

27 December 2019

BENCHMARK INTEREST RATES AND YIELD CURVE

US Treasury Rates-

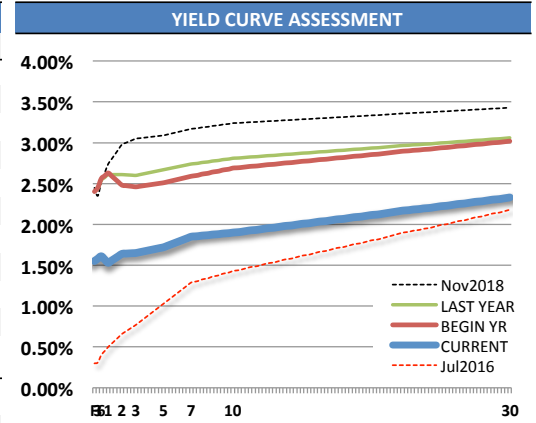
	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	12/26/19	11/26/19	12/31/18	12/26/18	This Yr	Last Yr	Down Cycle
Fed Funds	1.55%	1.55%	2.40%	2.40%	-0.85%	-0.85%	-0.90%
3mo	1.58%	1.60%	2.45%	2.44%	-0.87%	-0.86%	-0.77%
6mo	1.61%	1.62%	2.56%	2.54%	-0.95%	-0.93%	-0.91%
1yr	1.53%	1.59%	2.63%	2.61%	-1.10%	-1.08%	-1.21%
2yr	1.64%	1.58%	2.48%	2.61%	-0.84%	-0.97%	-1.34%
3yr	1.65%	1.58%	2.46%	2.60%	-0.81%	-0.95%	-1.40%
5yr	1.72%	1.58%	2.51%	2.67%	-0.79%	-0.95%	-1.37%
7yr	1.85%	1.68%	2.59%	2.74%	-0.74%	-0.89%	-1.32%
10yr	1.90%	1.74%	2.69%	2.81%	-0.79%	-0.91%	-1.34%
30yr	2.33%	2.18%	3.02%	3.06%	-0.69%	-0.73%	0.15%

Slope of the Yield Curve-

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE	CHANGES SINCE	CHANGES SINCE
	12/26/19	11/26/19	12/31/18	12/26/18	This Yr	Last Yr	Down Cycle
2yr-3mo	0.06%	-0.02%	0.03%	0.17%	0.03%	-0.11%	-0.57%
5yr-2yr	0.08%	0.00%	0.03%	0.06%	0.05%	0.02%	-0.03%
10yr-5yr	0.18%	0.16%	0.18%	0.14%	0.00%	0.04%	0.03%
10yr-3mo	0.32%	0.14%	0.24%	0.37%	0.08%	-0.05%	-0.57%

Other Interest Rates-

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE	CHANGES SINCE	CHANGES SINCE
	12/26/19	11/26/19	12/31/18	12/26/18	This Yr	Last Yr	Down Cycle
Prime	4.75%	4.75%	5.50%	5.50%	-0.75%	-0.75%	-0.75%
1mo LIBOR	1.80%	1.70%	2.52%	2.50%	-0.72%	-0.70%	-0.72%
6mo LIBOR	1.92%	1.81%	2.87%	2.89%	-0.95%	-0.97%	-0.99%
12mo LIBOR	2.01%	1.94%	3.01%	3.05%	-1.00%	-1.04%	-1.12%



CYCLICAL CHANGES SUMMARY

	Jul16 Low	Nov18 High	Nov18 High-Current
Fed Funds	2.15%		-0.90%
1year	2.24%		-1.21%
2years	2.32%		-1.34%
3years	2.28%		-1.40%
5years	2.06%		-1.37%
10years	1.81%		-1.34%

ECONOMIC UPDATE AND ANALYSIS

NEW HOME SALES RISE IN NOVEMBER TO CAP BEST THREE MONTHS SINCE 2007

Sales of new U.S. homes increased in November, capping the best three months for demand since 2007 and reflecting sustained momentum in a residential real estate market that's helping to underpin the economy.

Single-family home sales rose 1.3% to a 719,000 annualized pace from a downwardly revised October. In the three months through November, purchases averaged a 720,000 pace, the strongest in 12 years. An index of U.S. homebuilder stocks pared losses following the report.

Increased demand for new homes is being fueled by historically cheap borrowing costs, the lowest jobless rate since the 1960s and stronger income growth. The strength in housing should continue to fuel gains in residential construction, a direct input into the government's calculation of gross domestic product.

At the same time, low supplies continue to put upward pressure on prices, offsetting some of the boost in affordability from low interest rates and wage gains. The median sales price of a new home increased 7.2% from a year earlier to \$330,800 in November.

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	3.2%	4.6%
Consumer Spending	Annl	Q3-2nd	3.0%	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)	Nov	6.083	6.161
Home Prices	YoY	Sep	2.1%	2.0%

