



16 May 2025

BENCHMARK INTEREST RATES AND YIELD CURVE

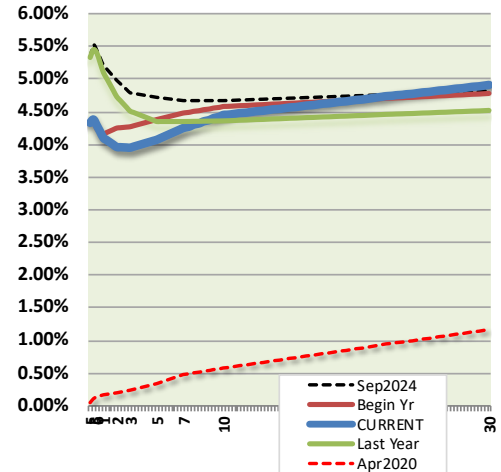
**US Treasury Rates-**

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	5/15/25	4/15/25	12/31/24	5/15/24	This Yr	Last Yr	This Cycle*
Prime	7.50%	7.50%	7.50%	8.50%	0.00%	-1.00%	-1.00%
Fed Funds	4.33%	4.33%	4.33%	5.33%	0.00%	-1.00%	-1.00%
3mo	4.38%	4.31%	4.37%	5.45%	0.01%	-1.07%	-1.14%
6mo	4.29%	4.21%	4.24%	5.40%	0.05%	-1.11%	-1.15%
1yr	4.10%	3.99%	4.16%	5.10%	-0.06%	-1.00%	-1.11%
2yr	3.96%	3.84%	4.25%	4.73%	-0.29%	-0.77%	-1.02%
3yr	3.95%	3.85%	4.27%	4.51%	-0.32%	-0.56%	-0.84%
5yr	4.07%	3.98%	4.38%	4.35%	-0.31%	-0.28%	-0.65%
7yr	4.25%	4.11%	4.48%	4.35%	-0.23%	-0.10%	-0.42%
10yr	4.45%	4.35%	4.58%	4.36%	-0.13%	0.09%	-0.22%
30yr	4.91%	4.79%	4.78%	4.52%	0.13%	0.39%	0.09%

**Slope of the Yield Curve-**

2yr-3mo	-0.42%	-0.47%	-0.12%	-0.72%	-0.30%	0.30%	0.12%
5yr-2yr	0.11%	0.14%	0.13%	-0.38%	-0.02%	0.49%	0.37%
10yr-5yr	0.38%	0.37%	0.20%	0.01%	0.18%	0.37%	0.43%
10yr-3mo	0.07%	0.04%	0.21%	-1.09%	-0.14%	1.16%	0.92%

**YIELD CURVE ASSESSMENT**



\*Since Sep 2024

ECONOMIC UPDATE AND ANALYSIS

**CONSUMER INFLATION HITS LOWEST LEVEL SINCE 2021; CORE PRICES UNCHANGED**

Year-over-Year inflation fell to 2.3%, the lowest level experience since February 2021. Core prices, which excludes the commodity-driven foods and energy prices, was unchanged at 2.8% , similarly hitting its lowest point since April 2021.

Still, the report showed that inflationary pressures in the U.S. economy remain persistent despite progress in bringing inflation closer to the Federal Reserve's 2% target in recent years.

Food prices fell 0.1% in April from the prior month and were 2.8% higher on an annual basis. The food at home index declined 0.4% for the month and 2% from a year ago, while food away from home was up 0.4% and 3.9% from last year.

Egg prices declined 12.7% in April, as the cooling trend continued after the industry saw rapid price growth last year due to an avian flu outbreak. The index for meats, poultry and fish was unchanged in April, while the dairy index declined 0.2%, the index for cereals and bakery products was down 0.5% for the month, and the fruits and vegetables index was down 0.4% for April.

Energy prices rose 0.7% in April. Over the past 12 months, the energy index is down 3.7%, driven by declines in gasoline prices (-11.8%) despite increases in electricity prices (+3.6%) and natural gas (+15.7%).

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

		LATEST	CURRENT	PREV
GDP	QoQ	Q1-25 1st	-0.3%	2.4%
GDP - YTD	Annl	Q1-25 1st	-0.3%	2.5%
Consumer Spending	QoQ	Q1-25 1st	1.8%	4.0%
Consumer Spending YTD	Annl	Q1-25 1st	1.8%	3.1%
Unemployment Rate	Mo	April	4.0%	4.2%
Underemployment Rate	Mo	April	7.8%	7.9%
Participation Rate	Mo	April	62.6%	62.5%
Wholesale Inflation	YoY	April	2.4%	2.7%
Consumer Inflation	YoY	April	2.3%	2.4%
Core Inflation	YoY	April	2.8%	2.8%
Consumer Credit	Annual	March	1.7%	-0.2%
Retail Sales	YoY	April	3.8%	2.8%
Vehicle Sales	Annl (Mil)	April	17.8	18.3
Home Sales	Annl (Mil)	March	4.744	4.917
Home Prices (Natl Avg)	YoY	February	3.9%	4.1%

