MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

ReSOURCES™

Business & Industry Consulting | Market Analysis | Strategic Solutions | Financial Investments | Risk Management | Regulatory Expert

15 August 2025

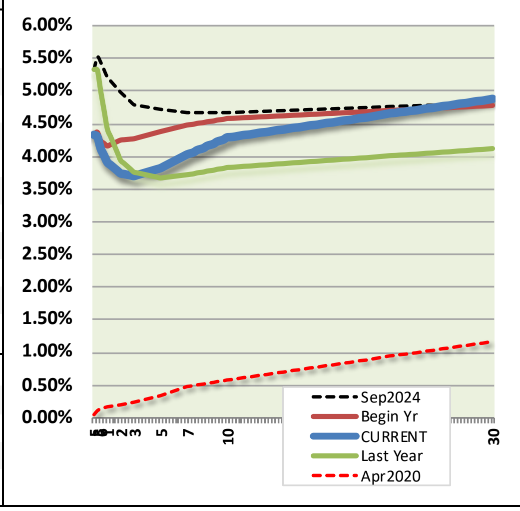
BENCHMARK INTEREST RATES AND YIELD CURVE

US Treasury Rates-

	THIS WK 8/14/25	LAST MO 7/14/25	YR END 12/31/24	LAST YR 8/14/24	CHANGES SINCE 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	4.30%	4.42%	4.37%	5.32%	-0.07%	-1.02%	-1.22%
6mo	4.12%	4.31%	4.24%	5.00%	-0.12%	-0.88%	-1.32%
1yr	3.91%	4.08%	4.16%	4.42%	-0.25%	-0.51%	-1.30%
2yr	3.74%	3.90%	4.25%	3.94%	-0.51%	-0.20%	-1.24%
3yr	3.70%	3.86%	4.27%	3.76%	-0.57%	-0.06%	-1.09%
5yr	3.82%	3.98%	4.38%	3.67%	-0.56%	0.15%	-0.90%
7yr	4.03%	4.19%	4.48%	3.72%	-0.45%	0.31%	-0.64%
10yr	4.29%	4.43%	4.58%	3.83%	-0.29%	0.46%	-0.38%
30yr	4.88%	4.97%	4.78%	4.12%	0.10%	0.76%	0.06%
Slope of the Yield Curve-							
2yr-3mo	-0.56%	-0.52%	-0.12%	-1.38%	-0.44%	0.82%	-0.02%
5yr-2yr	0.08%	0.08%	0.13%	-0.27%	-0.05%	0.35%	0.34%
10yr-5yr	0.47%	0.45%	0.20%	0.16%	0.27%	0.31%	0.52%
10yr-3mo	-0.01%	0.01%	0.21%	-1.49%	-0.22%	1.48%	0.84%

*Since Sep 2024

YIELD CURVE ASSESSMENT



ECONOMIC UPDATE AND ANALYSIS

CONSUMER INFLATION COOLS SLIGHTLY IN JULY BUT FOOD AND ENERGY PRICES DECLINE

Consumer infation increased in July and moved further away from the Federal Reserve's target rate as central bank policymakers assess the health of the economy amid the president's calls for interest rate cuts.

The Bureau of Labor Statistics on Tuesday said that the CPI – a broad measure of how much everyday goods like gasoline, groceries and rent cost – rose 0.2% in July compared with last month, while it was up 2.7% from a year ago.

The monthly figure was in line with our estimate while the headline was slightly cooler than the 2.8% expected. So-called core prices, were up 0.3% from the prior month and 3.1% from a year ago. The annual core figure was hotter most expectations of 3%, while the monthly figure was in line with our estimate.

Food prices were flat compared with a month ago, as the food at home index decreased 0.1% and the food away from home index rose 0.3%. Over the last year, the overall food index is up 2.9%, with food at home up 2.2% and food away from home at 3.9%.

Energy prices decreased 1.1% in July and are down 1.6% compared with a year ago. Gasoline prices were down 2.2% last month and have declined 9.5% from last year.

