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19 September 2025

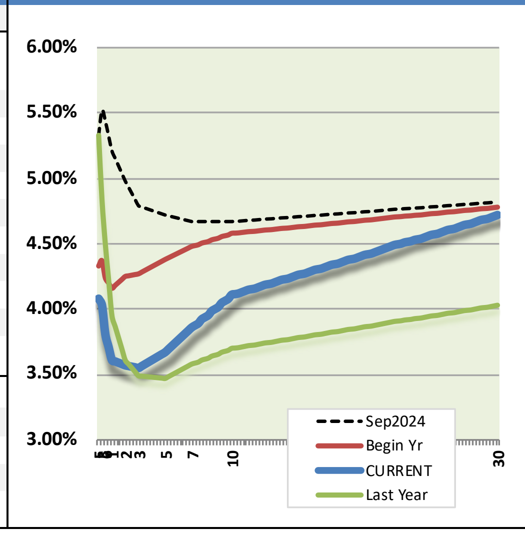
BENCHMARK INTEREST RATES AND YIELD CURVE

US Treasury Rates-

	THIS WK 9/18/25	LAST MO 8/18/25	YR END 12/31/24	LAST YR 9/18/24	CHANGES SINCE This Yr	Last Yr	This Cycle*
Prime	7.25%	7.50%	7.50%	8.50%	-0.25%	-1.25%	-1.25%
Fed Funds	4.08%	4.33%	4.33%	5.33%	-0.25%	-1.25%	-1.25%
3mo	4.03%	4.33%	4.37%	4.84%	-0.34%	-0.81%	-1.49%
6mo	3.81%	4.13%	4.24%	4.50%	-0.43%	-0.69%	-1.63%
1yr	3.61%	3.93%	4.16%	3.95%	-0.55%	-0.34%	-1.60%
2yr	3.57%	3.77%	4.25%	3.61%	-0.68%	-0.04%	-1.41%
3yr	3.55%	3.73%	4.27%	3.49%	-0.72%	0.06%	-1.24%
5yr	3.67%	3.86%	4.38%	3.47%	-0.71%	0.20%	-1.05%
7yr	3.86%	4.07%	4.48%	3.58%	-0.62%	0.28%	-0.81%
10yr	4.11%	4.34%	4.58%	3.70%	-0.47%	0.41%	-0.56%
30yr	4.72%	4.94%	4.78%	4.03%	-0.06%	0.69%	-0.10%
Slope of the Yield Curve-							
2yr-3mo	-0.46%	-0.56%	-0.12%	-1.23%	-0.34%	0.77%	0.08%
5yr-2yr	0.10%	0.09%	0.13%	-0.14%	-0.03%	0.24%	0.36%
10yr-5yr	0.44%	0.48%	0.20%	0.23%	0.24%	0.21%	0.49%
10yr-3mo	0.08%	0.01%	0.21%	-1.14%	-0.13%	1.22%	0.93%

*Since Sep 2024

YIELD CURVE ASSESSMENT



ECONOMIC UPDATE AND ANALYSIS

WINDOW DRESSING AT ITS BEST: FED POLICY-MAKERS CUT AVERAGE OVERNIGHT BENCHMARK TO 4.08%

After nine months of staying on the sidelines, Federal Reserve policy-makers announced a quarter-percentage-point cut, to a range of 4% to 4.25%.

While the Fed previously held back on rate cuts due to inflation concerns, a series of disappointing jobs reports showed a weakening labor market reflecting an increase in the labor force greater that the number of job being created.

Moreover, the Fed seems to be approach our original poitiom that instead of expecting signs that tariffs might show up in consumer prices, tariffs may spur only a one-time price shift rather than a more persistent inflationary effect.

The Fed now is projecting inflation to be higher than previously expected by the end of next year, and says the economy is unlikely to return to the Fed's 2% target until 2028.

"We fully understand and appreciate that we need to remain fully committed to restoring 2% inflation on a sustained basis. And we will do that. At the same time, we've got to weigh the risk ... of higher and more persistent inflation have softened because the labor market is weakening and GDP has slowed."

