MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

ReSOURCES ™

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

05 September 2025

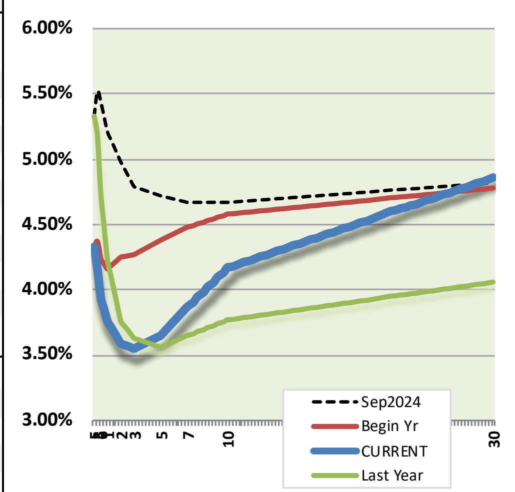
BENCHMARK INTEREST RATES AND YIELD CURVE

US Treasury Rates-

	THIS WK 9/4/25	LAST MO 8/4/25	YR END 12/31/24	LAST YR 9/4/25	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	4.16%	4.35%	4.37%	5.18%	-0.21%	-1.02%	-1.36%
6mo	3.94%	4.15%	4.24%	4.74%	-0.30%	-0.80%	-1.50%
1yr	3.76%	3.82%	4.16%	4.23%	-0.40%	-0.47%	-1.45%
2yr	3.59%	3.69%	4.25%	3.76%	-0.66%	-0.17%	-1.39%
3yr	3.55%	3.66%	4.27%	3.63%	-0.72%	-0.08%	-1.24%
5yr	3.65%	3.75%	4.38%	3.56%	-0.73%	0.09%	-1.07%
7yr	3.87%	3.95%	4.48%	3.65%	-0.61%	0.22%	-0.80%
10yr	4.17%	4.22%	4.58%	3.77%	-0.41%	0.40%	-0.50%
30yr	4.86%	4.80%	4.78%	4.06%	0.08%	0.80%	0.04%
Slope of the Yield Curve-							
2yr-3mo	-0.57%	-0.66%	-0.12%	-1.42%	-0.45%	0.85%	-0.03%
5yr-2yr	0.06%	0.06%	0.13%	-0.20%	-0.07%	0.26%	0.32%
10yr-5yr	0.52%	0.47%	0.20%	0.21%	0.32%	0.31%	0.57%
10yr-3mo	0.01%	-0.13%	0.21%	-1.41%	-0.20%	1.42%	0.86%

*Since Sep 2024

YIELD CURVE ASSESSMENT



ECONOMIC UPDATE AND ANALYSIS

ECONOMY ADDS 22k JOBS IN AUGUST; UNEMPLOYMENT RATE AT 4.3%

The Labor Department on Friday reported that employers added a modestt 22,000 jobs in August. The unemployment rate also rose to 4.3% in August as more people returned to the labor force.

Job gains in the prior two months were both revised in the August report, with job creation in June revised down by 27,000 from a gain of 14,000 to a loss of 13,000; and July job creation was revised up by 6,000 from a gain of 73,000 to 79,000.

Taken together, employment in June and July was 21,000 jobs lower than previously reported.

Private payrolls added 38,000 jobs in August. Government payrolls
declined by 16,000 jobs. Federal government employment fell by 15,000 jobs, while state governments shed 13,000 jobs. Those job losses were partially offset by gains of 12,000 jobs in local government, most of which were in education.

Federal employment is down 97,000 jobs since its January peak, and the BLS noted employees on rapid leave or receiving severance pay are counted as employed in the establishment survey.

The manufacturing sector lost 12,000 jobs in August.

