

THE VALUE OF VISION

February
2026

Financial Statements and Management's Discussion & Analysis



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Management's Discussion and Analysis

RESULTS OF OPERATIONS

Catalyst's net income for the two months ended February 28, 2026 and 2025 totaled \$14,084,800 and \$13,167,286, respectively. February year-to-date operations resulted in an operating efficiency ratio (net fee income divided by operating expenses) for 2026 and 2025 of 72.7% and 67.7%, respectively.

A summary of the unaudited results of Catalyst's operations for the two months ended February 28, 2026 and 2025 is included in the following table.

	YTD Feb 2026	YTD Feb 2025
Net interest income	\$16,885,940	\$16,221,390
Net fee income	7,996,818	7,654,035
Operating expenses	(11,000,850)	(11,302,349)
Non controlling interest	202,892	594,210
Net income	\$14,084,800	\$13,167,286

Key Information:		
Net operating expense	\$3,004,032	\$3,648,314
PCC	\$169,706,737	\$168,843,167
Retained earnings	\$384,561,796	\$311,550,031
Operating efficiency ratio	72.7%	67.7%
Return on assets	1.32%	1.60%
Leverage / Tier 1 capital ratio	8.94%	9.17%
Retained earnings ratio	6.31%	6.07%
Daily average net assets – 12 month rolling	\$6,092,787,887	\$5,136,272,840
Monthly average EBA balance transfer to FRB	\$5,957,492,801	\$5,192,873,475

CREDIT RISK

The weighted average life of assets is 0.99 years. All investment securities are classified as available-for-sale investments and have a weighted average life of 1.41 years. As of February 28, 2026, Catalyst's investments are comprised as follows:

	Amortized Cost	Estimated Fair Value	Net Unrealized Gain/(Loss)
Asset-backed securities	\$2,869,008,821	\$2,873,490,856	\$4,482,035
Agency commercial mortgage-backed securities	817,956,572	822,739,387	4,782,815
Agency mortgage-backed securities	185,103,368	185,894,612	791,244
Federal agency securities	106,539,865	106,069,954	(469,911)
U.S. Treasury securities	71,115,913	71,236,719	120,806
Total	\$4,049,724,539	\$4,059,431,528	\$9,706,989

Catalyst's asset-backed securities are collateralized by the following asset types as of February 28, 2026:

	Amortized Cost	Estimated Fair Value	Net Unrealized Gain/(Loss)
Automobile	\$1,113,442,444	\$1,114,430,196	\$987,752
Credit card	1,098,177,594	1,102,423,022	4,245,428
FFELP student loan	356,989,243	355,742,003	(1,247,240)
Equipment	255,556,630	255,930,084	373,454
Other	44,842,910	44,965,551	122,641
Total	\$2,869,008,821	\$2,873,490,856	\$4,482,035

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 (perpetual contributed capital 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 as of February 28, 2026 is as follows (in thousands):

	Fair Value	Fair Value +300 Basis Points	Fair Value -300 Basis Points
NEV	\$562,200	\$467,400	\$661,600
% Change in NEV	-	(16.9%)	17.7%

The percentage changes to Catalyst's NEV under either rate shock are under the 35 percent NCUA regulatory limit under Part I Expanded Authority.

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 February 28, 2026, Catalyst has \$2,604,716,036 in cash and cash equivalents. In addition, Catalyst has access to a \$2,528,008,884 borrowing capacity at the Federal Reserve Bank (FRB) based on available collateral. Catalyst also has access to a \$874,094,923 advised line of credit (LOC) with Federal Home Loan Bank (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 February 28, 2026.

Catalyst continues to meet members' liquidity needs. Catalyst has outstanding loans of \$301,621,564 and additional uncommitted LOCs to members of \$12,311,322,787 as of February 28, 2026. All outstanding LOCs are collateralized by specific or general pledges of the members' assets.

REGULATORY CAPITAL

Catalyst exceeded all of the regulatory capital requirements under section 704.3 of the NCUA Regulations as of February 28, 2026. The table below presents Catalyst's actual and required capital ratios as of February 28, 2026:

Capital Ratio	Ratio	Minimum level to be classified as adequately capitalized	Minimum level to be classified as well capitalized
Retained earnings ratio	6.31%	N/A	N/A
Leverage / Tier 1 capital ratio	8.94%	4.00%	5.00%
Tier 1 risk-based capital ratio	20.53%	4.00%	6.00%
Total risk-based capital ratio	20.53%	8.00%	10.00%

Consolidated Statements of Financial Condition

(Unaudited)

