

BENCHMARK INTEREST RATES AND YIELD CURVE

US Treasury Rates-

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	1/30/20	12/30/19	12/31/19	1/30/19	This Yr	Last Yr	Down Cycle
Fed Funds	1.60%	1.55%	1.55%	2.40%	0.05%	-0.80%	-0.85%
3mo	1.58%	1.57%	1.55%	2.42%	0.03%	-0.84%	-0.77%
6mo	1.57%	1.60%	1.60%	2.50%	-0.03%	-0.93%	-0.95%
1yr	1.48%	1.57%	1.59%	2.57%	-0.11%	-1.09%	-1.26%
2yr	1.41%	1.58%	1.58%	2.52%	-0.17%	-1.11%	-1.57%
3yr	1.37%	1.59%	1.62%	2.49%	-0.25%	-1.12%	-1.68%
5yr	1.39%	1.68%	1.69%	2.49%	-0.30%	-1.10%	-1.70%
7yr	1.49%	1.81%	1.83%	2.58%	-0.34%	-1.09%	-1.68%
10yr	1.57%	1.90%	1.92%	2.70%	-0.35%	-1.13%	-1.67%
30yr	2.04%	2.34%	2.39%	3.06%	-0.35%	-1.02%	-0.14%

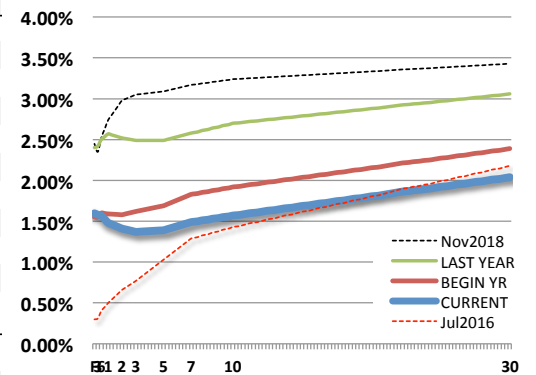
Slope of the Yield Curve-

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE	CHANGES SINCE	CHANGES SINCE
	1/30/20	12/30/19	12/31/19	1/30/19	This Yr	Last Yr	Down Cycle
2yr-3mo	-0.17%	0.01%	0.03%	0.10%	-0.20%	-0.27%	-0.80%
5yr-2yr	-0.02%	0.10%	0.11%	-0.03%	-0.13%	0.01%	-0.13%
10yr-5yr	0.18%	0.22%	0.23%	0.21%	-0.05%	-0.03%	0.03%
10yr-3mo	-0.01%	0.33%	0.37%	0.28%	-0.38%	-0.29%	-0.90%

Other Interest Rates-

	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE	CHANGES SINCE	CHANGES SINCE
	1/30/20	12/30/19	12/31/19	1/30/19	This Yr	Last Yr	Down Cycle
Prime	4.75%	4.75%	4.75%	5.50%	0.00%	-0.75%	-0.75%
1mo LIBOR	1.66%	1.78%	1.76%	2.51%	-0.10%	-0.85%	-0.86%
6mo LIBOR	1.76%	1.91%	1.91%	2.81%	-0.15%	-1.05%	-1.15%
12mo LIBOR	1.82%	2.00%	2.00%	3.02%	-0.18%	-1.20%	-1.31%

YIELD CURVE ASSESSMENT



CYCLICAL CHANGES SUMMARY

	Jul16 Low	Nov18 High	Nov18 High-Current
Fed Funds	2.15%		-0.85%
1year	2.24%		-1.26%
2years	2.32%		-1.57%
3years	2.28%		-1.68%
5years	2.06%		-1.70%
10years	1.81%		-1.67%

ECONOMIC UPDATE AND ANALYSIS

ECONOMY EXPANDED 2.1% DURING FOURTH QUARTER; SPENDING GROWTH SLOWS TO 1.8%

U.S. economic growth increased at a pace of 2.1% in the last three months of 2019. Personal consumption, however, slowed to 1.8%. For the 12 months through the fourth quarter of 2019, U.S. GDP grew at a pace of 2.3% - in line with the 2.5% pace of gains seen in the 12 months through the end of 2018.