Key Economic Indicators for Banks, Thrifts & Credit Unions-

		LATEST	CURRENT	PREV
GDP	QoQ	Q2-25 1st	3.3%	-0.5%
GDP - YTD	Annl	Q2-25 1st	1.4%	-0.5%
Consumer Spending	QoQ	Q2-25 1st	1.6%	0.5%
Consumer Spending YTD	Annl	Q2-25 1st	1.1%	0.5%
Unemployment Rate	Mo	August	4.3%	4.2%
Underemployment Rate	Mo	August	8.1%	7.9%
Participation Rate	Mo	August	62.3%	62.2%
Wholesale Inflation	YoY	August	2.6%	3.1%
Consumer Inflation	YoY	August	2.9%	2.7%
Core Inflation	YoY	August	3.1%	3.1%
Consumer Credit	Annual	July	3.8%	2.3%
Retail Sales	YoY	August	3.8%	3.8%
Vehicle Sales	Annl (Mil)	August	16.5	16.8
Home Sales	Annl (Mil)	July	4.637	4.553
Home Prices (Natl Avg)	YoY	June	1.9%	2.3%

Key Consumer Market Data-

	THIS WK 9/18/25	YR END 12/31/24	PCT CHANGES YTD	12Mos
DJIA	46,142	42,544	8.5%	10.0%
S&P 500	6,632	5,881	12.8%	16.5%
NASDAQ	22,470	19,310	16.4%	25.7%
Crude Oil	62.68	71.72	-12.6%	-12.6%
Avg Gasoline	3.17	3.13	1.3%	-3.6%
Gold	3,678	2,641	39.3%	-40.4%

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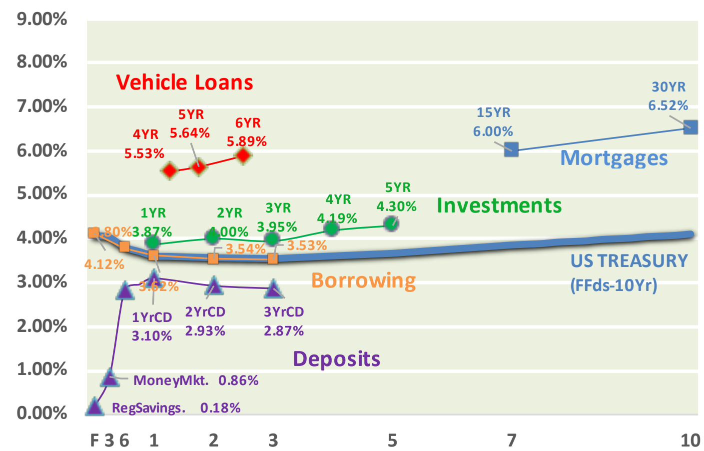
AVERAGE CREDIT UNION RATES, RATE SENSITIVITIES AND RELATIVE VALUE

	THIS WK 9/18/25	CHG IN MKT SINCE YTD	2024 High	RATE SENSITIVITY Bmk Decline	RS
Classic CC	13.08%	-0.09%	-0.29%	-1.25%	**23%**
Platinum CC	12.51%	-0.16%	-0.51%	-1.25%	**41%**
48mo Veh	5.53%	-0.35%	-0.68%	-0.07%	**971%**
60mo Veh	5.64%	-0.35%	-0.69%	0.07%	**-986%**
72mo Veh	5.89%	-0.37%	-0.71%	0.14%	**-507%**
HE LOC	7.53%	-0.32%	-0.92%	-1.25%	**74%**
10yr HE	7.23%	-0.17%	-0.31%	-1.25%	**25%**
15yr FRM	6.00%	-0.41%	-0.76%	-1.14%	**67%**
30yr FRM	6.52%	-0.36%	-1.24%	-0.87%	**143%**
Sh Drafts	0.15%	0.02%	0.03%	-1.25%	**-2%**
Reg Svgs	0.18%	-0.01%	-0.01%	-1.25%	**1%**
MMkt-10k	0.86%	-0.01%	-0.05%	-1.25%	**4%**
MMkt-50k	1.16%	-0.01%	-0.07%	-1.25%	**6%**
6mo CD	2.82%	-0.08%	-0.21%	-0.87%	**24%**
1yr CD	3.10%	-0.07%	-0.30%	-0.48%	**63%**
2yr CD	2.93%	0.00%	-0.13%	-0.07%	**186%**
3yr CD	2.87%	0.03%	-0.05%	0.09%	**-56%**



Spreads Over(Under) US Treasury

4Y Vehicle	1.96%	**Reg Svgs**	-3.90%
5Y Vehicle	2.09%	**1Y CD**	-0.51%
15Y Mortg	2.14%	**2Y CD**	-0.64%
30Y Mortg	2.41%	**3Y CD**	-0.68%

STRATEGICALLY SPEAKING

Chairman Powell aldo said he is watching FICO scores after the average score. fell 2 points in 2025. He said while he doesn't think the September rate cut alone will have a visible effect on consumers' credit, the stable prices, strong economy, and strong labor market the committee is targeting "should help" over time.

