

23 October 2020

BENCHMARK INTEREST RATES AND YIELD CURVE

US Treasury Rates-

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE			YIELD CURVE ASSESSMENT	
	10/22/20	9/22/20	12/31/19	10/22/19	This Yr	Last Yr	This Cycle		
Fed Funds	0.09%	0.09%	1.55%	1.85%	-1.46%	-1.76%	-2.36%	4.00%	
3mo	0.09%	0.10%	1.55%	1.66%	-1.46%	-1.57%	-2.26%	3.50%	
6mo	0.11%	0.11%	1.60%	1.63%	-1.49%	-1.52%	-2.41%	3.00%	
1yr	0.13%	0.12%	1.59%	1.58%	-1.46%	-1.45%	-2.61%	2.50%	
2yr	0.16%	0.13%	1.58%	1.58%	-1.42%	-1.42%	-2.82%	2.00%	
3yr	0.21%	0.15%	1.62%	1.56%	-1.41%	-1.35%	-2.84%	1.50%	
5yr	0.38%	0.27%	1.69%	1.56%	-1.31%	-1.18%	-2.71%	1.00%	
7yr	0.62%	0.46%	1.83%	1.66%	-1.21%	-1.04%	-2.55%	0.50%	
10yr	0.87%	0.68%	1.92%	1.76%	-1.05%	-0.89%	-2.37%	0.00%	
30yr	1.67%	1.42%	2.39%	2.25%	-0.72%	-0.58%	-0.51%		

Slope of the Yield Curve-

	THIS WK	LAST MO	YR END	LAST YR	This Yr	Last Yr	This Cycle	CYCLICAL CHANGES SUMMARY		
	10/22/20	9/22/20	12/31/19	10/22/19	This Yr	Last Yr	This Cycle	Jul16 Low	Nov18 High	Nov18 High-Current
2yr-3mo	0.07%	0.03%	0.03%	-0.08%	0.04%	0.15%	-0.56%			
5yr-2yr	0.22%	0.14%	0.11%	-0.02%	0.11%	0.24%	0.11%			
10yr-5yr	0.49%	0.41%	0.23%	0.20%	0.26%	0.29%	0.34%			
10yr-3mo	0.78%	0.58%	0.37%	0.10%	0.41%	0.68%	-0.11%			

Other Interest Rates-

	THIS WK	LAST MO	YR END	LAST YR	This Yr	Last Yr	This Cycle
Prime	3.25%	3.25%	4.75%	5.00%	-1.50%	-1.75%	-2.25%
1mo LIBOR	0.15%	0.15%	1.76%	1.82%	-1.61%	-1.67%	-2.37%
6mo LIBOR	0.25%	0.27%	1.91%	1.93%	-1.66%	-1.68%	-2.66%
12mo LIBOR	0.34%	0.38%	2.00%	1.97%	-1.66%	-1.63%	-2.79%

ECONOMIC UPDATE AND ANALYSIS

FRB BEIGE BOOK SHOWS LIMITED PACE OF US ECONOMIC GROWTH IN EARLY OCTOBER

Economic activity in most parts of the country was "slight to modest," according to the Federal Reserve's latest report on economic conditions known as the Beige Book. Some districts report a leveling off of retail sales although demand for autos remained steady. Low inventories have constrained sales.

Restaurant owners are concerned that cooler weather will slow sales in coming months. Bank contacts are worried that delinquency rates may rise.

Employment levels were growing across the country but at a slow pace, the report said. Manufacturing was the most consistent sector to add jobs across the country. Wages only rose slightly and were often tied to how easy it was for firms to find workers.

Consumer prices rose modestly as construction, manufacturing and retail firms pass along higher costs to their customers. Businesses faced increased costs due to COVID-19.

The report covers the economy through Oct. 9 and is one of the last broad looks at economic conditions ahead of the presidential election on Nov.3.

Key Economic Indicators for Banks, Thrifts & Credit Unions-

		LATEST	CURRENT	PREV
GDP	QoQ	Q2-1st	-31.4%	-5.0%
GDP - YTD	AnnL	Q2-1st	-18.2%	-5.0%
Consumer Spending	QoQ	Q2-1st	-33.2%	-6.9%
Consumer Spending	AnnL	Q2-1st	-20.1%	-6.9%
Unemployment	Mo	September	7.9%	8.4%
Consumer Inflation	YoY	September	1.4%	1.3%
Core Inflation	YoY	September	1.7%	1.7%
Consumer Credit	Annual	August	-2.1%	4.3%
Retail Sales	YoY	September	-0.8%	-1.8%
Vehicle Sales	AnnL (Mil)	September	16.8	15.6
Home Sales	AnnL (Mil)	September	7.441	6.901
Home Prices	YoY	July	4.8%	3.5%

Key Consumer Market Data-

	THIS WK	YR END	PCT CHANGES	
	10/22/20	12/31/19	YTD	12Mos
DJIA	28,363	28,538	-0.6%	5.8%
S&P 500	3,453	3,231	6.9%	14.7%
NASDAQ	11,505	8,973	28.2%	40.5%
Crude Oil	40.64	61.06	-33.4%	-28.0%
Avg Gasoline	2.15	2.57	-16.4%	-19.0%
Gold	1,904.6	1,523.1	25.0%	26.9%

