

BENCHMARK INTEREST RATES AND YIELD CURVE

**US Treasury Rates-**

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	10/17/19	9/17/19	12/31/18	10/17/18	This Yr	Last Yr	Down Cycle
Fed Funds	1.85%	2.30%	2.40%	2.19%	-0.55%	-0.34%	-0.60%
3mo	1.66%	1.99%	2.45%	2.31%	-0.79%	-0.65%	-0.69%
6mo	1.63%	1.93%	2.56%	2.47%	-0.93%	-0.84%	-0.89%
1yr	1.59%	1.87%	2.63%	2.66%	-1.04%	-1.07%	-1.15%
2yr	1.60%	1.72%	2.48%	2.89%	-0.88%	-1.29%	-1.38%
3yr	1.57%	1.68%	2.46%	2.97%	-0.89%	-1.40%	-1.48%
5yr	1.57%	1.66%	2.51%	3.04%	-0.94%	-1.47%	-1.52%
7yr	1.66%	1.75%	2.59%	3.13%	-0.93%	-1.47%	-1.51%
10yr	1.76%	1.81%	2.69%	3.19%	-0.93%	-1.43%	-1.48%
30yr	2.24%	2.27%	3.02%	3.35%	-0.78%	-1.11%	0.06%

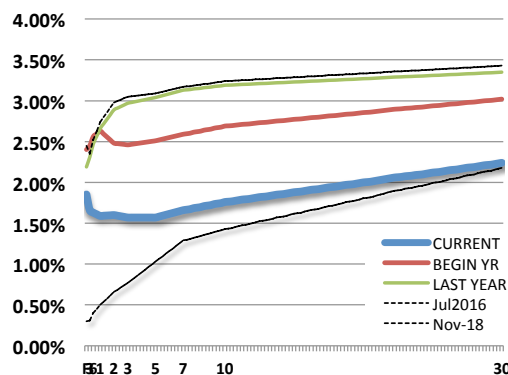
**Slope of the Yield Curve-**

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE	CHANGES SINCE	CHANGES SINCE
	10/17/19	9/17/19	12/31/18	10/17/18	This Yr	Last Yr	Down Cycle
2yr-3mo	-0.06%	-0.27%	0.03%	0.58%	-0.09%	-0.64%	-0.69%
5yr-2yr	-0.03%	-0.06%	0.03%	0.15%	-0.06%	-0.18%	-0.14%
10yr-5yr	0.19%	0.15%	0.18%	0.15%	0.01%	0.04%	0.04%
10yr-3mo	0.10%	-0.18%	0.24%	0.88%	-0.14%	-0.78%	-0.79%

**Other Interest Rates-**

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE	CHANGES SINCE	CHANGES SINCE
	10/17/19	9/17/19	12/31/18	10/17/18	This Yr	Last Yr	Down Cycle
Prime	5.00%	5.25%	5.50%	5.25%	-0.50%	-0.25%	-0.50%
1mo LIBOR	1.93%	2.06%	2.52%	2.28%	-0.59%	-0.35%	-0.59%
6mo LIBOR	1.97%	2.09%	2.87%	2.66%	-0.90%	-0.69%	-0.94%
12mo LIBOR	1.99%	2.07%	3.01%	2.97%	-1.02%	-0.98%	-1.14%

**YIELD CURVE ASSESSMENT**



**CYCLICAL CHANGES SUMMARY**

	Jul16 Low	Nov18 High	Nov18 High-Current
Fed Funds	2.15%		-0.60%
1year	2.24%		-1.15%
2years	2.32%		-1.38%
3years	2.28%		-1.48%
5years	2.06%		-1.52%
10years	1.81%		-1.48%

ECONOMIC UPDATE AND ANALYSIS

**FRB BEIGE BOOK: US ECONOMY CONTINUES TO EXPAND A MODEST PACE**

The U.S. economy expanded at a slight to modest pace since the prior report as business activity varied across the country. Reports from Districts representing states in the southern and western U.S. generally were more upbeat than Districts representing the Midwest and Great Plains. Household spending was solid on balance: nonauto retail sales increased modestly, while light vehicle sales were generally robust. Tourism and travel-related spending was up modestly. Housing market conditions changed little.

On the business spending side, nonresidential construction increased at a slightly slower yet still modest pace, while leasing activity advanced at a slow but steady rate. Manufacturing activity continued to edge lower. Contacts in some Districts suggested that persistent trade tensions and slower global growth weighed on activity. The early impact of a recent auto strike was limited.