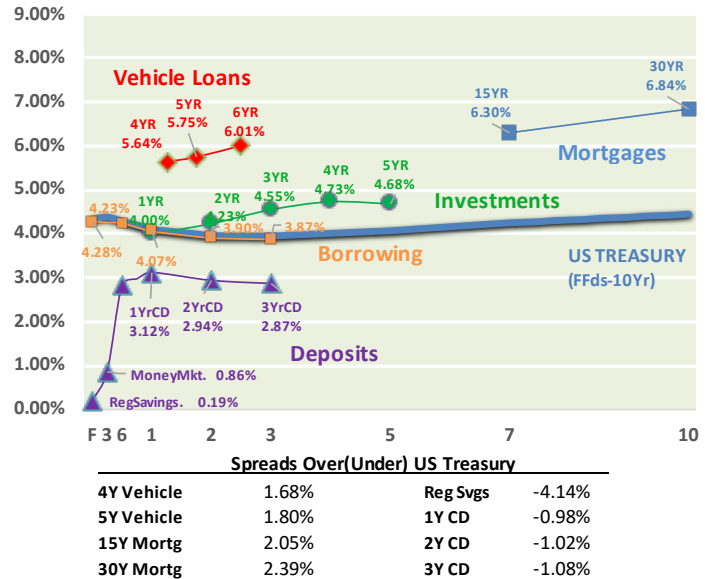
**Key Consumer Market Data-**

	THIS WK	YR END	PCT CHANGES	
	5/15/25	12/31/24	YTD	12Mos
DJIA	42,322	42,544	-0.5%	5.9%
S&P 500	5,917	5,881	0.6%	11.6%
NASDAQ	19,112	19,310	-1.0%	14.3%
Crude Oil	61.62	71.72	-14.1%	-22.6%
Avg Gasoline	3.12	3.13	-0.3%	-13.5%
Gold	3,226	2,641	22.2%	33.3%



**AVERAGE CREDIT UNION RATES, RATE SENSITIVITIES AND RELATIVE VALUE**

	THIS WK	CHG IN MKT SINCE		RATE SENSITIVITY	
	5/15/25	YTD	2024 High	Bmk Decline	RS
Classic CC	13.10%	-0.07%	-0.27%	-1.00%	27%
Platinum CC	12.53%	-0.14%	-0.49%	-1.00%	49%
48mo Veh	5.64%	-0.24%	-0.57%	0.32%	-178%
60mo Veh	5.75%	-0.24%	-0.58%	0.48%	-121%
72mo Veh	6.01%	-0.25%	-0.59%	0.54%	-109%
HE LOC	7.58%	-0.27%	-0.87%	-1.00%	87%
10yr HE	7.28%	-0.12%	-0.26%	-1.00%	26%
15yr FRM	6.30%	-0.11%	-0.46%	-0.75%	61%
30yr FRM	6.84%	-0.04%	-0.92%	-0.53%	174%
Sh Drafts	0.13%	0.00%	0.01%	-1.00%	-1%
Reg Svgs	0.19%	0.00%	0.00%	-1.00%	0%
MMkt-10k	0.86%	-0.01%	-0.05%	-1.00%	5%
MMkt-50k	1.16%	-0.01%	-0.07%	-1.00%	7%
6mo CD	2.83%	-0.07%	-0.20%	-0.39%	51%
1yr CD	3.12%	-0.05%	-0.28%	0.01%	-2800%
2yr CD	2.94%	0.01%	-0.12%	0.32%	-38%
3yr CD	2.87%	0.03%	-0.05%	0.48%	-10%



**STRATEGICALLY SPEAKING**

The favorable inflation report for April comes after the Federal Reserve last week held off on cutting interest rates for the third consecutive meeting, as it waits for signs of inflation subsiding to its 2% target.

Fed Chair Powell noted at a press conference last week that the potential impact of tariff policies is "highly uncertain" but if the large tariffs remain in place, they're "likely to generate a rise in inflation, a slowdown in economic growth and an increase in unemployment."

Our assessment shows that the price impact of most tariffs doesn't appear to have translated into the inflation data yet through the April reporting period. We don't agree with the Fed Chairman's expectation on tariffs.

Initial tariffs may have affected prices in April were in furniture, appliances, and to a lesser extent toys. New vehicle prices were unchanged between March and April while used prices fell. We would expect current moderate change in wholesale used-vehicle prices might not stick though.

Housing costs were a major driver of inflation last month, the Bureau of Labor Statistics said. And energy costs also ticked higher, despite lower gasoline prices, due to increases in natural gas and electricity costs.

The closely watched egg prices show that it has declined 18% from its most recent high.

