

Market Overview & Data Report



SEPTEMBER 2025

| KEY ECONOMIC INDICATORS | Latest Report | Current Report | Previous Report | 2024 |
|-------------------------------|---------------|----------------|-----------------|-------|
| ECONOMIC GROWTH | | | | |
| GDP | Q2 | 3.3% | 3.0% | 2.8% |
| EMPLOYMENT | | | | |
| Non-farm Payrolls (000s) | Aug | 22 | 77 | 2,232 |
| Private Payrolls (000s) | Aug | 38 | 83 | 1,792 |
| Unemployment Rate | Aug | 4.3% | 4.2% | 4.1% |
| Avg Hourly Earnings (Y/Y) | Aug | 3.7% | 3.9% | 3.9% |
| INFLATION | | | | |
| Wholesale (Y/Y) | July | 3.3% | 2.3% | 3.3% |
| Consumer (Y/Y) | July | 2.7% | 2.7% | 2.9% |
| PCE Core (Y/Y) | July | 2.9% | 2.8% | 2.8% |
| INCOME & SPENDING | | | | |
| Retail Sales | July | 0.5% | 0.6% | 3.8% |
| Personal Income | July | 0.4% | 0.3% | 2.4% |
| Personal Spending | July | 0.5% | 0.3% | 3.1% |
| AUTO & HOUSING | | | | |
| Total Auto Sales (MM) | July | 16.41 | 15.34 | 16.80 |
| New/Existing Home Sales (M/M) | July | -0.6% | 0.6% | 4.2% |
| S&P/Case Shiller HPI (Y/Y) | June | 2.1% | 2.8% | 3.9% |

Sources:

US Labor Dept; US Commerce Dept; National Association of Realtors; Bloomberg

KEY ECONOMIC AND MARKET INDICATORS

The U.S. added just 22,000 nonfarm payroll jobs in August, well below the 75,000 consensus estimate. Private payrolls rose by 38,000 while manufacturing continued to contract, shedding 12,000 jobs. Unemployment rose to 4.3%, its highest level since 2021. A downward revision for June showed the job market actually shrank for the first time since 2020.

Inflation held steady in August, with CPI up 2.7% YoY, unchanged from July. CORE PCE came in at 2.9% YoY, driven by persistent increases in shelter and healthcare costs. The data suggest that while headline inflation is stabilizing, underlying price pressures continue to challenge the Fed's 2% target.

U.S. equities posted more solid gains in August, buoyed by strong earnings and expectation of monetary easing. The S&P 500 rose 2.03% for the month, while the Dow and Nasdaq rose 3.42% and 1.65%, respectively. This marks the fourth consecutive month of positive returns. Despite some late-month volatility, investor sentiment remained upbeat, supported by dovish Fed signals and improving trade dynamics.

| KEY MARKET INDICATORS | Mth End Aug-25 | Last Mth Jun-25 | 12 Mth Ago Aug-24 |
|-------------------------------|-------------------|--------------------|----------------------|
| MONEY MARKETS | | | |
| Effective Fed Funds | 4.33% | 4.33% | 5.33% |
| Prime Rate | 7.50% | 7.50% | 8.50% |
| 3-month SOFR | 4.34% | 4.34% | 5.34% |
| 2-year UST | 3.61% | 3.95% | 3.91% |
| 10-year UST | 4.22% | 4.37% | 3.90% |
| NATIONAL CU LOAN RATES | | | |
| CU 48-mth Auto | 6.83% | 6.87% | 7.14% |
| CU 60-mth Auto | 6.93% | 6.97% | 7.24% |
| CU 15-year Mtg | 5.97% | 6.05% | 6.12% |
| CU 30-year Mtg | 6.65% | 6.73% | 6.66% |
| EQUITY MARKETS | | | |
| Dow Jones Industrial Average | 45544.88 | 44130.98 | 41,563.1 |
| NASDAQ Composite | 21455.55 | 21122.45 | 17,713.6 |
| S&P 500 | 6460.26 | 6339.39 | 5,649.0 |
| OTHER COMMODITIES | | | |
| CRB Index | 302.35 | 299.78 | 277.0 |
| Crude Oil | 64.01 | 69.26 | 68.9 |

