



#you belong here



Vision

To be the superior financial, wealth management and insurance provider for people and organizations in Manitoba.

Mission

Our credit union provides innovative financial products and services, fosters cooperative team efforts, promotes sustainable economic development, manages a profitable business to share with members and strengthens the bonds that tie our communities together.

Brand Promise

Catalyst Credit Union fosters and promotes a sense of belonging among the members and communities it serves.

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CHANGE: do we embrace it — or sit idly,
waiting to see what happens next?

Should we be a change effector,
or be affected by change?

The one main constant in life is change, so how we deal with it will predetermine our success — or lack of success — going forward. Catalyst remains in the forefront, by being either an early adopter or an effector. Your board has spent many hours deliberating needs, processes and what-ifs that, in turn, are deliberated amongst the senior management team. It's quite humbling and exciting to review the discussions that the senior management team have — full of energy, forward thinking, visionary. If our organization is to continue to enjoy the successes of yesterday, we must communicate and cooperate with the unbridled exuberance we enjoy today. At the same time, we strive to maintain balance for the comforts of the established and the desires of the venturous.

Catalyst is also a very proud supporter of CUYLM — a group of under-40 young leaders who will become our system leaders of tomorrow. The energy these young people have is phenomenal. To watch how this group liases and networks is a prime example of the cooperative spirit. They have just finished a conference titled “Be the Change”. Exciting stuff.

As part of ensuring we remain relevant and compliant in governance, five Catalyst directors and our CEO Ron Hedley are enhancing their portfolios by attaining Certified Director status. This is being done through organizations that have ties to our credit union system — the Credit Union Executives Society (CUES) and Cusource, a professional development program provided through the Canadian Credit Union Association. Much discussion has occurred and is ongoing regarding the credentials required in order to sit as a director. With ever changing complexities from internal and external sources, the need to be aware and provide input as an informed and educated director has become even more paramount.

As we deal with the day-to-day issues and attempt to embark down new avenues we are always cognisant that we operate with “Corporate Social Responsibility”. We need to be as transparent as possible within our organization, yet we need to be responsible to other stakeholders outside of our organization — our duties as a responsible corporate citizen. With this

If our organization is to continue to enjoy the successes of yesterday, we must communicate and cooperate with the unbridled exuberance we enjoy today.

thought in mind, combined with the thought process of Cooperation among Cooperatives, Catalyst went to the aid of our neighbours in Grandview to help them through a difficult time. While it did at times create some strife within, we still maintain that it was the responsible thing to do and are proud of the fact that we could help them through their difficult time.

As part of adapting to ensure they can continue to have a financial institution in their town, our good friends at Rorketon voted unanimously in favour of joining the Catalyst family, the official transition date being April 1, 2017. We welcome them, and look forward to developing synergies to keep that branch relevant going forward. That being said, we continue to look for opportunities for collaboration and/or merging that could strengthen our position and existence going forward. Stay tuned for updates as opportunities arise.

For the seasoned member, it's awe inspiring to reflect on the changes that have taken place, and for many it's expected. We as members need to be very proud of how our management and staff have adapted and are diligently performing their day-to-day jobs so successfully to our benefit. Our financial performance has been very strong and member satisfaction levels are second to none. We thank them for their commitment.

I would also like to commend our board on their commitment and deliberation this past year. We have held many in-person and remote meetings in the past year and not all decisions were unanimous. Diversity of thought makes for healthier decisions. The board also thanks you, the member, for your patronage in 2016. It's your dedication and commitment that helps make our lives in governance rewarding.



Richard Dereniwski

CHAIRMAN

As noted in our chairman Richard's report, 2016 was very much about change.

But Catalyst Credit Union had an excellent year financially, too.

Financially, 2016 was another solid year for Catalyst Credit Union. Asset growth of just less than 5 per cent was down from 2015 but was, once again, at a steady, controlled pace. Loan growth was strong, at 6.8 per cent, and net income of \$3.478 million was another milestone in just our third full year of operation. And, notably, we recorded our best-ever efficiency ratio in 2016 – enabling the board to declare a patronage refund for the first time in Catalyst's short history. We are also now in a position for all members to convert their surplus shares to cash the year they turn 65. (Summary financial statements are included in this report; a full set of financials are available to members upon request.)