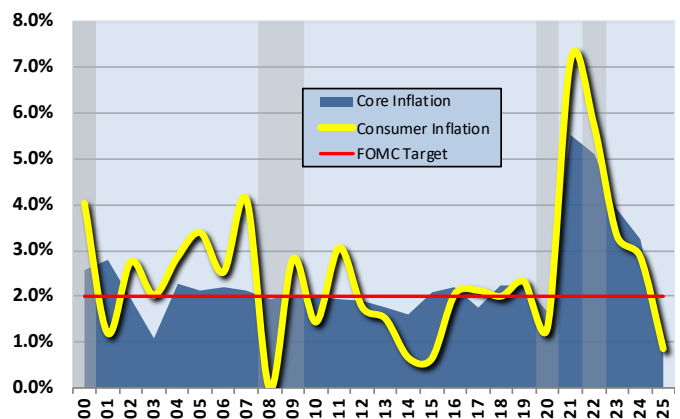
**ECONOMIC RELEASES**

RELEASES THIS WEEK:	Latest	Projected	Previous
Consumer Inflation (Apr, YoY)	2.3%	2.3%	2.8%
Wholesale Inflation (Apr, YoY)	3.1%	3.1%	2.7%
Retail Sales (Apr, YoY)	2.4%	2.6%	4.9%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Leading Indicators (Apr, MoM)	-0.6%	-0.7%
Existing Home Sales (Apr, Annl)	3.9M	4.0M
New Home Sales (Apr, Annl)	690k	725k

**INFLATION PROFILE**

**ANNUAL TOTAL & CORE CONSUMER INFLATION**





### THE ECONOMY AND STRATEGIC ASSESSMENT

#### CURRENT PROFILE

##### Growth Outlook

Slower pace nationally with pockets of stronger demand and spending

##### Inflation

More members living paycheck -to-paycheck. This dilutes purchasing power and discretionary spending

##### Household Wealth

Boosted by improvement in capital market, home values and stable wage growth

#### IMPACT ON OUTLOOK

##### Growth

Local demand should be sufficient to satisfy pending loan and deposit growth

##### Inflation and Household Wealth

Expect pace of inflation to range between 2.3% to 2.9% .. Pace of home prices should slow ... Expect pockets of course correction in credit markets

##### Credit Risk and Liquidity

Two biggest concerns mounting delinquency & cash flow mismatch

#### IMPACT ON DEMAND

##### Growth and Liquidity

Volatility in core deposits remains thus creating unable share growth and potential mismatch between loan/share growth capacity

##### Credit Demand

Slight fluctuation between A- and C-quality loan applications. Pressure to compromise U/W should be avoided

##### Share Growth

Volatile core deposits and organic growth will determine permissible loan growth

### ENTERPRISE RISK EXPOSURE AND STRATEGIC ASSESSMENT

#### ASSET & NET WORTH

##### Growth & Capitalization

Efforts should focus on net worth with growth tied to retaining a well-capitalized net worth (>7%)

##### Balance Sheet Allocation

Must have limited complexity but capable to adjust due to economic, risk pressure and reallocation

##### Liquidity

Monitor mismatch between loan and share growth .. Core deposit volatility continues in market ... Loan growth is dependent on share growth

#### RISK EXPOSURES

##### Enterprise Risk

To garner best balance between financial and member service, the focus must take into account all risk exposures

##### Interest Rate Risk

Retain risk-to-ST earnings no greater than -10% to -12% given +/-100bp shift and risk-to-LT earnings no greater than -30% given +/-300bp shift

##### Liquidity Risk

Retail surplus-to-assets no less than 9%; ST Funding no less than 12%

#### CREDIT MITIGATION

##### Credit Risk Exposure

High priority in 2025 ... 87% of new origination must be B+-quality or better ...

##### Allocation and Average Life

Prime quality must be no less than 92% of portfolio .. Average life must range between 2.7 and 3.1 years

Recommend risk classifications of A+ (730+), A (680-729, B (640-679, C (620-639

Loss exposure of Sub-prime may not dilute net worth below 7%

### INTEREST RATES, PRICING SPREADS AND STRATEGIC ASSESSMENT

#### MARKET RATES

##### Benchmarks

Downward pressure on most treasury benchmarks with greater volatility on the long-end of the curve

##### Market Rates

Consumer rates will not experience as great a downward pressure as benchmarks... potential to 25 to 30 bp decline in vehicle loan rates

Greater volatility in mortgage rates with range between 6% to 7%

No change in core deposit rates but lower term CD rates

#### PRICING SPREADS

##### Effect on Pricing Spreads

Any downward shift in asset rates will be slower than benchmarks therefore relative value of credit -risk asset should increase.

No exposure in core deposit rates will see increase in relative value of core shares ... Improved liquidity profile and downward pressure on term rates should narrow funding spreads and potentially minimize the impact and need of promotional term CDs.

