

13 November 2020

BENCHMARK INTEREST RATES AND YIELD CURVE

**US Treasury Rates-**

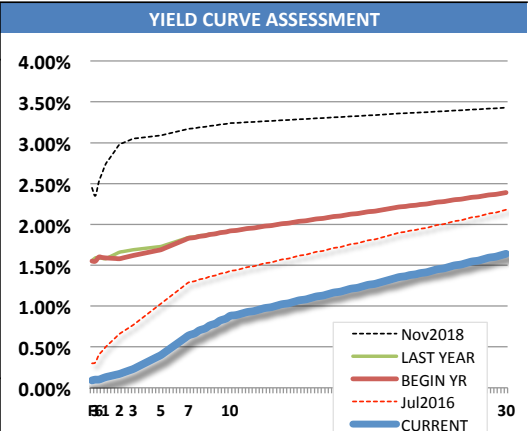
	THIS WK	LAST MO	YR END	LAST YR	CHANGES SINCE		
	11/12/20	10/12/20	12/31/19	11/12/19	This Yr	Last Yr	This Cycle
Fed Funds	0.09%	0.09%	1.55%	1.55%	-1.46%	-1.46%	-2.36%
3mo	0.10%	0.10%	1.55%	1.59%	-1.45%	-1.49%	-2.25%
6mo	0.10%	0.12%	1.60%	1.59%	-1.50%	-1.49%	-2.42%
1yr	0.13%	0.15%	1.59%	1.58%	-1.46%	-1.45%	-2.61%
2yr	0.17%	0.16%	1.58%	1.66%	-1.41%	-1.49%	-2.81%
3yr	0.23%	0.20%	1.62%	1.69%	-1.39%	-1.46%	-2.82%
5yr	0.40%	0.34%	1.69%	1.73%	-1.29%	-1.33%	-2.69%
7yr	0.64%	0.55%	1.83%	1.84%	-1.19%	-1.20%	-2.53%
10yr	0.88%	0.79%	1.92%	1.92%	-1.04%	-1.04%	-2.36%
30yr	1.64%	1.58%	2.39%	2.39%	-0.75%	-0.75%	-0.54%

**Slope of the Yield Curve-**

2yr-3mo	0.07%	0.06%	0.03%	0.07%	0.04%	0.00%	-0.56%
5yr-2yr	0.23%	0.18%	0.11%	0.07%	0.12%	0.16%	0.12%
10yr-5yr	0.48%	0.45%	0.23%	0.19%	0.25%	0.29%	0.33%
10yr-3mo	0.78%	0.69%	0.37%	0.33%	0.41%	0.45%	-0.11%

**Other Interest Rates-**

Prime	3.25%	3.25%	4.75%	4.75%	-1.50%	-1.50%	-2.25%
1mo LIBOR	0.14%	0.14%	1.76%	1.76%	-1.62%	#VALUE!	-2.38%
6mo LIBOR	0.25%	0.24%	1.91%	1.93%	-1.66%	-1.68%	-2.66%
12mo LIBOR	0.34%	0.35%	2.00%	2.01%	-1.66%	-1.67%	-2.79%



**CYCLICAL CHANGES SUMMARY**

	Jul16 Low-Nov18 High	Nov18 High-Current
Fed Funds	2.15%	-2.36%
1year	2.24%	-2.61%
2years	2.32%	-2.81%
3years	2.28%	-2.82%
5years	2.06%	-2.69%
10years	1.81%	-2.36%

## CONSUMER INFLATION UNCHANGED IN OCTOBER; ANNUAL PACE AT 1.2%

The pace of consumer inflation leveled out in October in a reflection of the ongoing stress on the economy caused by the coronavirus pandemic. The consumer price index was unchanged last month.

The cost of living had risen sharply over a fourth-month span from June to September, but it was mostly just catching up after a steep decline in prices early in the coronavirus pandemic.

The yearly rate of inflation slowed to 1.2% in October from 1.4% in the prior month. Before the pandemic, consumer inflation was running at a much higher 2.3% clip.

Over the past year the core rate of consumer inflation has risen 1.6%, a tick down from the previous month. Grocery prices, known as "food at home," have risen 4% in the past year. Food prices have climbed with so many people working from home, cooking more and avoiding restaurants.

Yet households are spending less on gas, travel and other services they would purchase in normal times.

**Key Economic Indicators for Banks, Thrifts & Credit Unions-**

		LATEST	CURRENT	PREV
GDP	QoQ	Q3-1st	33.1%	-31.4%
GDP - YTD	AnnL	Q3-1st	-1.1%	-18.2%
Consumer Spending	QoQ	Q3-1st	40.7%	-33.2%
Consumer Spending	AnnL	Q3-1st	0.2%	-20.1%
Unemployment	Mo	Oct	6.9%	7.9%
Consumer Inflation	YoY	Oct	1.2%	1.4%
Core Inflation	YoY	Oct	1.6%	1.7%
Consumer Credit	Annual	Sep	4.7%	-2.0%
Retail Sales	YoY	Sep	-0.8%	-1.8%
Vehicle Sales	AnnL (Mil)	Oct	16.7	16.8
Home Sales	AnnL (Mil)	Sep	7.551	6.901
Home Prices	YoY	Aug	5.2%	4.8%

**Key Consumer Market Data-**

	THIS WK	YR END	PCT CHANGES	
	11/12/20	12/31/19	YTD	12Mos
DJIA	29,080	28,538	1.9%	4.7%
S&P 500	3,537	3,231	9.5%	14.2%
NASDAQ	11,890	8,973	32.5%	40.5%
Crude Oil	41.12	61.06	-32.7%	-30.3%
Avg Gasoline	2.10	2.57	-18.5%	20.2%
Gold	1,873.3	1,523.1	23.0%	28.5%