Source: Bloomberg; S&P Global Market Intelligence

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August was marked by escalating tensions between the White House and the Federal Reserve. President Trump intensified his public criticism of Fed Chair Jerome Powell, accusing him of “hurting the housing industry” and demanding immediate rate cuts. The conflict peaked when Trump attempted to fire Fed Governor Lisa Cook, a move widely condemned as an unprecedented breach of central bank independence. Legal scholars and former Fed officials warned that such actions could erode the institution’s credibility and politicize monetary policy. Powell, speaking at Jackson Hole, maintained a measured tone, reaffirming the Fed’s commitment to data-driven decisions despite mounting political pressure.

Politics aside, August offered slight relief to borrowers with mortgage rates modestly declining. The average 30-year fixed rate mortgage fell to 6.58%, down from 6.72% in July, while the 15-year fixed rate eased to 5.69% from 5.85% the prior month. In auto loans, 48-month new auto loans average 7.06% and 60-month loans settled at 7.19%. Despite elevated borrowing costs, rate stability and competitive lender offerings helped sustain consumer credit activity.

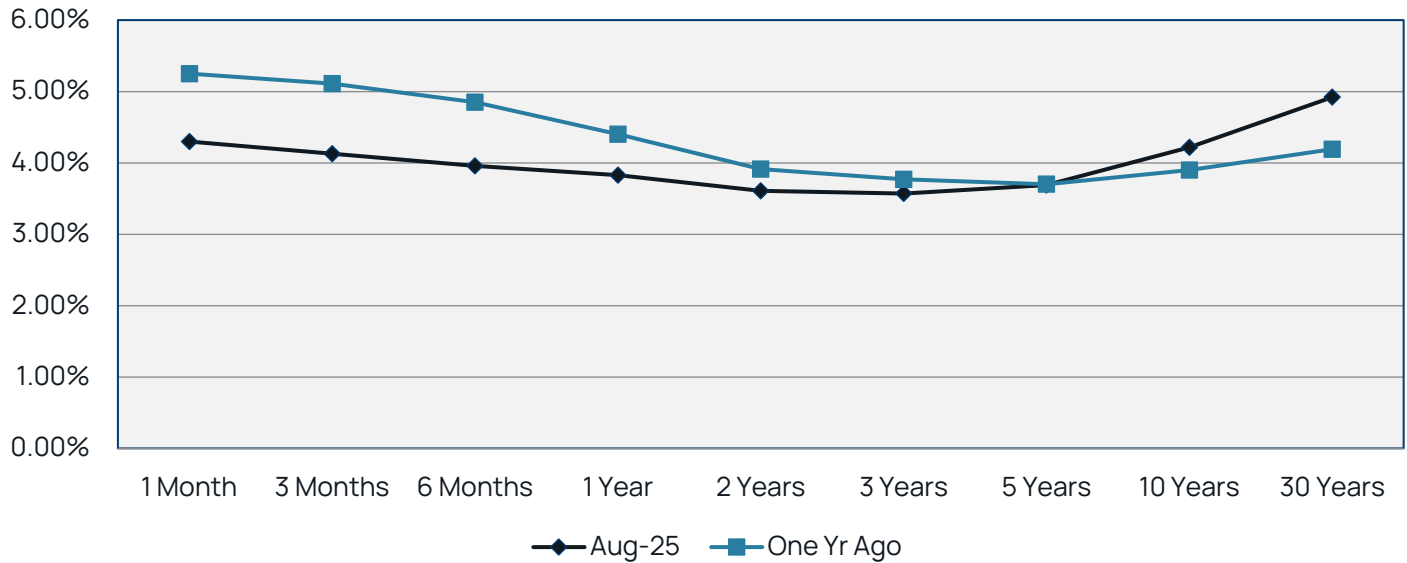
Overall, the U.S. economy presented a mixed picture for August, with moderating-but-still-elevated inflation, slowing job growth and rising political pressure on the Federal Reserve. GDP growth for Q2 was revised upward to 3.3%, though much of the gain was attributed to a sharp drop in imports rather than robust domestic demand. Labor market data showed clear signs of cooling with a poor showing in most-if-not-all labor reports over the course of the month, leading to the highest unemployment rate since 2021.

