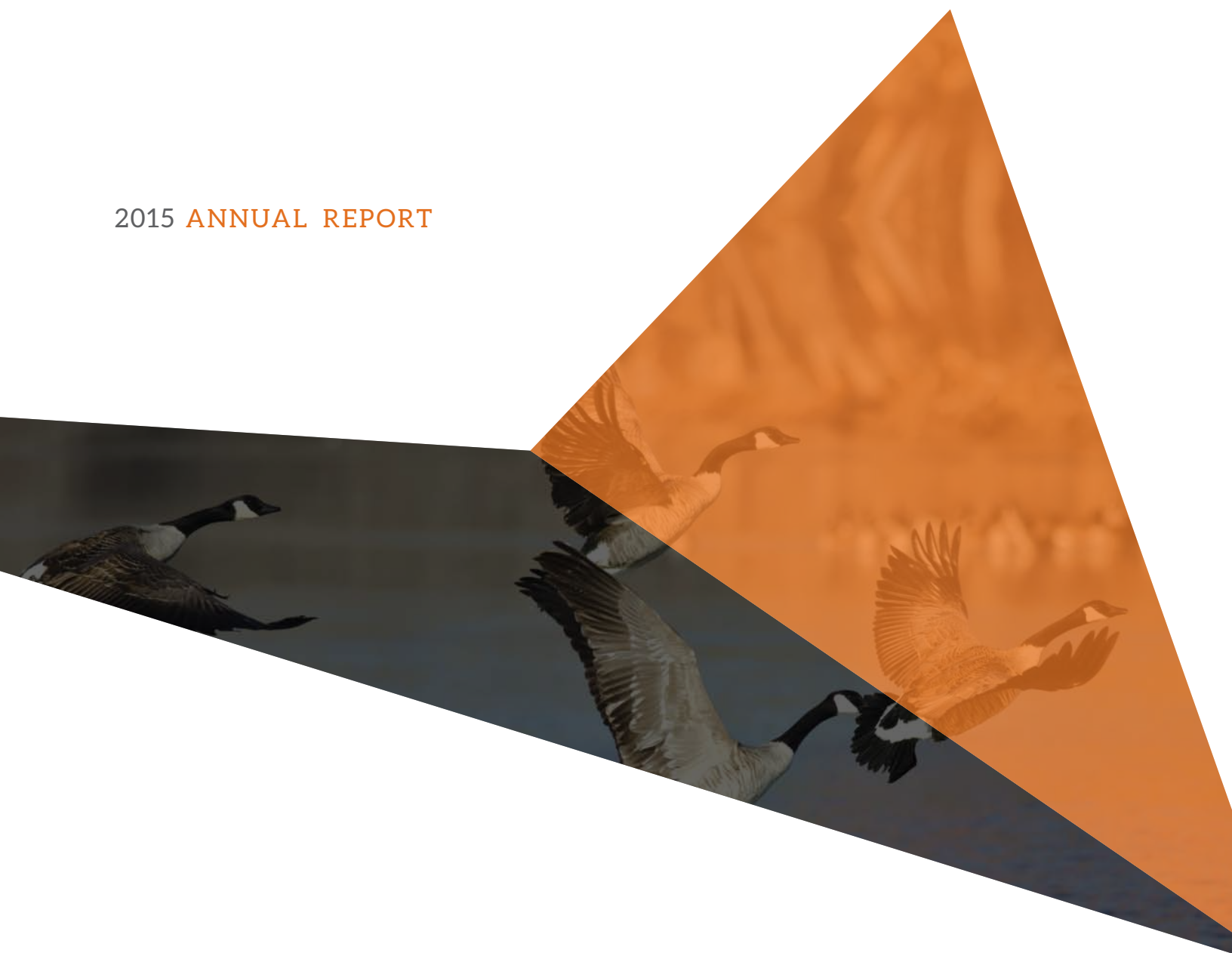


2015 **ANNUAL REPORT**





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.





It's been said that the first two or three years following a merger are the toughest. Well, I am happy to tell you that our first year-and-a-half as Catalyst Credit Union was definitely a promising precursor to our second full year of business: *another resounding success.*

Assets grew by 7.7 per cent, to \$438 million, with net profits just shy of \$2.9 million. Solid financial results like these are extremely welcome, as the Basel III accord has led our regulators to impose new capital requirements, which we are required to meet by 2021.