ECONOMIC UPDATE AND ANALYSIS

**AVERAGE CREDIT UNION RATES AND RATE SENSITIVITY**

	THIS WK 11/12/20	YTD Change		Chg in Current Cycle*		Rate Sensitivity		Bmk Begin 12/31/19	Mkt Begin 12/31/19	Last Top Nov-18	Last Bottom Jul-16
		Rate	Benchmark	Rate	Benchmark	YTD	Cycle				
Classic CC	10.86%	-0.59%	-1.50%	-0.83%	-2.25%	39%	37%	4.75%	11.45%	11.69%	11.39%
Platinum CC	9.09%	-0.83%	-1.50%	-1.18%	-2.25%	55%	52%	4.75%	9.92%	10.27%	9.09%
48mo Veh	3.02%	-0.45%	-1.41%	-0.64%	-2.81%	32%	23%	1.58%	3.47%	3.66%	2.58%
60mo Veh	3.12%	-0.47%	-1.39%	-0.65%	-2.82%	34%	23%	1.62%	3.59%	3.77%	2.68%
72mo Veh	3.45%	-0.46%	-1.34%	-0.67%	-2.76%	34%	24%	1.66%	3.91%	4.12%	3.05%
HE LOC	3.97%	-1.03%	-1.50%	-1.59%	-2.25%	69%	71%	4.75%	5.00%	5.56%	4.01%
10yr HE	4.98%	-0.30%	-1.29%	-0.54%	-2.78%	23%	19%	1.69%	5.28%	5.52%	4.45%
15yr FRM	2.92%	-0.65%	-1.17%	-1.66%	-2.57%	56%	65%	1.81%	3.57%	4.58%	3.14%
30yr FRM	3.26%	-0.75%	-1.04%	-1.80%	-2.36%	72%	76%	1.92%	4.01%	5.06%	3.69%
Sh Drafts	0.12%	-0.02%	-1.46%	-0.02%	-2.36%	1%	1%	1.55%	0.14%	0.14%	0.11%
Reg Svgs	0.14%	-0.05%	-1.46%	-0.05%	-2.36%	3%	2%	1.55%	0.19%	0.19%	0.14%
MMkt-10k	0.20%	-0.25%	-1.46%	-0.28%	-2.36%	17%	12%	1.55%	0.45%	0.48%	0.22%
MMkt-50k	0.29%	-0.33%	-1.46%	-0.36%	-2.36%	23%	15%	1.55%	0.62%	0.65%	0.31%
6mo CD	0.33%	-0.66%	-1.50%	-0.70%	-2.42%	44%	29%	1.60%	0.99%	1.03%	0.34%
1yr CD	0.47%	-0.93%	-1.46%	-1.04%	-2.61%	64%	40%	1.59%	1.40%	1.51%	0.53%
2yr CD	0.61%	-1.03%	-1.41%	-1.24%	-2.81%	73%	44%	1.58%	1.64%	1.85%	0.78%
3yr CD	0.72%	-1.07%	-1.39%	-1.34%	-2.82%	77%	48%	1.62%	1.79%	2.06%	1.04%

\*Since Nov 2018

**STRATEGICALLY FOR CREDIT UNIONS**

With U.S. inflation edging up, we forecast the overall inflation rate will stay moderate, ending the year at 1.2%, far below last year's 2.3%. Core inflation, which excludes the costs of food and energy, will continue to run higher than the headline rate, at about 2% over the course of this year.

Bond yields have moved higher this week as financial markets digested positive news about the development of a vaccine for COVID-19 and not about worries about a spike in inflation.

Economic indicators point to an economy that is on a positive trajectory, but the very large rise in COVID-19 cases in the U.S. recently puts a question mark on the ability of the economy to weather this period.

Economic growth in the fourth quarter and early next year will slow somewhat. The availability of a vaccine is good news over the longer-term for the economy but that the short-term remained a concern.

The Fed has forecast that it will hold its policy interest rates near zero at least until the end of 2023. If things work out a lot better than a lot of people expect and we get really good news, obviously that is going to be a stronger economy and that is going to pull forward somewhat the time we could expect to raise interest rates.

Additional information and other market-related reports can be viewed at  
[www.Meridian-ally.com](http://www.Meridian-ally.com)

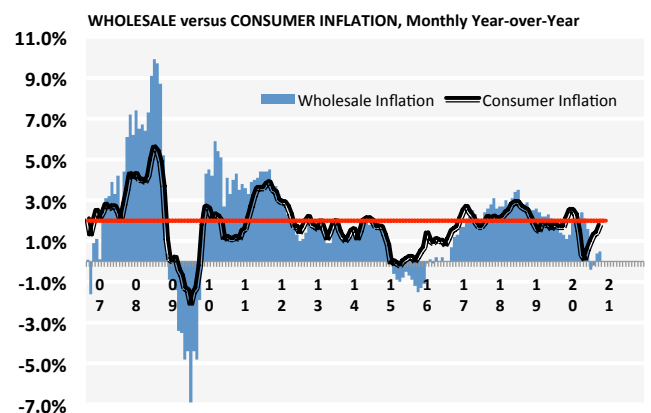
**ECONOMIC RELEASES**

RELEASES THIS WEEK:	Current	Previous
Consumer Inflation (Oct, YoY)	1.8%	1.7%
Wholesale Inflation (Oct, YoY)	0.5%	1.2%

RELEASES FOR UPCOMING WEEK:	Projected	Previous
Retail Sales (Oct, YoY)	5.7%	5.4%
Existing Home Sales (Oct, Annl, Mil)	6.45M	6.5M

