

Scorecard on Catalyst Commitment

With the 2012 presidential campaign picking up speed, the nation is sure to begin hearing more about campaign promises. How well has President Obama kept the campaign promises he made in 2008? And what commitments will Republican nominee hopefuls voice to America's voters? One thing is certain: once commitments are made, people will be watching to see if those promises are carried out.

In similar fashion, over the past year Southwest Bridge Corporate and Georgia Corporate presented a business model for a new organization—Catalyst Corporate Federal Credit Union—that included a number of commitments to members of the two merging institutions. Some of those commitments were about maintaining or building upon successes of the past, and some were about overcoming new challenges with solutions that would bring success to both the new corporate and its members.

Catalyst launched Sept. 6, 2011 with 882 capitalized members, representing \$93 million in perpetual contributed capital (PCC). Of critical importance to these “charter” credit unions is the safety and soundness of their funds. Catalyst recently released its first set of financial reports, for September 2011, which shows a current interim leverage ratio of 4.75 percent—greater than the 4.56 percent forecast for September 2011. Catalyst expects to attain NCUA's “well-capitalized” status (5 percent) before year-end.

In conjunction with the release of its financials, Catalyst performed a self-audit of the commitments made during its campaign for capital. Catalyst has fulfilled the following commitments and will continue to work toward achieving each and every pledge:

- A virtually seamless merger, with smooth integration of Georgia Corporate members
- Successful achievement of “day one” access to the Federal Reserve Bank's Excess Balance Account
- Seating of a highly-qualified board of directors that represents diversity in asset size and geographic location
- Rapid selection of an executive search firm to identify candidates for Catalyst president/chief executive officer
- Retention of 2011 product pricing in 2012, other than pass-through third-party vendor fees
- Operating expenses adjusted to fit the size of the new organization – confirming scalability of the business model
- High quality of service maintained
- Full product line maintained
- Meaningful lines of credit for members maintained

Achieving these goals creates momentum for Catalyst's future growth. Since the launch on September 6:

- Eight credit unions, representing \$2.4 million in PCC and \$409,000 in annual fee income, have joined Catalyst.
- Six credit unions, representing \$1 million in PCC and \$94,000 in annual fee income, have obtained board approval to capitalize Catalyst and are in various stages of completing paperwork.



- Twenty-nine credit unions, representing more than \$7 million in PCC and \$50,000 in annual fee income, are currently evaluating membership in Catalyst.
- Forty-four Catalyst member credit unions are in the process of adding 64 new services.

“Our member credit unions took us at our word when we made these commitments during the capitalization process,” said Dianne Addington, Catalyst’s president and chief executive officer. “Catalyst understands that the best way to earn members’ trust is to do what we say we are going to do.”