Key Economic Indicators for Banks, Thrifts & Credit Unions-

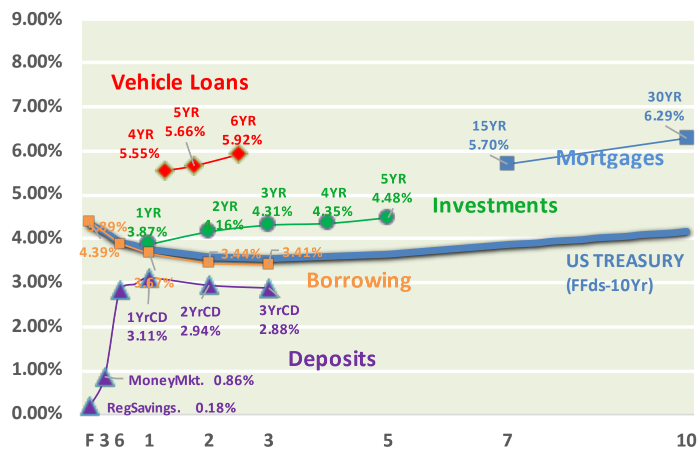
		LATEST	CURRENT	PREV
GDP	QoQ	Q2-25 1st	3.3%	-0.5%
GDP - YTD	Annl	Q2-25 1st	1.4%	-0.5%
Consumer Spending	QoQ	Q2-25 1st	1.6%	0.5%
Consumer Spending YTD	Annl	Q2-25 1st	1.1%	0.5%
Unemployment Rate	Mo	Aug	4.3%	4.2%
Underemployment Rate	Mo	Aug	8.1%	7.9%
Participation Rate	Mo	Aug	62.3%	62.2%
Wholesale Inflation	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)	July	4.637	4.553
Home Prices (Natl Avg)	YoY	June	1.9%	2.3%

Key Consumer Market Data-

	THIS WK 9/4/25	YR END 12/31/24	PCT CHANGES YTD	12Mos
DJIA	45,621	42,544	7.2%	13.0%
S&P 500	6,502	5,881	10.6%	20.2%
NASDAQ	21,707	19,310	12.4%	30.4%
Crude Oil	63.48	71.72	-11.5%	-9.1%
Avg Gasoline	3.18	3.13	1.6%	-3.4%
Gold	3,606	2,641	36.5%	44.5%

AVERAGE CREDIT UNION RATES, RATE SENSITIVITIES AND RELATIVE VALUE

	THIS WK 9/4/25	CHG IN MKT SINCE YTD	2024 High	RATE SENSITIVITY Bmk Decline	RS
Classic CC	13.08%	-0.09%	-0.29%	-1.00%	29%
Platinum CC	12.52%	-0.15%	-0.50%	-1.00%	50%
48mo Veh	5.55%	-0.33%	-0.66%	-0.05%	1320%
60mo Veh	5.66%	-0.33%	-0.67%	0.08%	-838%
72mo Veh	5.92%	-0.34%	-0.68%	0.13%	-523%
HE LOC	7.55%	-0.30%	-0.90%	-1.00%	90%
10yr HE	7.25%	-0.15%	-0.29%	-1.00%	29%
15yr FRM	5.70%	-0.71%	-1.06%	-1.13%	94%
30yr FRM	6.29%	-0.59%	-1.47%	-0.81%	181%
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%	-0.74%	28%
1yr CD	3.11%	-0.06%	-0.29%	-0.33%	88%
2yr CD	2.94%	0.01%	-0.12%	-0.05%	240%
3yr CD	2.88%	0.04%	-0.04%	0.08%	-50%



Spreads Over(Under) US Treasury

4Y Vehicle	1.96%	Reg Svgs	-4.15%
5Y Vehicle	2.11%	1Y CD	-0.65%
15Y Mortg	1.83%	2Y CD	-0.65%
30Y Mortg	2.12%	3Y CD	-0.67%

STRATEGICALLY SPEAKING

The labor force participation rate was little changed at 62.3%, and the employment-population ratio was unchanged at 59.6%. Both measures have declined by 0.4 percentage points over this year.

The number of people considered to be long-term unemployed, defined as being jobless for 27 weeks or more, was little changed at 1.9 million in August but has risen by 385,000 this year.