Key Economic Indicators for Banks, Thrifts & Credit Unions-

		LATEST	CURRENT	PREV
GDP	QoQ	Q2-25 1st	3.0%	-0.5%
GDP - YTD	Annl	Q2-25 1st	1.3%	-0.5%
Consumer Spending	QoQ	Q2-25 1st	1.4%	0.5%
Consumer Spending YTD	Annl	Q2-25 1st	1.0%	0.5%
Unemployment Rate	Mo	July	4.2%	4.1%
Underemployment Rate	Mo	July	7.9%	7.7%
Participation Rate	Mo	July	62.2%	62.3%
Wholesale Inflation	YoY	July	3.3%	2.4%
Consumer Inflation	YoY	July	2.7%	2.7%
Core Inflation	YoY	July	3.1%	2.9%
Consumer Credit	Annual	June	1.8%	1.2%
Retail Sales	YoY	July	3.8%	3.6%
Vehicle Sales	Annl (Mil)	July	16.8	15.8
Home Sales	Annl (Mil)	June	4.553	4.773
Home Prices (Natl Avg)	YoY	May	2.3%	2.7%

Key Consumer Market Data-

	THIS WK 8/14/25	YR END 12/31/24	PCT CHANGES YTD	12Mos
DJIA	44,911	42,544	5.6%	10.5%
S&P 500	6,468	5,881	10.0%	16.1%
NASDAQ	21,710	19,310	12.4%	22.6%
Crude Oil	63.96	71.72	-10.8%	-17.3%
Avg Gasoline	3.12	3.13	-0.2%	-8.7%
Gold	3,383	2,641	28.1%	33.1%

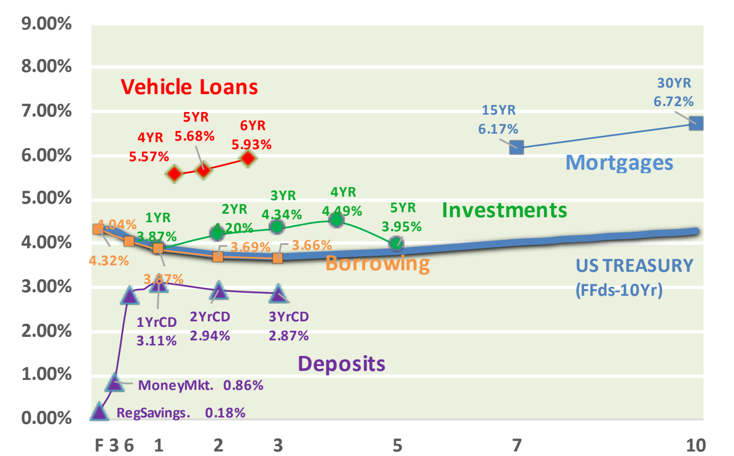
MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

ReSOURCES ™

Business & Industry Consulting | Market Analysis | Strategic Solutions | Financial Investments | Risk Management | Regulatory Expert

AVERAGE CREDIT UNION RATES, RATE SENSITIVITIES AND RELATIVE VALUE

	THIS WK	CHG IN MKT SINCE		RATE SENSITIVITY	
	8/14/25	YTD	2024 High	Bmk Decline	RS
Classic CC	13.09%	-0.08%	-0.28%	-1.00%	**28%**
Platinum CC	12.48%	-0.19%	-0.54%	-1.00%	**54%**
48mo Veh	5.57%	-0.31%	-0.64%	0.10%	**-640%**
60mo Veh	5.68%	-0.31%	-0.65%	0.23%	**-283%**
72mo Veh	5.93%	-0.33%	-0.67%	0.29%	**-231%**
HE LOC	7.55%	-0.30%	-0.90%	-1.00%	**90%**
10yr HE	7.26%	-0.14%	-0.28%	-1.00%	**28%**
15yr FRM	6.17%	-0.24%	-0.59%	-0.97%	**61%**
30yr FRM	6.72%	-0.16%	-1.04%	-0.69%	**151%**
Sh Drafts	0.15%	0.02%	0.03%	-1.00%	**-3%**
Reg Svgs	0.18%	-0.01%	-0.01%	-1.00%	**1%**
MMkt-10k	0.86%	-0.01%	-0.05%	-1.00%	**5%**
MMkt-50k	1.16%	-0.01%	-0.07%	-1.00%	**7%**
6mo CD	2.82%	-0.08%	-0.21%	-0.56%	**38%**
1yr CD	3.11%	-0.06%	-0.29%	-0.18%	**161%**
2yr CD	2.94%	0.01%	-0.12%	0.10%	**-120%**
3yr CD	2.87%	0.03%	-0.05%	0.23%	**-22%**



