

BENCHMARK INTEREST RATES AND YIELD CURVE

US Treasury Rates-

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	12/12/19	11/12/19	12/31/18	12/12/18	This Yr	Last Yr	Down Cycle
Fed Funds	1.55%	1.58%	2.40%	2.19%	-0.85%	-0.64%	-0.90%
3mo	1.56%	1.59%	2.45%	2.43%	-0.89%	-0.87%	-0.79%
6mo	1.57%	1.59%	2.56%	2.56%	-0.99%	-0.99%	-0.95%
1yr	1.55%	1.58%	2.63%	2.70%	-1.08%	-1.15%	-1.19%
2yr	1.66%	1.66%	2.48%	2.77%	-0.82%	-1.11%	-1.32%
3yr	1.69%	1.69%	2.46%	2.78%	-0.77%	-1.09%	-1.36%
5yr	1.73%	1.73%	2.51%	2.77%	-0.78%	-1.04%	-1.36%
7yr	1.84%	1.84%	2.59%	2.84%	-0.75%	-1.00%	-1.33%
10yr	1.90%	1.92%	2.69%	2.91%	-0.79%	-1.01%	-1.34%
30yr	2.32%	2.39%	3.02%	3.15%	-0.70%	-0.83%	0.14%

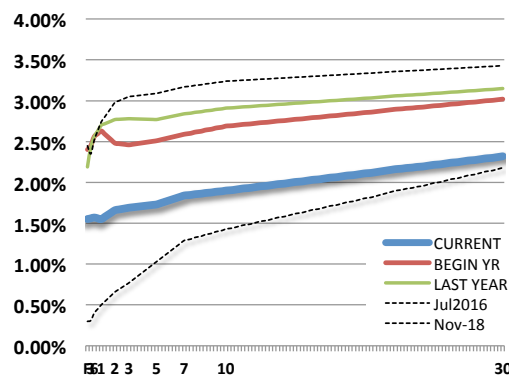
Slope of the Yield Curve-

	THIS WK	LAST MO	YR END	LAST YR	This Yr	Last Yr	Down Cycle
2yr-3mo	0.10%	0.07%	0.03%	0.34%	0.07%	-0.24%	-0.53%
5yr-2yr	0.07%	0.07%	0.03%	0.00%	0.04%	0.07%	-0.04%
10yr-5yr	0.17%	0.19%	0.18%	0.14%	-0.01%	0.03%	0.02%
10yr-3mo	0.34%	0.33%	0.24%	0.48%	0.10%	-0.14%	-0.55%

Other Interest Rates-

	THIS WK	LAST MO	YR END	LAST YR	This Yr	Last Yr	Down Cycle
Prime	4.75%	4.75%	5.50%	5.25%	-0.75%	-0.50%	-0.75%
1mo LIBOR	1.74%	1.76%	2.52%	2.58%	-0.78%	-0.84%	-0.78%
6mo LIBOR	1.89%	1.93%	2.87%	2.89%	-0.98%	-1.00%	-1.02%
12mo LIBOR	1.93%	2.00%	3.01%	3.10%	-1.08%	-1.17%	-1.20%

YIELD CURVE ASSESSMENT



CYCLICAL CHANGES SUMMARY

	Jul16 Low	Nov18 High	Nov18 High-Current
Fed Funds	2.15%	-0.90%	
1year	2.24%	-1.19%	
2years	2.32%	-1.32%	
3years	2.28%	-1.36%	
5years	2.06%	-1.36%	
10years	1.81%	-1.34%	

ECONOMIC UPDATE AND ANALYSIS

NOVEMBER CONSUMER INFLATION INCREASES; WHOLESALE PRICES UNCHANGED

U.S. consumer prices rose 0.3% in November as households paid more for gasoline. The CPI advanced 0.4% in October. In the 12 months through November, the CPI rose 2.1% after gaining 1.8% in October.

Excluding the volatile food and energy components, core CPI rose by 0.2%, matching October's increase. Prices were lifted by gains in healthcare and prices of used cars and trucks, recreation and hotel and motel accommodation.

In the 12 months through November, the core CPI increased 2.3% after a similar gain in October.