AVERAGE CREDIT UNION RATES AND RATE SENSITIVITY

	THIS WK 10/22/20	YTD Change		Chg in Current Cycle*		Rate Sensitivity		Bmk Begin	Mkt Begin	Last Top	Last Bottom
		Rate	Benchmark	Rate	Benchmark	YTD	Cycle	12/31/19	12/31/19	Nov-18	Jul-16
Classic CC	10.87%	-0.58%	-1.50%	-0.82%	-2.25%	39%	36%	4.75%	11.45%	11.69%	11.39%
Platinum CC	9.10%	-0.82%	-1.50%	-1.17%	-2.25%	55%	52%	4.75%	9.92%	10.27%	9.09%
48mo Veh	3.03%	-0.44%	-1.42%	-0.63%	-2.82%	31%	22%	1.58%	3.47%	3.66%	2.58%
60mo Veh	3.14%	-0.45%	-1.41%	-0.63%	-2.84%	32%	22%	1.62%	3.59%	3.77%	2.68%
72mo Veh	3.47%	-0.44%	-1.36%	-0.65%	-2.78%	32%	23%	1.66%	3.91%	4.12%	3.05%
HE LOC	4.04%	-0.96%	-1.50%	-1.52%	-2.25%	64%	68%	4.75%	5.00%	5.56%	4.01%
10yr HE	5.03%	-0.25%	-1.31%	-0.49%	-2.80%	19%	18%	1.69%	5.28%	5.52%	4.45%
15yr FRM	2.92%	-0.65%	-1.18%	-1.66%	-2.58%	55%	64%	1.81%	3.57%	4.58%	3.14%
30yr FRM	3.25%	-0.76%	-1.05%	-1.81%	-2.37%	72%	76%	1.92%	4.01%	5.06%	3.69%
Sh Drafts	0.12%	-0.02%	-1.46%	-0.02%	-2.36%	1%	1%	1.55%	0.14%	0.14%	0.11%
Reg Svgs	0.14%	-0.05%	-1.46%	-0.05%	-2.36%	3%	2%	1.55%	0.19%	0.19%	0.14%
MMkt-10k	0.20%	-0.25%	-1.46%	-0.28%	-2.36%	17%	12%	1.55%	0.45%	0.48%	0.22%
MMkt-50k	0.29%	-0.33%	-1.46%	-0.36%	-2.36%	23%	15%	1.55%	0.62%	0.65%	0.31%
6mo CD	0.33%	-0.66%	-1.49%	-0.70%	-2.41%	44%	29%	1.60%	0.99%	1.03%	0.34%
1yr CD	0.48%	-0.92%	-1.46%	-1.03%	-2.61%	63%	39%	1.59%	1.40%	1.51%	0.53%
2yr CD	0.62%	-1.02%	-1.42%	-1.23%	-2.82%	72%	44%	1.58%	1.64%	1.85%	0.78%
3yr CD	0.72%	-1.07%	-1.41%	-1.34%	-2.84%	76%	47%	1.62%	1.79%	2.06%	1.04%

*Since Nov 2018

STRATEGICALLY FOR CREDIT UNIONS

While the U.S. economy has rebounded from the depths of the recession that began in March, the level of activity may plateau somewhat in coming months. Fed officials have been pressing Congress to pass another coronavirus relief package to help consumers and businesses survive while the coronavirus pandemic continues to constrain activity.

These conclusions are consistent with a recovery that continues to advance in broad strokes but inconsistently and with less forward momentum than during the initial powerful rebound in May.

The report found that the recovery was proceeding on separate tracks, with the manufacturing, residential housing and banking industries reporting steady growth, while consumer spending and commercial real estate remained weak.

Companies said they were “generally optimistic or positive” about the future but noted that there was still a lot of uncertainty in their outlook, in particular in regards to November’s election.

Consumer prices for most goods rose modestly throughout the country, the report said, with some exceptions. High demand and low inventory pushed up prices for automobiles and appliances, while the California wildfires helped raise food prices “significantly.”

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

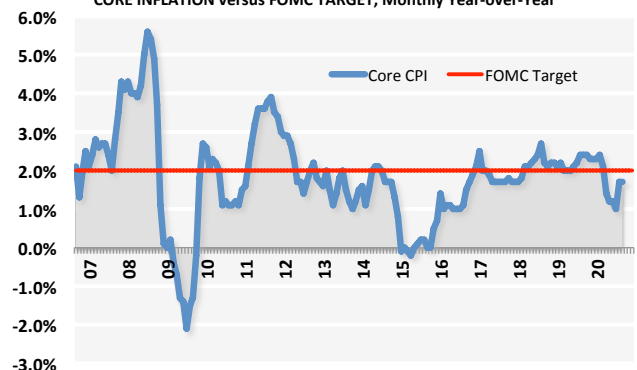
ECONOMIC RELEASES

RELEASES THIS WEEK:	Current	Previous
FRM Beige Book	Broadbased weakness but improving economy	
Existing Home Sales (Sep, Mil)	6.540M	6.000M

RELEASES FOR UPCOMING WEEK:	Projected	Previous
New Home Sales (Sep, Mil)	1.011M	0.901M
Home Prices (Aug, YoY)	3.9%	3.9%
Consumer Confidence (Oct, 100=1985)	102.5	101.8
GDP (Q3, QoQ, 1st)	32.0%	-31.4%

MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

CORE CONSUMER INFLATION
CORE INFLATION versus FOMC TARGET, Monthly Year-over-Year



ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
September 21	22 Exist Home Sales 6M	23	24 Jobless Claims 870k Cont'd Claims 12.6M New Home Sales 691k	25 Durable Goods 0.4%	26
28	29 Home Prices 4.8% Consumer Confidence 101.9 (1985=100)	30 GDP (Q2, Final) -31.4%	October 1 Jobless Claims 837k Cont'd Claims 11.8M Vehicle Sales 15.7M	2 Unemployment 7.9%	3
5	6	7 FOMC Minutes Consumer Credit -2.1%	8 Jobless Claims 840k Cont'd Claims 10.9M	9	10
12 COLUMBUS DAY HOLIDAY	13 Cons Inflation 1.4%	14 Whol Inflation 1.7%	15 Jobless Claims 866k Cont'd Claims 10.0M	16 Retail Sales 5.4% Indl Production -7.3% Capacity Util 71.5%	17
19	20	21 FRB Beige Book	22 Jobless Claims 787k Cont'd Claims 8.38M Ex Home Sales 6.54M	23	24
26 New Home Sales	27 Home Prices Durable Goods Consumer Confidence	28	29 Jobless Claims Cont'd Claims GDP (Q3)	30 Personal Income Personal Spending	31
November 2 Construction Spending	3 PRESIDENTIAL ELECTION DAY	4	5 Jobless Claims Cont'd Claims FOMC Announcement	6 Employment Report	7
9	10	11 VETERANS DAY	12 Jobless Claims Cont'd Claims Consumer Inflation	13 Wholesale Inflation	14
16	17 Retail Sales Industrial Production Capacity Utilization	18	19 Jobless Claims Cont'd Claims Existing Home Sales Consumer Confidence	20	21

ECONOMIC FORECAST

October 2020

	2019			2020				2021			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

ECONOMIC OUTLOOK

GDP - (QoQ)	1.5%	2.6%	2.4%	-5.0%	-31.4%	32.0%	3.6%	3.1%	4.4%	2.9%	3.1%
GDP - (YTD)	2.3%	2.4%	2.4%	-5.0%	-18.2%	-1.5%	-0.2%	3.1%	3.8%	3.5%	3.4%
Consumer Spending - (QoQ)	3.7%	2.7%	1.6%	-6.9%	-33.2%	37.2%	3.5%	2.0%	5.1%	2.8%	3.2%
Consumer Spending - (YTD)	2.4%	2.5%	2.3%	-6.9%	-20.1%	-20.1%	-12.2%	2.0%	3.6%	3.3%	3.3%
Government Spending - (QoQ)	5.0%	2.1%	2.4%	1.3%	2.5%	-2.1%	-4.4%	0.0%	0.6%	0.7%	0.1%
Government Spending - (YTD)	3.3%	3.3%	3.1%	1.3%	1.9%	0.6%	-0.7%	0.0%	0.3%	0.4%	0.4%
Unemployment Rate	3.6%	3.6%	3.5%	3.8%	13.0%	8.8%	7.7%	7.3%	6.8%	6.5%	6.2%
Consumer Inflation	1.8%	1.8%	2.0%	2.1%	0.4%	1.2%	1.0%	1.4%	3.0%	2.4%	2.7%
Home Prices	1.8%	1.8%	2.0%	2.1%	3.5%	3.5%	3.2%	3.0%	3.0%	3.4%	3.7%

SINGLE FAMILY HOME & VEHICLE LOAN MARKETS

Total Home Sales (M)	5.948	6.109	6.131	6.185	5.150	6.648	6.412	6.394	6.440	6.446	6.493
Existing Home (M)	5.287	5.410	5.420	5.483	4.474	5.781	5.615	5.593	5.627	5.633	5.675
New Home Sales (M)	0.661	0.699	0.711	0.702	0.676	0.867	0.797	0.801	0.813	0.813	0.818
Single Family Homes (B\$)	501	651	696	563	928	860	792	592	579	554	480
Purchase Applications	355	375	314	257	348	410	380	330	379	392	332
Refinancing Applications	146	276	382	306	580	450	412	262	200	162	148
Refi Apps Share	29%	42%	55%	54%	63%	52%	52%	44%	35%	29%	31%
Vehicle Sales (M)	17.6	18.6	18.2	15.4	14.0	16.0	15.0	15.3	16.4	16.5	16.8

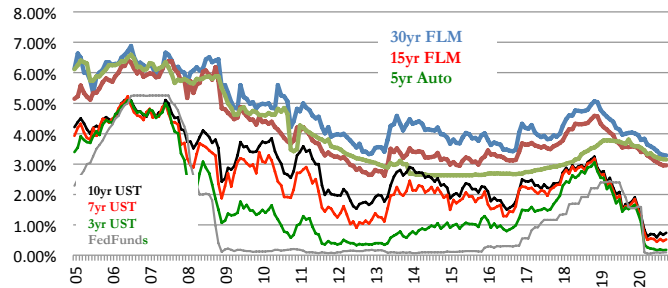
MARKET RATE OUTLOOK

Prime	5.5%	5.2%	4.8%	3.8%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Fed Funds	2.4%	1.9%	1.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
2yr UST	2.3%	2.7%	2.8%	1.1%	0.1%	0.1%	0.3%	0.3%	0.3%	0.6%	0.6%
10yr UST	2.3%	1.8%	1.8%	1.4%	0.7%	0.7%	0.8%	0.9%	1.0%	1.1%	1.3%
5yr Vehicle Loan Rate	3.1%	3.2%	3.2%	3.5%	3.3%	3.3%	3.4%	3.6%	3.8%	3.8%	3.8%
15yr First-lien Mortgage	3.5%	3.1%	3.1%	3.0%	2.8%	2.8%	2.8%	2.9%	2.9%	2.9%	3.0%
30yr First-lien Mortgage	4.0%	3.7%	3.7%	3.5%	3.2%	3.2%	3.3%	3.4%	3.4%	3.5%	3.5%