At the end of last year, personal consumption rose by 1.8%, representing the slowest rise in three quarters but ahead of the 1.4% pace during the fourth quarter in 2018. For all of 2019, personal consumption rose 2.7% compared with 3.8% in 2018. Personal consumption comprises about two-thirds of U.S. economy activity.

The Federal Reserve, in its monetary policy statement released Wednesday afternoon, characterized household spending as growing at a "moderate pace" pace, after previously describing spending as "strong."

Net exports contributed 1.48 percentage points to fourth-quarter GDP, reflecting a 1.5% rise in exports and 8.7% drop in imports.

Key Economic Indicators for Banks, Thrifts & Credit Unions-

		LATEST	CURRENT	PREV
GDP	QoQ	Q4-1st	2.1%	2.1%
GDP - YTD	Annl	Q4-1st	2.1%	2.3%
Consumer Spending	QoQ	Q4-1st	1.8%	3.2%
Consumer Spending	Annl	Q4-1st	1.8%	2.7%
Unemployment	Mo	Dec	3.5%	3.5%
Consumer Inflation	YoY	Dec	2.3%	2.1%
Core Inflation	YoY	Dec	2.3%	2.3%
Consumer Credit	Annual	Nov	3.6%	5.5%
Retail Sales	YoY	Dec	3.6%	3.4%
Vehicle Sales	Annl (Mil)	Dec	17.2	17.6
Home Sales	Annl (Mil)	Dec	6.234	6.083
Home Prices	YoY	Nov	2.6%	2.2%

Key Consumer Market Data-

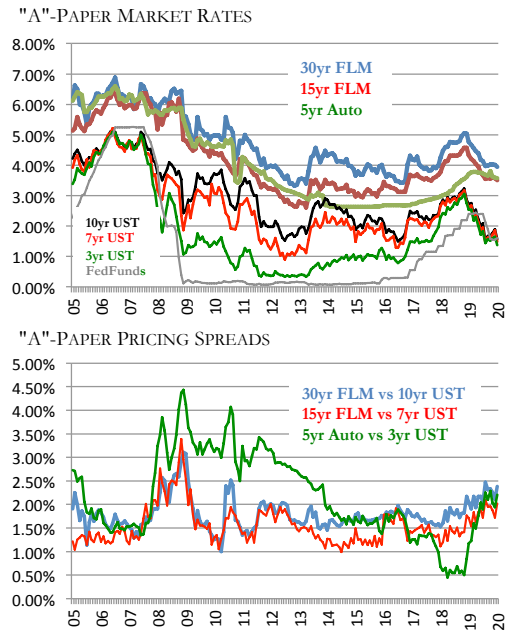
	THIS WK	YR END	PCT CHANGES	
	1/30/20	12/31/19	YTD	12Mos
DJIA	28,859	28,538	1.1%	14.0%
S&P 500	3,284	3,231	1.6%	19.8%
NASDAQ	9,199	8,973	2.5%	26.5%
Crude Oil	52.14	61.06	-14.6%	-7.3%
Avg Gasoline	2.50	2.57	-2.8%	9.7%
Gold	1,583.5	1,523.1	4.0%	20.2%