The change in fed funds rate will have litttle impact on mortgage or consumer rates which have very little correlation. Nor will it impact deposit ans term certificates rates. Neither have any direct relationship with feed funds.

There is a direct correlation between fed funds and prime rate, therefore, we will see an immediate impact on day prices prime rates lines of credit and most margin commerical loan rates.

But the most common immediate impact will on the rate of return paid on overnight cash. Surplus cash generally runs between 10 to 20 percent of assets, so a $100 million institution with a 15% consistent surplus liquidity will experience a $37.5 thousand drop in interets income by the 25 basis point cut in overnight rates - roughly 4 basis points of annualized net operating return

After hiking interest rates in 2022 to cool rapid inflation, which hit a peak of 9.1% that June, rates rose from nearly 0% to a two-decade high of 5.25% to 5.5% in July 2023. It began to trim rates in 2024 as inflation cooled and stabilized under Trump economic policies.

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

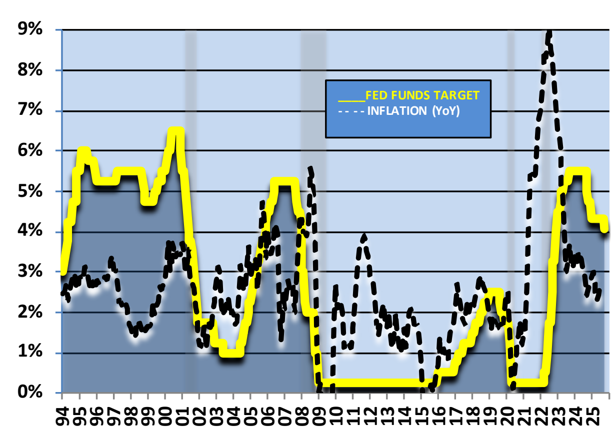
ECONOMIC RELEASES

RELEASES THIS WEEK:	Latest	Projected	Previous
FOMC Decision (Fed Funds Target)	4.08%	4.08%	4.33%
Retail Sales (Aug, YoY)	5.0%	5.0%	4.1%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
New Home Sales (Aug)	640k	652k
GDP (Q2, Final)	3.8%	3.3%
Existing Home Sales (Aug, Annul)	4.01M	4.00M

US Federal Funds Rate

HISTORICAL FEDERAL FUNDS RATE



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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. Delinquency doubing for 3rd straight month.

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

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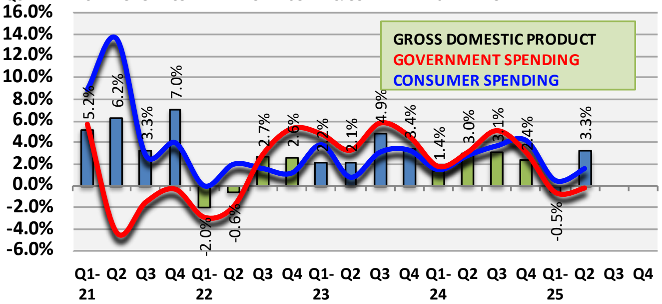
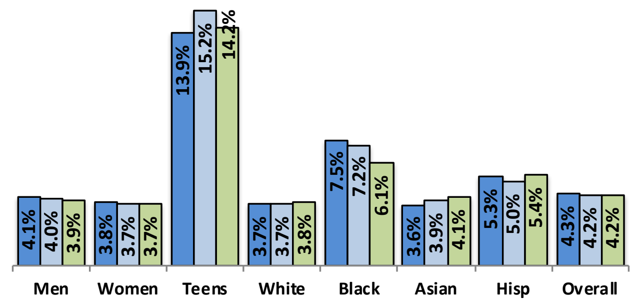
GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE GDP COMPARED TO PERSONAL & GOVERNMENT SPENDING