As successful as we were financially, our board also faced some tough decisions in 2016. In December, we closed the doors of our Pine River branch, as the hours had been reduced to the point where it was no longer possible to comply with today's regulations and meet contemporary operating standards – which would have required technology upgrades and increased staffing levels. This decision was not made lightly or without a great deal of discussion, and we feel it was the best decision for Catalyst and our members. No jobs were lost as a result of the closure, and the extended hours and new state-of-the-art ATM we installed at our Ethelbert branch have given members in the area more access to our services than ever.

As Alexander Graham Bell said, "When one door closes, another door opens," and this couldn't be more true for Catalyst. In November 2016, the boards of directors of Rorketon & District Credit Union and Catalyst Credit Union agreed on a proposal to amalgamate. The Rorketon credit union members in attendance at the meeting on January 16, 2017 voted unanimously in favour of the proposal. The merger, which takes effect April 1, 2017, means an additional \$18 million in assets, 1,000 new members, and four new employees for Catalyst Credit Union.

We recorded our best-ever efficiency ratio in 2016 – enabling the board to declare a patronage refund for the first time in Catalyst’s short history.

As always, we are committed to the communities we serve, and 2016 was no exception. Sponsorships, donations and bursaries to our local communities totalled nearly \$138,000 for the year, and our staff volunteered over 4,600 hours of their time. One of the year’s highlights was the renewal of our naming rights agreement for Credit Union Place in Dauphin for an additional 10 years.

Our staff and directors continue to be the catalyst in our organization. The enthusiasm, passion and hard work they show every day is what makes things happen, and I can’t thank them enough for all they do.

At over 16,000, our membership continues to grow steadily. A big thank-you to our member-owners for your continued support. You’re the reason we do what we do, and your loyalty allows Catalyst to continue growing and adding additional services to meet your needs.



Ron Hedley

PRESIDENT and CHIEF EXECUTIVE OFFICER

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Dauphin



Michelle Mazurkewich
VP of Operations
Dauphin branch

The Dauphin branch strives to be a Catalyst within the community. Through participation in festivals, parades and fundraisers, our employees take pride in the many volunteer hours they contribute each year and believe this commitment truly makes a difference within the community.



CEO Ron Hedley represented Catalyst at the National Conference for Canada's Credit Unions, held last May in Ottawa



Smith Jackson Elementary School Dauphin Seniors Golf Club Dauphin Ladies Golf Club
 Ukrainian Folk Arts Centre & Museum Canada's National Ukrainian Festival Children's
 Wish Foundation — Parkland Terry Fox Foundation Dauphin CN Employees Parkland
 Campus Kids Inc. Western Canada Baseball Peeewe AA Girls Championship Dauphin
 Agricultural Heritage Club Dauphin Kings Alumni Dauphin Geocachers Dauphin
 Ducks Unlimited Dauphin Firefighter's Association Community Futures Dauphin



Front Row (from left): Cynthia Hadway, Shannon Prokopowich, Les Kuzyk, Trent Hutsal, Gerry Wieler, Ron Hedley, Michelle Mazurkewich, Deanna Gouldsborough, Kelli Zeiler, Lavonne Tyschinski. Middle Row: Brooke Matthews, Pam Sawicki, Angelique Forbes, Rosalia Poast, Genna Matthews, Abbey Bencharski, Jessica Ward, Lila Forbes, Shannon Demeria, Lexie Massaroni, Ashley Johnson, Kayla Gillis, Mary-Ann Janssen. Back Row: Kevin Giesbrecht, Tiara Gensisky, Katelyn Wozny, Janet Morgenstern, Candace Toderian, Morgan Kropelnicki, Meaghan Sullivan, Miranda Trowbridge, Steve Ganczar. Missing: Britt Yerama, Brittany Novak, Linda Derhak, Michelle Berry.

Dauphin Rotary Club Dauphin Ducks Unlimited Dauphin Firefighter's Association Dauphin Geocachers Dauphin
 Dauphin Health Services Dauphin Kings Alumni Dauphin Ladies Golf Club Dauphin R.I.D. Dauphin
 Healthcare Auxiliary Golden Age Golf Manitoba Curling Tour Championship
 Manitoba Schizophrenia Society Take the Leap Parkland Super League of Curling
 Dauphin Rotary Club Dauphin Knights of Columbus Parkland Crisis Centre and Women's
 Shelter Fort Dauphin Museum Dauphin Fish & Wildlife Association Dauphin R.I.D.



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Ethelbert



Marsha Dudar
Branch Manager, Ethelbert

We are all part of wonderful communities that are passionate about preserving and enhancing their roots. I am proud to have grown up, live and work in our small town. This is a community that I will always be proud to call my home.