Looking ahead to the September 16-17 FOMC meeting, markets are pricing in an expected 25-basis point cut. This would bring the Fed Funds target range to 4.00%-4.25% with the first cut of 2025. The move is supported by dovish Fed officials like Governor Waller, who cites labor market deterioration as his primary reason for concern. However, elevated inflation and political pressure from the White House complicate the decision, leaving the Fed in a delicate balancing act: easing policy to support employment without undermining its inflation-fighting credibility. The September meeting will be pivotal in shaping expectations for the remainder of 2025.

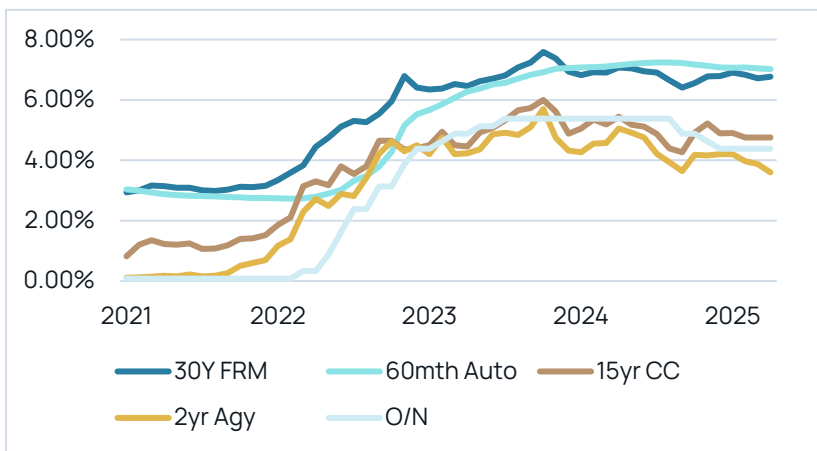
FOR CREDIT UNIONS:

- A NY Fed survey released in early August noted approximately 3% of all credit accounts are at least 90 days delinquent. VantageScore also reported repayments over 90-days were up 109% YoY for superprime borrowers and 47% for prime borrowers.
- According to Edmunds, Q2 auto loans by term were allocated as follows: 7-year loans = 21.6%, 6-year loans = 36.1%, 5-year loans = 19%, 4-year loans = 6% and 8-year loans = 1%.
- VantageScore reported the average price of a new home fell 6% YoY to \$403,800, the lowest level for July since 2021. The Case-Shiller Index rose just 1.9% for June and showed strong regional divergences in home price changes.

Yield Curve



Treasury yields experienced notable volatility in August amid mixed economic signals and growing expectations of a Fed rate cut. The 10-year note fell 14 bps, ending the month at 4.23%, while the 2-year note declined to 3.59%, down from 3.73% in July. Early in the month, yields rose on stronger-than-expected inflation data, including a surprise 0.9% increase in PPI, which briefly pushed the 10-year yield to a month-high of 4.34%. However, softer labor market data reversed the trend, driving yields lower. Fed Chair Jerome Powell’s dovish remarks at Jackson Hole further reinforced expectations of a rate cut at this month’s meeting, contributing to the late-month decline. The full yield curve remained inverted. The 2-to-30-year curve steepened to its widest level since earlier this year after the 30-year note approached 5% over concerns about Fed independence and its effects on future inflation levels. The curve flattened on this week’s soft labor data.



RELATIVE VALUE OF ASSETS AND FUNDING:

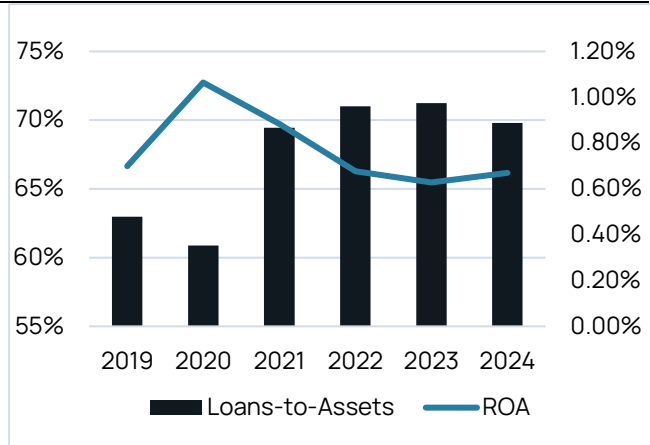
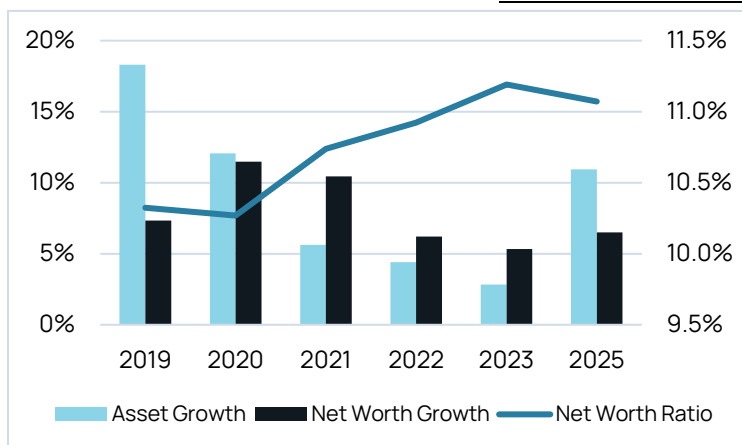
- The difference between loan and investment yields rose by 33 bps to 2.67% as Treasury yields fell faster than loans re-priced.
- The spread between a 60-month auto loan and a 15-year MBS fell to 233 bps.
- CD rates stayed near their previous levels, with just a one or two basis point difference from the previous month.

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NCUA - JUNE 2025

| KEY CREDIT UNION DATA | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------------------------|--------|--------|--------|--------|--------|--------|
| GROWTH RATES | | | | | | |
| Total Assets | 18.31% | 12.07% | 5.63% | 4.42% | 2.84% | 6.71% |
| Total Loans | 5.44% | 8.24% | 20.49% | 6.72% | 3.16% | 4.83% |
| Total Shares | 20.89% | 13.03% | 3.84% | 2.05% | 4.72% | 6.90% |
| Net Worth | 7.33% | 11.48% | 10.44% | 6.20% | 5.32% | 7.11% |
| CAPITAL ADEQUACY | | | | | | |
| Net Worth Ratio | 10.32% | 10.27% | 10.74% | 10.92% | 11.19% | 11.21% |
| Equity Capital Ratio | 10.34% | 9.99% | 8.77% | 9.11% | 9.66% | 9.97% |
| Capital Ratio | 11.04% | 10.52% | 9.31% | 10.02% | 10.60% | 10.90% |
| BALANCE SHEET COMPOSITION | | | | | | |
| Loans/Assets | 62.99% | 60.88% | 69.45% | 71.02% | 71.25% | 70.62% |
| Vehicle Loans/Net Loans | 33.04% | 32.50% | 32.49% | 31.49% | 29.67% | 29.14% |
| RE Loans/Net Loans | 52.25% | 52.80% | 44.21% | 44.83% | 46.19% | 46.69% |
| 1st Mtg Loans/Net Loans | 44.90% | 45.97% | 39.20% | 39.20% | 39.77% | 39.86% |
| Commercial Loans/Net Loans | 8.29% | 9.07% | 9.38% | 10.01% | 10.80% | 11.13% |
| LIQUIDITY POSITION | | | | | | |
| Cash & Short-Term Invs/Assets | 18.44% | 17.16% | 10.17% | 11.47% | 12.20% | 12.35% |
| Borr. & NM Deposits/Shares & Liab. | 3.39% | 2.97% | 6.06% | 7.96% | 5.85% | 5.33% |
| Net Liquid Assets/Shares & Liab. | 30.36% | 33.08% | 23.82% | 21.51% | 22.97% | 23.71% |
| Net Long-term Assets/Assets | 35.58% | 34.77% | 39.48% | 37.10% | 35.75% | 35.35% |
| LOAN QUALITY | | | | | | |
| Delinquency Rate | 0.62% | 0.51% | 0.67% | 0.85% | 0.99% | 0.91% |
| Net Charge-off Rate | 0.30% | 0.16% | 0.22% | 0.43% | 0.57% | 0.56% |
| EARNINGS | | | | | | |
| Investment Yield | 1.35% | 0.89% | 1.63% | 3.05% | 3.79% | 3.73% |
| Loan Yield | 4.71% | 4.37% | 4.43% | 5.25% | 5.84% | 6.02% |
| Asset Yield | 3.53% | 3.02% | 3.38% | 4.44% | 5.06% | 5.16% |
| Cost of Funds | 0.70% | 0.43% | 0.52% | 1.42% | 1.93% | 1.84% |
| Gross Net Margin | 2.83% | 2.59% | 2.87% | 3.02% | 3.13% | 3.32% |
| Provision Expense | -0.50% | -0.06% | -0.26% | -0.51% | -0.62% | -0.58% |
| Net Interest Margin | 2.33% | 2.53% | 2.61% | 2.51% | 2.50% | 2.75% |
| Net Operating Expense | 1.63% | 1.47% | 1.73% | 1.83% | 1.88% | 1.99% |
| Net Income (Return on Assets) | 0.70% | 1.06% | 0.88% | 0.68% | 0.63% | 0.76% |