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**INFLATION PROFILE**



ECONOMIC CALENDAR

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
<b>October 12</b> COLUMBUS DAY HOLIDAY	<b>13</b> Cons Inflation 1.4%	<b>14</b> Whol Inflation 1.7%	<b>15</b> Jobless Claims 866k Cont'd Claims 10.0M	<b>16</b> Retail Sales 5.4% Indl Production -7.3% Capacity Util 71.5%	<b>17</b>
<b>19</b>	<b>20</b>	<b>21</b> FRB Beige Book	<b>22</b> Jobless Claims 787k Cont'd Claims 8.38M Ex Home Sales 6.54M	<b>23</b>	<b>24</b>
<b>26</b> New Home Sales 959k	<b>27</b> Home Prices 5.2% Durable Goods 1.9% Consumer Conf 100.9	<b>28</b>	<b>29</b> Jobless Claims 751k Cont'd Claims 7.7M GDP (Q3) +33.1%	<b>30</b> Personal Income +0.9% Pers Spending +1.4%	<b>31</b>
<b>November 2</b>	<b>3</b> PRESIDENTIAL ELECTION DAY	<b>4</b>	<b>5</b> Jobless Claims 743k Cont'd Claims 7.3M FOMC Announcement	<b>6</b> Unemployment 6.9%	<b>7</b>
<b>9</b>	<b>10</b>	<b>11</b> VETERANS DAY	<b>12</b> Jobless Claims 709k Cont'd Claims 6.7M Cons Inflation 1.2%	<b>13</b> Wh Inflation +0.5%	<b>14</b>
<b>16</b>	<b>17</b> Retail Sales Industrial Production Capacity Utilization	<b>18</b>	<b>19</b> Jobless Claims Cont'd Claims Existing Home Sales	<b>20</b>	<b>21</b>
<b>23</b>	<b>24</b> Home Prices Consumer Confidence	<b>25</b> GDP (Q3-2nd) Personal Spending Personal Spending New Home Sales	<b>26</b> THANKSGIVING DAY Jobless Claims Cont'd Claims FOMC Minutes	<b>27</b>	<b>28</b>
<b>30</b>	<b>December 1</b> Construction Spending	<b>2</b> FRB Beige Book	<b>3</b> Jobless Claims Cont'd Claims	<b>4</b> Employment Report Factory Orders	<b>5</b>
<b>7</b> Consumer Credit	<b>8</b>	<b>9</b>	<b>10</b> Jobless Claims Cont'd Claims Consumer Inflation	<b>11</b> Wholesale Inflation	<b>12</b>

## ECONOMIC FORECAST

October 2020

	2019			2020				2021			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

### ECONOMIC OUTLOOK

#### Economic Growth-

GDP - (QoQ)	1.5%	2.6%	2.4%	-5.0%	-31.4%	33.1%	3.6%	3.1%	4.4%	2.9%	3.1%
GDP - (YTD)	2.3%	2.4%	2.4%	-5.0%	-18.2%	-1.1%	0.1%	3.1%	3.8%	3.5%	3.4%
Consumer Spending - (QoQ)	3.7%	2.7%	1.6%	-6.9%	-33.2%	40.7%	3.5%	2.0%	5.1%	2.8%	3.2%
Consumer Spending - (YTD)	2.4%	2.5%	2.3%	-6.9%	-20.1%	0.2%	1.0%	2.0%	3.6%	3.3%	3.3%
Government Spending - (QoQ)	5.0%	2.1%	2.4%	1.3%	2.5%	-4.5%	-4.4%	0.0%	0.6%	0.7%	0.1%
Government Spending - (YTD)	3.3%	3.3%	3.1%	1.3%	1.9%	-0.2%	-1.3%	0.0%	0.3%	0.4%	0.4%

#### Consumer Wealth-

Unemployment Rate	3.6%	3.6%	3.5%	3.8%	13.0%	8.8%	7.7%	7.3%	6.8%	6.5%	6.2%
Consumer Inflation	1.8%	1.8%	2.0%	2.1%	0.4%	1.2%	1.8%	1.9%	2.0%	2.1%	2.3%
Home Prices	1.8%	1.8%	2.0%	2.1%	3.5%	4.7%	4.5%	4.5%	4.6%	4.6%	4.7%

### SINGLE FAMILY HOME & VEHICLE LOAN MARKETS

#### Consumer Demand-

Total Home Sales (M)	5.948	6.109	6.131	6.185	5.150	6.648	6.412	6.394	6.440	6.446	6.493
Existing Home (M)	5.287	5.410	5.420	5.483	4.474	5.781	5.615	5.593	5.627	5.633	5.675
New Home Sales (M)	0.661	0.699	0.711	0.702	0.676	0.867	0.797	0.801	0.813	0.813	0.818
Single Family Homes	501	651	696	563	928	860	792	592	579	554	480
Purchase Applications	355	375	314	257	348	410	380	330	379	392	332
Refinancing Applications	146	276	382	306	580	450	412	262	200	162	148
Refi Apps Share	29%	42%	55%	54%	63%	52%	52%	44%	35%	29%	31%
Vehicle Sales	17.6M	18.6M	18.2M	15.4M	14.0M	15.8M	16.5M	16.7M	17.0M	16.5M	16.8M

### MARKET RATE OUTLOOK

#### Benchmark Rates-

Prime	5.5%	5.2%	4.8%	3.8%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Fed Funds	2.4%	1.9%	1.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
2yr UST	2.3%	2.7%	2.8%	1.1%	0.1%	0.1%	0.3%	0.3%	0.3%	0.6%	0.6%
10yr UST	2.3%	1.8%	1.8%	1.4%	0.7%	0.7%	0.8%	0.9%	1.0%	1.1%	1.3%