From left: Heather Welland, Susanne Caruk,
Jennifer Goudie, Jasmine Mullen, Marsha Dudar



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Gilbert Plains

I believe in Catalyst, our products and our services. I love that my position has allowed me to work and help the community I live in — and I'm proud of how involved my staff are and how much Catalyst gives back to our community.



Shannon Priest
Branch Manager, Gilbert Plains



From left: Shannon Priest, Sam Yakimishen,
Kylie Young, Micheal Abrams, Melissa Laurie



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Inglis



Shellie Wasilka
Branch Manager, Inglis

*Inglis — where history meets adventure!
Tour our historical Inglis Elevators, kiteboard or take on the
slopes at Asessippi Ski Resort, spend a day at beautiful Lake
of the Prairies. Whatever your passion, you will find it here...
and our branch is so proud to call this fun, multi-cultural
community our home.*



From left: Melissa Jordan, Rosaleah Armistead,
Shellie Wasilka, Debbie Liske, Frieda van Solkema



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Winnipegosis

We are a close knit community, and we try to set that example for every member that walks through the door. A town where everybody knows your name.



Vernon Nepinak
Branch Manager, Winnipegosis



Christine Pascal, Vernon Nepinak
Missing: Amber Wyatt



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Roblin



Tyler Booker
Branch Manager, Roblin

Roblin has been an excellent place to grow in my career and raise a family. I relish all that the community has to offer and enjoy doing my part to give back to local events, groups, and charities. My team in Roblin is second to none. Their hard work in the office and dedication to our members and community are outstanding and appreciated... thank-you!



Marketing Coordinator Lola Antony and CEO Ron Hedley were presented with two national awards at the Marketing Association for Credit Unions 2016 conference



Keystone Pioneers Museum Togo District Curling Club Women's Wellness Day Ro
 District Community Foundation Roblin Royal Canadian Legion #24 North Western
 Marquette Festival San Clara Curling Club Roblin & District Chamber of Commerce
 Roblin Minor Hockey Doug Hunter's Bull Sale Bug Chucker Cup Hospital Activity
 for Children Roblin Mixed Bonspiel Roblin Cultural Fest Roblin & District Commu
 Development Corp. Roblin Metis Local Roblin & District Lions Club Goose Lake



Front Row (from left): Connie Baumung, Kelly Brook, Tyler Booker, Noreen Nykyforak, Landra Goossen, Taylor Funk Middle Row:
 Dean Becker, Amanda Barker, Rebecca Evans, Kathy Russett, Krystal Taylor, Lorilee Yakimishyn, Kaitlyn Wiebe Back Row: Elaine Mann,
 Conner Ross, Devron Jakeman, Carrie Dietrich Missing: Gwen Diment, Lola Antony



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Rorketon



Vern Gevers

Branch Manager, Rorketon

Welcome!

Members and employees of
Rorketon & District Credit Union

At a special meeting held January 16, members of Rorketon & District Credit Union voted unanimously to amalgamate their financial cooperative with Catalyst Credit Union, effective April 1, 2017.

"We're delighted to welcome Rorketon members and employees to the Catalyst family, and I'm confident you'll be happy with what we have to offer — from a services perspective, and also in our deep commitment to every community we serve."

Richard Dereniwski

CHAIRMAN
CATALYST CREDIT UNION



Welcome to the Catalyst family! Our new Rorketon staff includes (from left) Vivian Zamrykut, Heather Didychuck, Jennifer Sabiston and Tammy Biletski

A strong new bond

LONG SERVICE AWARDS

EMPLOYEES

25 Years

Noreen Nykyforak

20 Years

Gerry Wieler

15 Years

Shannon Priest
Gerri Vestby

10 Years

Tyler Booker
Ryan Keown
Michelle Mazurkewich

5 Years

Connie Baumung
Marsha Dudar
Landra Goossen
Jennifer Goudie
Brittany Novak
Kylie Young

DIRECTORS

30 Years

Edwin Meyer

25 Years

Richard Dereniwski

10 Years

Mike Csversko
Gerald Stuart

5 Years

Lori Schlachter



IN MEMORIAM

Judy King

#you belong here

A Better Parkland

In 2016, Catalyst Credit Union returned

over \$137,000

to the communities we serve

in sponsorships, donations and bursaries

And, in 2016, Catalyst Credit Union employees spent

4,665 hours of their own personal time volunteering to

make our communities better places to live — an average

of **over 55 hours** per employee!