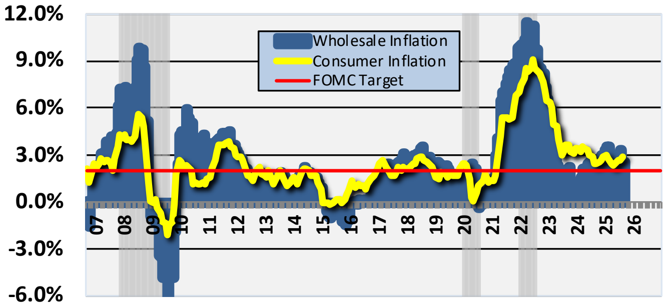
UNEMPLOYMENT BY DEMOGRAPHIC

CURRENT, LAST MONTH and ONE YEAR AGO



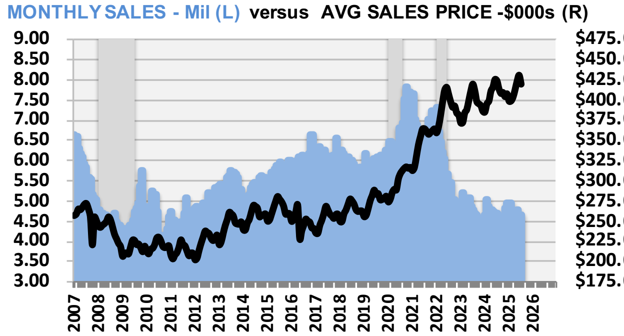
INFLATION PROFILE

WHOLESALE versus CONSUMER INFLATION, Monthly Year-over-Year



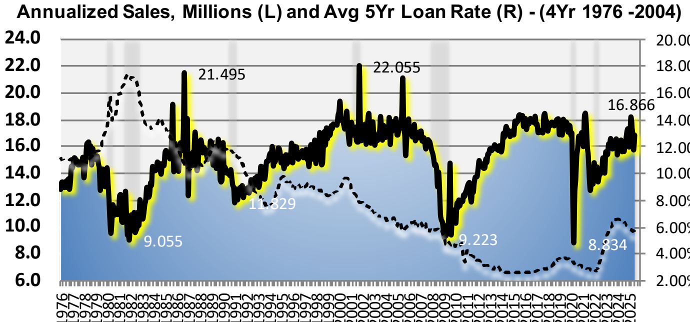
TOTAL HOME SALES

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



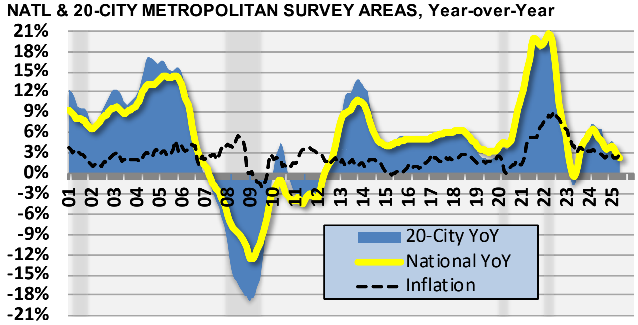
VEHICLE SALES

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



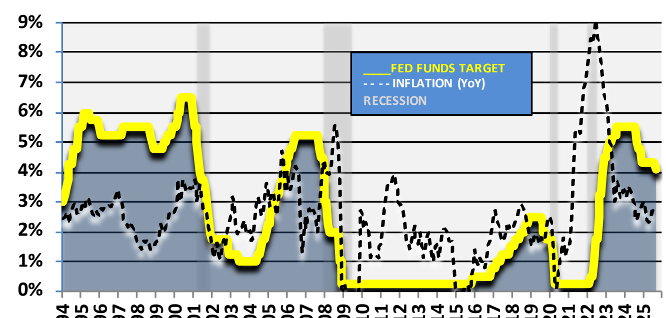
S&P CL CASE-SHILLER HOME PRICE INDEX

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



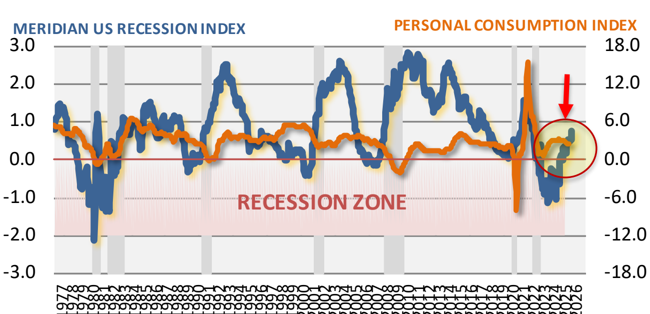
US FEDERAL FUNDS RATE

HISTORICAL FEDERAL FUNDS RATE



MERIDIAN US RECESSION INDEX™

CREDIT, INTEREST RATE AND CONSUMER SPENDING COMPOSITE



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ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
AUGUST 18	19	20 FOMC Minutes	21 Jobless Claims 235k Cont'd Claims 1.97M Existing Home Sales 401M	22	23
25 New Home Sales 652k	26 Home Prices 1.89% Cons Confidence 97.4	27	28 Jobless Claims 229k Cont'd Claims 1.95M GDP - Q2 2nd 3.3%	29	30
