

BENCHMARK INTEREST RATES AND YIELD CURVE

**US Treasury Rates-**

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	11/28/19	10/28/19	12/31/18	11/28/18	This Yr	Last Yr	Down Cycle
Fed Funds	1.55%	1.83%	2.40%	2.20%	-0.85%	-0.65%	-0.90%
3mo	1.62%	1.65%	2.45%	2.40%	-0.83%	-0.78%	-0.73%
6mo	1.63%	1.65%	2.56%	2.53%	-0.93%	-0.90%	-0.89%
1yr	1.60%	1.60%	2.63%	2.69%	-1.03%	-1.09%	-1.14%
2yr	1.63%	1.64%	2.48%	2.81%	-0.85%	-1.18%	-1.35%
3yr	1.61%	1.65%	2.46%	2.84%	-0.85%	-1.23%	-1.44%
5yr	1.63%	1.66%	2.51%	2.87%	-0.88%	-1.24%	-1.46%
7yr	1.71%	1.75%	2.59%	2.97%	-0.88%	-1.26%	-1.46%
10yr	1.77%	1.85%	2.69%	3.06%	-0.92%	-1.29%	-1.47%
30yr	2.19%	2.34%	3.02%	3.34%	-0.83%	-1.15%	0.01%

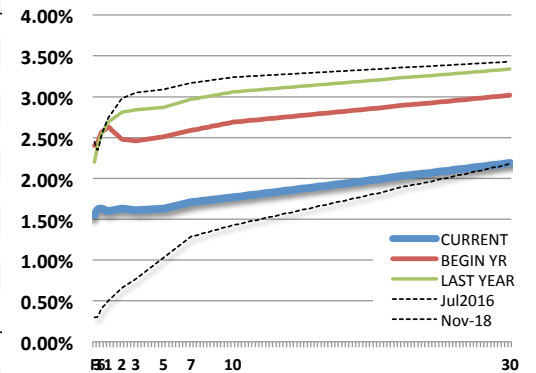
**Slope of the Yield Curve-**

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE	CHANGES SINCE	CHANGES SINCE
	11/28/19	10/28/19	12/31/18	11/28/18	This Yr	Last Yr	Down Cycle
2yr-3mo	0.01%	-0.01%	0.03%	0.41%	-0.02%	-0.40%	-0.62%
5yr-2yr	0.00%	0.02%	0.03%	0.06%	-0.03%	-0.06%	-0.11%
10yr-5yr	0.14%	0.19%	0.18%	0.19%	-0.04%	-0.05%	-0.01%
10yr-3mo	0.15%	0.20%	0.24%	0.66%	-0.09%	-0.51%	-0.74%

**Other Interest Rates-**

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE	CHANGES SINCE	CHANGES SINCE
	11/28/19	10/28/19	12/31/18	11/28/18	This Yr	Last Yr	Down Cycle
Prime	4.75%	5.00%	5.50%	5.25%	-0.75%	-0.50%	-0.75%
1mo LIBOR	1.70%	1.79%	2.52%	2.34%	-0.82%	-0.64%	-0.82%
6mo LIBOR	1.90%	1.93%	2.87%	2.89%	-0.97%	-0.99%	-1.01%
12mo LIBOR	1.95%	1.99%	3.01%	3.13%	-1.06%	-1.18%	-1.18%

**YIELD CURVE ASSESSMENT**



**CYCLICAL CHANGES SUMMARY**

	Jul16 Low	Nov18 High	Nov18 High-Current
Fed Funds	2.15%		-0.90%
1year	2.24%		-1.14%
2years	2.32%		-1.35%
3years	2.28%		-1.44%
5years	2.06%		-1.46%
10years	1.81%		-1.47%

ECONOMIC UPDATE AND ANALYSIS

**Q3 ECONOMIC GROWTH REVISED UPWARD TO 2.1%; CONSUMER SPENDING AT 2.9%**

Real gross domestic product (GDP) increased at an annual rate of 2.1 percent in the third quarter of 2019, according to the "second" estimate released by the Bureau of Economic Analysis. In the second quarter, real GDP increased 2.0 percent.

The GDP estimate is based on more complete source data than were available for the "advance" estimate issued last month. In the advance estimate, the increase in real GDP was 1.9 percent. With the second estimate for the third quarter, upward revisions to private inventory investment, nonresidential fixed investment, and personal consumption expenditures (PCE) were partially offset by a downward revision to state and local government spending

The acceleration in real GDP in the third quarter reflected upturns in private inventory investment, exports, and residential fixed investment that were partly offset by decelerations in PCE, federal government spending, and state and local government spending, and a larger decrease in nonresidential fixed investment.

The upward revision to the percent change in real GDP in the third quarter reflected upward revisions to private inventory investment, nonresidential fixed investment, and PCE that were partly offset by a downward revision to state and local government spending.