Largest impact from downward pressure comes from overnight cash

#### ALLOCATION & RETURN

##### Risk Allocation Metrics

Surplus-to-Assets: >9%  
ST Funds-to-Assets: >12%

Vehicle-to-Loans: >60%<75%  
RE Loans-to-Loans: >25%<50%  
RE Loans-to-Net Worth: <275%

Core-to-Shares: >75%  
Term-to-Shares: <20%

"Misery" Index: <0.80%

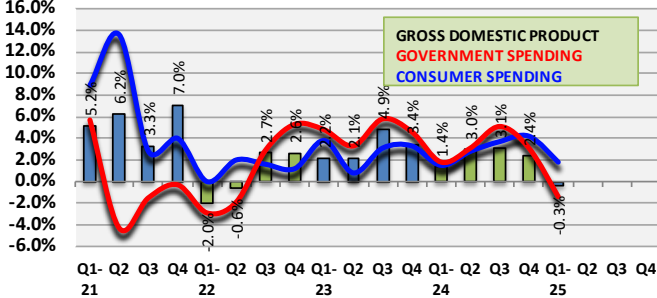
##### Outlook on Return

Marginal loan rates still higher than portfolio yields so even fewer originations might increase revenue



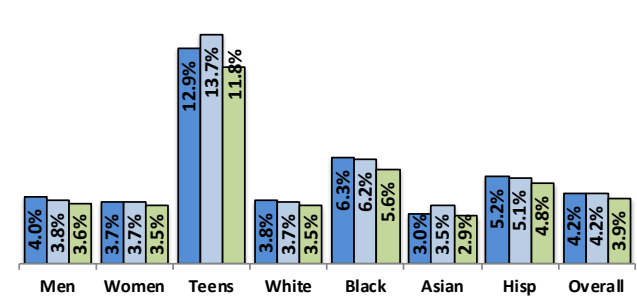
## GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE GDP COMPARED TO PERSONAL & GOVERNMENT SPENDING



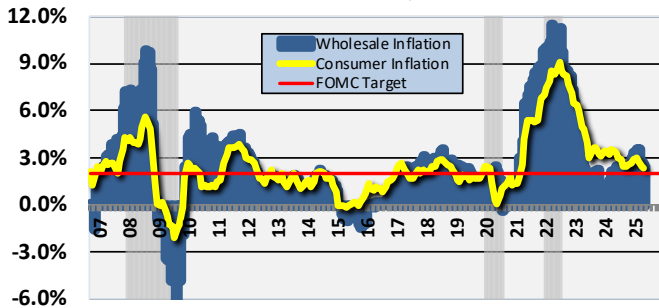
## UNEMPLOYMENT BY DEMOGRAPHIC

CURRENT, LAST MONTH and ONE YEAR AGO



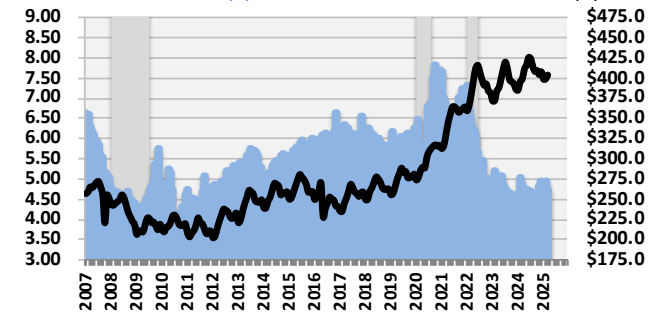
## INFLATION PROFILE

WHOLESALE versus CONSUMER INFLATION, Monthly Year-over-Year



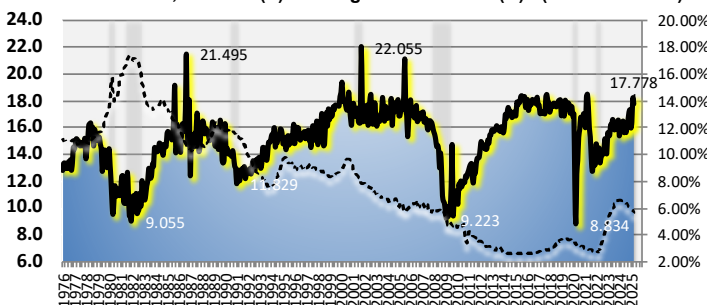
## TOTAL HOME SALES

MONTHLY SALES - Mil (L) versus AVG SALES PRICE - \$000s (R)



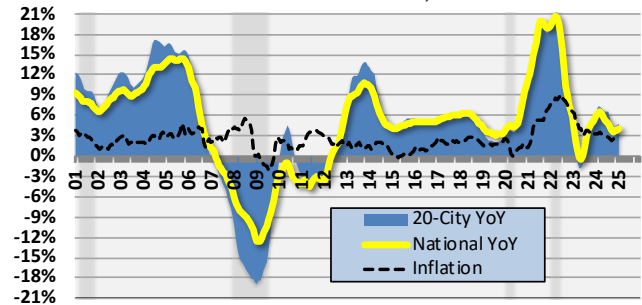
## VEHICLE SALES

Annualized Sales, Millions (L) and Avg 5Yr Loan Rate (R) - (4Yr 1976 -2004)