SEPTEMBER 1 LABOR DAY HOLIDAY	2	3 Fed Beige Book	4 Jobless Claims 237k Cont'd Claims 1.94M	5 Unemployment 4.3% Non-farm Payrolls 22k Private Payrolls 38k Participation Rate 62.3%	6
8 Consumer Credit $16.1B	9	10 Wholesale Inflation 2.6%	11 Jobless Claims 263k Cont'd Claims 1.94M Consumer Inflation 2.9%	12	6
15	16 Retail Sales 5.0%	17 FOMC Announcement 4.08%	18 Jobless Claims 231k Cont'd Claims 1.92M	19	20
22	23 Existing Home Sales	24	25 Jobless Claims Cont'd Claims GDP (Q2) Final	26 Personal Income Personal Expense	27
29	30 Home Prices	OCTOBER 1	2 Jobless Claims Cont'd Claims	3 Unemployment Non-farm Payrolls Private Payrolls Participation Rate	4
6	7 Consumer Credit	8 FOMC Minutes	9 Jobless Claims Cont'd Claims	10	11
13 COLUMBUS DAY HOLIDAY	14	15 Consumer Inflation	16 Jobless Claims Cont'd Claims Retail Sales Wholesale Inflation	17	18

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ECONOMIC FORECAST

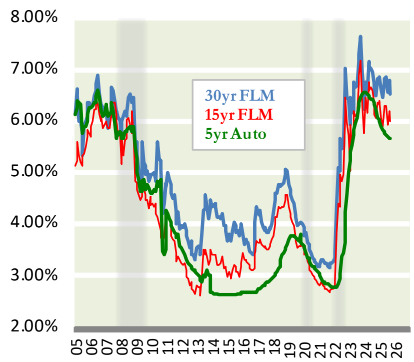
August 2025
(Updated August 20, 2025)