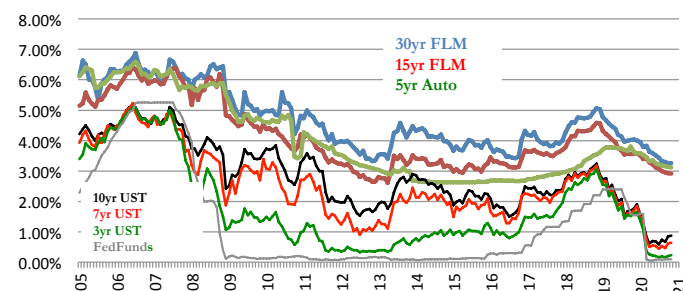
#### Market Rates-

5yr Vehicle Loan Rate	3.1%	3.2%	3.2%	3.5%	3.3%	3.1%	3.4%	3.6%	3.8%	3.8%	3.8%
15yr First-lien Mortgage	3.5%	3.1%	3.1%	3.0%	2.8%	2.8%	2.8%	2.9%	2.9%	2.9%	3.0%
30yr First-lien Mortgage	4.0%	3.7%	3.7%	3.5%	3.2%	3.2%	3.3%	3.4%	3.4%	3.5%	3.5%

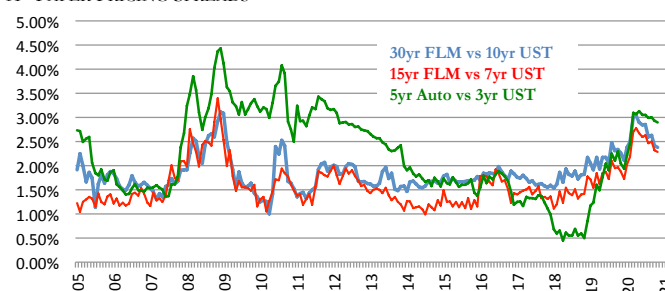
STRATEGIC ASSESSMENT OF RELATIVE VALUE INVESTMENT AND FUNDING OPTIONS

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	0.09%	-	-	-	-	-	-	-	-	-	-
2yr Agy Callable	0.18%	2 years	3 years	5.31%	4.75%	5.08%	5.33%	2.32%	0.78%	1.26%	0.54%
3yr Agy Callable	0.30%	3 years	2 years	7.70%	6.85%	7.35%	7.73%	4.10%	1.02%	-	-
3yr Agy MBS	0.54%	3 years	2 years	7.34%	6.49%	6.99%	7.37%	3.38%	0.30%	-	-
4yr Agy Callable	0.48%	4 years	1 year	14.38%	12.68%	13.68%	14.43%	-	-	-	-
4yr Agy MBS	1.25%	4 years	1 year	11.30%	9.60%	10.60%	11.35%	-	-	-	-
5yr Agy Callable	0.56%	5 years	-	-	-	-	-	-	-	-	-
5yr New Vehicle	3.12%	3 years	2 years	3.47%	2.62%	-	-	-	-	-	-
5yr Used Vehicle	3.27%	3 years	2 years	3.25%	2.40%	-	-	-	-	-	-
15yr Mortgage	2.92%	5 years	-	-	-	-	-	-	-	-	-
30yr Mortgage	3.26%	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	0.12%	1 year	2 years	1.02%	0.68%	1.10%	0.72%
Regular Savings	0.14%	1 year	2 years	1.01%	0.67%	1.08%	0.70%
Money Market	0.20%	1 year	2 years	0.98%	0.64%	1.02%	0.64%
FHLB Overnight	0.36%	1 year	2 years	0.90%	0.56%	0.86%	0.48%
Catalyst Settlement	1.25%	1 year	2 years	0.46%	0.11%	-0.02%	-0.41%
6mo Term CD	0.33%	6 mos	2.5 yrs	0.80%	0.52%	0.70%	0.45%
6mo FHLB Term	0.32%	6 mos	2.5 yrs	0.80%	0.52%	0.71%	0.45%
6mo Catalyst Term	1.00%	6 mos	2.5 yrs	0.66%	0.39%	0.48%	0.23%
1yr Term CD	0.47%	1 year	2 years	0.85%	0.50%	0.75%	0.37%
1yr FHLB Term	0.35%	1 year	2 years	0.91%	0.56%	0.87%	0.49%
2yr Term CD	0.61%	2 years	1 year	0.94%	0.25%	-	-
2yr FHLB Term	0.42%	2 years	1 year	1.32%	0.63%	-	-
3yr Term CD	0.72%	3 years	-	-	-	-	-
3yr FHLB Term	0.49%	3 years	-	-	-	-	-