U.S. producer prices were unchanged in November as increases in food and gasoline prices were offset by declining costs for services, pointing to muted inflation despite a recent uptick in consumer prices.

The Labor Department said on Thursday the flat reading in its producer price index for final demand last month followed a 0.4% surge in October. In the 12 months through November, the PPI gained 1.1%, matching October's rise, which was the smallest increase since October 2016.

Key Economic Indicators for Banks, Thrifts & Credit Unions-

		LATEST	CURRENT	PREV
GDP	QoQ	Q3-2nd	2.1%	2.0%
GDP - YTD	Annl	Q3-2nd	2.4%	2.6%
Consumer Spending	QoQ	Q3-2nd	2.9%	4.6%
Consumer Spending	Annl	Q3-2nd	2.9%	2.9%
Unemployment	Mo	Nov	3.5%	3.6%
Consumer Inflation	YoY	Nov	2.1%	1.8%
Core Inflation	YoY	Nov	2.3%	2.3%
Consumer Credit	Annual	Oct	5.5%	2.8%
Retail Sales	YoY	Nov	3.4%	3.4%
Vehicle Sales	Annl (Mil)	Nov	17.7	17.0
Home Sales	Annl (Mil)	Oct	6.161	6.103
Home Prices	YoY	Sep	2.1%	2.0%

Key Consumer Market Data-

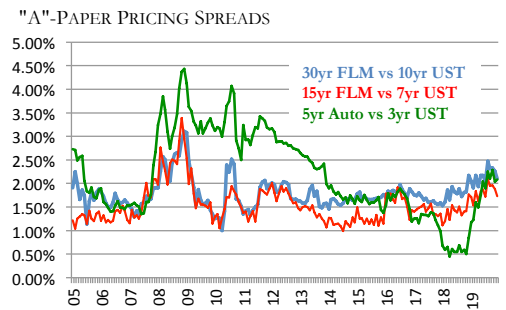
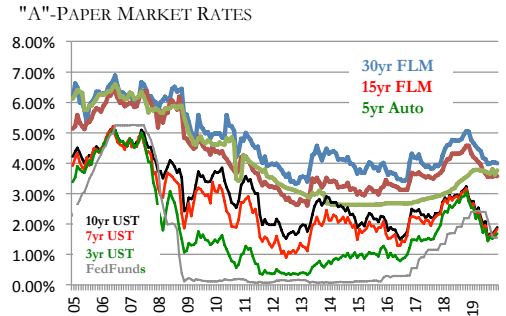
	THIS WK	YR END	PCT CHANGES	
	12/12/19	12/31/18	YTD	12Mos
DJIA	28,132	23,327	20.6%	16.7%
S&P 500	3,168	2,506	26.4%	21.9%
NASDAQ	8,717	6,635	31.4%	26.1%
Crude Oil	58.76	45.41	29.4%	16.8%
Avg Gasoline	2.56	2.27	13.0%	6.2%
Gold	1,475.0	1,281.3	15.1%	18.6%

AVERAGE CREDIT UNION RATES AND RATE SENSITIVITY

	THIS WK 12/12/19	YTD Change		Chg in Current Cycle*		Rate Sensitivity	
		Rate	Benchmark	Rate	Benchmark	YTD	Cycle
Classic CC	11.44%	-0.17%	-0.75%	-0.25%	-0.75%	23%	33%
Platinum CC	9.92%	-0.25%	-0.75%	-0.35%	-0.75%	33%	47%
48mo Veh	3.48%	-0.06%	-0.82%	-0.18%	-1.32%	7%	14%
60mo Veh	3.77%	0.11%	-0.77%	0.00%	-1.36%	-14%	0%
72mo Veh	4.11%	0.10%	-0.78%	-0.01%	-1.36%	-13%	1%
HE LOC	5.03%	-0.38%	-0.75%	-0.53%	-0.75%	51%	71%
10yr HE	5.29%	-0.18%	-0.78%	-0.23%	-1.38%	23%	17%
15yr FRM	3.57%	-0.86%	-0.79%	-1.01%	-1.39%	110%	73%
30yr FRM	4.00%	-0.86%	-0.79%	-1.06%	-1.34%	109%	79%
Sh Drafts	0.15%	0.02%	-0.85%	0.01%	-0.90%	-2%	-1%
Reg Svgs	0.19%	0.01%	-0.85%	0.00%	-0.90%	-1%	0%
MMkt-10k	0.45%	0.01%	-0.85%	-0.03%	-0.90%	-1%	3%
MMkt-50k	0.62%	0.01%	-0.85%	-0.03%	-0.90%	-1%	3%
6mo CD	0.99%	0.06%	-0.99%	-0.04%	-0.95%	-6%	4%
1yr CD	1.41%	-0.01%	-1.08%	-0.10%	-1.19%	1%	8%
2yr CD	1.64%	-0.12%	-0.82%	-0.21%	-1.32%	15%	16%
3yr CD	1.80%	-0.19%	-0.77%	-0.26%	-1.36%	25%	19%