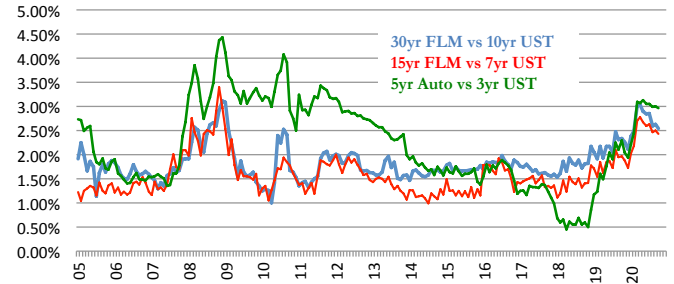
STRATEGIC ASSESSMENT OF RELATIVE VALUE INVESTMENT AND FUNDING OPTIONS

RELATIVE VALUE OF MARGINAL INVESTMENT OPTIONS

"A"-PAPER MARKET RATES



"A"-PAPER PRICING SPREADS



	Current Return	For	Then for the Next	The Net Return Needed to Break-even Against*:							
				30Y FLM	15Y FLM	5Y New	5Y Used	4Y MBS	4Y Call	3Y MBS	3Y Call
Cash	0.09%	-	-	-	-	-	-	-	-	-	-
2yr Agy Callable	0.17%	2 years	3 years	5.30%	4.75%	5.12%	5.37%	2.15%	0.65%	1.64%	0.38%
3yr Agy Callable	0.24%	3 years	2 years	7.77%	6.94%	7.49%	7.87%	3.92%	0.92%	-	-
3yr Agy MBS	0.66%	3 years	2 years	7.14%	6.31%	6.86%	7.24%	2.66%	-0.34%	-	-
4yr Agy Callable	0.41%	4 years	1 year	14.61%	12.96%	14.06%	14.81%	-	-	-	-
4yr Agy MBS	1.16%	4 years	1 year	11.61%	9.96%	11.06%	11.81%	-	-	-	-
5yr Agy Callable	0.56%	5 years	-	-	-	-	-	-	-	-	-
5yr New Vehicle	3.14%	3 years	2 years	3.42%	2.59%	-	-	-	-	-	-
5yr Used Vehicle	3.29%	3 years	2 years	3.19%	2.37%	-	-	-	-	-	-
15yr Mortgage	2.92%	5 years	-	-	-	-	-	-	-	-	-
30yr Mortgage	3.25%	5 years	-	-	-	-	-	-	-	-	-

* Best relative value noted by probabilities of achieving "break-even" returns

RELATIVE VALUE OF MARGINAL FUNDING OPTIONS

	Current Cost	For	Then for the Next	The Net Cost Needed to Break-even Against*:			
				3Y CD	3Y FHLB	2Y CD	2Y FHLB
Share Draft	0.12%	1 year	2 years	1.02%	0.69%	1.12%	0.72%
Regular Savings	0.14%	1 year	2 years	1.01%	0.68%	1.10%	0.70%
Money Market	0.20%	1 year	2 years	0.98%	0.65%	1.04%	0.64%
FHLB Overnight	0.35%	1 year	2 years	0.91%	0.58%	0.89%	0.49%
Catalyst Settlement	1.25%	1 year	2 years	0.46%	0.13%	-0.01%	-0.41%
6mo Term CD	0.33%	6 mos	2.5 yrs	0.80%	0.53%	0.72%	0.45%
6mo FHLB Term	0.36%	6 mos	2.5 yrs	0.79%	0.53%	0.71%	0.44%
6mo Catalyst Term	1.00%	6 mos	2.5 yrs	0.66%	0.40%	0.49%	0.23%
1yr Term CD	0.48%	1 year	2 years	0.84%	0.51%	0.76%	0.36%
1yr FHLB Term	0.39%	1 year	2 years	0.89%	0.56%	0.85%	0.45%
2yr Term CD	0.62%	2 years	1 year	0.92%	0.26%	-	-
2yr FHLB Term	0.42%	2 years	1 year	1.32%	0.66%	-	-
3yr Term CD	0.72%	3 years	-	-	-	-	-
3yr FHLB Term	0.50%	3 years	-	-	-	-	-

* Highest relative value noted by highest differentials and volatility projections