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

<b>Q2-2020</b>	<b>&lt;\$2 Million</b>	<b>\$2-10 Million</b>	<b>\$10-50 &lt;Million</b>	<b>\$50-100 Million</b>	<b>\$100-500 Million</b>	<b>\$500+ Million</b>	<b>TOTAL</b>	<b>&lt;\$10 Million</b>	<b>&lt;\$50 Million</b>	<b>&lt;\$100 Million</b>	<b>&lt;\$500 Million</b>
<b>DEMOGRAPHICS</b>											
Number of Credit Unions	377	854	1,580	665	1,061	627	5,164	1,231	2,811	3,476	4,537
Average Assets (\$Mil)	\$0.9	\$6.1	\$26.1	\$73.0	\$214.7	\$1,983.4	\$303.4	\$4.5	\$16.6	\$27.4	\$71.2
Pct of Credit Unions	7%	17%	31%	13%	21%	12%	100%	24%	54%	67%	88%
Pct of Industry Assets	0%	0%	2%	3%	13%	81%	100%	0%	3%	5%	19%
<b>GROWTH RATES (YTD)</b>											
Total Assets	-7.5%	-14.4%	-2.7%	-2.8%	6.9%	28.3%	23.3%	-14.0%	-4.0%	-3.4%	3.9%
Total Loans	-34.7%	-33.6%	-24.3%	-23.9%	-13.5%	10.2%	5.2%	-33.7%	-25.3%	-24.5%	-16.4%
Total Shares	-5.1%	-10.7%	-0.5%	-0.9%	8.1%	26.1%	21.8%	-10.4%	-1.7%	-1.3%	5.3%
Net Worth	-14.6%	-22.4%	-16.1%	-16.2%	-9.4%	9.9%	5.2%	-21.9%	-16.9%	-16.5%	-11.7%
<b>BALANCE SHEET ALLOCATION</b>											
Net Worth-to-Total Assets	18.4%	15.6%	12.3%	11.5%	10.7%	10.3%	10.5%	15.8%	12.7%	12.1%	11.1%
Cash & Inv-to-Total Assets	57%	52%	49%	43%	34%	29%	31%	52%	49%	46%	37%
Loans-to-Total Assets	43%	47%	48%	52%	61%	67%	65%	47%	48%	50%	58%
Vehicle-to-Total Loans	60%	64%	49%	43%	39%	31%	33%	64%	51%	47%	41%
REL-to-Total Loans	1%	8%	30%	39%	45%	53%	51%	7%	27%	33%	42%
REL-to-Net Worth	3%	23%	116%	177%	258%	343%	319%	22%	103%	139%	221%
Indirect-to-Total Loans	0%	0%	4%	11%	18%	21%	20%	0%	4%	8%	15%
Loans-to-Total Shares	53%	56%	55%	60%	70%	79%	76%	56%	55%	58%	66%
Nonterm-to-Total Shares	92%	85%	82%	80%	77%	72%	73%	85%	82%	81%	78%
Short-term Funding Ratio	46.5%	37.7%	31.1%	27.0%	20.7%	16.4%	17.6%	31.8%	29.4%	23.2%	17.8%
Net Long-term Asset Ratio	3.4%	6.8%	17.1%	22.6%	29.2%	35.0%	33.3%	15.9%	19.3%	26.3%	33.2%
Leverage Ratio	1.4%	1.3%	1.0%	1.3%	2.0%	5.1%	4.4%	1.3%	1.0%	1.2%	1.8%
Solvency Ratio	122.8%	118.6%	114.1%	113.1%	112.1%	112.4%	112.5%	118.8%	114.7%	113.8%	112.6%
<b>LOAN QUALITY</b>											
Loan Delinquency Ratio	3.52%	1.57%	0.91%	0.75%	0.62%	0.56%	0.58%	0.98%	0.86%	0.68%	0.58%
Net Charge-off Ratio	0.51%	0.50%	0.38%	0.38%	0.39%	0.56%	0.53%	0.39%	0.39%	0.39%	0.53%
"Misery" Index	4.03%	2.07%	1.29%	1.13%	1.01%	1.12%	1.11%	1.37%	1.24%	1.07%	1.11%
RE Loan Delinquency	1.88%	1.61%	0.91%	0.75%	0.61%	0.52%	0.54%	1.61%	0.93%	0.82%	0.65%
Vehicle Loan Delinquency	2.81%	1.44%	0.78%	0.63%	0.51%	0.44%	0.47%	1.52%	0.88%	0.76%	0.58%
Direct Loans	2.81%	1.44%	0.76%	0.60%	0.45%	0.36%	0.44%	1.52%	0.87%	0.75%	0.56%
Indirect Loans	0.00%	0.99%	1.02%	0.71%	0.58%	0.48%	0.49%	0.99%	1.02%	0.78%	0.61%
Loss Allow as % of Loans	3.02%	1.36%	0.92%	0.86%	0.81%	1.04%	1.00%	1.46%	0.98%	0.92%	0.84%
Current Loss Exposure	1.73%	0.80%	0.51%	0.42%	0.38%	0.33%	0.34%	0.86%	0.54%	0.48%	0.41%
<b>EARNINGS</b>											
Gross Asset Yield	3.76%	3.56%	3.37%	3.34%	3.47%	3.73%	3.67%	3.57%	3.39%	3.36%	3.44%
Cost of Funds	0.35%	0.40%	0.41%	0.43%	0.55%	0.86%	0.79%	0.39%	0.41%	0.42%	0.51%
Gross Interest Margin	3.41%	3.16%	2.95%	2.91%	2.91%	2.87%	2.88%	3.18%	2.98%	2.94%	2.92%
Provision Expense	0.23%	0.24%	0.19%	0.22%	0.30%	0.66%	0.59%	0.24%	0.20%	0.21%	0.28%
Net Interest Margin	3.17%	2.92%	2.77%	2.69%	2.61%	2.21%	2.29%	2.94%	2.78%	2.74%	2.64%
Non-Interest Income	0.29%	0.52%	0.81%	1.05%	1.24%	1.26%	1.24%	0.50%	0.78%	0.92%	1.15%
Non-Interest Expense	3.68%	3.33%	3.29%	3.36%	3.44%	2.94%	3.04%	3.35%	3.30%	3.33%	3.41%
Net Operating Expense	3.39%	2.82%	2.48%	2.31%	2.20%	1.68%	1.80%	2.85%	2.52%	2.41%	2.26%
<b>Net Operating Return</b>	<b>-0.21%</b>	<b>0.10%</b>	<b>0.29%</b>	<b>0.38%</b>	<b>0.40%</b>	<b>0.53%</b>	<b>0.50%</b>	<b>0.08%</b>	<b>0.27%</b>	<b>0.32%</b>	<b>0.38%</b>
Non-recurring Inc(Exp)	0.12%	0.04%	0.02%	0.01%	0.01%	0.04%	0.03%	0.05%	0.02%	0.02%	0.01%
<b>Net Income</b>	<b>-0.10%</b>	<b>0.15%</b>	<b>0.31%</b>	<b>0.39%</b>	<b>0.42%</b>	<b>0.57%</b>	<b>0.53%</b>	<b>0.13%</b>	<b>0.29%</b>	<b>0.34%</b>	<b>0.40%</b>
<b>Return on Net Worth</b>	<b>0.1%</b>	<b>1.3%</b>	<b>2.7%</b>	<b>3.5%</b>	<b>4.0%</b>	<b>5.5%</b>	<b>5.1%</b>	<b>1.2%</b>	<b>2.5%</b>	<b>3.0%</b>	<b>3.7%</b>