**Key Economic Indicators for Banks, Thrifts & Credit Unions-**

		LATEST	CURRENT	PREV
GDP	QoQ	Q3-2nd	2.1%	2.0%
GDP - YTD	AnnI	Q3-2nd	2.4%	2.6%
Consumer Spending	QoQ	Q3-2nd	2.9%	4.6%
Consumer Spending	AnnI	Q3-2nd	2.9%	2.9%
Unemployment	Mo	Oct	3.6%	3.5%
Consumer Inflation	YoY	Oct	1.8%	1.7%
Core Inflation	YoY	Oct	2.3%	2.4%
Consumer Credit	Annual	Sep	2.8%	5.2%
Retail Sales	YoY	Sep	3.4%	3.3%
Vehicle Sales	AnnI (Mil)	Oct	17.0	17.7
Home Sales	AnnI (Mil)	Oct	6.161	6.103
Home Prices	YoY	Sep	2.1%	2.0%

**Key Consumer Market Data-**

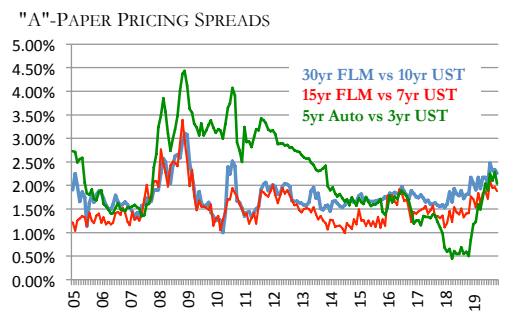
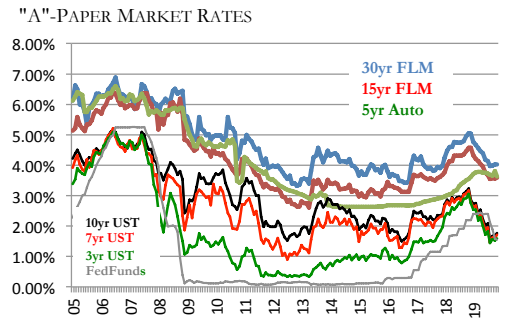
	THIS WK	YR END	PCT CHANGES	
	11/28/19	12/31/18	YTD	12Mos
DJIA	28,164	23,327	20.7%	10.9%
S&P 500	3,154	2,506	25.8%	15.1%
NASDAQ	8,705	6,635	31.2%	19.5%
Crude Oil	58.11	45.41	28.0%	11.6%
Avg Gasoline	2.58	2.27	13.8%	-1.8%
Gold	1,453.4	1,281.3	13.4%	19.2%

**AVERAGE CREDIT UNION RATES AND RATE SENSITIVITY**

	THIS WK 11/28/19	YTD Change		Chg in Current Cycle*		Rate Sensitivity	
		Rate	Benchmark	Rate	Benchmark	YTD	Cycle
Classic CC	11.46%	-0.15%	-0.75%	-0.23%	-0.75%	20%	31%
Platinum CC	9.95%	-0.22%	-0.75%	-0.32%	-0.75%	29%	43%
48mo Veh	3.49%	-0.05%	-0.85%	-0.17%	-1.35%	6%	13%
60mo Veh	3.61%	-0.05%	-0.85%	-0.16%	-1.44%	6%	11%
72mo Veh	3.93%	-0.08%	-0.87%	-0.19%	-1.45%	9%	13%
HE LOC	5.06%	-0.35%	-0.75%	-0.50%	-0.75%	47%	67%
10yr HE	5.30%	-0.17%	-0.88%	-0.22%	-1.47%	19%	15%
15yr FRM	3.58%	-0.85%	-0.90%	-1.00%	-1.51%	94%	66%
30yr FRM	4.01%	-0.85%	-0.92%	-1.05%	-1.47%	92%	71%
Sh Drafts	0.14%	0.01%	-0.85%	0.00%	-0.90%	-1%	0%
Reg Svgs	0.19%	0.01%	-0.85%	0.00%	-0.90%	-1%	0%
MMkt-10k	0.46%	0.02%	-0.85%	-0.02%	-0.90%	-2%	2%
MMkt-50k	0.62%	0.01%	-0.85%	-0.03%	-0.90%	-1%	3%
6mo CD	1.00%	0.07%	-0.93%	-0.03%	-0.89%	-8%	3%
1yr CD	1.42%	0.00%	-1.03%	-0.09%	-1.14%	0%	8%
2yr CD	1.67%	-0.09%	-0.85%	-0.18%	-1.35%	11%	13%
3yr CD	1.83%	-0.16%	-0.85%	-0.23%	-1.44%	19%	16%

\*Since Nov 2018

**RELATIVE VALUE**



**STRATEGICALLY FOR CREDIT UNIONS**

In addition to the revisions in economic growth, the Commerce Department also reported on corporate profits.