Key Consumer Market Data-

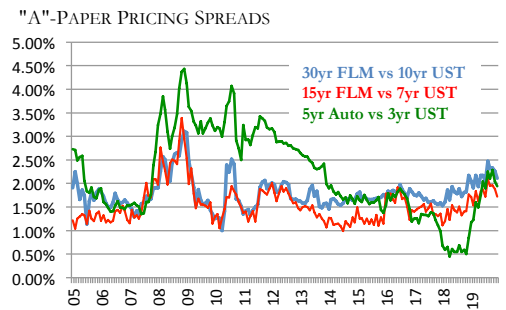
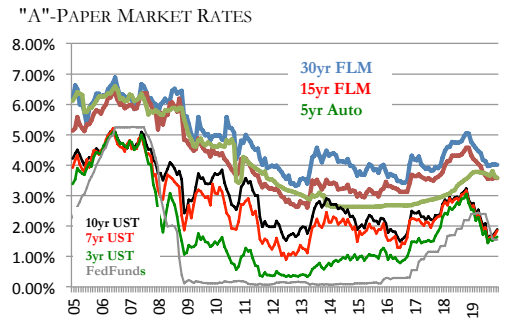
	THIS WK	YR END	PCT CHANGES	
	12/26/19	12/31/18	YTD	12Mos
DJIA	28,621	23,327	22.7%	24.4%
S&P 500	3,240	2,506	29.3%	30.5%
NASDAQ	9,022	6,635	36.0%	37.1%
Crude Oil	61.68	45.41	35.8%	34.6%
Avg Gasoline	2.53	2.27	11.7%	9.3%
Gold	1,514.4	1,281.3	18.2%	19.5%

AVERAGE CREDIT UNION RATES AND RATE SENSITIVITY

	THIS WK 12/26/19	YTD Change		Chg in Current Cycle*		Rate Sensitivity	
		Rate	Benchmark	Rate	Benchmark	YTD	Cycle
Classic CC	11.45%	-0.16%	-0.75%	-0.24%	-0.75%	21%	32%
Platinum CC	9.92%	-0.25%	-0.75%	-0.35%	-0.75%	33%	47%
48mo Veh	3.47%	-0.07%	-0.84%	-0.19%	-1.34%	8%	14%
60mo Veh	3.59%	-0.07%	-0.81%	-0.18%	-1.40%	9%	13%
72mo Veh	3.91%	-0.10%	-0.80%	-0.21%	-1.39%	12%	15%
HE LOC	5.00%	-0.41%	-0.75%	-0.56%	-0.75%	55%	75%
10yr HE	5.28%	-0.19%	-0.79%	-0.24%	-1.41%	24%	17%
15yr FRM	3.57%	-0.86%	-0.79%	-1.01%	-1.40%	109%	72%
30yr FRM	4.01%	-0.85%	-0.79%	-1.05%	-1.34%	108%	78%
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	0.45%	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%	-0.95%	-0.04%	-0.91%	-6%	4%
1yr CD	1.40%	-0.02%	-1.10%	-0.11%	-1.21%	2%	9%
2yr CD	1.64%	-0.12%	-0.84%	-0.21%	-1.34%	14%	16%
3yr CD	1.79%	-0.20%	-0.81%	-0.27%	-1.40%	25%	19%

*Since Nov 2018

RELATIVE VALUE



STRATEGICALLY FOR CREDIT UNIONS

Oil prices rose on Friday, hitting three-month highs, as upbeat economic data from China and the United States indicated an end to the trade war between Washington and Beijing has restored confidence in the global growth.

Brent crude was up 29 cents, or 0.4 percent, at \$68.21 a barrel at 0903 GMT. The West Texas Intermediate was up 24 cents, or 0.4%, at \$61.92 a barrel. Volume of oil trade remained thin in the Christmas holidays and New Year breaks.

China and the United States cooled their 17-month long trade war earlier this month, announcing a Phase 1 agreement that would reduce some U.S. tariffs in exchange for more Chinese purchases of American farm products.

In the United States, a survey on Thursday showed that online holiday purchases by U.S. consumers reached a record, beating analysts' expectations and sending U.S. stocks to fresh.

U.S. consumers are showing few signs of tightening their purse strings, which is also positive for oil. U.S. crude oil stockpiles likely declined last week, while inventories of gasoline were set to extend their build for the seventh straight week, an extended Reuters poll showed on Thursday.

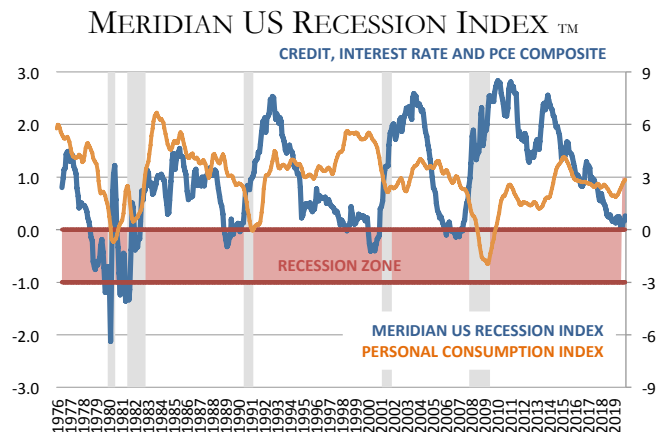
Additional information and other market-related reports can be viewed at www.Meridian-ally.com

ECONOMIC RELEASES

RELEASES THIS WEEK:	Current	Previous
New Home Sales (Nov, Mil Units)	0.719	0.710

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Home Prices (Oct, YoY)	2.1%	2.1%
Consumer Confidence	126.2	125.0
Motor Vehicle Sales (Dec, Mil Units, Annl)	17.1	17.6

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ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Dec 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 235k Ex Home Sales 5.35M Leading Indicators 0.0%	20 GDP (Q3-Final) 2.1%	21
23 New Home Sales 719k	24	25 CHRISTMAS HOLIDAY	26 Jobless Claims 222k	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
13	14 Consumer Inflation	15 Wholesale Inflation	16 Jobless Claims Retail Sales	17 Industrial Production	18
20	21	22 Existing Home Sales	23 Jobless Claims	24	25

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