Q2-2020

<\$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:

### Core Activities-

#### Earning Asset Allocation and Return

Nonearning as Pct of Assets	1%	1%	3%	4%	5%	4%	4%	1%	3%	4%	5%
Cash & Investment Yield	1.06%	1.40%	1.46%	1.39%	1.26%	1.21%	1.23%	1.37%	1.45%	1.42%	1.32%
C&I as Pct of Assets	57%	52%	49%	43%	34%	29%	31%	52%	49%	46%	37%
Loan Yield, net	6.63%	5.52%	5.03%	4.72%	4.41%	4.17%	4.24%	5.58%	5.09%	4.89%	4.54%
Loans as Pct of Assets	43%	47%	48%	52%	61%	67%	65%	47%	48%	50%	58%
Avg Loan Balance	\$4,948	\$7,329	\$8,110	\$9,587	\$13,332	\$17,596	\$16,262	\$7,187	\$8,004	\$8,845	\$12,174
Avg Loan Rate	6.87%	5.76%	5.21%	4.94%	4.72%	4.83%	4.83%	5.82%	5.28%	5.10%	4.81%
Avg Loan Yield, net	6.63%	5.52%	5.03%	4.72%	4.41%	4.17%	4.24%	5.58%	5.09%	4.89%	4.54%

#### Paying Funds Allocation and Return

NonTerm as Pct of Shares	92%	85%	82%	80%	77%	72%	73%	85%	82%	81%	78%
Share CDs as Pct of Shares	5%	10%	12%	14%	16%	20%	19%	10%	12%	13%	15%
Cost of Funds	0.35%	0.40%	0.41%	0.43%	0.55%	0.86%	0.79%	0.39%	0.41%	0.42%	0.51%
Avg Share Balance	\$2,502	\$5,040	\$8,055	\$9,239	\$10,548	\$12,942	\$12,185	\$4,739	\$7,488	\$8,374	\$9,777
Avg Share Rate	0.44%	0.47%	0.47%	0.49%	0.64%	1.02%	0.93%	0.47%	0.47%	0.48%	0.59%
NM Deposits as Pct of Shares	1.3%	1.1%	0.9%	0.9%	0.9%	0.9%	0.9%	1.1%	0.9%	0.9%	0.9%

#### Average Margin per Account

Avg Interest Inc per Loan	\$340	\$422	\$423	\$474	\$629	\$850	\$785	\$419	\$423	\$451	\$586
Less: Avg Int Exp per Share	\$11	\$24	\$38	\$45	\$67	\$132	\$113	\$22	\$36	\$40	\$58
Less: Avg Provisions per Loan	\$12	\$18	\$15	\$21	\$41	\$116	\$95	\$17	\$16	\$19	\$34
Avg Net Interest Margin	\$317	\$380	\$369	\$407	\$521	\$602	\$576	\$379	\$372	\$392	\$494

### Net Operating Profitability-

Earning Asset/Funding	123%	117%	111%	109%	107%	109%	109%	118%	112%	110%	108%
Non-Int Inc-to-Total Rev	7%	13%	19%	24%	26%	25%	25%	12%	19%	21%	25%

#### Average per Full-time Equivalent

Interest Income	\$43,463	\$90,497	\$129,978	\$134,352	\$141,569	\$215,628	\$195,161	\$84,360	\$121,977	\$127,942	\$137,419
Less: Interest Expense	\$4,075	\$10,089	\$15,889	\$17,203	\$22,634	\$49,532	\$41,958	\$9,304	\$14,734	\$15,924	\$20,591
Net Interest Margin	\$39,389	\$80,408	\$114,089	\$117,149	\$118,935	\$166,096	\$153,203	\$75,055	\$107,243	\$112,018	\$116,828
Less: Provisions	\$2,716	\$6,115	\$7,313	\$8,969	\$12,450	\$38,264	\$31,151	\$5,671	\$7,025	\$7,962	\$11,084
<b>Net Interest Income</b>	<b>\$36,672</b>	<b>\$74,293</b>	<b>\$106,776</b>	<b>\$108,180</b>	<b>\$106,484</b>	<b>\$127,832</b>	<b>\$122,052</b>	<b>\$69,384</b>	<b>\$100,218</b>	<b>\$104,056</b>	<b>\$105,745</b>
Non-Interest Income	\$3,396	\$13,146	\$31,439	\$42,357	\$50,687	\$72,980	\$65,886	\$11,874	\$28,007	\$34,924	\$45,887
Non-Interest Expense	\$42,553	\$84,790	\$127,057	\$135,304	\$140,631	\$170,345	\$161,462	\$79,279	\$118,677	\$126,691	\$136,386
<b>Net Operating Expense</b>	<b>\$39,158</b>	<b>\$71,643</b>	<b>\$95,618</b>	<b>\$92,948</b>	<b>\$89,945</b>	<b>\$97,364</b>	<b>\$95,576</b>	<b>\$67,405</b>	<b>\$90,669</b>	<b>\$91,767</b>	<b>\$90,500</b>
<b>Net Operating Return</b>	<b>-\$2,486</b>	<b>\$2,650</b>	<b>\$11,158</b>	<b>\$15,232</b>	<b>\$16,539</b>	<b>\$30,468</b>	<b>\$26,476</b>	<b>\$1,980</b>	<b>\$9,548</b>	<b>\$12,288</b>	<b>\$15,245</b>
Total Revenue	\$46,859	\$103,643	\$161,417	\$176,709	\$192,255	\$288,608	\$261,047	\$96,234	\$149,984	\$162,866	\$183,306
Compensation & Benefits	\$20,374	\$45,248	\$61,238	\$65,606	\$72,242	\$90,232	\$84,677	\$42,003	\$57,864	\$61,596	\$69,000
Occupancy & Operations	\$13,582	\$22,624	\$34,040	\$34,573	\$35,751	\$41,695	\$39,928	\$21,444	\$31,831	\$33,153	\$34,960
All Other Expenses	\$8,598	\$16,917	\$31,778	\$35,125	\$32,638	\$38,418	\$36,858	\$15,832	\$28,981	\$31,943	\$32,426