*Since Nov 2018

RELATIVE VALUE



STRATEGICALLY FOR CREDIT UNIONS

The Fed tracks the core personal consumption expenditures (PCE) price index for its 2.0% inflation target. The core PCE price index rose 1.6% on a year-on-year basis in October and has undershot its target this year. November PCE price data will be published later this month.

November's firmer inflation readings followed a report last Friday showing the economy added a robust 266,000 jobs in November and the unemployment rate fell back to 3.5%, its lowest level in nearly half a century. Other data on housing, trade, and manufacturing have also been relatively upbeat and suggested the economy was growing at moderate speed rather than stalling.

New vehicle prices fell for a fifth straight month, likely because of deep discounting by automakers trying to get rid of stocks of older models. Used motor vehicles and truck prices increased 0.6% after rising 1.3% in October.

The Fed has signaled it will be comfortable letting inflation run ahead of their 2% target for a while after years of undershooting its target. We also expect the Fed to leave their benchmark overnight rate steady over the next few quarters.

Additional information and other market-related reports can be viewed at www.Meridian-ally.com

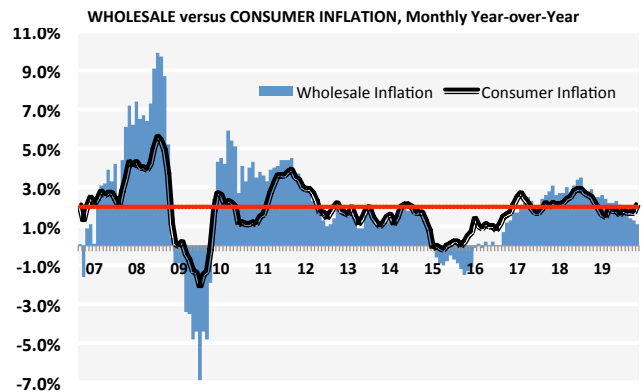
ECONOMIC RELEASES

RELEASES THIS WEEK:	Current	Previous
Consumer Inflation	2.1%	1.8%
Wholesale Inflation	1.1%	1.4%
Retail Sales	3.4%	3.4%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Existing Home Sales (Ann, Mil)	5.500	5.450
Leading Indicators	-0.1%	0.1%
GDP (Q3 Final)	2.1%	2.1%

MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

INFLATION PROFILE



ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 18	19	20 FOMC Minutes	21 Jobless Claims 227k Ex Home Sales 5.46M	22	23
25	26 Home Prices 2.1% New Home Sales 701k	27 GDP (Q3-2nd) 2.1% FRB Beige Book Jobless Claims 203k	28 THANKSGIVING HOLIDAY	29	30
2	3 Vehicle Sales 17.6M	4	5 Jobless Claims 203k Factory Orders 0.3%	6 Unemployment 3.5% Consumer Credit	7
9	10	11 FOMC Announcement Cons Inflation 2.1%	12 Jobless Claims 252k Wh Inflation 1.1%	13 Retail Sales 3.4%	14
16	17	18	19 Jobless Claims Existing Home Sales Leading Indicators	20 GDP (Q3-Final) Pers Income & Expense	21
23 New Home Sales	24	25 CHRISTMAS HOLIDAY	26 Jobless Claims	27	28
30	31 Home Prices	1 NEW YEARS DAY HOLIDAY	2 Jobless Claims FOMC Minutes	3 Vehicle Sales	4
6	7	8 Consumer Credit	9 Jobless Claims	10 Employment Report	11