AVERAGE CREDIT UNION RATES AND RATE SENSITIVITY

	THIS WK 1/30/20	YTD Change		Chg in Current Cycle*		Rate Sensitivity	
		Rate	Benchmark	Rate	Benchmark	YTD	Cycle
Classic CC	11.46%	0.01%	0.00%	-0.23%	-0.75%	0%	31%
Platinum CC	9.87%	-0.05%	0.00%	-0.40%	-0.75%	0%	53%
48mo Veh	3.45%	-0.02%	-0.17%	-0.21%	-1.57%	12%	13%
60mo Veh	3.58%	-0.01%	-0.25%	-0.19%	-1.68%	4%	11%
72mo Veh	3.89%	-0.02%	-0.28%	-0.23%	-1.69%	7%	14%
HE LOC	4.96%	-0.04%	0.00%	-0.60%	-0.75%	0%	80%
10yr HE	5.27%	-0.01%	-0.30%	-0.25%	-1.71%	3%	15%
15yr FRM	3.51%	-0.06%	-0.33%	-1.07%	-1.73%	18%	62%
30yr FRM	3.95%	-0.06%	-0.35%	-1.11%	-1.67%	17%	66%
Sh Drafts	0.16%	0.02%	0.05%	0.02%	-0.85%	40%	-2%
Reg Svgs	0.19%	0.00%	0.05%	0.00%	-0.85%	0%	0%
MMkt-10k	0.45%	0.00%	0.05%	-0.03%	-0.85%	0%	4%
MMkt-50k	0.62%	0.00%	0.05%	-0.03%	-0.85%	0%	4%
6mo CD	0.97%	-0.02%	-0.03%	-0.06%	-0.95%	67%	6%
1yr CD	1.38%	-0.02%	-0.11%	-0.13%	-1.26%	18%	10%
2yr CD	1.61%	-0.03%	-0.17%	-0.24%	-1.57%	18%	15%
3yr CD	1.77%	-0.02%	-0.25%	-0.29%	-1.68%	8%	17%

*Since Nov 2018

RELATIVE VALUE



STRATEGICALLY FOR CREDIT UNIONS

Households have spent generously over the past year as unemployment fell to a 50-year low of 3.5%. Wages are rising at a healthy 3% rate and layoffs are at the lowest level in decades.

The steady pulse of consumer spending, meanwhile, has led to higher sales for businesses and allowed them to maintain current staffing even as the economy has slowed.

The economy got an even bigger boost — though likely a short-lived one — from a sharp decline in the U.S. trade deficit. Exports climbed 1.4% while imports sank 8.7% in the fourth quarter. That's the biggest decline since the end of the 2007-09 great recession.

The drop in imports stemmed mostly from an increase in U.S. tariffs on Chinese goods last September. Companies rushed to beat the tariff increases, then cut back on import orders to wait to see if the Trump administration rolled back the punitive measures.

Government spending, meanwhile, increased 2.7% in the fourth quarter, largely reflecting an increase in outlays on ships, planes, missile systems and other military hardware.

Inflation, as measured by the Fed's preferred PCE price index, was little changed at a 1.6% rate.

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

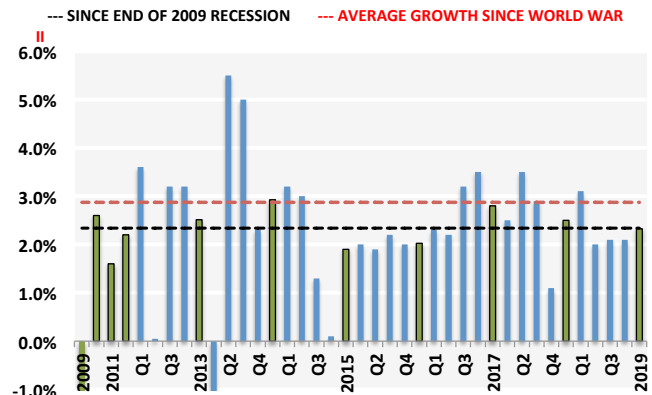
ECONOMIC RELEASES

RELEASES THIS WEEK:	Current	Previous
Existing Home Sales (Dec, Mil, Annlzd)	5.54M	5.35M
Home Prices (Nov, YoY)	2.6%	2.2%
GDP (Q4-1st)	2.1%	2.1%
New Home Sales	719k	733k

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Motor Vehicle Sales (annualized)	17.1M	17.2M
Unemployment (January)	3.5%	3.5%