	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%	-0.5%	3.3%	2.0%	1.4%	1.2%	1.4%	1.5%	1.8%
GDP - (YTD)	1.6%	2.3%	2.6%	2.5%	-0.5%	1.4%	1.6%	1.6%	1.2%	1.3%	1.4%	1.6%
Consumer Spding	1.9%	2.8%	3.7%	4.0%	0.5%	1.6%	1.8%	1.3%	1.1%	1.0%	1.7%	2.3%
(YTD)	1.9%	2.4%	2.8%	3.1%	0.5%	1.1%	1.3%	1.3%	1.1%	1.1%	1.3%	1.7%
Govt Spending	1.8%	3.1%	5.1%	3.1%	-0.7%	-0.5%	-0.6%	-1.0%	0.0%	0.1%	0.0%	-0.1%
(YTD)	1.8%	2.5%	3.3%	3.3%	-0.7%	-0.6%	-0.6%	-0.7%	0.0%	0.1%	0.0%	0.0%
Consumer Wealth-												
Unemployment	3.8%	4.0%	4.2%	4.2%	4.1%	4.1%	4.3%	4.4%	4.5%	4.6%	4.5%	4.4%
Cons Inflation	3.2%	3.2%	2.6%	2.7%	2.7%	2.7%	3.0%	3.2%	3.2%	3.4%	3.0%	2.6%
Home Prices	6.3%	6.3%	5.0%	4.0%	3.5%	2.4%	2.3%	2.3%	2.0%	2.0%	1.8%	1.7%
SINGLE FAMILY HOME & VEHICLE LOAN MARKETS												
Home Sales (Mils)-												
Home Sales	4.863	4.740	4.605	4.842	4.781	4.642	4.855	5.019	5.114	5.155	5.211	5.269
Existing Homes	4.200	4.047	3.893	4.163	4.127	3.990	4.160	4.300	4.365	4.397	4.450	4.500
New Homes	0.663	0.693	0.712	0.679	0.654	0.652	0.695	0.719	0.749	0.758	0.761	0.769
Mortgage Originations (Mils)												
Single Family	1.076	1.203	1.343	1.427	1.068	1.533	1.512	1.486	1.515	1.619	1.608	1.498
Purchase App	0.773	0.880	0.924	0.780	0.690	0.924	0.950	0.895	0.855	0.957	0.977	0.863
Refi Apps	0.303	0.323	0.419	0.647	0.378	0.609	0.562	0.591	0.660	0.662	0.631	0.635
Refi Share	28%	27%	31%	45%	35%	40%	37%	40%	44%	41%	39%	42%
Vehicle Sales (Mils)-												
Vehicle Sales	15.6	16.0	16.3	17.0	18.0	15.8	15.7	15.6	15.8	16.2	16.5	16.8
MARKET RATE OUTLOOK												
Benchmark Rates-												
Prime	8.5%	8.5%	8.0%	7.3%	7.3%	7.3%	7.0%	7.0%	6.8%	6.8%	6.8%	6.8%
Fed Funds	5.4%	5.4%	4.9%	4.3%	4.3%	4.3%	4.0%	4.0%	3.9%	3.9%	3.9%	3.9%
3yr UST	4.6%	4.1%	4.0%	4.2%	3.9%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
7yr UST	4.4%	3.8%	4.2%	4.2%	4.2%	4.0%	3.9%	3.9%	3.8%	3.8%	3.8%	3.8%
10yr UST	4.2%	4.4%	3.9%	4.3%	4.5%	4.4%	4.4%	4.3%	4.3%	4.3%	4.3%	4.3%
Market Rates-												
5yr Veh Loan	6.6%	6.5%	6.3%	6.3%	5.9%	5.7%	5.7%	5.6%	5.6%	5.6%	5.6%	5.6%
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%	6.8%	6.7%	6.6%	6.5%	6.5%	6.5%	6.5%
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%

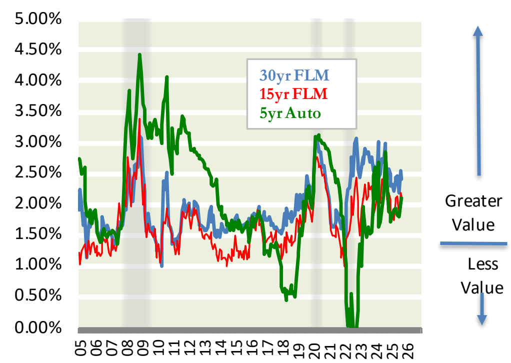
INDICATIVE PRICING SPREADS AND RELATIVE VALUE OF INVESTMENT OPTIONS

From: / To:	30yr FLM / 10Yr UST	15yr FLM / 7Yr UST	5yr Vehicle / 2Yr UST
Current	**2.41%**	**2.14%**	**2.10%**
Aug-25	2.55%	2.19%	2.01%
Jul-25	2.18%	1.80%	1.79%
Jun-25	2.47%	2.13%	1.83%
May-25	2.44%	2.10%	1.91%
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%