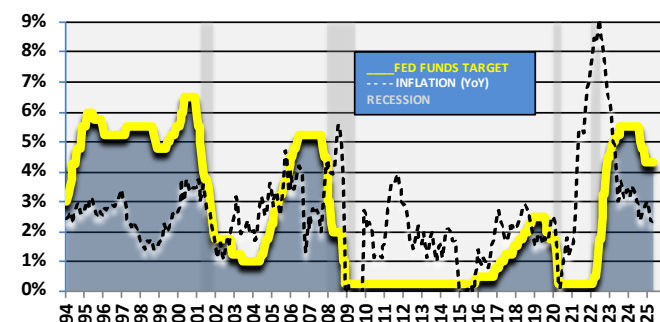
## S&P CL CASE-SHILLER HOME PRICE INDEX

NATL & 20-CITY METROPOLITAN SURVEY AREAS, Year-over-Year



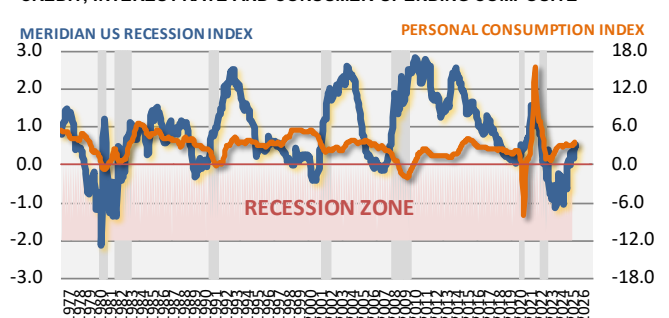
## US FEDERAL FUNDS RATE

HISTORICAL FEDERAL FUNDS RATE



## MERIDIAN US RECESSION INDEX™

CREDIT, INTEREST RATE AND CONSUMER SPENDING COMPOSITE





## ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
<b>APRIL 14</b>	<b>15</b>	<b>16</b> Retail Sales 4.6%	<b>17</b> Jobless Claims 215k Cont'd Claims 1.89M	<b>18</b>	<b>19</b>
<b>21</b> Leading Indicators -0.7%	<b>22</b>	<b>23</b> New Home Sales 724k FRB Beige Book	<b>24</b> Jobless Claims 222k Cont'd Claims 1.84M Existing Home Sales 4.02M	<b>25</b>	<b>26</b>
<b>28</b>	<b>29</b> Home Prices +3.8%	<b>30</b> GDP (Q1-25, 1st) -0.3%	<b>MAY 01</b> Jobless Claims 241k Cont'd Claims 1.9M	<b>2</b> Unemployment 4.2% Non-farm Payrolls +177k Private Payrolls +167k Participation Rate 62.6%	<b>3</b>
<b>5</b>	<b>6</b>	<b>7</b> FOMC Annmt 4.5% Consumer Credit +\$10.17B	<b>8</b> Jobless Claims 228k Cont'd Claims 1.88M	<b>9</b>	<b>10</b>
<b>12</b> Consumer Inflation 2.3%	<b>13</b>	<b>14</b>	<b>15</b> Jobless Claims Cont'd Claims 1.88M Retail Sales 5.2% Wholesale Inflation 2.4%	<b>16</b>	<b>17</b>
<b>19</b> Leading Indicators	<b>20</b>	<b>21</b>	<b>22</b> Jobless Claims Cont'd Claims Existing Home Sales	<b>23</b> New Home Sales	<b>24</b>
<b>26</b> MEMORIAL DAY HOLIDAY	<b>27</b> Home Prices Consumer Confidence	<b>28</b> FOMC Minutes	<b>29</b> Jobless Claims Cont'd Claims GDP (Q1, 2nd)	<b>30</b>	<b>31</b>
<b>JUNE 2</b>	<b>3</b>	<b>4</b> FRM Beige Book	<b>5</b> Jobless Claims Cont'd Claims	<b>6</b> Unemployment Non-farm Payrolls Private Payrolls Participation Rate	<b>7</b>
<b>9</b>	<b>10</b>	<b>11</b> Consumer Inflation	<b>12</b> Jobless Claims Cont'd Claims Wholesale Inflation	<b>13</b>	<b>14</b>



## ECONOMIC FORECAST

**April 2025**  
(Updated April 19, 2025)

	2024				2025				2026			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

### ECONOMIC OUTLOOK

#### Economic Growth-

GDP - (QoQ)	1.6%	3.0%	3.1%	2.4%	0.2%	0.4%	-0.1%	0.7%	1.0%	1.0%	1.4%	1.5%
GDP - (YTD)	1.6%	2.3%	2.6%	2.5%	0.2%	0.3%	0.2%	0.3%	1.0%	1.0%	1.1%	1.3%
Consumer Spding (YTD)	1.9%	2.8%	3.7%	4.0%	0.5%	0.8%	0.1%	0.1%	0.0%	0.5%	0.8%	1.2%
	1.9%	2.4%	2.8%	3.1%	0.5%	0.7%	0.5%	0.4%	0.0%	0.3%	0.4%	0.8%
Govt Spending (YTD)	1.8%	3.1%	5.1%	3.1%	-0.4%	-1.4%	0.8%	-0.2%	0.0%	0.0%	0.0%	-0.2%
	1.8%	2.5%	3.3%	3.3%	-0.4%	-0.9%	-0.3%	-0.3%	0.0%	0.0%	0.0%	-0.1%