Q2-2019	<\$2 Million	\$2-10 Million	\$10-50 <Million	\$50-100 Million	\$100-500 Million	\$500+ Million	TOTAL	<\$10 Million	<\$50 Million	<\$100 Million	<\$500 Million
DEMOGRAPHICS											
Number of Credit Unions	423	940	1,677	680	1,012	576	5,308	1,363	3,040	3,720	4,732
Average Assets (\$Mil)	\$0.9	\$5.9	\$25.4	\$72.5	\$228.2	\$1,952.4	\$273.8	\$4.4	\$16.0	\$26.3	\$69.5
Pct of Credit Unions	8%	18%	32%	13%	19%	11%	100%	26%	57%	70%	89%
Pct of Industry Assets	0%	0%	3%	3%	15%	79%	100%	0%	3%	6%	21%
GROWTH RATES (YTD)											
Total Assets	-6.1%	-11.4%	-1.6%	-1.3%	-5.9%	13.3%	9.2%	-11.0%	-2.8%	-2.0%	-4.7%
Total Loans	-11.8%	-11.5%	-3.4%	-5.0%	-10.7%	7.9%	4.4%	-11.6%	-4.3%	-4.7%	-9.2%
Total Shares	-5.1%	-9.5%	-1.7%	-1.3%	-5.0%	11.9%	8.3%	-9.2%	-2.6%	-2.0%	-4.1%
Net Worth	-3.6%	-11.2%	-0.5%	-1.5%	-5.6%	12.6%	8.7%	-10.6%	-2.0%	-1.8%	-4.4%
BALANCE SHEET ALLOCATION											
Net Worth-to-Total Assets	19.0%	15.9%	13.0%	12.0%	11.4%	11.1%	11.3%	16.1%	13.3%	12.7%	11.8%
Cash & Inv-to-Total Assets	52%	46%	43%	37%	28%	24%	25%	47%	44%	41%	32%
Loans-to-Total Assets	47%	52%	53%	58%	67%	72%	70%	52%	53%	56%	64%
Vehicle-to-Total Loans	59%	62%	49%	43%	40%	33%	35%	62%	50%	46%	41%
REL-to-Total Loans	1%	8%	32%	38%	44%	51%	50%	8%	29%	34%	42%
REL-to-Net Worth	4%	28%	130%	186%	261%	332%	308%	26%	115%	149%	225%
Indirect-to-Total Loans	0%	1%	5%	12%	19%	22%	21%	0%	4%	9%	17%
Loans-to-Total Shares	59%	62%	62%	67%	77%	86%	83%	62%	62%	64%	73%
Nonterm-to-Total Shares	91%	85%	81%	78%	75%	70%	71%	85%	81%	80%	76%
Short-term Funding Ratio	40.5%	29.9%	23.8%	19.9%	15.0%	12.0%	13.1%	24.5%	22.2%	17.1%	13.1%
Net Long-term Asset Ratio	3.5%	7.8%	18.7%	24.0%	29.9%	34.7%	33.1%	17.4%	20.8%	27.2%	33.0%
LOAN QUALITY											
Loan Delinquency Ratio	3.36%	1.68%	0.94%	0.81%	0.68%	0.61%	0.63%	1.02%	0.91%	0.74%	0.64%