Spreads Over(Under) US Treasury

4Y Vehicle	1.83%	**Reg Svgs**	-4.15%
5Y Vehicle	1.98%	**1Y CD**	-0.80%
15Y Mortg	2.14%	**2Y CD**	-0.80%
30Y Mortg	2.43%	**3Y CD**	-0.83%

STRATEGICALLY SPEAKING

The July CPI report comes as the Federal Reserve is weighing a potential rate at its next meeting in September, with inflation remaining well above its 2% target rate and the labor market showing signs of softness after the July jobs report showed weaker-than-expected jobs growth and revised employment in May and June downward by 258,000 jobs.

Fed Chair Powell said at a press conference earlier this year that if the central bank's dual mandate goals of maximum employment and 2% longer-run inflation were in tension, the Fed's policymakers would likely orient policy around supporting whichever objective was further away from target.

High inflation has created financial pressures in recent years for most U.S. households, which are forced to pay more for everyday necessities like food and rent. Price hikes are particularly difficult for lower-income Americans, because they tend to spend more of their already-stretched paychecks on necessities and have less flexibility to save money:

Year-over-Year-------	Jul-25	Jul-24	-----------------------------	Jul-25	Jul-24
Food Prices.	+2.9%.	+2.9%.	Energy Prices.	-1.6%.	+1.1%
- Food at home.	+2.2%.	+1.1%	- Gas	-9.5%	-2.2%
- Food away.	+3.9%.	+4.1%	- Fuel Oil.	-2.9%.	-0.3%
- Eggs.	-3.9%	+19.1%			
Shelter Prices.	+0.2%.	+5.1%	Transportation.	+0.8%.	+8.8%
- Rent.	+0.2%.	+5.2%	- New Cars.	+0.4%.	-1.0%
- Lodging away.	-0.1%	+5.0%	- Used Cars.	+4.8%	-10.9%

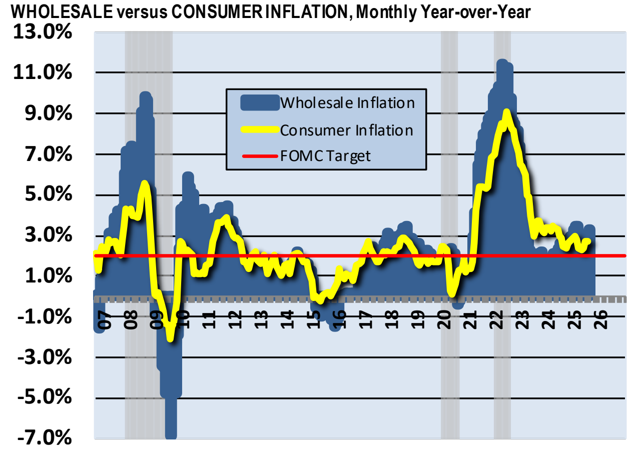
ECONOMIC RELEASES

RELEASES THIS WEEK:	Latest	Projected	Previous
Consumer Inflation (July, YoY)	2.7%	3.1%	2.7%
Wholesale Inflation (July, YoY)	3.3%	3.2%	2.4%
Retail Sales (July, YoY)	3.9%	3.5%	3.9%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
FOMC Minutes		
Existing Home Sales (July, Annl)	3.90M	3.93M

INFLATION PROFILE

WHOLESALE versus CONSUMER INFLATION, Monthly Year-over-Year



Brian Turner President & Chief Economist bturner@Meridian-ally.com 972.740.9531 www.Meridian-ally.com