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ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 6	7	8 Cons Credit +3.6%	9 Jobless Claims 214k	10 Unemployment 3.5%	11
13	14 Cons Inflation 2.3%	15 Wh Inflation 1.3%	16 Jobless Claims 204k Retail Sales 3.6%	17	18
20 MLK HOLIDAY	21	22 Ex Home Sales 5.54M	23 Jobless Claims 211k Leading Ind -0.3%	24	25
27 New Home Sales 694k	28 Durable Goods 2.4% Home Prices +2.6% Cons Confidence 131.6	29 FOMC Announcement No Change	30 Jobless Claims 216k GDP (Q4-1st) 2.1%	31 PCE Price Index 1.6% Personal Inc (M) 0.2% Personal Spd (M) .3%	Feb 1
3 Construction Spending	4 Factory Orders Motor Vehicle Sales	5	6 Jobless Claims	7 Employment Situation Consumer Credit	8
10	11	12	13 Jobless Claims Consumer Inflation	14 Retail Sales Industrial Production	15
17	18	19 Wholesale Inflation FOMC Minutes	20 Jobless Claims Leading Indicators	21 Existing Home Sales	22
24	25 Home Prices	26	27 Jobless Claims GDP (Q4-2nd) Durable Goods	28 Personal Income Personal Spending	29

Q3-2019	<\$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	416	936	1,661	682	1,012	574	5,281	1,352	3,013	3,695	4,707
Average Assets (\$Mil)	\$0.9	\$6.0	\$25.7	\$72.3	\$228.2	\$1,959.2	\$275.2	\$4.4	\$16.1	\$26.5	\$69.9
Pct of Credit Unions	8%	18%	31%	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	-6.2%	-8.7%	-3.0%	-1.1%	-3.3%	11.0%	7.8%	-8.5%	-3.7%	-2.4%	-3.1%
Total Loans	-6.3%	-7.5%	-2.1%	-1.5%	-5.1%	8.1%	5.5%	-7.4%	-2.7%	-2.0%	-4.3%
Total Shares	-5.0%	-7.6%	-3.0%	-1.3%	-3.1%	9.4%	6.7%	-7.4%	-3.6%	-2.4%	-2.9%
Net Worth	-4.3%	-6.3%	-0.2%	1.6%	-1.0%	11.8%	8.9%	-6.2%	-1.1%	0.2%	-0.6%
BALANCE SHEET ALLOCATION											
Net Worth-to-Total Assets	19.0%	16.1%	13.2%	12.2%	11.6%	11.2%	11.4%	16.3%	13.6%	12.9%	12.0%
Cash & Inv-to-Total Assets	51%	46%	42%	36%	27%	23%	25%	46%	43%	40%	31%
Loans-to-Total Assets	49%	53%	54%	59%	68%	72%	71%	52%	54%	56%	64%
Vehicle-to-Total Loans	60%	62%	49%	43%	39%	33%	34%	62%	50%	46%	41%
REL-to-Total Loans	1%	9%	30%	38%	45%	52%	50%	8%	28%	33%	42%
REL-to-Net Worth	3%	28%	124%	185%	262%	332%	309%	26%	110%	146%	225%
Indirect-to-Total Loans	0%	1%	5%	12%	19%	22%	21%	0%	4%	9%	16%