Q2-2020	<\$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	377	854	1,580	665	1,061	627	5,164	1,231	2,811	3,476	4,537
Average Assets (\$Mil)	\$0.9	\$6.1	\$26.1	\$73.0	\$214.7	\$1,983.4	\$303.4	\$4.5	\$16.6	\$27.4	\$71.2
Pct of Credit Unions	7%	17%	31%	13%	21%	12%	100%	24%	54%	67%	88%
Pct of Industry Assets	0%	0%	2%	3%	13%	81%	100%	0%	3%	5%	19%
GROWTH RATES (YTD)											
Total Assets	-7.5%	-14.4%	-2.7%	-2.8%	6.9%	28.3%	23.3%	-14.0%	-4.0%	-3.4%	3.9%
Total Loans	-34.7%	-33.6%	-24.3%	-23.9%	-13.5%	10.2%	5.2%	-33.7%	-25.3%	-24.5%	-16.4%
Total Shares	-5.1%	-10.7%	-0.5%	-0.9%	8.1%	26.1%	21.8%	-10.4%	-1.7%	-1.3%	5.3%
Net Worth	-14.6%	-22.4%	-16.1%	-16.2%	-9.4%	9.9%	5.2%	-21.9%	-16.9%	-16.5%	-11.7%
BALANCE SHEET ALLOCATION											
Net Worth-to-Total Assets	18.4%	15.6%	12.3%	11.5%	10.7%	10.3%	10.5%	15.8%	12.7%	12.1%	11.1%
Cash & Inv-to-Total Assets	57%	52%	49%	43%	34%	29%	31%	52%	49%	46%	37%
Loans-to-Total Assets	43%	47%	48%	52%	61%	67%	65%	47%	48%	50%	58%
Vehicle-to-Total Loans	60%	64%	49%	43%	39%	31%	33%	64%	51%	47%	41%
REL-to-Total Loans	1%	8%	30%	39%	45%	53%	51%	7%	27%	33%	42%
REL-to-Net Worth	3%	23%	116%	177%	258%	343%	319%	22%	103%	139%	221%
Indirect-to-Total Loans	0%	0%	4%	11%	18%	21%	20%	0%	4%	8%	15%
Loans-to-Total Shares	53%	56%	55%	60%	70%	79%	76%	56%	55%	58%	66%
Nonterm-to-Total Shares	92%	85%	82%	80%	77%	72%	73%	85%	82%	81%	78%
Short-term Funding Ratio	46.5%	37.7%	31.1%	27.0%	20.7%	16.4%	17.6%	31.8%	29.4%	23.2%	17.8%
Net Long-term Asset Ratio	3.4%	6.8%	17.1%	22.6%	29.2%	35.0%	33.3%	15.9%	19.3%	26.3%	33.2%
Leverage Ratio	1.4%	1.3%	1.0%	1.3%	2.0%	5.1%	4.4%	1.3%	1.0%	1.2%	1.8%
Solvency Ratio	122.8%	118.6%	114.1%	113.1%	112.1%	112.4%	112.5%	118.8%	114.7%	113.8%	112.6%
LOAN QUALITY											
Loan Delinquency Ratio	3.52%	1.57%	0.91%	0.75%	0.62%	0.56%	0.58%	0.98%	0.86%	0.68%	0.58%
Net Charge-off Ratio	0.51%	0.50%	0.38%	0.38%	0.39%	0.56%	0.53%	0.39%	0.39%	0.39%	0.53%
"Misery" Index	4.03%	2.07%	1.29%	1.13%	1.01%	1.12%	1.11%	1.37%	1.24%	1.07%	1.11%
RE Loan Delinquency	1.88%	1.61%	0.91%	0.75%	0.61%	0.52%	0.54%	1.61%	0.93%	0.82%	0.65%
Vehicle Loan Delinquency	2.81%	1.44%	0.78%	0.63%	0.51%	0.44%	0.47%	1.52%	0.88%	0.76%	0.58%
Direct Loans	2.81%	1.44%	0.76%	0.60%	0.45%	0.36%	0.44%	1.52%	0.87%	0.75%	0.56%
Indirect Loans	0.00%	0.99%	1.02%	0.71%	0.58%	0.48%	0.49%	0.99%	1.02%	0.78%	0.61%
Loss Allow as % of Loans	3.02%	1.36%	0.92%	0.86%	0.81%	1.04%	1.00%	1.46%	0.98%	0.92%	0.84%
Current Loss Exposure	1.73%	0.80%	0.51%	0.42%	0.38%	0.33%	0.34%	0.86%	0.54%	0.48%	0.41%
EARNINGS											
Gross Asset Yield	3.76%	3.56%	3.37%	3.34%	3.47%	3.73%	3.67%	3.57%	3.39%	3.36%	3.44%
Cost of Funds	0.35%	0.40%	0.41%	0.43%	0.55%	0.86%	0.79%	0.39%	0.41%	0.42%	0.51%
Gross Interest Margin	3.41%	3.16%	2.95%	2.91%	2.91%	2.87%	2.88%	3.18%	2.98%	2.94%	2.92%
Provision Expense	0.23%	0.24%	0.19%	0.22%	0.30%	0.66%	0.59%	0.24%	0.20%	0.21%	0.28%
Net Interest Margin	3.17%	2.92%	2.77%	2.69%	2.61%	2.21%	2.29%	2.94%	2.78%	2.74%	2.64%
Non-Interest Income	0.29%	0.52%	0.81%	1.05%	1.24%	1.26%	1.24%	0.50%	0.78%	0.92%	1.15%
Non-Interest Expense	3.68%	3.33%	3.29%	3.36%	3.44%	2.94%	3.04%	3.35%	3.30%	3.33%	3.41%
Net Operating Expense	3.39%	2.82%	2.48%	2.31%	2.20%	1.68%	1.80%	2.85%	2.52%	2.41%	2.26%
Net Operating Return	-0.21%	0.10%	0.29%	0.38%	0.40%	0.53%	0.50%	0.08%	0.27%	0.32%	0.38%
Non-recurring Inc(Exp)	0.12%	0.04%	0.02%	0.01%	0.01%	0.04%	0.03%	0.05%	0.02%	0.02%	0.01%
Net Income	-0.10%	0.15%	0.31%	0.39%	0.42%	0.57%	0.53%	0.13%	0.29%	0.34%	0.40%
Return on Net Worth	0.1%	1.3%	2.7%	3.5%	4.0%	5.5%	5.1%	1.2%	2.5%	3.0%	3.7%