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

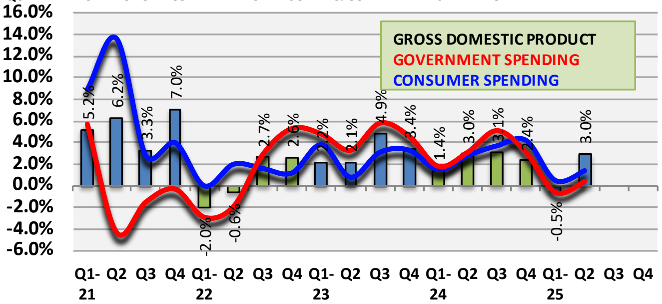
Risk Allocation Metrics

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

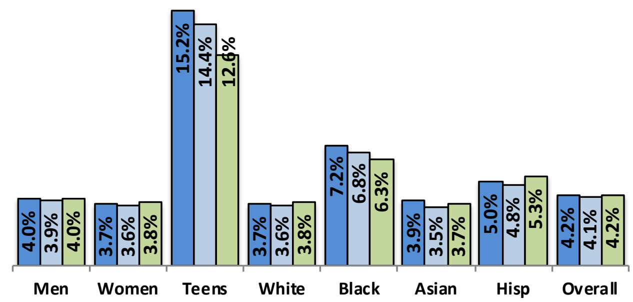
GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE GDP COMPARED TO PERSONAL & GOVERNMENT SPENDING