Loans-to-Total Shares	61%	63%	63%	68%	79%	87%	84%	63%	63%	65%	75%
Nonterm-to-Total Shares	91%	84%	80%	78%	74%	69%	70%	85%	81%	79%	76%
Short-term Funding Ratio	40.2%	29.8%	23.6%	19.6%	14.5%	11.6%	12.6%	24.3%	21.9%	16.7%	12.7%
Net Long-term Asset Ratio	3.5%	8.0%	18.6%	24.1%	30.2%	34.9%	33.3%	17.4%	20.7%	27.4%	33.2%
LOAN QUALITY											
Loan Delinquency Ratio	3.17%	1.65%	0.99%	0.80%	0.71%	0.65%	0.67%	1.06%	0.92%	0.77%	0.67%
Net Charge-off Ratio	0.68%	0.58%	0.46%	0.46%	0.46%	0.58%	0.55%	0.47%	0.47%	0.46%	0.56%
"Misery" Index	3.85%	2.23%	1.45%	1.26%	1.17%	1.23%	1.22%	1.54%	1.39%	1.23%	1.23%
RE Loan Delinquency	2.09%	1.84%	0.94%	0.73%	0.65%	0.52%	0.54%	1.84%	0.97%	0.82%	0.69%
Vehicle Loan Delinquency	2.51%	1.50%	0.91%	0.76%	0.63%	0.54%	0.58%	1.56%	1.00%	0.88%	0.70%
Direct Loans	2.51%	1.50%	0.88%	0.73%	0.58%	0.50%	0.58%	1.56%	0.99%	0.88%	0.70%
Indirect Loans	0.00%	1.22%	1.15%	0.84%	0.68%	0.56%	0.58%	1.22%	1.15%	0.91%	0.71%
Loss Allow as % of Loans	2.75%	1.30%	0.89%	0.82%	0.81%	0.89%	0.87%	1.39%	0.95%	0.88%	0.83%
Current Loss Exposure	1.54%	0.83%	0.59%	0.57%	0.49%	0.42%	0.44%	0.87%	0.62%	0.60%	0.52%
EARNINGS											
Gross Asset Yield	4.16%	4.03%	3.81%	3.85%	3.87%	4.12%	4.07%	4.04%	3.84%	3.84%	3.86%
Cost of Funds	0.36%	0.44%	0.42%	0.47%	0.60%	0.97%	0.88%	0.44%	0.42%	0.44%	0.55%
Gross Interest Margin	3.80%	3.58%	3.39%	3.38%	3.27%	3.16%	3.19%	3.60%	3.42%	3.40%	3.31%
Provision Expense	0.35%	0.33%	0.24%	0.27%	0.30%	0.47%	0.43%	0.33%	0.25%	0.26%	0.29%
Net Interest Margin	3.45%	3.26%	3.15%	3.11%	2.97%	2.69%	2.76%	3.27%	3.17%	3.14%	3.02%
Non-Interest Income	0.53%	0.64%	1.03%	1.29%	1.42%	1.35%	1.35%	0.64%	0.98%	1.14%	1.34%
Non-Interest Expense	4.30%	3.63%	3.62%	3.75%	3.66%	3.06%	3.19%	3.67%	3.62%	3.69%	3.67%
Net Operating Expense	3.77%	2.99%	2.59%	2.46%	2.24%	1.70%	1.84%	3.04%	2.64%	2.55%	2.33%
Net Operating Return	-0.32%	0.27%	0.57%	0.65%	0.72%	0.99%	0.92%	0.23%	0.53%	0.59%	0.68%
Non-recurring Inc(Exp)	0.35%	0.10%	0.03%	0.01%	0.03%	0.04%	0.04%	0.12%	0.04%	0.03%	0.03%
Net Income	0.03%	0.37%	0.60%	0.66%	0.76%	1.04%	0.97%	0.35%	0.57%	0.62%	0.72%
Return on Net Worth	0.8%	2.6%	4.7%	5.5%	6.7%	9.0%	8.4%	2.5%	4.4%	4.9%	6.1%