#### Consumer Wealth-

Unemployment	3.8%	4.0%	4.2%	4.2%	4.1%	4.4%	4.9%	5.0%	5.0%	5.1%	4.9%	4.7%
Cons Inflation	3.2%	3.2%	2.6%	2.7%	2.8%	3.1%	3.8%	4.0%	3.7%	3.2%	3.1%	3.1%
Home Prices	6.3%	6.3%	5.0%	4.0%	3.5%	3.4%	3.0%	3.0%	2.8%	2.8%	3.0%	3.1%

### SINGLE FAMILY HOME & VEHICLE LOAN MARKETS

#### Home Sales (Mils)-

Home Sales	4.863	4.740	4.605	4.842	4.862	4.857	1.600	5.156	5.159	5.177	5.253	5.319
Existing Homes	4.200	4.047	3.893	4.163	4.178	4.160	0.870	4.409	4.398	4.421	4.475	4.533
New Homes	0.663	0.693	0.712	0.679	0.684	0.697	0.730	0.747	0.761	0.756	0.778	0.786

#### Mortgage Originations (Mils)

Single Family	1.076	1.203	1.343	1.427	1.068	1.533	1.636	1.554	1.539	1.732	1.674	1.585
Purchase App	0.773	0.880	0.924	0.780	0.690	0.924	0.963	0.900	0.866	1.054	1.033	0.941
Refi Apps	0.303	0.323	0.419	0.647	0.378	0.609	0.673	0.654	0.673	0.678	0.641	0.644
Refi Share	28%	27%	31%	45%	35%	40%	41%	42%	44%	39%	38%	41%

#### Vehicle Sales (Mils)-

Vehicle Sales	15.6	16.0	16.3	17.0	18.0	17.3	17.1	17.0	16.9	17.0	17.1	17.0
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### MARKET RATE OUTLOOK

#### Benchmark Rates-

Prime	8.5%	8.5%	8.0%	7.3%	7.3%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Fed Funds	5.4%	5.4%	4.9%	4.3%	4.3%	4.3%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%
3yr UST	4.6%	4.1%	4.0%	4.2%	3.9%	3.8%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
7yr UST	4.4%	3.8%	4.2%	4.2%	4.2%	4.1%	4.0%	4.0%	3.9%	3.9%	3.9%	4.0%
10yr UST	4.2%	4.4%	3.9%	4.3%	4.5%	4.5%	4.4%	4.4%	4.3%	4.3%	4.3%	4.5%

#### Market Rates-

5yr Veh Loan	6.6%	6.5%	6.3%	6.3%	5.9%	5.8%	5.8%	5.7%	5.7%	5.7%	5.7%	5.7%
15yr 1st Mortg	6.5%	6.6%	5.8%	6.3%	5.9%	6.0%	6.0%	5.9%	5.9%	5.9%	5.8%	5.8%
30yr 1st Mortg	6.7%	7.0%	6.5%	6.6%	6.8%	7.0%	80.0%	6.7%	6.6%	6.6%	6.5%	6.4%
Regular Svgs	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
1Yr Term CD	3.4%	3.4%	3.3%	3.2%	3.1%	3.1%	3.0%	3.0%	3.0%	3.0%	2.9%	2.9%

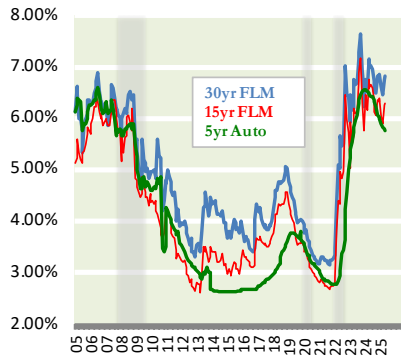




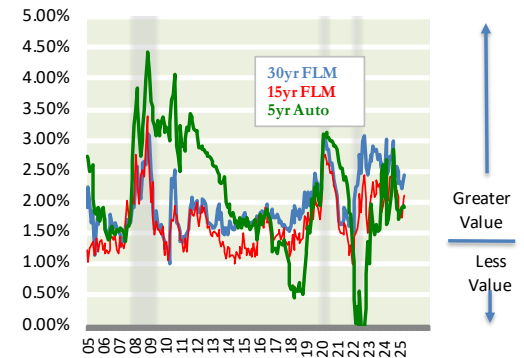
**INDICATIVE PRICING SPREADS AND RELATIVE VALUE OF INVESTMENT OPTIONS**

From: To:	30yr FLM 10Yr UST	15yr FLM 7Yr UST	5yr Vehicle 2Yr UST
<b>Current</b>	<b>2.44%</b>	<b>2.10%</b>	<b>1.91%</b>
Apr-25	2.37%	2.06%	1.95%
Mar-25	2.23%	1.76%	1.91%
Feb-25	2.32%	1.87%	1.84%
Jan-25	2.29%	1.89%	1.71%
Dec-24	2.48%	2.09%	1.87%
Nov-24	2.58%	2.20%	1.88%
Oct-24	2.40%	2.08%	2.34%
Sep-24	2.79%	2.54%	2.85%
Aug-24	2.99%	2.73%	2.75%
Jul-24	2.70%	2.42%	2.15%
Jun-24	2.74%	2.40%	1.95%
May-24	2.50%	2.03%	1.72%