The Catalyst Credit Union 'Big Tent' is available to community groups free of charge, for barbecues, rummage sales, golf tournaments... any outdoor event that could use a little shelter from sun and rain. Dozens of groups took advantage in 2016.

cat·a·lyst

a person or thing that causes a change;
a person whose talk, enthusiasm,
or energy causes others to be more
friendly, enthusiastic, or energetic.

friendly, professional
employees... our biggest
asset, by far!

84

2,223

'green' activities
undertaken by our
staff in 2016, including
energy-saving and
recycling efforts at home
and in the workplace

Parkland community groups
received donations or
sponsorship support from
Catalyst in 2016

204

\$137,573

returned to Parkland
communities in 2016, in
sponsorships, donations
and scholarships

on loan to individuals,
families, producers
and businesses across
the Parkland

\$403
MILLION

organizations made use
of the Catalyst Credit
Union 'Big Tent' in 2016,
free of charge*

39

member-owners... and
surveys show they're
among the most
satisfied in Manitoba!

16,000+

volunteer hours
contributed to
community causes by
our employees in 2016

4,665

BOARD of DIRECTORS



Richard Dereniwski
ROBLIN
Chairman



Edwin Meyer
GILBERT PLAINS
Vice-Chair



Lori Schlachter
INGLIS
Secretary



Nestor Barsewsky
WINNIPEGOSIS
Director



Mike Csversko
DAUPHIN
Director



Mitch Michaluk
ETHELBERT
Director



Albert Paziuk
ETHELBERT
Director



Gerald Stuart
ROBLIN
Director



Merv Toderian
DAUPHIN
Director

BUSINESS PARTNERS



NorthStar Insurance & Real Estate — Melissa Moffit, Sara Eys, Gwen Becker, Joann Zimmer, Ryan Keown, Karen Goraluk.



Love & Persson Group — *Front:* JR Moy, Braedyn Leary, Lorie Yerama, Joanne Moy, Valdina Michaluk, Lorena Taylor, Edith Chornoby, Ron Love. *Back:* Jon Yerama, Ian Brezden, Luke Love, Kelly Plesh, Rob McDill, Teresa Matskiw, Lynn Etsell, Patty Zabiaka, Ryan Sinclair, Susan Chapman, Jackie Goran, Melissa MacQuarrie, Kyla Menard, Brendan Gardner.



Catalyst Credit Union Limited

Summary Financial Statements

For the year ended December 31, 2016

Independent Auditors' Report

To the Members of Catalyst Credit Union Limited:

We have audited the accompanying summary consolidated financial statements of Catalyst Credit Union Limited and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2016, and the summary consolidated income statement, consolidated changes in members' equity and cash flows for the year then ended are derived from the audited consolidated financial statements of Catalyst Credit Union Limited for the year ended December 31, 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 11, 2017.

The summary statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Catalyst Credit Union Limited.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these summary consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these summary consolidated financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements, derived from the audited consolidated financial statements of Catalyst Credit Union Limited as at December 31, 2016 are a fair summary of those consolidated financial statements.

Report on Other Legal and Regulatory Requirements

As at December 31, 2016, the Credit Union met the capital and liquidity reserve requirements established by Sections 15, 21, and 21(1) of the Regulations to the Credit Unions and Caisses Populaires Act of Manitoba.

Readers of the summary consolidated financial statements are advised that in order to appropriately interpret the Credit Union's capital and liquidity reserve requirements, the reader must refer to the audited consolidated financial statements and notes for the year ended December 31, 2016.

Brandon, Manitoba

March 11, 2017

MNP LLP

Chartered Professional Accountants

Catalyst Credit Union Limited
Summary Consolidated Statement of Financial Position

As at December 31, 2016

	2016	2015
Assets		
Cash and cash equivalents	38,974,597	37,495,984
Accounts receivable	383,442	386,201
Investments and accrued interest	8,663,921	14,353,752
Members' loans receivable and accrued interest	405,633,984	380,038,970
Prepaid expenses and deposits	580,412	617,519
Property and equipment	4,002,595	4,315,169
Intangible assets	863,656	909,134
	459,102,607	438,116,729
Liabilities		
Member deposits and accrued interest	423,543,784	406,813,659
Income taxes payable	79,171	67,711
Accounts payable	2,986,560	2,137,423
Deferred tax	86,000	135,000
	426,695,515	409,153,793
Members' equity		
Member shares	6,351,170	6,333,854
Retained earnings	17,727,399	14,300,559
Contributed surplus	8,328,523	8,328,523
	32,407,092	28,962,936
	459,102,607	438,116,729