In recent years, we've faced some external influences – the rocky economy in Greece and its turbulent relationship with the rest of the European Union is just one example. This past year, though, we in Canada have experienced just how vulnerable a country's economy can be when it relies heavily on a single driver – in our case, the energy sector. Manitoba has fared rather well so far, compared to Saskatchewan and Alberta, but rest assured: parts of our economy have already felt or will soon feel the “domino” effect of this crash.

In the credit union world, provincial and national system meetings continue to provide avenues for discussion on compliance, technology, governance, collaboration opportunities and much more. We continue to seek opportunities and address challenges arising in the digital world, while maintaining the more traditional services and delivery channels our members have come to rely on. Your board and management see this as both our greatest opportunity and greatest challenge. To remain static is not an option.

Much of the education and networking we do as a board is designed to help us make better decisions in uncertain times. We're living and operating in a new environment, with a new federal government and – depending on what happens on April 19 – possibly a new provincial government as well. Either way, the decisions made by our elected officials will have an impact on our credit union, and on our personal lives as well.

MESSAGE *from the* CHAIRMAN

And change keeps coming. The Bank of Canada has established an advisory council to help select women to appear on a new series of banknotes — while at the same time, we seem to be moving rapidly to a cashless economy (and chequeless, too, as the federal government ceased issuing cheques on April 1). It's crucial that this new world of digital payments is regulated and safeguarded appropriately. While much of that work is underway, much remains to be done.

In this complex financial world, it's imperative that we, as a board, continue to educate and evaluate ourselves, and maintain an effective recruitment and succession plan to ensure our credit union remains relevant and profitable going forward. We've devoted significant resources to our "bricks-and-mortar" branch network, and the inevitable transition to the "branch of the future" will require further investment. By 2025, millennials will make up three quarters of our workforce, presenting us with the task of creating a cohesive work environment for all generations. These are just a few examples of the internal and external influences we must consider as a board. It is absolutely astonishing how the dynamics have changed in the last twenty-five years.

Your board and management are always searching for efficiencies that will help keep our credit union solid and viable. We have found that, though larger in scale than the three credit unions that united to create it, Catalyst can still be community-minded and focused without being nostalgic. This is a message we've been hearing for five or six years now — we've listened, and we're better off for it today. But we still need to deliberate on the whats, whys and hows to ensure we remain a vibrant financial institution tomorrow. As you may imagine, all these topics provide for much discussion, and dozens of meetings and educational seminars every year, to ensure your board and management remain effective.

I count my blessings quite often. To work with such a dedicated and involved board, a dedicated and forward-thinking management team, and the talented teams each manager has built under them — it's an exhilarating experience. Add to that our members' commitment and patronage, and I believe Catalyst Credit Union has a reliable recipe for success.

Thank you,

Richard Dereniwski

CHAIRMAN





MESSAGE from the PRESIDENT and CEO

Catalyst Credit Union had a successful year financially in 2015, which is of course good news for members. But equally important is our continued progress toward fulfilling another part of our mission — *to strengthen the bonds that tie our communities together.*

To be considered successful, every financial institution — in fact, every business — is expected to return a profit to its owners. As a *co-operative* financial institution, though, Catalyst Credit Union has the additional responsibility of living up to the values and principles that set us apart from others in our market. So, no matter how much black ink there is on our bottom line, we can't say we've had a good year unless we've done our part to make life better in the communities we serve. And I think we've done that.

Financially, 2015 was another year of new highs. Now well into our third year of operation as Catalyst Credit Union, we're really beginning to benefit from the efficiencies that have emerged from amalgamation. Asset growth of just less than 8 per cent was down slightly from 2014 — a steady, controlled pace that was a positive as we continue to build capital to maintain required levels. At 6.9 per cent, loan growth was also solid — in fact, Catalyst outpaced the healthy Manitoba credit union system as a whole in terms of both asset and loan growth. And, despite a number of challenges — like maintaining reasonable margins in a low-interest environment, the costs of complying with a growing regulatory burden, and the need to reinforce our capital base triggered by the Basel III accord — we were nevertheless able to reach another milestone for net income, at \$2.85 million.

As successful as we were in 2015, the hard work of remaining competitive and relevant to our members continues. Watch for enhancements to the Catalyst mobile app, a redesigned debit card with contactless functionality, a new Personal Financial Manager tool, and more.