Q2-2020

<\$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:

Core Activities-

Earning Asset Allocation and Return

Nonearning as Pct of Assets	1%	1%	3%	4%	5%	4%	4%	1%	3%	4%	5%
Cash & Investment Yield	1.06%	1.40%	1.46%	1.39%	1.26%	1.21%	1.23%	1.37%	1.45%	1.42%	1.32%
C&I as Pct of Assets	57%	52%	49%	43%	34%	29%	31%	52%	49%	46%	37%
Loan Yield, net	6.63%	5.52%	5.03%	4.72%	4.41%	4.17%	4.24%	5.58%	5.09%	4.89%	4.54%
Loans as Pct of Assets	43%	47%	48%	52%	61%	67%	65%	47%	48%	50%	58%
Avg Loan Balance	\$4,948	\$7,329	\$8,110	\$9,587	\$13,332	\$17,596	\$16,262	\$7,187	\$8,004	\$8,845	\$12,174
Avg Loan Rate	6.87%	5.76%	5.21%	4.94%	4.72%	4.83%	4.83%	5.82%	5.28%	5.10%	4.81%
Avg Loan Yield, net	6.63%	5.52%	5.03%	4.72%	4.41%	4.17%	4.24%	5.58%	5.09%	4.89%	4.54%

Paying Funds Allocation and Return

NonTerm as Pct of Shares	92%	85%	82%	80%	77%	72%	73%	85%	82%	81%	78%
Share CDs as Pct of Shares	5%	10%	12%	14%	16%	20%	19%	10%	12%	13%	15%
Cost of Funds	0.35%	0.40%	0.41%	0.43%	0.55%	0.86%	0.79%	0.39%	0.41%	0.42%	0.51%
Avg Share Balance	\$2,502	\$5,040	\$8,055	\$9,239	\$10,548	\$12,942	\$12,185	\$4,739	\$7,488	\$8,374	\$9,777
Avg Share Rate	0.44%	0.47%	0.47%	0.49%	0.64%	1.02%	0.93%	0.47%	0.47%	0.48%	0.59%
NM Deposits as Pct of Shares	1.3%	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%	1.1%	0.9%	0.9%	0.9%

Average Margin per Account

Avg Interest Inc per Loan	\$340	\$422	\$423	\$474	\$629	\$850	\$785	\$419	\$423	\$451	\$586
Less: Avg Int Exp per Share	\$11	\$24	\$38	\$45	\$67	\$132	\$113	\$22	\$36	\$40	\$58
Less: Avg Provisions per Loan	\$12	\$18	\$15	\$21	\$41	\$116	\$95	\$17	\$16	\$19	\$34
Avg Net Interest Margin	\$317	\$380	\$369	\$407	\$521	\$602	\$576	\$379	\$372	\$392	\$494

Net Operating Profitability-

Earning Asset/Funding	123%	117%	111%	109%	107%	109%	109%	118%	112%	110%	108%
Non-Int Inc-to-Total Rev	7%	13%	19%	24%	26%	25%	25%	12%	19%	21%	25%

Average per Full-time Equivalent

Interest Income	\$43,463	\$90,497	\$129,978	\$134,352	\$141,569	\$215,628	\$195,161	\$84,360	\$121,977	\$127,942	\$137,419
Less: Interest Expense	\$4,075	\$10,089	\$15,889	\$17,203	\$22,634	\$49,532	\$41,958	\$9,304	\$14,734	\$15,924	\$20,591
Net Interest Margin	\$39,389	\$80,408	\$114,089	\$117,149	\$118,935	\$166,096	\$153,203	\$75,055	\$107,243	\$112,018	\$116,828
Less: Provisions	\$2,716	\$6,115	\$7,313	\$8,969	\$12,450	\$38,264	\$31,151	\$5,671	\$7,025	\$7,962	\$11,084
Net Interest Income	\$36,672	\$74,293	\$106,776	\$108,180	\$106,484	\$127,832	\$122,052	\$69,384	\$100,218	\$104,056	\$105,745
Non-Interest Income	\$3,396	\$13,146	\$31,439	\$42,357	\$50,687	\$72,980	\$65,886	\$11,874	\$28,007	\$34,924	\$45,887
Non-Interest Expense	\$42,553	\$84,790	\$127,057	\$135,304	\$140,631	\$170,345	\$161,462	\$79,279	\$118,677	\$126,691	\$136,386
Net Operating Expense	\$39,158	\$71,643	\$95,618	\$92,948	\$89,945	\$97,364	\$95,576	\$67,405	\$90,669	\$91,767	\$90,500
Net Operating Return	-\$2,486	\$2,650	\$11,158	\$15,232	\$16,539	\$30,468	\$26,476	\$1,980	\$9,548	\$12,288	\$15,245
Total Revenue	\$46,859	\$103,643	\$161,417	\$176,709	\$192,255	\$288,608	\$261,047	\$96,234	\$149,984	\$162,866	\$183,306
Compensation & Benefits	\$20,374	\$45,248	\$61,238	\$65,606	\$72,242	\$90,232	\$84,677	\$42,003	\$57,864	\$61,596	\$69,000
Occupancy & Operations	\$13,582	\$22,624	\$34,040	\$34,573	\$35,751	\$41,695	\$39,928	\$21,444	\$31,831	\$33,153	\$34,960
All Other Expenses	\$8,598	\$16,917	\$31,778	\$35,125	\$32,638	\$38,418	\$36,858	\$15,832	\$28,981	\$31,943	\$32,426

