARY

Catalyst is committed to fulfilling BSA, OFAC, and the USA PATRIOT Act requirements. Catalyst's BSA/OFAC Policy is reviewed and approved by the Board of Directors at least annually.

Anti-money laundering procedures have been developed and implemented that enable Catalyst to meet the anti-money laundering requirements. These procedures and controls include, but are not limited to, the following:

- Coordination and monitoring of compliance by a designated BSA compliance officer.
- A Member Identification Program designed to meet the requirements of Section 326 of the USA PATRIOT Act.
- BSA/OFAC risk assessment of Catalyst processes, products and services, and members.
- Review of unbatched transactions for the detection and reporting of suspicious activity to FinCEN.
- A documented process for analysis and reporting of suspicious activity.
- Entities, individuals, and addresses associated with unbatched transactions screened for potential matches against OFAC lists.
- Review of member accounts in accordance with Section 314(a) of the USA PATRIOT Act.
- Monthly reporting of BSA and OFAC activity to the Board of Directors.
- Ongoing training of appropriate personnel.
- Independent testing and monitoring of compliance.
- Recordkeeping and record retention.
- An annual review of policies, procedures and risk assessments.
- Checks and balances, including a validation process and the use of dual controls.

FIDELITY BOND STATEMENT

NCUA Part 704.18 states that "every corporate credit union will maintain bond coverage with a company holding a certificate of authority from the Secretary of the Treasury" and "the minimum amount of bond coverage will be computed based on the corporate credit union's daily average net assets for the preceding calendar year."

Catalyst maintains a \$15 million fidelity bond which is the coverage required by NCUA Part 704.

Privacy and Security

DESCRIPTION OF THE PRIVACY AND SECURITY AFFIDAVITS

The Affidavits below are provided to assist member credit unions with their due diligence and compliance with NCUA Rules and Regulations Parts 717 and 748, CFPB Regulation P (Part 1016) and the Payment Card Industry Data Security Standards.

Affidavit Regarding Part 717

Catalyst places a high priority on security, and utilizes security measures to protect not just nonpublic personal information and information about “covered accounts” (as defined in Part 717), but all types of confidential information that it receives from its member credit unions.

Under Part 717 of the NCUA's Regulations, Catalyst is deemed to be a “service provider” to its member credit unions. Catalyst is providing this Affidavit in order to assist member credit unions in their compliance with Part 717. The Affidavit is written in general language so that member credit unions can utilize the Affidavit regardless of the level of complexity of their security programs.

Catalyst utilizes policies and procedures, developed by the corporate, that are designed to prevent, detect and mitigate the risk of security breaches that could result in a member of a credit union, or any other person, being exposed to identity theft. These policies and procedures will apply to all circumstances in which Catalyst processes or otherwise has access to confidential information, whether in connection with providing services for a “covered account” held at a credit union or otherwise.

- Catalyst agrees not to use nonpublic personal information about any credit union's members, or about any other person, for any purpose other than those purposes for which the credit union disclosed the information to Catalyst, including servicing and processing of transactions in the ordinary course of business.

- Catalyst will utilize security measures that Catalyst deems to be appropriate for the protection of nonpublic personal information about credit union members and other persons, with particular attention to protection against unauthorized access to or unauthorized use of such information that could result in substantial harm or inconvenience to any credit union's members or to any other person.
- Catalyst has an Incident Response Plan in place that provides guidance for our response if a security breach occurs. If an incident occurs that involves unauthorized access to or unauthorized use of nonpublic personal information about any credit union's members or about any other person, Catalyst will take actions that Catalyst deems to be appropriate, including notification to the affected credit union as soon as possible of any such incident.
- Catalyst will utilize security measures designed to accomplish the proper disposal of nonpublic personal information held by Catalyst. If immediate deletion or disposal of the nonpublic personal information held by Catalyst is not feasible, then until the date when deletion or disposal of the information occurs, Catalyst will continue to utilize security measures designed to protect the information against unauthorized access and against unauthorized use.

Privacy and Security

Affidavit Regarding Part 1016 (Regulation P) and Part 748

Catalyst places a high priority on security, and utilizes security measures to protect not just nonpublic personal information, but all types of confidential information that it receives from its member credit unions.