Bankers in many Districts reported moderately rising loan volumes, while activity in nonfinancial services increased solidly. Agricultural conditions deteriorated further due to the ongoing impacts of adverse weather, weak commodity prices, and trade disruptions. Business contacts mostly expect the economic expansion to continue; however, many lowered their outlooks for growth in the coming 6 to 12 months.

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

		LATEST	CURRENT	PREV
GDP	QoQ	Q2-Final	2.0%	3.1%
GDP - YTD	Annl	Q2-Final	2.6%	3.1%
Consumer Spending	QoQ	Q2-Final	4.6%	0.9%
Consumer Spending	Annl	Q2-Final	2.9%	1.1%
Unemployment	Mo	Sep	3.5%	3.7%
Consumer Inflation	YoY	Sep	1.7%	1.7%
Core Inflation	YoY	Sep	2.4%	2.4%
Consumer Credit	Annual	Aug	5.2%	6.7%
Retail Sales	YoY	Sep	3.4%	3.3%
Vehicle Sales	Annl (Mil)	Sep	17.7	17.5
Home Sales	Annl (Mil)	Aug	6.125	6.066
Home Prices	YoY	July	2.0%	2.0%

**Key Consumer Market Data-**

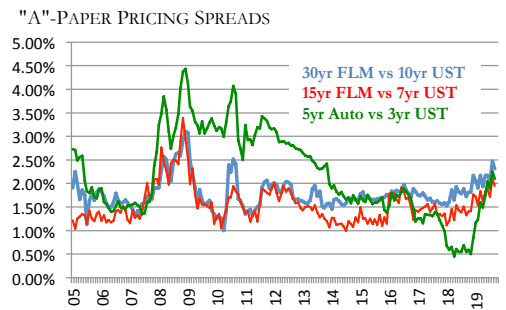
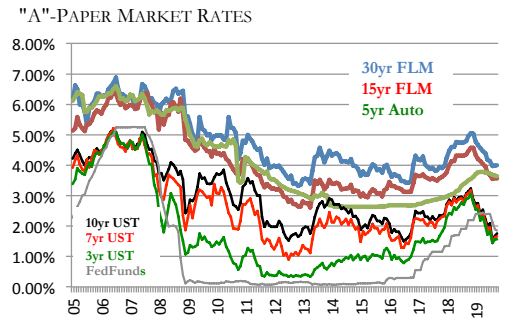
	THIS WK	YR END	PCT CHANGES	
	10/17/19	12/31/18	YTD	12Mos
DJIA	27,026	23,327	15.9%	5.8%
S&P 500	2,997	2,506	19.6%	8.0%
NASDAQ	8,157	6,635	22.9%	8.6%
Crude Oil	52.93	45.41	16.6%	-22.2%
Avg Gasoline	2.65	2.27	16.7%	-11.4%
Gold	1,498.3	1,281.3	16.9%	21.6%

**AVERAGE CREDIT UNION RATES AND RATE SENSITIVITY**

	THIS WK 10/17/19	YTD Change		Chg in Current Cycle*		Rate Sensitivity	
		Rate	Benchmark	Rate	Benchmark	YTD	Cycle
Classic CC	11.53%	-0.08%	-0.50%	-0.16%	-0.50%	16%	32%
Platinum CC	10.09%	-0.08%	-0.50%	-0.18%	-0.50%	16%	36%
48mo Veh	3.53%	-0.01%	-0.88%	-0.13%	-1.38%	1%	9%
60mo Veh	3.64%	-0.02%	-0.89%	-0.13%	-1.48%	2%	9%
72mo Veh	3.97%	-0.04%	-0.92%	-0.15%	-1.50%	4%	10%
HE LOC	5.26%	-0.15%	-0.50%	-0.30%	-0.50%	30%	60%
10yr HE	5.35%	-0.12%	-0.94%	-0.17%	-1.52%	13%	11%
15yr FRM	3.56%	-0.87%	-0.94%	-1.02%	-1.54%	93%	66%
30yr FRM	4.00%	-0.86%	-0.93%	-1.06%	-1.48%	92%	72%
Sh Drafts	0.14%	0.01%	-0.55%	0.00%	-0.60%	-2%	0%
Reg Svgs	0.18%	0.00%	-0.55%	-0.01%	-0.60%	0%	2%
MMkt-10k	0.47%	0.03%	-0.55%	-0.01%	-0.60%	-5%	2%
MMkt-50k	0.64%	0.03%	-0.55%	-0.01%	-0.60%	-5%	2%
6mo CD	1.01%	0.08%	-0.93%	-0.02%	-0.89%	-9%	2%
1yr CD	1.44%	0.02%	-1.04%	-0.07%	-1.15%	-2%	6%
2yr CD	1.70%	-0.06%	-0.88%	-0.15%	-1.38%	7%	11%
3yr CD	1.87%	-0.12%	-0.89%	-0.19%	-1.48%	13%	13%