Net Charge-off Ratio	0.99%	0.67%	0.46%	0.45%	0.47%	0.58%	0.56%	0.48%	0.47%	0.47%	0.56%
"Misery" Index	4.35%	2.35%	1.40%	1.26%	1.15%	1.19%	1.19%	1.51%	1.38%	1.21%	1.19%
RE Loan Delinquency	3.00%	2.18%	0.90%	0.75%	0.62%	0.49%	0.52%	2.19%	0.94%	0.83%	0.66%
Vehicle Loan Delinquency	2.83%	1.52%	0.85%	0.73%	0.61%	0.51%	0.55%	1.60%	0.96%	0.85%	0.68%
Direct Loans	2.83%	1.52%	0.82%	0.70%	0.56%	0.47%	0.55%	1.60%	0.94%	0.84%	0.67%
Indirect Loans	0.00%	1.37%	1.13%	0.81%	0.66%	0.53%	0.55%	1.37%	1.13%	0.89%	0.69%
Loss Allow as % of Loans	2.78%	1.27%	0.90%	0.82%	0.82%	0.89%	0.88%	1.36%	0.95%	0.88%	0.84%
Current Loss Exposure	1.51%	0.83%	0.52%	0.49%	0.43%	0.36%	0.38%	0.87%	0.56%	0.52%	0.45%
EARNINGS											
Gross Asset Yield	4.11%	3.99%	3.77%	3.79%	3.82%	4.10%	4.03%	4.00%	3.80%	3.79%	3.81%
Cost of Funds	0.35%	0.42%	0.41%	0.46%	0.58%	0.94%	0.85%	0.41%	0.41%	0.43%	0.54%
Gross Interest Margin	3.76%	3.57%	3.37%	3.33%	3.24%	3.15%	3.18%	3.58%	3.39%	3.36%	3.28%
Provision Expense	0.39%	0.34%	0.23%	0.27%	0.31%	0.47%	0.43%	0.35%	0.25%	0.26%	0.29%
Net Interest Margin	3.37%	3.23%	3.13%	3.06%	2.93%	2.68%	2.75%	3.24%	3.14%	3.10%	2.98%
Non-Interest Income	0.52%	0.65%	1.01%	1.25%	1.39%	1.32%	1.32%	0.64%	0.97%	1.11%	1.31%
Non-Interest Expense	4.29%	3.65%	3.58%	3.68%	3.64%	3.03%	3.16%	3.69%	3.59%	3.64%	3.64%
Net Operating Expense	3.77%	3.00%	2.57%	2.44%	2.24%	1.71%	1.85%	3.05%	2.62%	2.53%	2.33%
Net Operating Return	-0.40%	0.23%	0.57%	0.63%	0.69%	0.97%	0.90%	0.19%	0.52%	0.57%	0.66%
Non-recurring Inc(Exp)	0.13%	0.07%	0.02%	0.01%	0.02%	0.04%	0.03%	0.07%	0.03%	0.02%	0.02%
Net Income	-0.27%	0.30%	0.59%	0.64%	0.71%	1.01%	0.94%	0.26%	0.55%	0.59%	0.68%
Return on Net Worth	-0.7%	2.4%	4.7%	5.4%	6.5%	9.1%	8.4%	2.1%	4.4%	4.9%	6.0%