The long-term unemployed accounted for 25.7% of all unemployed people in August.

The August jobs report comes as the Federal Reserve is weighing a potential interest rate cut despite persistent inflation, which has risen further from the Fed's 2% target in recent months.

Fed Chair Powell previously noted that the central bank likely would've cut rates earlier this year but for concerns about tariffs fueling inflation.

The consumer price index (CPI) inflation print for July was 2.7%, while the personal consumption expenditures (PCE) inflation reading for that month was 2.6%. August's CPI data is due out next week ahead of the Fed's Sept. 17 rate cut decision.

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

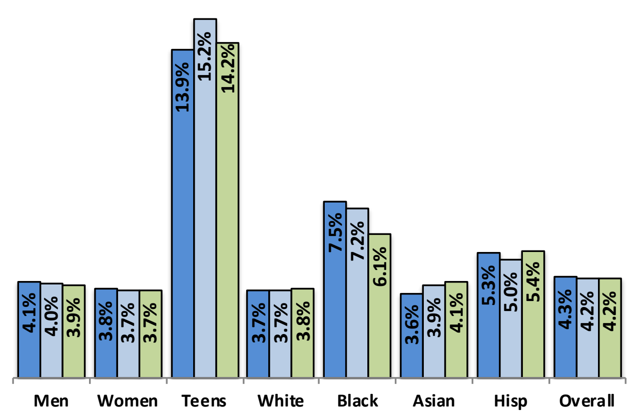
ECONOMIC RELEASES

RELEASES THIS WEEK:	Latest	Projected	Previous
FRB Beige Book	"Uncertainty about economic outlook persists"		
Unemployment Rate (Aug)	4.3%	4.2%	4.2%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Consumer Credit (Jul, Mo Chg)	$8.5B	$7.37B
Wholesale Inflation (Aug, YoY)	3.7%	3.7%
Consumer Inflation (Jul, YoY)	2.7%	2.8%

UNEMPLOYMENT BY DEMOGRAPHIC

CURRENT, LAST MONTH and ONE YEAR AGO



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

Meridian Economics
Trusted Insight, Effective Solutions

ReSOURCES ™

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

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

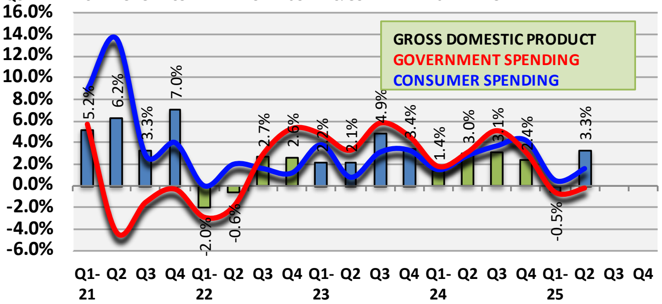
MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

RESOURCES ™

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

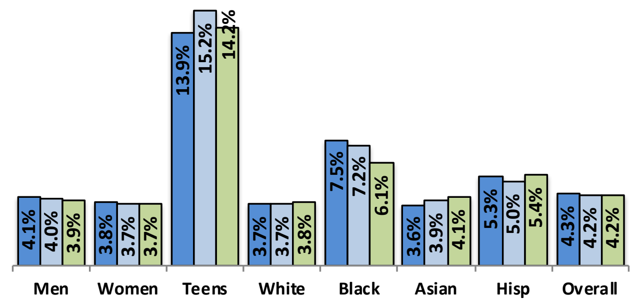
GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE GDP COMPARED TO PERSONAL & GOVERNMENT SPENDING