**AVG "A"-PAPER MARKET RATES**

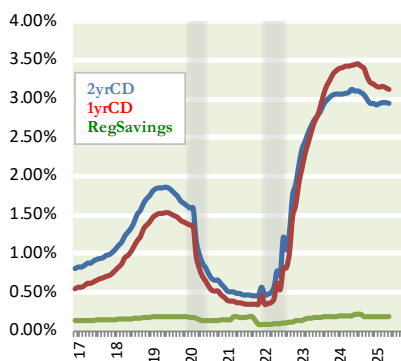


**"A"-PAPER PRICING SPREADS**

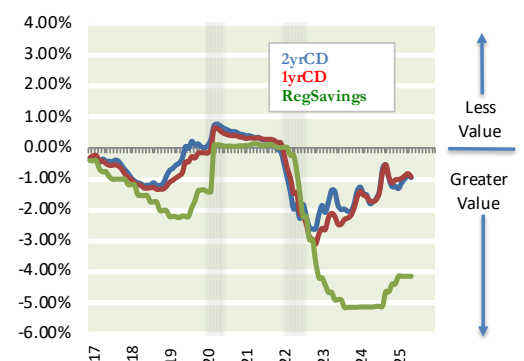


From: To:	RegSvgs FFds	1yr CD 1Yr UST	2yr CD 2Yr UST
<b>Current</b>	<b>-4.14%</b>	<b>-0.93%</b>	<b>-0.96%</b>
Apr-25	-4.14%	-0.83%	-0.89%
Mar-25	-4.14%	-0.90%	-1.00%
Feb-25	-4.14%	-0.98%	-1.13%
Jan-25	-4.14%	-1.02%	-1.31%
Dec-24	-4.39%	-1.03%	-1.24%
Nov-24	-4.39%	-1.13%	-1.25%
Oct-24	-4.64%	-0.94%	-0.99%
Sep-24	-4.64%	-0.54%	-0.54%
Aug-24	-5.11%	-0.79%	-0.67%
Jul-24	-5.11%	-1.45%	-1.40%
Jun-24	-5.11%	-1.67%	-1.64%
May-24	-5.13%	-1.73%	-1.74%

**AVG DEPOSIT MARKET RATES**



**AVG DEPOSIT PRICING SPREADS**



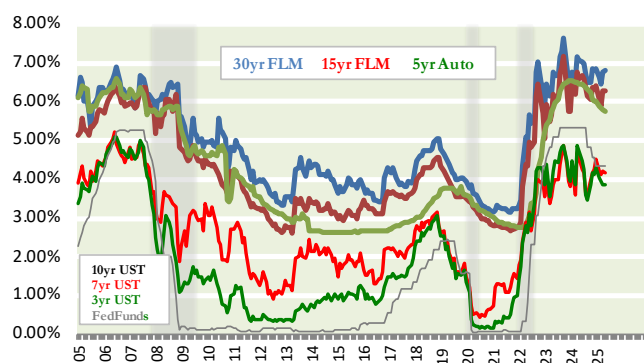
**INDICATIVE INTEREST SPREADS AND MATCHED FUNDING MATRICES**

		Cash	1yr Agy	2yr Agy	3yr Agy	4yr Agy	5yr Agy	5yr New Veh	5yr Used Veh	15yr Mortgage	30yr Mortgage
		4.33%	4.00%	4.23%	4.55%	4.73%	4.68%	5.75%	5.90%	6.30%	6.84%
Share Draft	0.13%	4.20%	3.87%	4.10%	4.42%	4.60%	4.55%	5.62%	5.77%	6.17%	6.71%
Regular Savings	0.19%	4.14%	3.81%	4.04%	4.36%	4.54%	4.49%	5.56%	5.71%	6.11%	6.65%
Money Market	0.86%	3.47%	3.14%	3.37%	3.69%	3.87%	3.82%	4.89%	5.04%	5.44%	5.98%
FHLB Overnight	4.37%	-0.04%	-0.37%	-0.14%	0.18%	0.36%	0.31%	1.38%	1.53%	1.93%	2.47%
Catalyst Settlement	5.50%	-1.17%	-1.50%	-1.27%	-0.95%	-0.77%	-0.82%	0.25%	0.40%	0.80%	1.34%
6mo Term CD	3.04%	1.29%	0.96%	1.19%	1.51%	1.69%	1.64%	2.71%	2.86%	3.26%	3.80%
6mo FHLB Term	4.17%	0.16%	-0.17%	0.06%	0.38%	0.56%	0.51%	1.58%	1.73%	2.13%	2.67%
6mo Catalyst Term	4.79%	-0.46%	-0.79%	-0.56%	-0.24%	-0.06%	-0.11%	0.96%	1.11%	1.51%	2.05%
1yr Term CD	4.07%	-0.07%	0.26%	0.16%	0.48%	0.66%	0.61%	1.68%	1.83%	2.23%	2.77%
1yr FHLB Term	3.95%	0.38%	0.05%	0.28%	0.60%	0.78%	0.73%	1.80%	1.95%	2.35%	2.89%
2yr Term CD	3.95%	0.38%	0.05%	0.28%	0.60%	0.78%	0.73%	1.80%	1.95%	2.35%	2.89%
2yr FHLB Term	3.80%	0.53%	0.20%	0.43%	0.75%	0.93%	0.88%	1.95%	2.10%	2.50%	3.04%
3yr Term CD	3.96%	0.37%	0.04%	0.27%	0.59%	0.77%	0.72%	1.79%	1.94%	2.34%	2.88%
3yr FHLB Term	3.85%	0.48%	0.15%	0.38%	0.70%	0.88%	0.83%	1.90%	2.05%	2.45%	2.99%
7yr FHLB Term	4.30%	0.03%	-0.30%	-0.07%	0.25%	0.43%	0.38%	1.45%	1.60%	2.00%	2.54%
10yr FHLB Term	4.55%	-0.22%	-0.55%	-0.32%	0.00%	0.18%	0.13%	1.20%	1.35%	1.75%	2.29%