Also related to competitiveness and relevance is the question of scale. We're already experiencing some of the benefits of our recent amalgamation, and we remain open to collaborating with other credit unions whenever it will make things better for our members, employees and communities (and collaborating does not necessarily mean merging). Big or small, a healthy credit union is always a work in progress.

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.

And, as for that other piece of our mission:

Right from the beginning, our board of directors committed to maintaining the shared legacy of our three founding credit unions, by supporting community groups and events financially, and by encouraging employees to contribute something even more precious: their time and energy.

The credit union has delivered, with sponsorships, donations and bursaries totaling nearly \$150,000 in 2015. But it's our staff, as usual, who really shine, volunteering over 4,600 hours of their own time — an average of more than 55 hours *each*. It's a privilege to work with such a dedicated group, and their commitment is reflected nicely, I think, in the name we chose: Catalyst.

That name, and the positive characteristics our brand promises — like service, integrity, teamwork, generosity and dedication to our communities — have been very well received throughout the Parkland, and beyond the Parkland, too (we've even been nominated for a national credit union marketing award!).

We've got a very good thing going, and none of it would be possible without the talent, abilities and just plain hard work of our employees, management team and board of directors. We're one of the biggest enterprises in our region, owned entirely by our members and governed by a board elected from among them. We pay our taxes, hire our employees and make every decision right here, at home. That's what it means to be a credit union, and I'm proud to be part of it.

I extend my sincere thanks to every employee, director and — especially — to every one of our member-owners, who have made 2015 such a successful year for Catalyst Credit Union.



Ron Hedley

PRESIDENT and CHIEF EXECUTIVE OFFICER

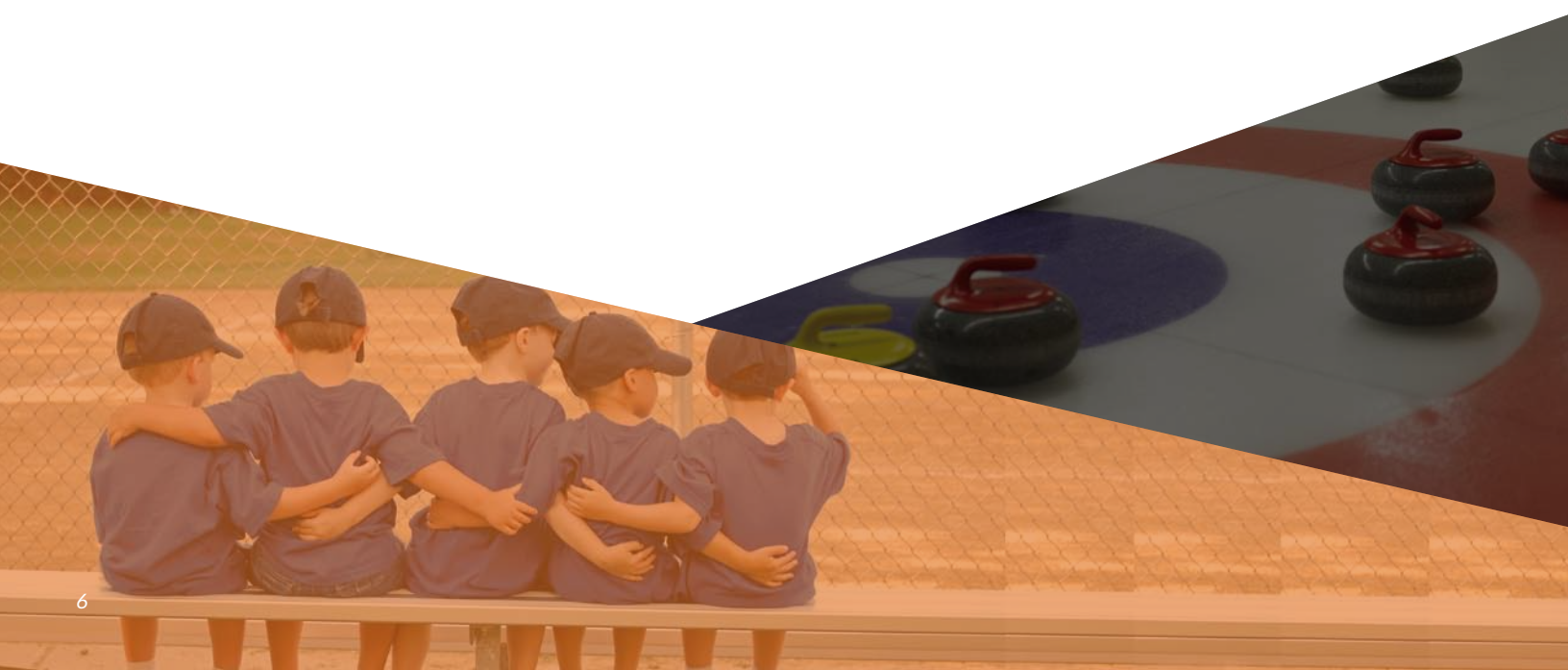
Catalyst CREDIT UNION



In 2015, Catalyst Credit Union returned
over \$149,000
to the communities we serve