Under Part 1016 (Regulation P) of the Consumer Financial Protection Bureau's Regulations and Part 748 of the NCUA's Regulations, Catalyst is deemed to be a "service provider" to its member credit unions. Catalyst is providing this Affidavit in order to assist member credit unions in their compliance with Part 1016 and Part 748. The Affidavit is written in general language so that member credit unions can utilize the Affidavit regardless of the level of complexity of their security programs.

Catalyst agrees not to use nonpublic personal information about any credit union's members, or about any other person, for any purpose other than those purposes for which the credit union disclosed the information to Catalyst, including servicing and processing of transactions in the ordinary course of business.

Catalyst will utilize security measures that Catalyst deems to be appropriate for the protection of nonpublic personal information about credit union members and other persons, with particular attention to protection against unauthorized access to or unauthorized use of such information that could result in substantial harm or inconvenience to any credit union's members or to any

other person. Catalyst's security program establishes standards for the protection of information assets. These standards are intended to be consistent with Part 748 of the NCUA rules and regulations. The program includes a data classification to protect information assets. In addition, Catalyst has a risk assessment process in place to evaluate risks, including security related risks.

Catalyst has an Incident Response Plan in place that provides guidance for our response if a security breach occurs. If an incident occurs that involves unauthorized access to or unauthorized use of nonpublic personal information about any credit union's members or about any other person, Catalyst will take actions that Catalyst deems to be appropriate, including notification to the affected credit union as soon as possible of any such incident.

Catalyst will utilize security measures designed to accomplish the proper disposal of nonpublic personal information held by Catalyst.

If immediate deletion or disposal of the nonpublic personal information held by Catalyst is not feasible, then until the date when deletion or disposal of the information occurs, Catalyst will continue to utilize security measures designed to protect the information against unauthorized access and against unauthorized use.

Privacy and Security

Affidavit Regarding PCI Data Security Standards

Catalyst places a high priority on security, and utilizes security measures to protect card data, in addition to many types of confidential information that it receives from its member credit unions.

This Affidavit is written in general language so that member credit unions can utilize the Affidavit regardless of the level of complexity of their security programs.

Catalyst has achieved full compliance to Payment Card Industry Data Security Standards. PCI DSS is a set of multifaceted security standards established by the major card brands (including Visa and MasterCard) to protect cardholder account information. These best practices include requirements for security management, policies, procedures, network architecture, software design and other critical protective measures.

To access the PCI DSS on PCI Security Council's website, visit [PCISecurityStandards.org](https://www.pcisecuritystandards.org).

Catalyst will utilize security measures that Catalyst deems to be appropriate, and comply with PCI DSS, for the protection of card data with particular attention to protection against unauthorized access to or unauthorized use of such data that could result in

substantial harm or inconvenience to any credit union's members or to any other person. Catalyst's security program establishes standards for the protection of information assets, including card data. Also, Catalyst has a risk assessment process in place to evaluate risks, including security-related risks.

Catalyst has an incident response plan in place that provides guidance for our response if a security breach occurs. If an incident occurs that involves unauthorized access to or unauthorized use of card data, Catalyst will take actions that Catalyst deems to be appropriate, including notification to the affected credit union as soon as possible of any such incident.

Catalyst will utilize security measures designed to accomplish the proper disposal of card data held by Catalyst. If immediate deletion or disposal of the card data held by Catalyst is not feasible, then until the date when deletion or disposal of the data occurs, Catalyst will continue to utilize security measures designed to protect the data against unauthorized access and against unauthorized use.

SSAE18 SOC2 Statement

Catalyst is committed to the confidentiality, integrity and availability of its operations, information, information systems and members' information. To meet these objectives, Catalyst has implemented and continues to develop internal controls. To demonstrate compliance with these controls, Catalyst engaged a firm to perform an SSAE18 review for the period October 1, 2024-September 30, 2025.

The SOC2 review is available to credit unions who contact us at catalystcorp.org/contact or call 800.442.5763, option 1. The reports also may be downloaded from TranZact by authorized users.

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