\*Since Nov 2018

**RELATIVE VALUE**



**STRATEGICALLY FOR CREDIT UNIONS**

On balance, employment rose slightly amid reports of persistent worker shortages. Labor market tightness across skill levels and occupations was widely cited as a factor restraining hiring. Districts often reported relatively stronger demand for workers in the professional services and information technology industries. Wages rose moderately in most Districts, with upward pressure noted for lower-skill workers in the retail and hospitality industries and for higher-skill professional and technical workers. Broadly, employers continued to use nonwage approaches such as bonuses and benefits to attract and retain talent.

Most Districts characterized the recent pace of price increases as modest. Both retailers and manufacturers noted rising input costs, often for items subject to new tariffs, but retailers had relatively more success passing through these cost increases to their customers. Despite a recent increase in fuel costs, some reports suggested that shipping rates remained lower than they were earlier this year because of excess capacity in the industry.

There may yet be a third overnight rate cut, which could come this month or December, but the Fed will want to see what effects the current stimulus will have before continuing. Policymakers are willing to cut rates more if the data get uglier, but when officials say they see policy in the right place, it suggests they believe policy has anticipated current economic weakness.

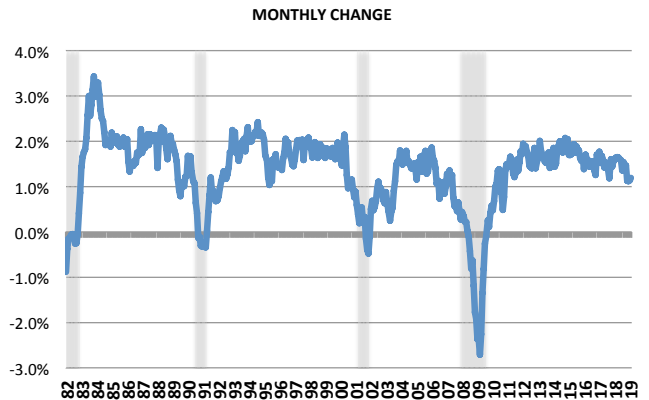
Additional information and other market-related reports can be viewed at [www.Meridian-ally.com](http://www.Meridian-ally.com)

**ECONOMIC RELEASES**

RELEASES THIS WEEK:	Current	Previous
FRB Beige Book		Modest Economic Activity
Leading Indicators	-0.1%	0.0%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Existing Homes Sales (Sep, Annl, Mils)	5.430	5.490
New Home Sales (Sep, Annl, Thousands)	710	713

**LEADING ECONOMIC INDICATORS**



ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Sep 23	24 Home Prices 2.0% Cons Confid 125.1	25 New Home Sales 713k	26 Jobless Claims 213k GDP (Q2-Final) 2.0%	27 Personal Income 0.4% Personal Spending 0.1%	28
30	Oct 1	2	3 Jobless Claims 219k	4 Employment Data 3.5%	5
7 Consumer Credit 5.2%	8 Whls Inflation 1.4%	9 FOMC Minutes	10 Jobless Claims 210k Cons Inflation 1.7%	11	12
14 COLUMBUS DAY HOLIDAY	15	16 Retail Sales 3.4% FRB Beige Book	17 Jobless Claims 214k Industrial Prod -0.4%	18 Leading Indicators -0.1%	19
21	22 Existing Home Sales	23	24 Jobless Claims New Home Sales	25 Consumer Sentiment	26
28	29 Home Prices Consumer Confidence	30 GDP (Q3-1st) FOMC Announcement	31 Jobless Claims	Nov 1 Employment Data	2
4	5	6	7 Jobless Claims Consumer Credit	8	9
11 VERTERAN'S DAY	12	13 Consumer Inflation	14 Jobless Claims Wholesale Inflation	15 Retail Sales	16

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