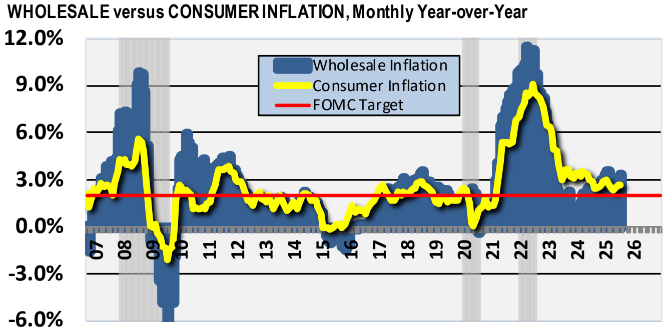
UNEMPLOYMENT BY DEMOGRAPHIC

CURRENT, LAST MONTH and ONE YEAR AGO



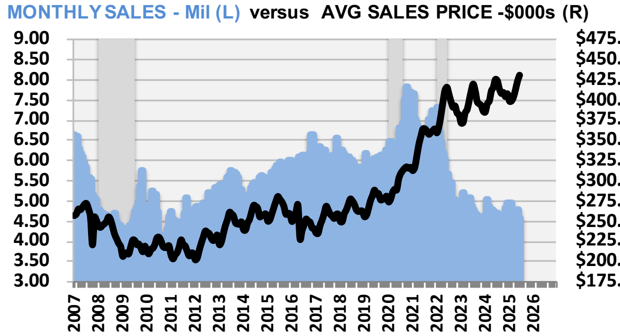
INFLATION PROFILE

WHOLESALE versus CONSUMER INFLATION, Monthly Year-over-Year



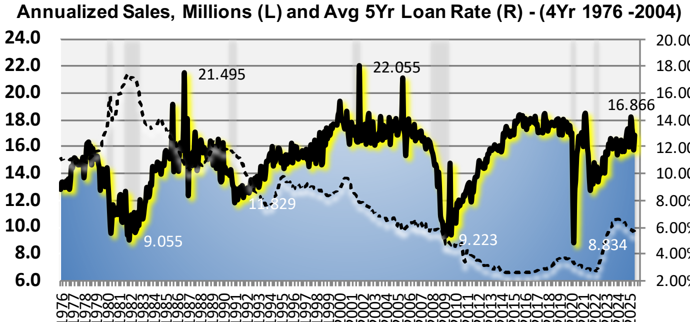
TOTAL HOME SALES

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



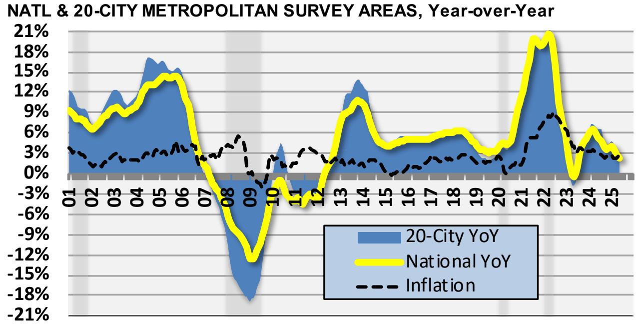
VEHICLE SALES

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



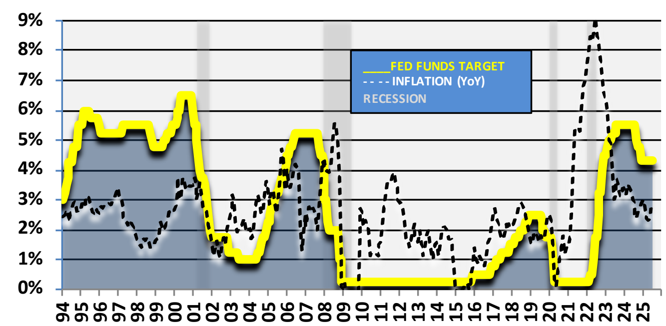
S&P CL CASE-SHILLER HOME PRICE INDEX

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



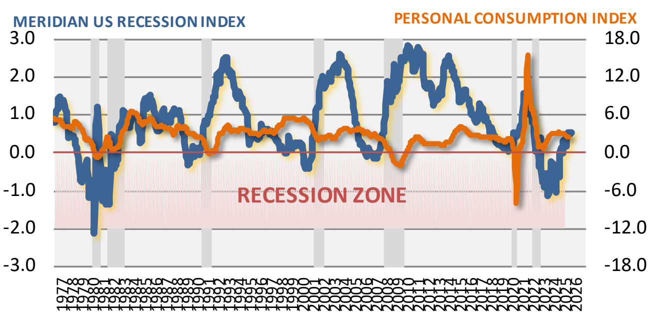
US FEDERAL FUNDS RATE

HISTORICAL FEDERAL FUNDS RATE



MERIDIAN US RECESSION INDEX™

CREDIT, INTEREST RATE AND CONSUMER SPENDING COMPOSITE



MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

RESOURCES ™

Business & Industry Consulting | Market Analysis | Strategic Solutions | Financial Investments | Risk Management | Regulatory Expert

ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
JULY 14	15 Consumer Inflation 2.7%	16 Wholesale Inflation 2.3% Fed Beige Book	17 Jobless Claims 221k Cont'd Claims 1.96M Retail Sales 3.9%	18	19
21 Leading Ind -0.3%	22 Exist Home Sales 3.93M	23	24 Jobless Claims 217k Cont'd Claims 1.95M	25	26
28	29 Home Prices 2.3 Cons Confidence 97.2	30 GDP - Q2 1st 3.0% Consumer Spdg - Q2 1.4% FOMC Announcement	31 Jobless Claims 218k Cont'd Claims 1.94M	AUGUST 1 Unemployment 4.2% Non-Farm Fayrolls +73k Private Payrolls +83k Particiation Rate 62.2%	2
4	5 Household Debt $18.4T	6	7 Jobless Claims 226k Cont'd Claims 1.97M Consumer Credit $7.4B	8	9
11	12 Consumer Inflation 2.7%	13	14 Jobless Claims 224k Cont'd Claims 1.95M Wholesale Inflation 3.3%	15 Retail Sales 3.9%	16
18	19	20 **FOMC Minutes**	21 **Jobless Claims** **Cont'd Claims** **Existing Home Sales**	22	23
25 **New Home Sales**	26 **Home Prices** **Consumer Confidence**	27	28 **Jobless Claims** **Cont'd Claims** **GDP - Q2 2nd**	29	30
SEPTEMBER 1 **LABOR DAY HOLIDAY**	2 **Vehicle Sales**	3 **Fed Beige Book**	4 **Jobless Claims** **Cont'd Claims**	5 **Unemployment** **Non-farm Payrolls** **Private Payrolls** **Participation Rate**	6
8 **Consumer Credit**	9	10 **Wholesale Inflation**	11 **Jobless Claims** **Cont'd Claims** **Consumer Inflation**	12	6

MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

RESOURCES ™

Business & Industry Consulting | Market Analysis | Strategic Solutions | Financial Investments | Risk Management | Regulatory Expert