As of February 28,	2026	2025
Assets		
Cash and cash equivalents	\$2,604,716,036	\$2,291,029,369
Investments:		
Available-for-sale	4,059,431,528	3,258,362,777
Other investments	32,374,279	34,881,235
Loans	301,621,564	321,620,750
Accrued receivables and other assets	54,154,042	52,342,146
Property and equipment, net	14,311,466	14,260,526
Goodwill and other intangible assets	5,979,219	6,389,220
National Credit Union Share Insurance Fund (NCUSIF)	2,334,530	2,359,968
Total assets	\$7,074,922,664	\$5,981,245,991
Liabilities		
Members' shares and certificates	\$6,476,698,089	\$5,479,321,338
Accrued expenses and other liabilities	27,439,425	17,184,435
Total liabilities	6,504,137,514	5,496,505,773
Members' Equity		
PCC	169,706,737	168,843,167
Retained earnings	384,561,796	311,550,031
Non controlling interest	6,676,243	7,323,028
Accumulated other comprehensive income/(loss)	9,840,374	(2,976,008)
Total members' equity	570,785,150	484,740,218
Total liabilities and members' equity	\$7,074,922,664	\$5,981,245,991
<i>The accompanying notes are an integral part of the consolidated financial statements.</i>		

Consolidated Statements of Income

(Unaudited)

	For the two months ended February 28,	
	2026	2025
Interest income		
Available-for-sale investments	\$27,762,741	\$25,293,240
Federal Reserve Bank	13,304,616	10,248,055
Loans	2,168,980	2,826,296
Other	320,274	310,014
Total interest income	43,556,611	38,677,605
Interest expense		
Members' shares and certificates	25,320,968	22,456,215
Borrowed funds	1,349,703	-
Total interest expense	26,670,671	22,456,215
Net interest income	16,885,940	16,221,390
Net fee income		
Share draft and depository processing fees	3,884,299	3,732,704
Off-balance-sheet income	1,820,111	1,719,629
Other fee income	2,292,408	2,201,702
Total net fee income	7,996,818	7,654,035
Operating expenses		
Compensation and benefits	7,914,448	8,246,227
Information technology	2,129,681	1,999,859
Professional fees	218,265	324,946
Office occupancy	195,401	206,297
Other operating expense	543,055	525,020
Total operating expenses	11,000,850	11,302,349
Non controlling interest	202,892	594,210
Net income	\$14,084,800	\$13,167,286
<i>The accompanying notes are an integral part of the consolidated financial statements.</i>		

Consolidated Statement of Comprehensive Income

(Unaudited)

For the two months ended February 28,	2026
Net income	\$14,084,800
Other comprehensive income	
Net unrealized holding gains on investments classified as available-for-sale	1,249,617
Net unrealized holding losses on derivatives designated as cash flow hedges	(16,648)
Total other comprehensive income	1,232,969
Comprehensive income	\$15,317,769
<i>The accompanying notes are an integral part of the consolidated financial statements.</i>	

Consolidated Statement of Members' Equity

(Unaudited)

For the two months ended February 28, 2026

	Perpetual Contributed Capital	Retained Earnings	Non Controlling Interest	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2025	\$169,706,737	\$372,487,428	\$6,879,135	\$8,607,405	\$557,680,705
Net income/(loss)	-	14,084,800	(202,892)	-	13,881,908
Dividends paid on PCC	-	(2,010,432)	-	-	(2,010,432)
Other comprehensive income	-	-	-	1,232,969	1,232,969
Balance at February 28, 2026	\$169,706,737	\$384,561,796	\$6,676,243	\$9,840,374	\$570,785,150
<i>The accompanying notes are an integral part of the consolidated financial statements.</i>					

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 of February 28, 2026 are as follows:

	Amortized Cost	Estimated Fair Value	Net Unrealized Gain/(Loss)
Asset-backed securities	\$2,869,008,821	\$2,873,490,856	\$4,482,035
Agency commercial mortgage-backed securities	817,956,572	822,739,387	4,782,815
Agency mortgage-backed securities	185,103,368	185,894,612	791,244
Federal agency securities	106,539,865	106,069,954	(469,911)
U.S. Treasury securities	71,115,913	71,236,719	120,806
Total	\$4,049,724,539	\$4,059,431,528	\$9,706,989

3. Other Investments

Other investments are comprised of the following as of February 28, 2026:

Interest-bearing certificates of deposit	\$10,904,000
Investments in credit union service organizations (CUSOs)	7,743,579
FHLB capital stock	11,726,700
Other	2,000,000
Total	\$32,374,279

Investments in CUSOs include equity method investments in CU Business Group, LLC and Primary Financial, LLC.

4. Loans

The composition of loans is as follows as of February 28, 2026:

Term loans	\$275,863,615
Open-end credit lines	25,757,949
Total	\$301,621,564

5. Members' Shares and Certificates

Members' shares and certificates are summarized as follows as of February 28, 2026:

Members' shares	\$5,942,589,089
Members' certificates	534,109,000
Total	\$6,476,698,089

Catalyst members transferred \$7,346,615,395 to the Excess Balance Account at the FRB as of February 28, 2026.