Approved on behalf of the Board

Signed "Albert Paziuk"
 Director

"Signed "Edwin Meyer"
 Director

A full set of audited financial statements is available from the Credit Union

Catalyst Credit Union Limited
Summary Consolidated Income Statement

For the year ended December 31, 2016

	2016	2015
Interest Income		
Member loans	15,933,687	14,966,132
Interest revenue	1,044,926	1,021,617
	16,978,613	15,987,749
Interest expense	6,050,597	6,147,369
Gross financial margin	10,928,016	9,840,380
Operating Expenses		
Administration	4,593,115	4,392,446
Amortization	566,417	532,458
Member security	391,408	357,576
Occupancy	530,327	498,297
Organizational	426,417	365,816
Personnel	4,891,352	4,714,850
	11,399,036	10,861,443
Net operating expenses	(471,020)	(1,021,063)
Other income	5,086,227	4,616,005
Income before recovery of impaired loans, patronage refund and income taxes	4,615,207	3,594,942
Provision for impaired loans	218,459	246,696
Income before patronage refund and income taxes	4,396,748	3,348,246
Provision for patronage refund	250,000	-
Income before income taxes	4,146,748	3,348,246
Provision for (recovery of) income taxes		
Current	717,528	560,428
Deferred	(49,000)	(62,225)
	668,528	498,203
Net income	3,478,220	2,850,043

A full set of audited financial statements is available from the Credit Union

Catalyst Credit Union Limited
Consolidated Statement of Changes in Members' Equity
For the year ended December 31, 2016

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Contributed surplus</i>	<i>Total equity</i>
Balance December 31, 2014	6,573,532	11,504,065	8,328,523	26,406,120
Net income	-	2,850,043	-	2,850,043
Issuance of member shares	126,316	-	-	126,316
Redemption of member shares	(419,543)	-	-	(419,543)
Dividend on preference shares, net of tax	53,549	(53,549)	-	-
Balance December 31, 2015	6,333,854	14,300,559	8,328,523	28,962,936
Net income	-	3,478,220	-	3,478,220
Patronage refund	250,000	-	-	250,000
Issuance of member shares	38,947	-	-	38,947
Redemption of member shares	(323,011)	-	-	(323,011)
Dividend on preference shares, net of tax	51,380	(51,380)	-	-
Balance December 31, 2016	6,351,170	17,727,399	8,328,523	32,407,092

A full set of audited financial statements is available from the Credit Union

Catalyst Credit Union Limited
Summary Consolidated Statement of Cash Flows

For the year ended December 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	15,858,367	14,717,807
Interest and dividends received from investments	1,060,799	1,010,372
Interest paid on deposits	(6,515,651)	(5,898,925)
Cash paid to suppliers and employees	(10,154,734)	(10,862,578)
Other non-interest income received	5,247,413	4,616,005
Income taxes paid	(706,068)	(601,378)
	4,790,126	2,981,303
Financing activities		
Net change in member deposits	17,195,179	29,159,583
Proceeds from issuance of member shares	38,947	126,316
Redemption of member shares	(271,631)	(365,994)
	16,962,495	28,919,905
Investing activities		
Net change in members' loans receivable	(25,738,022)	(24,446,975)
Purchases of investments and accrued interest	-	(6,988,724)
Proceeds on disposal investments and accrued interest	5,673,958	-
Purchases of property and equipment	(209,944)	(325,078)
	(20,274,008)	(31,760,777)
Increase in cash resources	1,478,613	140,431
Cash resources, beginning of year	37,495,984	37,355,553
Cash resources, end of year	38,974,597	37,495,984

A full set of audited financial statements is available from the Credit Union

Dauphin 505 Main Street N
204.622.4500
Mon-Thu 9:00-5:00, Fri 9:00-5:30

Ethelbert 9 Railway Avenue
204.742.3529
Mon-Thu 9:00-4:30, Fri 9:00-5:30

Gilbert Plains 36 Main Street N
204.548.3000
Mon-Thu 9:00-4:30, Fri 9:00-5:30

Inglis 116 Main Street N
204.564.2401
Mon-Thu 9:00-12:00, 1:00-4:30
Fri 9:00-12:00, 1:00-5:30

Roblin 266 Main Street W
204.937.2156
Mon-Thu 9:00-4:30, Fri 9:00-5:30

Rorketon 691 Main Street
204.732.2448
Mon-Thu 9:30-4:00, Fri 9:00-4:30

Winnipegosis 228 -1st Street N
204.656.5050
Mon-Thu 9:00-4:30, Fri 9:00-5:30

catalystcu.com