ECONOMIC FORECAST

July 2025
(Updated July 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%	-0.5%	3.0%	2.0%	1.4%	1.2%	1.4%	1.5%	1.8%
GDP - (YTD)	1.6%	2.3%	2.6%	2.5%	-0.5%	1.3%	1.5%	1.5%	1.2%	1.3%	1.4%	1.6%
Consumer Spding	1.9%	2.8%	3.7%	4.0%	0.5%	1.4%	1.8%	1.3%	1.1%	1.0%	1.7%	2.3%
(YTD)	1.9%	2.4%	2.8%	3.1%	0.5%	1.0%	1.2%	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	4.692	4.854	5.025	5.112	5.170	5.243	5.285
Existing Homes	4.200	4.047	3.893	4.163	4.127	4.032	4.158	4.301	4.365	4.403	4.479	4.518
New Homes	0.663	0.693	0.712	0.679	0.654	0.660	0.696	0.724	0.747	0.767	0.764	0.767
Mortgage Originations (Mils)												
Single Family	1.076	1.203	1.343	1.427	1.068	1.533	1.546	1.499	1.499	1.611	1.592	1.466
Purchase App	0.773	0.880	0.924	0.780	0.690	0.924	0.936	0.878	0.853	0.959	0.964	0.841
Refi Apps	0.303	0.323	0.419	0.647	0.378	0.609	0.610	0.621	0.646	0.652	0.628	0.625
Refi Share	28%	27%	31%	45%	35%	40%	39%	41%	43%	40%	39%	43%
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%	7.3%	7.0%	7.0%	7.0%	6.8%	6.8%
Fed Funds	5.4%	5.4%	4.9%	4.3%	4.3%	4.3%	4.3%	4.0%	4.0%	4.0%	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%	6.8%	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%

MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

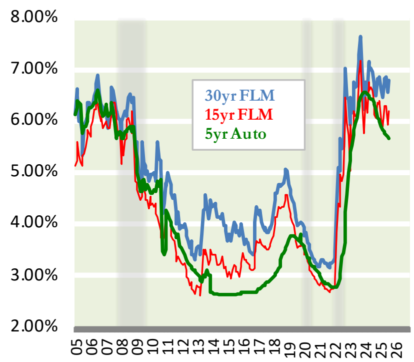
ReSOURCES ™

Business & Industry Consulting | Market Analysis | Strategic Solutions | Financial Investments | Risk Management | Regulatory Expert

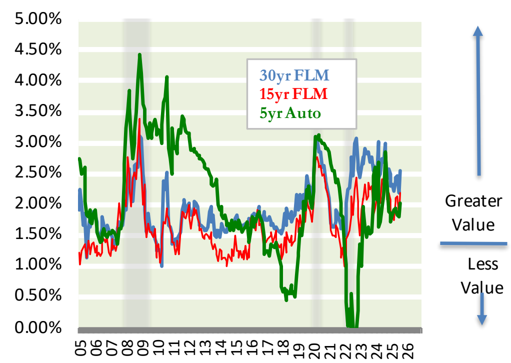
INDICATIVE PRICING SPREADS AND RELATIVE VALUE OF INVESTMENT OPTIONS

From: / To:	30yr FLM / 10Yr UST	15yr FLM / 7Yr UST	5yr Vehicle / 2Yr UST
Current	**2.55%**	**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%
Aug-24	2.99%	2.73%	2.75%