Q2-2020	<\$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 Expense Assessment											
Expense Ratio Breakdown-											
Compensation & Benefits	1.76%	1.78%	1.59%	1.63%	1.77%	1.56%	1.59%	1.78%	1.61%	1.62%	1.73%
Occupancy & Ops	1.17%	0.89%	0.88%	0.86%	0.88%	0.72%	0.75%	0.91%	0.88%	0.87%	0.87%
All Other Expenses	0.74%	0.66%	0.82%	0.87%	0.80%	0.66%	0.69%	0.67%	0.81%	0.84%	0.81%
Total Operating Expenses	3.68%	3.33%	3.29%	3.36%	3.44%	2.94%	3.04%	3.35%	3.30%	3.33%	3.41%
- Travel and Conference	0.02%	0.02%	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%
- Educational and Promo	0.02%	0.02%	0.06%	0.09%	0.10%	0.11%	0.10%	0.02%	0.06%	0.07%	0.09%
- Loan Servicing	0.12%	0.11%	0.17%	0.21%	0.23%	0.20%	0.20%	0.11%	0.17%	0.19%	0.22%
- Prof and Outside Svcs	0.33%	0.36%	0.43%	0.45%	0.35%	0.22%	0.25%	0.36%	0.42%	0.44%	0.37%
- Member Insurance	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
- Operating Fees	0.06%	0.03%	0.02%	0.02%	0.02%	0.01%	0.01%	0.03%	0.03%	0.02%	0.02%
- Miscellaneous	0.18%	0.11%	0.11%	0.07%	0.07%	0.12%	0.11%	0.11%	0.11%	0.09%	0.08%
Expense as Pct of Total-											
Compensation & Benefits	48%	53%	48%	48%	51%	53%	52%	53%	49%	49%	51%
Occupancy & Ops	32%	27%	27%	26%	25%	24%	25%	27%	27%	26%	26%
All Other Expenses	20%	20%	25%	26%	23%	23%	23%	20%	24%	25%	24%
- Travel and Conference	0%	0%	1%	1%	1%	1%	1%	0%	1%	1%	1%
- Educational and Promo	0%	1%	2%	3%	3%	4%	3%	1%	2%	2%	3%
- Loan Servicing	3%	3%	5%	6%	7%	7%	7%	3%	5%	6%	6%
- Prof and Outside Svcs	9%	11%	13%	13%	10%	7%	8%	11%	13%	13%	11%
- Member Insurance	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
- Operating Fees	2%	1%	1%	1%	1%	0%	0%	1%	1%	1%	1%
- Miscellaneous	5%	3%	3%	2%	2%	4%	4%	3%	3%	3%	2%
Staffing-											
Total Employees	489	2,505	11,485	12,633	58,997	236,611	322,720	2,994	14,479	27,112	86,109
Full-time Equivalents	295	1,963	10,611	11,975	56,737	230,150	311,730	2,257	12,868	24,843	81,580
Pct PT Employees	80%	43%	15%	10%	8%	5%	7%	49%	22%	17%	11%
FTE-to-Ops (Staffing)	2.04	0.77	0.42	0.36	0.30	0.20	0.22	0.84	0.46	0.41	0.33
Avg Compensation & Benef	\$20,374	\$45,248	\$61,238	\$65,606	\$72,242	\$90,232	\$84,677	\$42,003	\$57,864	\$61,596	\$69,000
Membership Outreach-											
Members-to-Potential	7.1%	8.0%	3.0%	3.1%	2.5%	3.2%	3.0%	7.9%	3.4%	3.2%	2.7%
Members-to-FTEs	366	408	415	454	345	404	395	402	412	432	371
Borrowers-to-Members	27%	38%	55%	58%	55%	58%	57%	37%	52%	49%	52%
Branches	367	879	2,243	1,632	5,032	10,949	21,102	1,246	3,489	5,121	10,153
Members per Branch	294	910	1,962	3,329	3,887	8,488	5,840	728	1,521	2,097	2,984