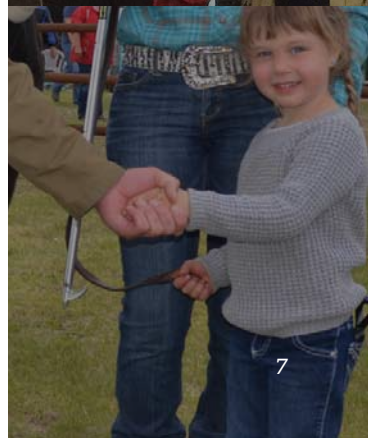
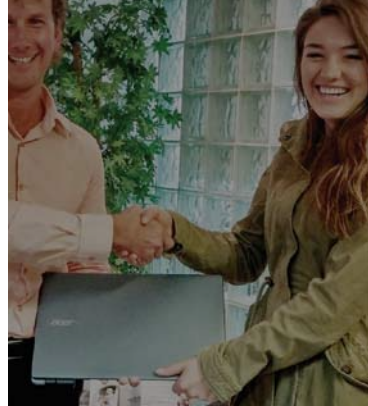
in sponsorships, donations and bursaries

And, in 2015, Catalyst Credit Union employees spent
4,637 hours of their own personal time volunteering to
make our communities better places to live — an average
of **over 55 hours** per employee!



Here are just a few of the events and groups we supported last year:

Assessippi Parkland Tourism
Bug Chucker Cup
Canada's National Ukrainian Festival
Canadian Cancer Society
Children's Wish Foundation
Countryfest
Dauphin Farmer's Curling Club
Dauphin Ag Society
Dauphin Ladies Curling
Dauphin RIDE program
Dauphin Kings
DRCSS
Ethelbert 4-H
Ethelbert Drop-in Centre
Ethelbert & District Museum
Ethelbert School
Gilbert Plains & Grandview AG Fair & Parade
Gilbert Plains Community Fund
Gilbert Plains Legion Branch #98
Gilbert Plains Rec Commission
Inglis & Area Business Group
Inglis School
Inglis Stingers Squirt Hockey
Inglis Volunteer Fire Department
Keld Community Centre Harvest Dance
Keystone Pioneers Museum Inc.
Manitoba Mudrun
MS Society of Canada
O-Chi-Chak-Ko-Sipi Ice Fishing Derby
Parkland Rangers AAA Midget Hockey
Relay for Life
Roblin AG Society
Roblin Golf & Country Club
Roblin Ladies Curling Club
Roblin Minor Hockey
San Clara & Boggy Creek Metis Federation
Shell River Metis
Sifton Community Centre
Take the Leap
Town of Ethelbert
Watson Arts Centre
Winnipegosis Centennial
Winnipegosis & District Area
Winnipegosis Curling Club



Our most important assets...

DAUPHIN

Aaron Werbicki | MSR
Alexandra Poncsak | MSR
Angelique Forbes | Loans Clerk
Britt Yerama | MSR
Brittany Novak | Loans Clerk
Brooke Matthews | MSR
Candace Toderian | MSR
Cynthia Hadway | Junior Accountant
Deanna Gouldsbrough | HR Manager
Gerry Wieler | VP Lending
Janet Morgenstern | Personal Lender
Jennifer Puchailo | Loans Clerk
Jessica Ward | MSR
Joanne Pulak | Member Support Staff
Judy King | Receptionist
Katelyn Wozny | HR/Marketing Support
Kayla Zalluski | MSR
Kelli Zeiler | Executive Assistant
Kevin Giesbrecht | Ag/Commercial Lender
Lavonne Tyschinski | Commercial Lender
Les Kuzyk | Ag Lender
Lila Forbes | Teller Supervisor
Linda Derhak | MSR
Lisa Stienwandt | VP Corporate Services
Mary-Ann Janssen | Clearing Clerk
Marysha Abel | MSR
Meaghan Sullivan | Ag/Commercial Lender
Michelle Berry | Loans Clerk
Michelle Mazurkewich | Manager of Operations
Miranda Trowbridge | Receptionist
Morgan Hrychuk | MSR Supervisor
Pam Sawicki | Loans Clerk Supervisor
Ron Hedley | President & CEO
Rosalia Poast | MSR
Shannon Demeria | MSR Supervisor
Shannon Prokopowich | Personal Lender
Steve Ganczar | Senior Lender
Tiara Gensisky | MSR
Trent Hutsal | IT Manager