AVG "A"-PAPER MARKET RATES

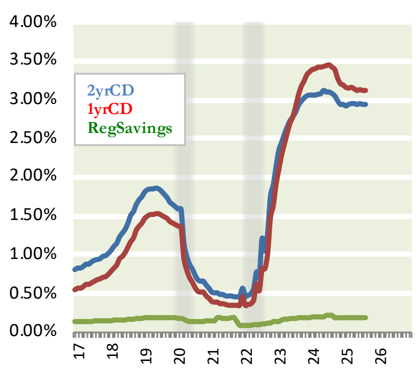


"A"-PAPER PRICING SPREADS

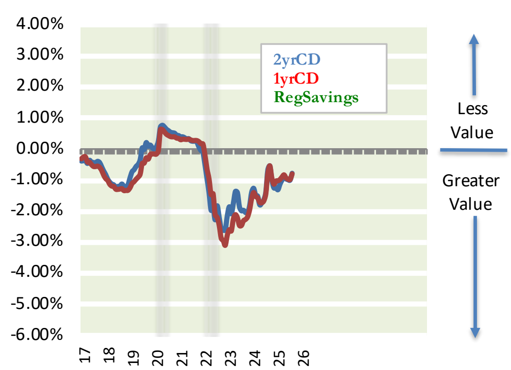


From: / To:	RegSvgs / FFds	1yr CD / 1Yr UST	2yr CD / 2Yr UST
Current	**-4.14%**	**-0.80%**	**-0.78%**
Jul-25	-4.14%	-0.98%	-1.00%
Jun-25	-4.14%	-0.97%	-0.99%
May-25	-4.14%	-0.93%	-0.96%
Apr-25	-4.14%	-0.83%	-0.89%
Mar-25	-4.14%	-0.90%	-1.00%
Feb-25	-4.14%	-0.98%	-1.13%
Jan-25	-4.14%	-1.02%	-1.31%
Dec-24	-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%
Aug-24	-5.11%	-0.79%	-0.67%

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%	**3.87%**	**4.20%**	**4.34%**	**4.49%**	**3.95%**	**5.68%**	**5.83%**	**6.17%**	**6.72%**
Share Draft	**0.15%**	**4.18%**	3.72%	4.05%	4.19%	4.34%	3.80%	5.53%	5.68%	6.02%	6.57%
Regular Savings	**0.18%**	**4.15%**	3.69%	4.02%	4.16%	4.31%	3.77%	5.50%	5.65%	5.99%	6.54%
Money Market	**0.86%**	**3.47%**	3.01%	3.34%	3.48%	3.63%	3.09%	4.82%	4.97%	5.31%	5.86%
FHLB Overnight	**4.25%**	**0.08%**	-0.38%	-0.05%	0.09%	0.24%	-0.30%	1.43%	1.58%	1.92%	2.47%
Catalyst Settlement	**5.50%**	**-1.17%**	-1.63%	-1.30%	-1.16%	-1.01%	-1.55%	0.18%	0.33%	0.67%	1.22%
6mo Term CD	**3.04%**	**1.29%**	0.83%	1.16%	1.30%	1.45%	0.91%	2.64%	2.79%	3.13%	3.68%
6mo FHLB Term	**4.21%**	**0.12%**	-0.34%	-0.01%	0.13%	0.28%	-0.26%	1.47%	1.62%	1.96%	2.51%
6mo Catalyst Term	**4.82%**	**-0.49%**	-0.95%	-0.62%	-0.48%	-0.33%	-0.87%	0.86%	1.01%	1.35%	1.90%
1yr Term CD	**4.07%**	0.26%	**-0.20%**	0.13%	0.27%	0.42%	-0.12%	1.61%	1.76%	2.10%	2.65%
1yr FHLB Term	**4.03%**	0.30%	**-0.16%**	0.17%	0.31%	0.46%	-0.08%	1.65%	1.80%	2.14%	2.69%
2yr Term CD	**3.95%**	0.38%	-0.08%	**0.25%**	0.39%	0.54%	0.00%	**1.73%**	**1.88%**	2.22%	2.77%
2yr FHLB Term	**3.81%**	0.52%	0.06%	**0.39%**	0.53%	0.68%	0.14%	**1.87%**	**2.02%**	2.36%	2.91%
3yr Term CD	**3.96%**	0.37%	-0.09%	0.24%	**0.38%**	0.53%	-0.01%	1.72%	1.87%	2.21%	2.76%
3yr FHLB Term	**3.78%**	0.55%	0.09%	0.42%	**0.56%**	0.71%	0.17%	1.90%	2.05%	2.39%	2.94%
7yr FHLB Term	**4.19%**	0.14%	-0.32%	0.01%	0.15%	0.30%	-0.24%	1.49%	1.64%	**1.98%**	2.53%
10yr FHLB Term	**4.51%**	-0.18%	-0.64%	-0.31%	-0.17%	-0.02%	-0.56%	1.17%	1.32%	1.66%	**2.21%**

MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

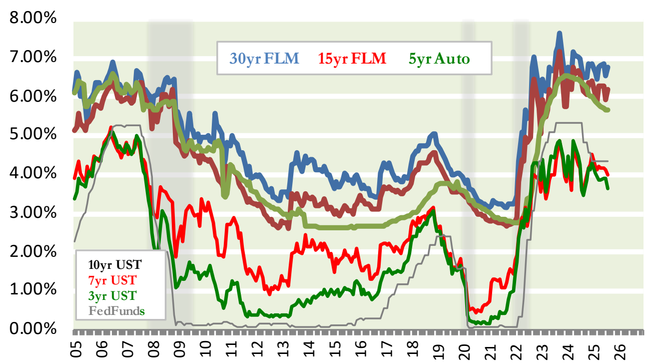
ReSOURCES™

Business & Industry Consulting | Market Analysis | Strategic Solutions | Financial Investments | Risk Management | Regulatory Expert