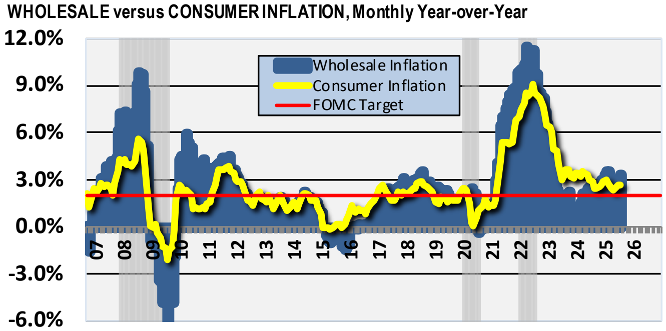
UNEMPLOYMENT BY DEMOGRAPHIC

CURRENT, LAST MONTH and ONE YEAR AGO



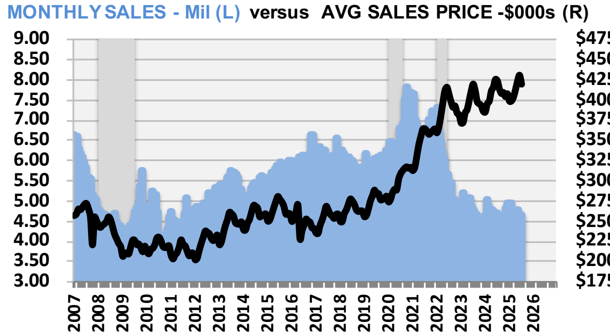
INFLATION PROFILE

WHOLESALE versus CONSUMER INFLATION, Monthly Year-over-Year



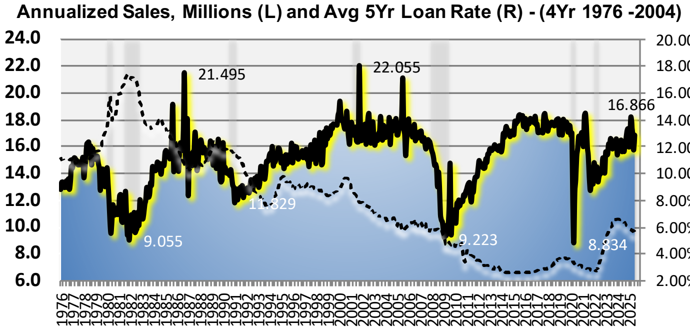
TOTAL HOME SALES

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



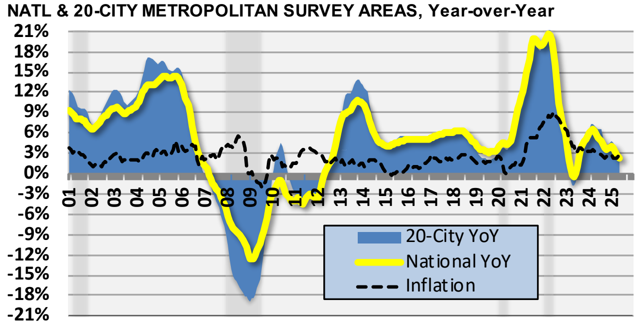
VEHICLE SALES

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



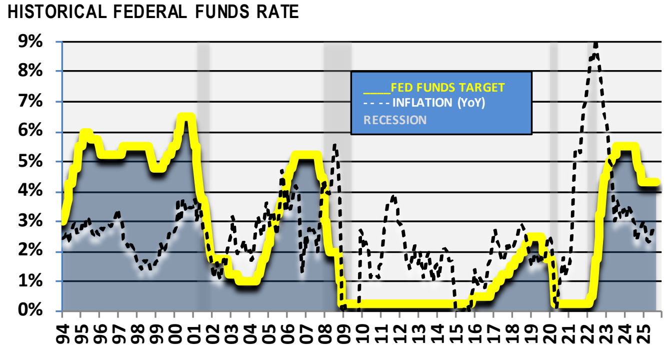
S&P CL CASE-SHILLER HOME PRICE INDEX

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



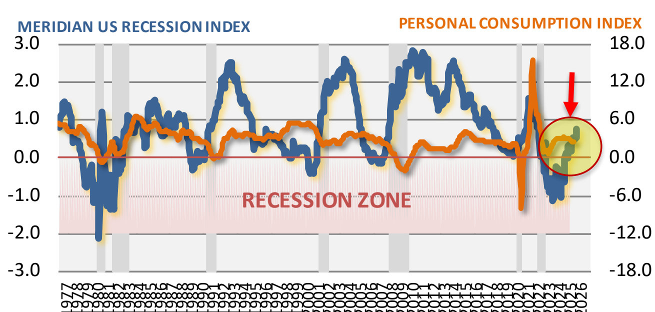
US FEDERAL FUNDS RATE

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
AUGUST 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 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**	9	10 **Wholesale Inflation**	11 Jobless Claims Cont'd Claims **Consumer Inflation**	12	6