Q2-2020	<\$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
<b>Operating Expense Assessment</b>											
<b>Expense Ratio Breakdown-</b>											
Compensation & Benefits	1.76%	1.78%	1.59%	1.63%	1.77%	1.56%	1.59%	1.78%	1.61%	1.62%	1.73%
Occupancy & Ops	1.17%	0.89%	0.88%	0.86%	0.88%	0.72%	0.75%	0.91%	0.88%	0.87%	0.87%
All Other Expenses	0.74%	0.66%	0.82%	0.87%	0.80%	0.66%	0.69%	0.67%	0.81%	0.84%	0.81%
Total Operating Expenses	3.68%	3.33%	3.29%	3.36%	3.44%	2.94%	3.04%	3.35%	3.30%	3.33%	3.41%
- Travel and Conference	0.02%	0.02%	0.02%	0.03%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.03%
- Educational and Promo	0.02%	0.02%	0.06%	0.09%	0.10%	0.11%	0.10%	0.02%	0.06%	0.07%	0.09%
- Loan Servicing	0.12%	0.11%	0.17%	0.21%	0.23%	0.20%	0.20%	0.11%	0.17%	0.19%	0.22%
- Prof and Outside Svcs	0.33%	0.36%	0.43%	0.45%	0.35%	0.22%	0.25%	0.36%	0.42%	0.44%	0.37%
- Member Insurance	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
- Operating Fees	0.06%	0.03%	0.02%	0.02%	0.02%	0.01%	0.01%	0.03%	0.03%	0.02%	0.02%
- Miscellaneous	0.18%	0.11%	0.11%	0.07%	0.07%	0.12%	0.11%	0.11%	0.11%	0.09%	0.08%
<b>Expense as Pct of Total-</b>											
Compensation & Benefits	48%	53%	48%	48%	51%	53%	52%	53%	49%	49%	51%
Occupancy & Ops	32%	27%	27%	26%	25%	24%	25%	27%	27%	26%	26%
All Other Expenses	20%	20%	25%	26%	23%	23%	23%	20%	24%	25%	24%
- Travel and Conference	0%	0%	1%	1%	1%	1%	1%	0%	1%	1%	1%
- Educational and Promo	0%	1%	2%	3%	3%	4%	3%	1%	2%	2%	3%
- Loan Servicing	3%	3%	5%	6%	7%	7%	7%	3%	5%	6%	6%
- Prof and Outside Svcs	9%	11%	13%	13%	10%	7%	8%	11%	13%	13%	11%
- Member Insurance	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
- Operating Fees	2%	1%	1%	1%	1%	0%	0%	1%	1%	1%	1%
- Miscellaneous	5%	3%	3%	2%	2%	4%	4%	3%	3%	3%	2%
<b>Staffing-</b>											
Total Employees	489	2,505	11,485	12,633	58,997	236,611	322,720	2,994	14,479	27,112	86,109
Full-time Equivalents	295	1,963	10,611	11,975	56,737	230,150	311,730	2,257	12,868	24,843	81,580
Pct PT Employees	80%	43%	15%	10%	8%	5%	7%	49%	22%	17%	11%
FTE-to-Ops (Staffing)	2.04	0.77	0.42	0.36	0.30	0.20	0.22	0.84	0.46	0.41	0.33
Avg Compensation & Benef	\$20,374	\$45,248	\$61,238	\$65,606	\$72,242	\$90,232	\$84,677	\$42,003	\$57,864	\$61,596	\$69,000
<b>Membership Outreach-</b>											
Members-to-Potential	7.1%	8.0%	3.0%	3.1%	2.5%	3.2%	3.0%	7.9%	3.4%	3.2%	2.7%
Members-to-FTEs	366	408	415	454	345	404	395	402	412	432	371
Borrowers-to-Members	27%	38%	55%	58%	55%	58%	57%	37%	52%	49%	52%
Branches	367	879	2,243	1,632	5,032	10,949	21,102	1,246	3,489	5,121	10,153
Members per Branch	294	910	1,962	3,329	3,887	8,488	5,840	728	1,521	2,097	2,984