AVG "A"-PAPER MARKET RATES

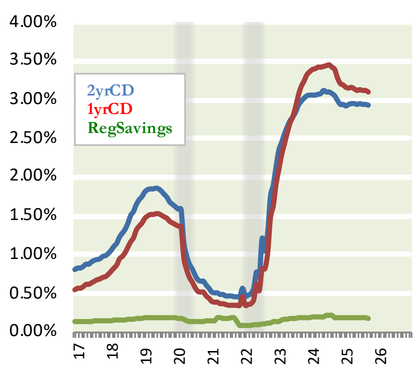


"A"-PAPER PRICING SPREADS

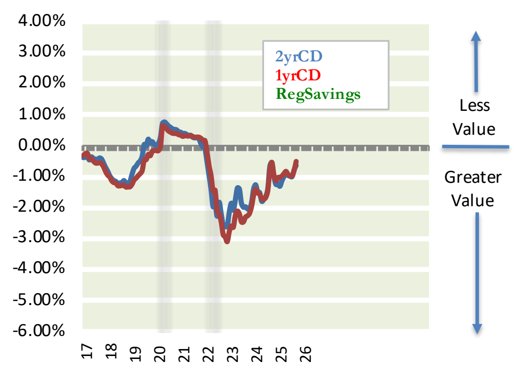


From: / To:	RegSvgs / FFds	1yr CD / 1Yr UST	2yr CD / 2Yr UST
Current	**-3.90%**	**-0.51%**	**-0.64%**
Aug-25	-4.14%	-0.80%	-0.78%
Jul-25	-4.14%	-0.98%	-1.00%
Jun-25	-4.14%	-0.97%	-0.99%
May-25	-4.14%	-0.93%	-0.96%
Apr-25	-4.14%	-0.83%	-0.89%
Mar-25	-4.14%	-0.90%	-1.00%
Feb-25	-4.14%	-0.98%	-1.13%
Jan-25	-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%

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
		4.08%	**3.87%**	**4.00%**	**3.95%**	**4.19%**	**4.30%**	**5.64%**	**5.79%**	**6.00%**	**6.52%**
Share Draft	**0.15%**	**3.93%**	3.72%	3.85%	3.80%	4.04%	4.15%	5.49%	5.64%	5.85%	6.37%
Regular Savings	**0.18%**	**3.90%**	3.69%	3.82%	3.77%	4.01%	4.12%	5.46%	5.61%	5.82%	6.34%
Money Market	**0.86%**	**3.22%**	3.01%	3.14%	3.09%	3.33%	3.44%	4.78%	4.93%	5.14%	5.66%
FHLB Overnight	**4.25%**	**-0.17%**	-0.38%	-0.25%	-0.30%	-0.06%	0.05%	1.39%	1.54%	1.75%	2.27%
Catalyst Settlement	**5.25%**	**-1.17%**	-1.38%	-1.25%	-1.30%	-1.06%	-0.95%	0.39%	0.54%	0.75%	1.27%
6mo Term CD	**3.04%**	**1.04%**	0.83%	0.96%	0.91%	1.15%	1.26%	2.60%	2.75%	2.96%	3.48%
6mo FHLB Term	**4.21%**	**-0.13%**	-0.34%	-0.21%	-0.26%	-0.02%	0.09%	1.43%	1.58%	1.79%	2.31%
6mo Catalyst Term	**4.82%**	**-0.74%**	-0.95%	-0.82%	-0.87%	-0.63%	-0.52%	0.82%	0.97%	1.18%	1.70%
1yr Term CD	**4.07%**	0.01%	**-0.20%**	-0.07%	-0.12%	0.12%	0.23%	1.57%	1.72%	1.93%	2.45%
1yr FHLB Term	**4.03%**	0.05%	**-0.16%**	-0.03%	-0.08%	0.16%	0.27%	1.61%	1.76%	1.97%	2.49%
2yr Term CD	**3.95%**	0.13%	-0.08%	**0.05%**	0.00%	0.24%	0.35%	**1.69%**	**1.84%**	2.05%	2.57%
2yr FHLB Term	**3.81%**	0.27%	0.06%	**0.19%**	0.14%	0.38%	0.49%	**1.83%**	**1.98%**	2.19%	2.71%
3yr Term CD	**3.96%**	0.12%	-0.09%	0.04%	**-0.01%**	0.23%	0.34%	1.68%	1.83%	2.04%	2.56%
3yr FHLB Term	**3.78%**	0.30%	0.09%	0.22%	**0.17%**	0.41%	0.52%	1.86%	2.01%	2.22%	2.74%
7yr FHLB Term	**4.19%**	-0.11%	-0.32%	-0.19%	-0.24%	0.00%	0.11%	1.45%	1.60%	**1.81%**	2.33%
10yr FHLB Term	**4.51%**	-0.43%	-0.64%	-0.51%	-0.56%	-0.32%	-0.21%	1.13%	1.28%	1.49%	**2.01%**