15	16 **Retail Sales**	17 **FOMC Announcement**	18 Jobless Claims Cont'd Claims	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

MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

ReSOURCES ™

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

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%

MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

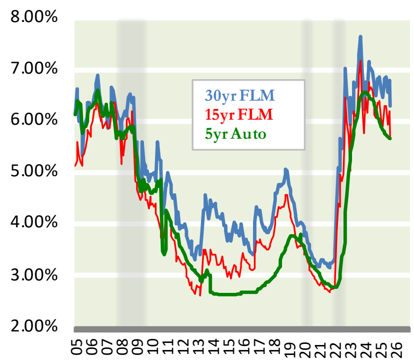
RESOURCES™

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

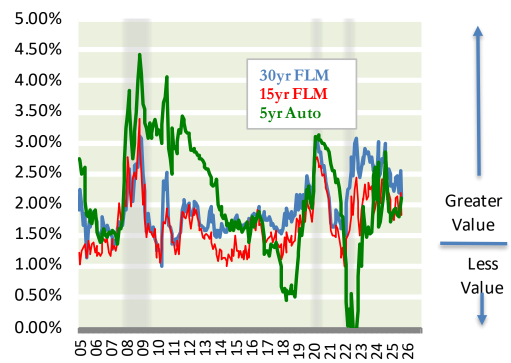
INDICATIVE PRICING SPREADS AND RELATIVE VALUE OF INVESTMENT OPTIONS

From: / To:	30yr FLM / 10Yr UST	15yr FLM / 7Yr UST	5yr Vehicle / 2Yr UST
Current	**2.12%**	**1.83%**	**2.11%**
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