ETHELBERT

Dennis Korzeniowski | Ag Lender
Heather Welland | MSR
Jasmine Mullen | MSR
Marsha Dudar | Branch Manager
Maryanne Chute | Branch Supervisor
Shannon Fletcher | MSR

GILBERT PLAINS

Courtney McDonald | MSR
Kylie Andriechuk | MSR
Melissa Laurie | MSR
Samantha Yakimishen | MSR
Shannon Priest | Branch Manager

INGLIS

Debbie Liske | RSP Administrator
Frieda van Solkema | MSR
Melissa Jordan | MSR
Sara Marzoff | MSR
Shellie Wasilka | Branch Manager

PINE RIVER

Susanne Caruk | MSR

ROBLIN

Brigitte Rist | MSR
Carrie Dietrich | Loans Clerk
Conner Ross | Personal Lender
Connie Baumung | Clearing Clerk
Dean Becker | Ag Lender
Devron Jakeman | Wealth Consultant
Elaine Mann | Personal Lender
Gerri Vestby | MSR/Accounting Clerk
Gladys Timoruski | Statement Ambassador
Gwen Diment | CAO
Kaitlyn Wiebe | MSR
Kathy Russett | Ag/Consumer Lender
Kelly Brook | VP Finance
Krystal Taylor | MSR
Landra Goossen | MSR Supervisor
Lola Antony | Marketing Coordinator
Lorilee Yakimishyn | Reception/MSR
Noreen Nykyforak | Manager of Compliance & System Initiatives
Rebecca Evans | MSR
Sarah Lowenberger | MSR
Sharon Hojnocki | Accounting Clerk
Taylor Funk | Loans Clerk/Accounts Payable
Tyler Booker | Branch Manager

WINNIPEGOSIS

Amber Wyatt | MSR
Jennifer Goudie | Branch Supervisor
Pauline Fagnan | MSR
Vernon Nepinak | Branch Manager

LONG SERVICE AWARDS



5 Years
Steve Ganczar



10 Years
Devron Jakeman



5 Years
Mel Jordan



20 Years
Lavonne Tyschinski



35 Years
Ron Hedley



5 Years
Lorilee Yakimishyn



25 Years
Sharon Hojnocki

IN MEMORIAM



DON BOGUSKI
Director
Roblin Credit Union
1992-2013



CINDY HYKAWY
MSR/Reception
Catalyst Credit Union
2007-2016

CATALYST CREDIT UNION 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

CATALYST CREDIT UNION 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 Yerima, Joanne Moy, Valdina Michaluk, Lorena Taylor, Edith Chornoby, Ron Love. *Back:* Jon Yerima, Ian Brezden, Luke Love, Kelly Plesh, Rob McDill, Teresa Matskiw, Lynn Etsell, Patty Zabiaka, Warren Adamchuk, Susan Chapman, Jackie Goran, Melissa Barsewsky, Kyla Menard, Brendan Gardner.



Catalyst Credit Union Limited

Summary Financial Statements

For the year ended December 31, 2015

Independent Auditors' Report

To the Members of Catalyst Credit Union Limited:

The accompanying summary consolidated financial statements of Catalyst Credit Union Limited and its subsidiaries, which comprise the summary consolidated statement of financial position as at December 31, 2015, and the summary consolidated income statement, changes in members' equity and cash flows for the period then ended are derived from the audited consolidated financial statements of Catalyst Credit Union Limited for the year ended December 31, 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated March 19, 2016.

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

Management's Responsibility for the Summary 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, these summary consolidated financial statements, derived from the audited consolidated financial statements of Catalyst Credit Union Limited for the year ended December 31, 2015 are a fair summary of those consolidated financial statements.

Report on Other Legal and Regulatory Requirements

As at December 31, 2015, 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, 2015.