Q3-2019	<\$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	\$4,502	\$7,538	\$8,521	\$10,295	\$13,417	\$16,679	\$15,530	\$7,354	\$8,382	\$9,393	\$12,379
Avg Loan Rate	7%	6%	5%	5%	5%	5%	5%	6%	5%	5%	5%
Avg Loan Yield, net	7%	6%	5%	5%	5%	4%	4%	6%	5%	5%	5%
Avg Share Balance	\$2,308	\$4,750	\$7,234	\$8,233	\$9,387	\$11,575	\$10,809	\$4,451	\$6,751	\$7,435	\$8,704
Avg Share Rate	0.44%	0.53%	0.48%	0.54%	0.69%	1.16%	1.04%	0.53%	0.49%	0.51%	0.64%
NM Deposit Ratio	1.9%	1.1%	1.0%	0.9%	1.1%	0.9%	0.9%	1.2%	1.0%	1.0%	1.1%
Net Operating Profitability-											
Earning Asset/Funding	124%	118%	112%	109%	108%	109%	109%	118%	113%	111%	109%
Avg Revenue per FTE	\$31,289	\$110,702	\$166,766	\$179,524	\$197,812	\$293,589	\$262,612	\$94,987	\$153,243	\$165,914	\$187,497
Avg OpExpense per FTE	\$28,681	\$86,023	\$124,574	\$131,008	\$137,031	\$163,790	\$154,634	\$74,676	\$115,173	\$122,807	\$132,431
Avg Int & Prov Exp per FTE	\$4,729	\$18,222	\$22,724	\$25,791	\$33,677	\$76,707	\$63,182	\$15,552	\$21,373	\$23,503	\$30,387
Avg OpReturn per FTE	-\$2,121	\$6,456	\$19,468	\$22,725	\$27,104	\$53,092	\$44,796	\$4,759	\$16,697	\$19,603	\$24,679
Net OpExp-to-Total Exp	88%	82%	72%	66%	61%	56%	58%	83%	73%	69%	64%
Operating Revenue-											
Non-Int Inc-to-Total Rev	11%	14%	21%	25%	27%	25%	25%	14%	20%	23%	26%
Interest Inc per FTE	\$23,004	\$77,216	\$108,600	\$108,719	\$110,943	\$144,334	\$133,981	\$66,488	\$100,667	\$104,549	\$108,876
Non-Int Inc per FTE	\$3,556	\$15,263	\$35,442	\$45,014	\$53,192	\$72,548	\$65,449	\$12,946	\$31,204	\$37,862	\$48,234
Operating Expenses-											
C&B Expense Ratio	2.10%	1.90%	1.71%	1.79%	1.84%	1.59%	1.64%	1.91%	1.74%	1.77%	1.82%
Pct of Total Op Exp	49%	52%	47%	48%	50%	52%	51%	52%	48%	48%	50%
Avg C&B per FTE	\$13,985	\$45,023	\$59,037	\$62,649	\$68,776	\$85,195	\$79,460	\$38,881	\$55,239	\$58,812	\$65,554
Occ & Ops Exp Ratio	1.30%	0.97%	0.96%	0.94%	0.94%	0.75%	0.79%	0.99%	0.97%	0.95%	0.94%
Pct of Total Op Exp	30%	27%	27%	25%	26%	25%	25%	27%	27%	26%	26%
Avg O&O per FTE	\$8,676	\$22,982	\$33,144	\$32,892	\$35,184	\$40,235	\$38,435	\$20,151	\$30,696	\$31,755	\$34,075
All Other Exp Ratio	0.33%	0.47%	0.67%	0.75%	0.63%	0.49%	0.53%	0.46%	0.65%	0.70%	0.65%
Pct of Total Op Exp	10%	17%	25%	27%	23%	21%	22%	17%	24%	25%	24%
Avg AOE per FTE	\$6,021	\$18,018	\$32,393	\$35,466	\$33,071	\$38,360	\$36,739	\$15,644	\$29,237	\$32,240	\$32,803
Average Margin per Account-											
Avg Int Inc per Loan	\$302	\$428	\$441	\$507	\$605	\$740	\$697	\$422	\$439	\$476	\$576
Avg Int Exp per Share	\$10	\$25	\$35	\$44	\$65	\$134	\$113	\$23	\$33	\$38	\$55
Avg Return	\$292	\$403	\$406	\$462	\$540	\$606	\$584	\$399	\$406	\$438	\$521
Staffing-											
Full-time Equivalents	562.5	2,280	12,246	14,046	60,960	218,445	308,539	2,843	15,088	29,134	90,094
Pct PT Employees	57%	42%	16%	11%	8%	6%	8%	45%	22%	17%	11%
FTE-to-Ops (Staffing)	3.11	0.75	0.44	0.39	0.32	0.21	0.24	0.88	0.48	0.43	0.35
Membership Outreach-											
Members-to-Potential	8.2%	7.8%	2.9%	2.8%	2.7%	3.1%	3.0%	7.9%	3.2%	3.0%	2.8%
Members-to-FTEs	227	402	406	367	340	401	387	367	398	383	354
Branches	406	961	2,440	1,781	5,172	10,304	21,064	1,367	3,807	5,588	10,759
Members per Branch	315	953	2,036	2,891	4,006	8,508	5,676	763	1,579	1,997	2,963