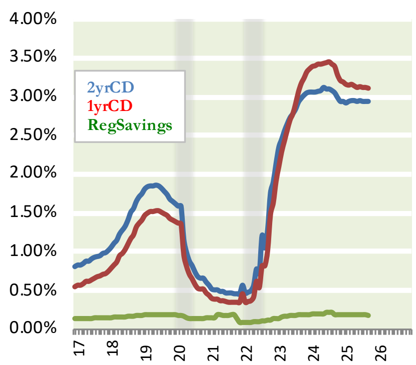


"A"-PAPER PRICING SPREADS

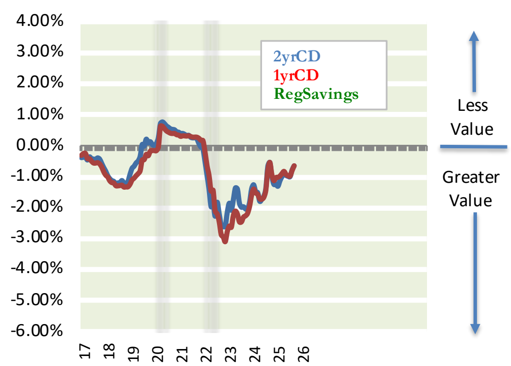


From: / To:	RegSvgs / FFds	1yr CD / 1Yr UST	2yr CD / 2Yr UST
Current	**-4.15%**	**-0.65%**	**-0.65%**
Aug-25	-4.14%	-0.80%	-0.78%
Jul-25	-4.14%	-0.98%	-1.00%
Jun-25	-4.14%	-0.97%	-0.99%
May-25	-4.14%	-0.93%	-0.96%
Apr-25	-4.14%	-0.83%	-0.89%
Mar-25	-4.14%	-0.90%	-1.00%
Feb-25	-4.14%	-0.98%	-1.13%
Jan-25	-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
		4.33%	**3.87%**	**4.16%**	**4.31%**	**4.35%**	**4.48%**	**5.66%**	**5.81%**	**5.70%**	**6.29%**
Share Draft	**0.15%**	**4.18%**	3.72%	4.01%	4.16%	4.20%	4.33%	5.51%	5.66%	5.55%	6.14%
Regular Savings	**0.18%**	**4.15%**	3.69%	3.98%	4.13%	4.17%	4.30%	5.48%	5.63%	5.52%	6.11%
Money Market	**0.86%**	**3.47%**	3.01%	3.30%	3.45%	3.49%	3.62%	4.80%	4.95%	4.84%	5.43%
FHLB Overnight	**4.25%**	**0.08%**	-0.38%	-0.09%	0.06%	0.10%	0.23%	1.41%	1.56%	1.45%	2.04%
Catalyst Settlement	**5.50%**	**-1.17%**	-1.63%	-1.34%	-1.19%	-1.15%	-1.02%	0.16%	0.31%	0.20%	0.79%
6mo Term CD	**3.04%**	**1.29%**	0.83%	1.12%	1.27%	1.31%	1.44%	2.62%	2.77%	2.66%	3.25%
6mo FHLB Term	**4.21%**	**0.12%**	-0.34%	-0.05%	0.10%	0.14%	0.27%	1.45%	1.60%	1.49%	2.08%
6mo Catalyst Term	**4.82%**	**-0.49%**	-0.95%	-0.66%	-0.51%	-0.47%	-0.34%	0.84%	0.99%	0.88%	1.47%
1yr Term CD	**4.07%**	0.26%	**-0.20%**	0.09%	0.24%	0.28%	0.41%	1.59%	1.74%	1.63%	2.22%
1yr FHLB Term	**4.03%**	0.30%	**-0.16%**	0.13%	0.28%	0.32%	0.45%	1.63%	1.78%	1.67%	2.26%
2yr Term CD	**3.95%**	0.38%	-0.08%	**0.21%**	0.36%	0.40%	0.53%	**1.71%**	**1.86%**	1.75%	2.34%
2yr FHLB Term	**3.81%**	0.52%	0.06%	**0.35%**	0.50%	0.54%	0.67%	**1.85%**	**2.00%**	1.89%	2.48%
3yr Term CD	**3.96%**	0.37%	-0.09%	0.20%	**0.35%**	0.39%	0.52%	1.70%	1.85%	1.74%	2.33%
3yr FHLB Term	**3.78%**	0.55%	0.09%	0.38%	**0.53%**	0.57%	0.70%	1.88%	2.03%	1.92%	2.51%
7yr FHLB Term	**4.19%**	0.14%	-0.32%	-0.03%	0.12%	0.16%	0.29%	1.47%	1.62%	**1.51%**	2.10%
10yr FHLB Term	**4.51%**	-0.18%	-0.64%	-0.35%	-0.20%	-0.16%	-0.03%	1.15%	1.30%	1.19%	**1.78%**