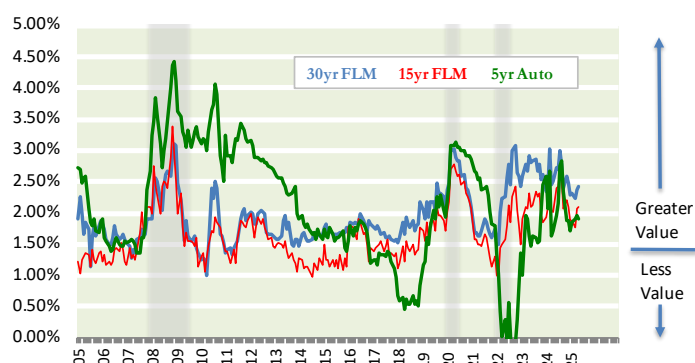
STRATEGIC ASSESSMENT OF INVESTMENT AND FUNDING OPTIONS, RELATIVE VALUE AND PRICING SPREADS

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	4.33%	-	-	-	-	-	-	-	-	-	-
1yr Agy	4.00%	1 year	4 years	7.55%	6.88%	6.19%	6.38%	5.40%	4.97%	4.45%	4.83%
2yr Agy Callable	4.23%	2 years	3 years	8.58%	7.68%	6.76%	7.01%	5.87%	5.23%	4.44%	5.19%
3yr Agy Callable	4.55%	3 years	2 years	10.28%	8.93%	7.55%	7.93%	6.55%	5.27%	-	-
3yr Agy MBS	4.30%	3 years	2 years	10.65%	9.30%	7.93%	8.30%	7.30%	6.02%	-	-
4yr Agy Callable	4.73%	4 years	1 year	15.28%	12.58%	9.83%	10.58%	-	-	-	-
4yr Agy MBS	5.05%	4 years	1 year	14.00%	11.30%	8.55%	9.30%	-	-	-	-
5yr Agy Callable	4.68%	5 years	-	-	-	-	-	-	-	-	-
5yr New Vehicle	5.75%	3 years	2 years	8.48%	7.13%	-	-	-	-	-	-
5yr Used Vehicle	5.90%	3 years	2 years	8.25%	6.90%	-	-	-	-	-	-
15yr Mortgage	6.30%	5 years	-	-	-	-	-	-	-	-	-
30yr Mortgage	6.84%	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	0.13%	1 year	2 years	5.88%	5.74%	7.77%	7.67%
Regular Savings	0.19%	1 year	2 years	5.85%	5.71%	7.71%	7.61%
Money Market	0.86%	1 year	2 years	5.51%	5.38%	7.04%	6.94%
FHLB Overnight	4.28%	1 year	2 years	3.80%	3.67%	3.62%	3.52%
Catalyst Settlement	5.50%	1 year	2 years	3.19%	3.06%	1.20%	2.30%
6mo Term CD	3.04%	6 mos	2.5 yrs	4.14%	4.04%	4.25%	4.19%
6mo FHLB Term	4.23%	6 mos	2.5 yrs	3.91%	3.80%	3.86%	3.79%
6mo Catalyst Term	4.81%	6 mos	2.5 yrs	3.79%	3.68%	3.66%	3.60%
1yr Term CD	4.07%	1 year	2 years	3.91%	3.77%	3.83%	3.73%
1yr FHLB Term	4.07%	1 year	2 years	3.91%	3.77%	3.83%	3.73%
2yr Term CD	3.95%	2 years	1 year	3.98%	3.71%	-	-
2yr FHLB Term	3.90%	2 years	1 year	4.08%	3.81%	-	-
3yr Term CD	3.96%	3 years	-	-	-	-	-
3yr FHLB Term	3.87%	3 years	-	-	-	-	-
7yr FHLB Term	4.28%	-	-	-	-	-	-
10yr FHLB Term	4.56%	-	-	-	-	-	-

\* Highest relative value noted by highest differentials and volatility projections

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