Q2-2019	<\$2 Million	\$2-10 Million	\$10-50 <Million	\$50-100 Million	\$100-500 Million	\$500> Million	TOTAL	<\$10 Million	<\$50 Million	<\$100 Million	<\$500 Million
OPERATING EFFICIENCIES:											
Loans & Shares-											
Avg Loan Balance	\$4,579	\$7,480	\$8,648	\$10,300	\$13,310	\$16,604	\$15,457	\$7,305	\$8,488	\$9,445	\$12,313
Avg Loan Rate	7%	6%	5%	5%	5%	5%	5%	6%	5%	5%	5%
Avg Loan Yield, net	7%	6%	5%	5%	4%	4%	4%	6%	5%	5%	5%
Avg Share Balance	\$2,238	\$4,767	\$7,285	\$8,280	\$9,430	\$11,580	\$10,817	\$4,447	\$6,791	\$7,473	\$8,740
Avg Share Rate	0.44%	0.50%	0.47%	0.52%	0.67%	1.13%	1.02%	0.49%	0.47%	0.50%	0.62%
NM Deposit Ratio	1.9%	1.1%	1.0%	0.9%	1.1%	0.9%	1.0%	1.2%	1.0%	0.9%	1.1%
Net Operating Profitability-											
Earning Asset/Funding	124%	118%	112%	109%	108%	109%	109%	118%	112%	111%	109%
Avg Revenue per FTE	\$48,115	\$109,745	\$163,984	\$177,942	\$195,786	\$290,899	\$260,141	\$101,300	\$152,928	\$164,932	\$185,808
Avg OpExpense per FTE	\$44,582	\$86,359	\$122,665	\$130,200	\$136,528	\$162,825	\$153,794	\$80,635	\$115,252	\$122,425	\$131,967
Avg Int & Prov Exp per FTE	\$7,720	\$17,963	\$21,923	\$25,555	\$33,315	\$75,887	\$62,468	\$16,559	\$20,977	\$23,174	\$30,035
Avg OpReturn per FTE	-\$4,187	\$5,423	\$19,396	\$22,187	\$25,944	\$52,186	\$43,879	\$4,106	\$16,699	\$19,332	\$23,806
Net OpExp-to-Total Exp	88%	82%	72%	66%	62%	56%	58%	83%	73%	70%	64%
Operating Revenue-											
Non-Int Inc-to-Total Rev	11%	14%	21%	25%	27%	24%	25%	14%	20%	23%	26%
Interest Inc per FTE	\$35,016	\$76,432	\$107,299	\$108,330	\$110,172	\$144,081	\$133,614	\$70,757	\$100,854	\$104,441	\$108,319
Non-Int Inc per FTE	\$5,379	\$15,350	\$34,762	\$44,057	\$52,300	\$70,931	\$64,059	\$13,984	\$31,097	\$37,316	\$47,454
Operating Expenses-											
C&B Expense Ratio	2.11%	1.90%	1.71%	1.76%	1.83%	1.59%	1.63%	1.91%	1.74%	1.75%	1.80%
Pct of Total Op Exp	49%	52%	48%	48%	50%	52%	52%	52%	48%	48%	50%
Avg C&B per FTE	\$21,951	\$44,929	\$58,737	\$62,351	\$68,577	\$85,153	\$79,387	\$41,781	\$55,746	\$58,916	\$65,453
Occ & Ops Exp Ratio	1.29%	0.97%	0.95%	0.93%	0.93%	0.74%	0.79%	0.99%	0.96%	0.94%	0.94%
Pct of Total Op Exp	30%	27%	27%	25%	26%	25%	25%	27%	27%	26%	26%
Avg O&O per FTE	\$13,412	\$22,944	\$32,698	\$32,759	\$35,012	\$39,993	\$38,223	\$21,638	\$30,747	\$31,712	\$33,945
All Other Exp Ratio	0.31%	0.32%	0.43%	0.49%	0.42%	0.32%	0.34%	0.32%	0.42%	0.45%	0.43%
Pct of Total Op Exp	15%	18%	24%	27%	23%	21%	21%	18%	23%	25%	24%
Avg AOE per FTE	\$9,220	\$18,485	\$31,231	\$35,090	\$32,939	\$37,679	\$36,184	\$17,216	\$28,759	\$31,797	\$32,569
Average Margin per Account-											
Avg Int Inc per Loan	\$304	\$424	\$447	\$501	\$594	\$731	\$687	\$418	\$444	\$476	\$568
Avg Int Exp per Share	\$10	\$24	\$34	\$43	\$63	\$131	\$110	\$22	\$32	\$37	\$54
Avg Return	\$295	\$400	\$413	\$458	\$531	\$600	\$578	\$396	\$412	\$439	\$514
Staffing-											
Full-time Equivalents	364	2,293	12,405	13,896	60,586	216,403	305,945	2,657	15,061	28,957	89,542
Pct PT Employees	78%	41%	16%	12%	8%	6%	8%	48%	22%	17%	11%
FTE-to-Ops (Staffing)	2.04	0.75	0.44	0.38	0.32	0.22	0.24	0.82	0.48	0.43	0.35
Membership Outreach-											
Members-to-Potential	8.6%	7.7%	2.9%	2.7%	2.7%	3.1%	3.0%	7.8%	3.3%	3.0%	2.8%
Members-to-FTEs	368	403	404	370	340	400	387	398	403	387	355
Branches	414	971	2,463	1,782	5,135	10,246	21,011	1,385	3,848	5,630	10,765
Members per Branch	323	952	2,036	2,885	4,007	8,444	5,631	764	1,578	1,992	2,953