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$4.6 billion in the third quarter, compared with an increase of \$75.8 billion in the second quarter.

Profits of domestic financial corporations decreased \$9.8 billion in the third quarter, in contrast to an increase of \$2.5 billion in the second quarter. Profits of domestic nonfinancial corporations increased \$7.9 billion, compared with an increase of \$34.7 billion. Rest-of-the-world profits increased \$6.5 billion, compared with an increase of \$38.7 billion. In the third quarter, receipts decreased \$9.1 billion, and payments decreased \$15.6 billion.

Generally, companies conduct their capital investments during the third quarter in anticipation of future sales and inventory plans. The figures also suggest an expectation from lower, yet stable cash flows and revenue streams in the near future. This portends well for the employment sector and, in turn, consumer demand for products and services.

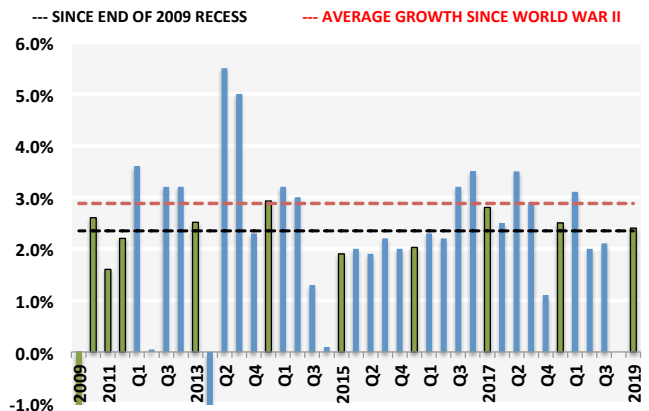
Additional information and other market-related reports can be viewed at [www.Meridian-ally.com](http://www.Meridian-ally.com)

**ECONOMIC RELEASES**

RELEASES THIS WEEK:	Current	Previous
Home Prices (Sep, YoY)	2.1%	2.0%
GDP (Q3, First)	2.1%	1.9%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Motor Vehicle Sales	16.8	17.0
Consumer Credit	3.2%	2.8%
Unemployment	3.6%	3.6%

**GROSS DOMESTIC PRODUCT**



ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 4	5	6	7 Jobless Claims 211k Consumer Credit 2.8%	8	9
VETERAN'S DAY 11	12	13 Cons Inflation 1.8%	14 Jobless Claims 225k Wh Inflation 1.1%	15 Retail Sales 3.4%	16
18	19	20 FOMC Minutes	21 Jobless Claims 227k Ex Home Sales 5.46M	22	23
25	26 Home Prices New Home Sales	27 GDP (Q3-2nd) FRB Beige Book Jobless Claims	28 THANKSGIVING	29	30
2	3 Motor Vehicle Sales	4	5 Jobless Claims Factory Orders	6 Unemployment Consumer Credit	7
9	10	11 FOMC Announcement Consumer Inflation	12 Jobless Claims Wholesale Inflation	13 Retail Sales	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

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
<b>DEMOGRAPHICS</b>											
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%
<b>GROWTH RATES (YTD)</b>											
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%
<b>BALANCE SHEET ALLOCATION</b>											
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%
<b>LOAN QUALITY</b>											
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%
<b>EARNINGS</b>											
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%
<b>Net Operating Return</b>	<b>-0.40%</b>	<b>0.23%</b>	<b>0.57%</b>	<b>0.63%</b>	<b>0.69%</b>	<b>0.97%</b>	<b>0.90%</b>	<b>0.19%</b>	<b>0.52%</b>	<b>0.57%</b>	<b>0.66%</b>
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%
<b>Net Income</b>	<b>-0.27%</b>	<b>0.30%</b>	<b>0.59%</b>	<b>0.64%</b>	<b>0.71%</b>	<b>1.01%</b>	<b>0.94%</b>	<b>0.26%</b>	<b>0.55%</b>	<b>0.59%</b>	<b>0.68%</b>
<b>Return on Net Worth</b>	<b>-0.7%</b>	<b>2.4%</b>	<b>4.7%</b>	<b>5.4%</b>	<b>6.5%</b>	<b>9.1%</b>	<b>8.4%</b>	<b>2.1%</b>	<b>4.4%</b>	<b>4.9%</b>	<b>6.0%</b>

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
<b>OPERATING EFFICIENCIES:</b>											
<b>Loans &amp; Shares-</b>											
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%
<b>Net Operating Profitability-</b>											
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%
<b>Operating Revenue-</b>											
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
<b>Operating Expenses-</b>											
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
<b>Average Margin per Account-</b>											
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
<b>Staffing-</b>											
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
<b>Membership Outreach-</b>											
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