Brandon, Manitoba

March 19, 2016

MNP LLP

Chartered Professional Accountants

Catalyst Credit Union Limited
Summary Consolidated Statement of Financial Position
For the period ended December 31, 2015

	2015	2014
Assets		
Cash and cash equivalents	37,495,984	37,355,553
Accounts receivable	386,201	390,470
Investments and accrued interest	14,353,752	7,353,783
Members' loans receivable and accrued interest	380,038,970	355,507,630
Prepaid expenses and deposits	617,519	695,573
Property and equipment	4,315,169	4,477,069
Intangible assets	909,134	954,611
	438,116,729	406,734,689
Liabilities		
Member deposits and accrued interest	406,813,659	377,405,632
Current tax payable	67,711	173,396
Accounts payable	2,137,423	2,552,316
Deferred tax	135,000	197,225
	409,153,793	380,328,569
Members' equity		
Member shares	6,333,854	6,573,532
Retained earnings	14,300,559	11,504,065
Contributed surplus	8,328,523	8,328,523
	28,962,936	26,406,120
	438,116,729	406,734,689

Approved on behalf of the board

Signed "Richard Dereniwski"
 Director

Signed "Mike Csversko"
 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, 2015

	2015	2014
Interest Income		
Member loans	14,966,132	14,176,920
Interest revenue	1,021,617	1,016,297
	15,987,749	15,193,217
Interest expense	6,147,369	5,579,583
Gross financial margin	9,840,380	9,613,634
Operating Expenses		
Administration	4,392,446	4,433,585
Amortization	532,458	421,721
Member security	357,576	373,759
Occupancy	498,297	471,706
Organizational	365,816	340,058
Personnel	4,714,850	5,069,777
	10,861,443	11,110,606
Net operating expenses	(1,021,063)	(1,496,972)
Other income	4,616,005	4,609,323
Income before recovery of impaired loans and income taxes	3,594,942	3,112,351
Provision for (recovery of) impaired loans	246,696	(149,628)
Income before income taxes	3,348,246	3,261,979
Provision for (recovery of) income taxes		
Current	560,428	549,387
Deferred	(62,225)	(80,226)
	498,203	469,161
Net income	2,850,043	2,792,818

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

Catalyst Credit Union Limited
Statement of Changes in Members' Equity
For the year ended December 31, 2015

	<i>Member shares</i>	<i>Retained earnings</i>	<i>Contributed surplus</i>	<i>Total equity</i>
Balance December 31, 2013	6,942,981	8,764,590	8,328,523	24,036,094
Net income	-	2,792,818	-	2,792,818
Issuance of member shares	777,737	-	-	777,737
Redemption of member shares	(1,200,529)	-	-	(1,200,529)
Dividend on preference shares, net of tax	53,343	(53,343)	-	-
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

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, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Interest received from members' loans	14,717,807	14,168,804
Interest and dividends received from investments	1,010,372	1,039,015
Interest paid on deposits	(5,898,925)	(5,319,693)
Cash paid to suppliers and employees	(10,862,578)	(11,163,343)
Other non-interest income received	4,616,005	4,609,323
Income taxes paid	(601,378)	(322,844)
	2,981,303	3,011,262
Financing activities		
Net change in member deposits	29,159,583	30,753,823
Proceeds from issuance of member shares	126,316	777,737
Redemption of member shares	(365,994)	(1,200,529)
	28,919,905	30,331,031
Investing activities		
Net change in members' loans receivable	(24,446,975)	(33,596,274)
Purchases of investments and accrued interest	(6,988,724)	(943,093)
Proceeds on disposal investments	-	1,651,824
Purchases of property and equipment	(325,078)	(238,251)
	(31,760,777)	(33,125,794)
Increase in cash resources	140,431	216,499
Cash resources, beginning of year	37,355,553	37,139,054
Cash resources, end of year	37,495,984	37,355,553

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-Fri 9:00-12:30, 1:30-4:00
- Gilbert Plains** 36 Main Street N
204.548.3000
Mon-Thu 9:30-4:30, Fri 9:30-5:30
- 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
- Pine River** 1st Avenue
204.263.2166
Tue & Thu, 9:30-1:30
- Roblin** 266 Main Street W
204.937.2156
Mon-Thu 9:00-4:30, Fri 9-5:30
- Winnipegosis** 228 -1st Street N
204.656.5050
Mon-Thu 9:30-4:30, Fri 9:30-5:30