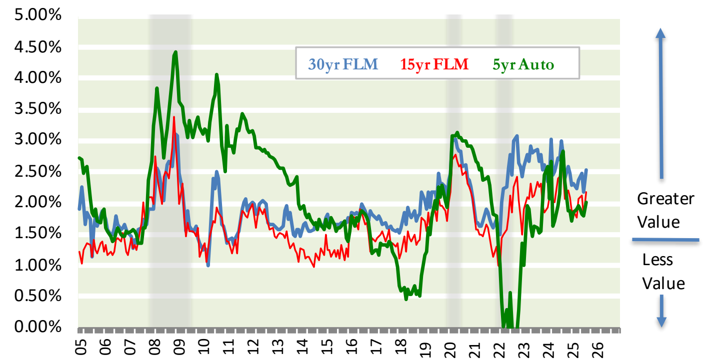
STRATEGIC ASSESSMENT OF INVESTMENT AND FUNDING OPTIONS, RELATIVE VALUE AND PRICING SPREADS

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	3.87%	1 year	4 years	7.43%	6.75%	6.13%	6.32%	5.08%	4.70%	5.45%	4.58%
2yr Agy Callable	4.20%	2 years	3 years	8.40%	7.48%	6.67%	6.92%	5.36%	4.78%	6.36%	4.62%
3yr Agy Callable	4.34%	3 years	2 years	10.29%	8.92%	7.69%	8.07%	6.10%	4.94%	-	-
3yr Agy MBS	4.92%	3 years	2 years	9.42%	8.05%	6.82%	7.20%	4.36%	3.20%	-	-
4yr Agy Callable	4.49%	4 years	1 year	15.64%	12.89%	10.44%	11.19%	-	-	-	-
4yr Agy MBS	4.78%	4 years	1 year	14.48%	11.73%	9.28%	10.03%	-	-	-	-
5yr Agy Callable	3.95%	5 years	-	-	-	-	-	-	-	-	-
5yr New Vehicle	5.68%	3 years	2 years	8.28%	6.91%	-	-	-	-	-	-
5yr Used Vehicle	5.83%	3 years	2 years	8.06%	6.68%	-	-	-	-	-	-
15yr Mortgage	6.17%	5 years	-	-	-	-	-	-	-	-	-
30yr Mortgage	6.72%	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%	5.42%	7.75%	7.23%
Regular Savings	0.18%	1 year	2 years	5.85%	5.40%	7.72%	7.20%
Money Market	0.86%	1 year	2 years	5.51%	5.06%	7.04%	6.52%
FHLB Overnight	4.32%	1 year	2 years	3.78%	3.33%	3.58%	3.06%
Catalyst Settlement	5.50%	1 year	2 years	3.19%	2.74%	1.20%	1.88%
6mo Term CD	3.04%	6 mos	2.5 yrs	4.14%	3.78%	4.25%	3.91%
6mo FHLB Term	4.04%	6 mos	2.5 yrs	3.94%	3.58%	3.92%	3.57%
6mo Catalyst Term	4.63%	6 mos	2.5 yrs	3.83%	3.47%	3.72%	3.38%
1yr Term CD	4.07%	1 year	2 years	3.91%	3.46%	3.83%	3.31%
1yr FHLB Term	3.87%	1 year	2 years	4.01%	3.56%	4.03%	3.51%
2yr Term CD	3.95%	2 years	1 year	3.98%	3.08%	-	-
2yr FHLB Term	3.69%	2 years	1 year	4.50%	3.60%	-	-
3yr Term CD	3.96%	3 years	-	-	-	-	-
3yr FHLB Term	3.66%	3 years	-	-	-	-	-
7yr FHLB Term	4.10%	-	-	-	-	-	-
10yr FHLB Term	4.45%	-	-	-	-	-	-

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