MERIDIAN ECONOMICS
Trusted Insight, Effective Solutions

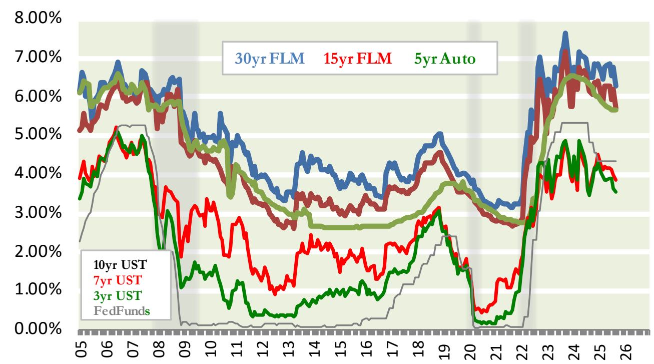
ReSOURCES ™

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

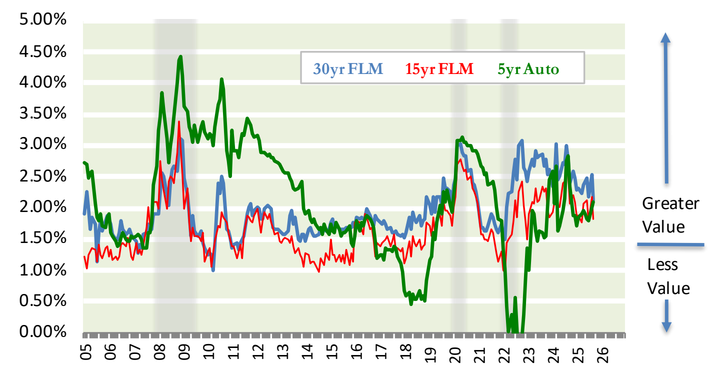
STRATEGIC ASSESSMENT OF INVESTMENT AND FUNDING OPTIONS, RELATIVE VALUE AND PRICING SPREADS

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	6.90%	6.16%	6.11%	6.30%	5.38%	4.51%	5.48%	4.53%
2yr Agy Callable	4.16%	2 years	3 years	7.71%	6.73%	6.66%	6.91%	5.84%	4.54%	6.50%	4.61%
3yr Agy Callable	4.31%	3 years	2 years	9.26%	7.79%	7.69%	8.06%	7.07%	4.47%	-	-
3yr Agy MBS	4.94%	3 years	2 years	8.32%	6.84%	6.74%	7.12%	5.18%	2.58%	-	-
4yr Agy Callable	4.35%	4 years	1 year	14.05%	11.10%	10.90%	11.65%	-	-	-	-
4yr Agy MBS	5.00%	4 years	1 year	11.45%	8.50%	8.30%	9.05%	-	-	-	-
5yr Agy Callable	4.48%	5 years	-	-	-	-	-	-	-	-	-
5yr New Vehicle	5.66%	3 years	2 years	7.24%	5.76%	-	-	-	-	-	-
5yr Used Vehicle	5.81%	3 years	2 years	7.01%	5.54%	-	-	-	-	-	-
15yr Mortgage	5.70%	5 years	-	-	-	-	-	-	-	-	-
30yr Mortgage	6.29%	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%	5.04%	7.75%	6.73%
Regular Savings	0.18%	1 year	2 years	5.85%	5.03%	7.72%	6.70%
Money Market	0.86%	1 year	2 years	5.51%	4.69%	7.04%	6.02%
FHLB Overnight	4.39%	1 year	2 years	3.75%	2.92%	3.51%	2.49%
Catalyst Settlement	5.50%	1 year	2 years	3.19%	2.37%	1.20%	1.38%
6mo Term CD	3.04%	6 mos	2.5 yrs	4.14%	3.48%	4.25%	3.57%
6mo FHLB Term	3.89%	6 mos	2.5 yrs	3.97%	3.31%	3.97%	3.29%
6mo Catalyst Term	4.56%	6 mos	2.5 yrs	3.84%	3.18%	3.75%	3.07%
1yr Term CD	4.07%	1 year	2 years	3.91%	3.08%	3.83%	2.81%
1yr FHLB Term	3.67%	1 year	2 years	4.11%	3.28%	4.23%	3.21%
2yr Term CD	3.95%	2 years	1 year	3.98%	2.33%	-	-
2yr FHLB Term	3.44%	2 years	1 year	5.00%	3.35%	-	-
3yr Term CD	3.96%	3 years	-	-	-	-	-
3yr FHLB Term	3.41%	3 years	-	-	-	-	-
7yr FHLB Term	3.83%	-	-	-	-	-	-
10yr FHLB Term	4.23%	-	-	-	-	-	-

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