Historical Year-End	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
DEMOGRAPHICS											
No. of Credit Unions	7,339	7,094	6,819	6,554	6,273	6,021	5,785	5,573	5,375	5,236	5,164
Avg Asset Size (\$Mil)	\$124.6	\$135.6	\$149.8	\$162.0	\$178.9	\$200.0	\$223.4	\$247.4	\$256.5	\$277.6	\$303.4
GROWTH RATES											
Total Assets	3.4%	5.2%	6.2%	3.9%	5.7%	7.3%	7.3%	6.7%	5.4%	7.8%	23.3%
Total Loans	-1.4%	1.2%	4.6%	8.0%	10.4%	10.5%	10.4%	10.1%	9.0%	6.2%	5.2%
Total Shares	4.5%	5.2%	6.1%	3.7%	4.5%	6.9%	7.5%	6.1%	4.4%	6.9%	21.8%
Net Worth	5.1%	6.8%	8.5%	7.4%	7.5%	6.9%	7.1%	7.3%	8.7%	8.5%	5.2%
BALANCE SHEET ALLOCATION											
Net Worth Ratio	10.1%	10.2%	10.4%	10.8%	11.0%	10.9%	10.9%	11.0%	11.3%	11.4%	10.5%
Cash & Inv-to-Assets	35%	37%	38%	35%	32%	31%	28%	26%	24%	25%	31%
Loans-to-Total Assets	62%	59%	58%	61%	63%	65%	67%	69%	72%	71%	65%
Vehicle-to-Total Loans	11%	29%	30%	31%	32%	33%	34%	35%	35%	34%	33%
RELoans-to-Total Loans	55%	55%	54%	53%	51%	50%	50%	49%	49%	50%	51%
RELoans-to-Net Worth	337%	319%	300%	296%	296%	302%	306%	313%	313%	313%	319%
Indirect-to-Total Loans	13%	12%	13%	14%	16%	17%	19%	20%	21%	21%	20%
Loans-to-Shares	72%	69%	68%	71%	75%	77%	80%	83%	86%	84%	76%
Pct of Non-term-Shares	62%	65%	67%	69%	71%	72%	73%	73%	72%	70%	73%
ST Funding Ratio	16.1%	17.3%	17.5%	14.9%	13.7%	13.5%	13.4%	12.4%	11.4%	12.8%	17.6%
Net LT Assets Ratio	33%	32%	33%	36%	34%	33%	33%	34%	34%	34%	33%
LOAN QUALITY & ADEQUACY OF RESERVES											
Loan Delinquency Rate	1.76%	1.60%	1.16%	1.01%	0.85%	0.81%	0.83%	0.81%	0.71%	0.70%	0.58%
Net Charge-off Rate	1.13%	0.91%	0.73%	0.57%	0.50%	0.48%	0.55%	0.60%	0.58%	0.57%	0.53%
"Misery" Index	2.89%	2.51%	1.89%	1.58%	1.35%	1.29%	1.38%	1.41%	1.29%	1.27%	1.11%
RE Loan Delinquency	2.10%	2.00%	1.38%	1.15%	0.89%	0.75%	0.63%	0.61%	0.54%	0.55%	0.54%
Veh Loan Delinquency	-	-	-	0.69%	0.67%	0.68%	0.72%	0.70%	0.66%	0.65%	0.47%
-Direct Delinquency	-	-	-	0.60%	0.60%	0.64%	0.67%	0.67%	0.64%	0.63%	0.44%
-Indirect Delinquency	1.17%	0.97%	0.77%	0.79%	0.74%	0.72%	0.76%	0.72%	0.67%	0.66%	0.49%
Loss Allowance Ratio	1.67%	1.55%	1.36%	1.13%	0.98%	0.94%	0.90%	0.92%	0.89%	0.86%	1.00%
Current Loss Exposure	1.62%	1.40%	1.05%	0.83%	0.62%	0.53%	0.47%	0.46%	0.48%	0.49%	0.34%
EARNINGS:											
Gross Asset Yield	4.46%	4.04%	3.65%	3.39%	3.38%	3.37%	3.41%	3.55%	3.82%	4.06%	3.67%
Cost of Funds	1.21%	0.93%	0.73%	0.59%	0.54%	0.52%	0.53%	0.57%	0.69%	0.90%	0.79%
Gross Margin	3.25%	3.12%	2.92%	2.80%	2.84%	2.85%	2.88%	2.99%	3.13%	3.16%	2.88%
Provision Expense	0.78%	0.50%	0.36%	0.26%	0.28%	0.35%	0.41%	0.48%	0.46%	0.43%	0.59%
Net Margin	2.46%	2.62%	2.56%	2.53%	2.56%	2.50%	2.48%	2.51%	2.66%	2.73%	2.29%
Non-Interest Income	1.33%	1.30%	1.43%	1.38%	1.31%	1.34%	1.37%	1.33%	1.38%	1.35%	1.24%
Non-Interest Expense	3.07%	3.06%	3.10%	3.10%	3.11%	3.12%	3.10%	3.08%	3.14%	3.20%	3.04%
Net Operating Exp	1.74%	1.76%	1.67%	1.72%	1.80%	1.77%	1.73%	1.75%	1.77%	1.85%	1.80%
Net Operating Return	0.72%	0.86%	0.89%	0.82%	0.76%	0.73%	0.74%	0.76%	0.90%	0.88%	0.50%
Non-recurring Inc(Exp)	-0.22%	-0.19%	-0.04%	-0.04%	0.04%	0.02%	0.02%	0.02%	0.02%	0.06%	0.03%
Net Income (ROA)	0.50%	0.67%	0.85%	0.78%	0.80%	0.75%	0.76%	0.78%	0.92%	0.94%	0.53%
Return on Net Worth	5.1%	6.6%	8.3%	7.3%	7.3%	6.8%	7.0%	7.1%	7.9%	7.9%	5.1%