Historical Year-End	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>DEMOGRAPHICS</b>											
No. of Credit Unions	7,339	7,094	6,819	6,554	6,273	6,021	5,785	5,573	5,375	5,236	5,164
Avg Asset Size (\$Mil)	\$124.6	\$135.6	\$149.8	\$162.0	\$178.9	\$200.0	\$223.4	\$247.4	\$256.5	\$277.6	\$303.4
<b>GROWTH RATES</b>											
Total Assets	3.4%	5.2%	6.2%	3.9%	5.7%	7.3%	7.3%	6.7%	5.4%	7.8%	23.3%
Total Loans	-1.4%	1.2%	4.6%	8.0%	10.4%	10.5%	10.4%	10.1%	9.0%	6.2%	5.2%
Total Shares	4.5%	5.2%	6.1%	3.7%	4.5%	6.9%	7.5%	6.1%	4.4%	6.9%	21.8%
Net Worth	5.1%	6.8%	8.5%	7.4%	7.5%	6.9%	7.1%	7.3%	8.7%	8.5%	5.2%
<b>BALANCE SHEET ALLOCATION</b>											
Net Worth Ratio	10.1%	10.2%	10.4%	10.8%	11.0%	10.9%	10.9%	11.0%	11.3%	11.4%	10.5%
Cash & Inv-to-Assets	35%	37%	38%	35%	32%	31%	28%	26%	24%	25%	31%
Loans-to-Total Assets	62%	59%	58%	61%	63%	65%	67%	69%	72%	71%	65%
Vehicle-to-Total Loans	11%	29%	30%	31%	32%	33%	34%	35%	35%	34%	33%
RELoans-to-Total Loans	55%	55%	54%	53%	51%	50%	50%	49%	49%	50%	51%
RELoans-to-Net Worth	337%	319%	300%	296%	296%	302%	306%	313%	313%	313%	319%
Indirect-to-Total Loans	13%	12%	13%	14%	16%	17%	19%	20%	21%	21%	20%
Loans-to-Shares	72%	69%	68%	71%	75%	77%	80%	83%	86%	84%	76%
Pct of Non-term-Shares	62%	65%	67%	69%	71%	72%	73%	73%	72%	70%	73%
ST Funding Ratio	16.1%	17.3%	17.5%	14.9%	13.7%	13.5%	13.4%	12.4%	11.4%	12.8%	17.6%
Net LT Assets Ratio	33%	32%	33%	36%	34%	33%	33%	34%	34%	34%	33%
<b>LOAN QUALITY &amp; ADEQUACY OF RESERVES</b>											
Loan Delinquency Rate	1.76%	1.60%	1.16%	1.01%	0.85%	0.81%	0.83%	0.81%	0.71%	0.70%	0.58%
Net Charge-off Rate	1.13%	0.91%	0.73%	0.57%	0.50%	0.48%	0.55%	0.60%	0.58%	0.57%	0.53%
"Misery" Index	2.89%	2.51%	1.89%	1.58%	1.35%	1.29%	1.38%	1.41%	1.29%	1.27%	1.11%
RE Loan Delinquency	2.10%	2.00%	1.38%	1.15%	0.89%	0.75%	0.63%	0.61%	0.54%	0.55%	0.54%
Veh Loan Delinquency	-	-	-	0.69%	0.67%	0.68%	0.72%	0.70%	0.66%	0.65%	0.47%
-Direct Delinquency	-	-	-	0.60%	0.60%	0.64%	0.67%	0.67%	0.64%	0.63%	0.44%
-Indirect Delinquency	1.17%	0.97%	0.77%	0.79%	0.74%	0.72%	0.76%	0.72%	0.67%	0.66%	0.49%
Loss Allowance Ratio	1.67%	1.55%	1.36%	1.13%	0.98%	0.94%	0.90%	0.92%	0.89%	0.86%	1.00%
Current Loss Exposure	1.62%	1.40%	1.05%	0.83%	0.62%	0.53%	0.47%	0.46%	0.48%	0.49%	0.34%
<b>EARNINGS:</b>											
Gross Asset Yield	4.46%	4.04%	3.65%	3.39%	3.38%	3.37%	3.41%	3.55%	3.82%	4.06%	3.67%
Cost of Funds	1.21%	0.93%	0.73%	0.59%	0.54%	0.52%	0.53%	0.57%	0.69%	0.90%	0.79%
Gross Margin	3.25%	3.12%	2.92%	2.80%	2.84%	2.85%	2.88%	2.99%	3.13%	3.16%	2.88%
Provision Expense	0.78%	0.50%	0.36%	0.26%	0.28%	0.35%	0.41%	0.48%	0.46%	0.43%	0.59%
Net Margin	2.46%	2.62%	2.56%	2.53%	2.56%	2.50%	2.48%	2.51%	2.66%	2.73%	2.29%
Non-Interest Income	1.33%	1.30%	1.43%	1.38%	1.31%	1.34%	1.37%	1.33%	1.38%	1.35%	1.24%
Non-Interest Expense	3.07%	3.06%	3.10%	3.10%	3.11%	3.12%	3.10%	3.08%	3.14%	3.20%	3.04%
Net Operating Exp	1.74%	1.76%	1.67%	1.72%	1.80%	1.77%	1.73%	1.75%	1.77%	1.85%	1.80%
Net Operating Return	0.72%	0.86%	0.89%	0.82%	0.76%	0.73%	0.74%	0.76%	0.90%	0.88%	0.50%
Non-recurring Inc(Exp)	-0.22%	-0.19%	-0.04%	-0.04%	0.04%	0.02%	0.02%	0.02%	0.02%	0.06%	0.03%
Net Income (ROA)	0.50%	0.67%	0.85%	0.78%	0.80%	0.75%	0.76%	0.78%	0.92%	0.94%	0.53%
Return on Net Worth	5.1%	6.6%	8.3%	7.3%	7.3%	6.8%	7.0%	7.1%	7.9%	7.9%	5.1%