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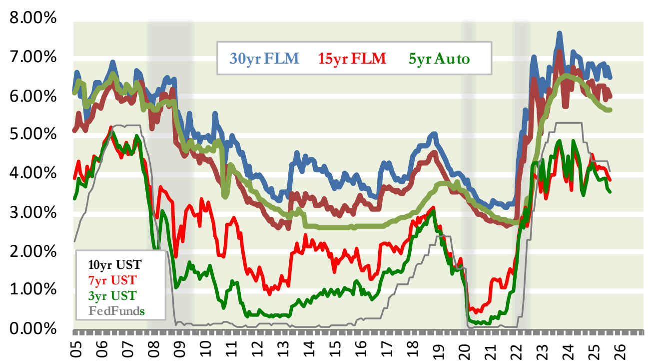
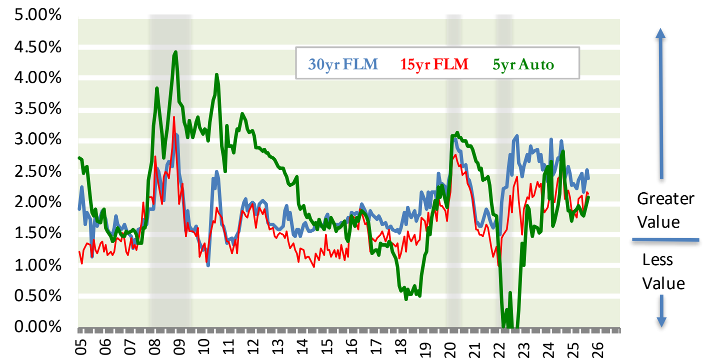
STRATEGIC ASSESSMENT OF INVESTMENT AND FUNDING OPTIONS, RELATIVE VALUE AND PRICING SPREADS

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	4.08%	-	-	-	-	-	-	-	-	-	-
1yr Agy	3.87%	1 year	4 years	7.18%	6.53%	6.08%	6.27%	5.31%	4.30%	5.28%	3.99%
2yr Agy Callable	4.00%	2 years	3 years	8.20%	7.33%	6.73%	6.98%	5.90%	4.38%	6.43%	3.85%
3yr Agy Callable	3.95%	3 years	2 years	10.38%	9.08%	8.18%	8.55%	7.95%	4.91%	-	-
3yr Agy MBS	4.81%	3 years	2 years	9.09%	7.79%	6.89%	7.26%	5.37%	2.33%	-	-
4yr Agy Callable	4.19%	4 years	1 year	15.84%	13.24%	11.44%	12.19%	-	-	-	-
4yr Agy MBS	4.95%	4 years	1 year	12.80%	10.20%	8.40%	9.15%	-	-	-	-
5yr Agy Callable	4.30%	5 years	-	-	-	-	-	-	-	-	-
5yr New Vehicle	5.64%	3 years	2 years	7.84%	6.54%	-	-	-	-	-	-
5yr Used Vehicle	5.79%	3 years	2 years	7.62%	6.32%	-	-	-	-	-	-
15yr Mortgage	6.00%	5 years	-	-	-	-	-	-	-	-	-
30yr Mortgage	6.52%	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	0.15%	1 year	2 years	5.87%	5.22%	7.75%	6.93%
Regular Savings	0.18%	1 year	2 years	5.85%	5.21%	7.72%	6.90%
Money Market	0.86%	1 year	2 years	5.51%	4.87%	7.04%	6.22%
FHLB Overnight	4.12%	1 year	2 years	3.88%	3.24%	3.78%	2.96%
Catalyst Settlement	5.25%	1 year	2 years	3.32%	2.67%	1.33%	1.83%
6mo Term CD	3.04%	6 mos	2.5 yrs	4.14%	3.63%	4.25%	3.71%
6mo FHLB Term	3.80%	6 mos	2.5 yrs	3.99%	3.48%	4.00%	3.45%
6mo Catalyst Term	4.41%	6 mos	2.5 yrs	3.87%	3.35%	3.80%	3.25%
1yr Term CD	4.07%	1 year	2 years	3.91%	3.26%	3.83%	3.01%
1yr FHLB Term	3.62%	1 year	2 years	4.13%	3.49%	4.28%	3.46%
2yr Term CD	3.95%	2 years	1 year	3.98%	2.69%	-	-
2yr FHLB Term	3.54%	2 years	1 year	4.80%	3.51%	-	-
3yr Term CD	3.96%	3 years	-	-	-	-	-
3yr FHLB Term	3.53%	3 years	-	-	-	-	-
7yr FHLB Term	3.95%	-	-	-	-	-	-
10yr FHLB Term	4.29%	-	-	-	-	-	-

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