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PEER STATISTICS

| | <\$2M | \$2-10M | \$10-50M | \$50-100M | \$100-500M | \$500M+ | Total |
|------------------------------------|----------|----------|----------|-----------|------------|-------------|-----------|
| Industry Statistics | | | | | | | |
| Average Asset Size (000s) | \$883 | \$5,589 | \$26,430 | \$72,511 | \$229,835 | \$2,749,721 | \$424,957 |
| Pct of Number of Credit Unions | 5.88% | 13.03% | 26.97% | 13.50% | 23.97% | 16.65% | 100% |
| Pct of Industry Assets | 0.03% | 0.16% | 0.75% | 2.09% | 6.75% | 86.61% | 100% |
| GROWTH RATES | | | | | | | |
| Total Assets | 4.83% | 5.24% | 9.12% | 10.58% | 10.94% | 10.99% | 10.95% |
| Total Loans | -14.67% | -6.97% | -4.63% | -2.50% | 0.08% | 3.01% | 2.57% |
| Total Shares | 3.12% | 6.26% | 9.70% | 11.28% | 12.03% | 13.30% | 13.07% |
| Net Worth | 1.03% | 1.23% | 5.78% | 5.74% | 5.94% | 6.64% | 6.51% |
| CAPITAL ADEQUACY | | | | | | | |
| Net Worth Ratio | 21.15% | 18.33% | 13.91% | 13.05% | 11.59% | 10.91% | 10.32% |
| Equity Capital Ratio | 21.11% | 18.16% | 13.63% | 12.46% | 10.54% | 9.52% | 10.34% |
| Capital Ratio | 22.52% | 18.90% | 14.12% | 12.92% | 11.08% | 10.50% | 11.04% |
| BALANCE SHEET COMPOSITION | | | | | | | |
| Loans/Assets | 45.01% | 51.03% | 50.27% | 53.93% | 62.62% | 71.34% | 69.80% |
| Vehicle Loans/Net Loans | 64.57% | 68.49% | 52.75% | 44.28% | 36.60% | 28.13% | 29.43% |
| RE Loans/Net Loans | 0.85% | 6.57% | 28.75% | 38.03% | 42.74% | 47.22% | 46.44% |
| 1st Mtg Loans/Net Loans | 0.81% | 5.53% | 24.88% | 31.87% | 36.08% | 40.55% | 39.82% |
| Commercial Loans/Net Loans | 0.29% | 0.63% | 1.29% | 3.40% | 8.02% | 11.56% | 11.00% |
| LIQUIDITY POSITION | | | | | | | |
| Cash & Short-Term Invs/Assets | 45.63% | 34.10% | 28.00% | 23.62% | 17.66% | 12.42% | 13.42% |
| Borr. & NM Deposits/Shares & Liab. | 2.79% | 1.71% | 1.12% | 1.47% | 2.83% | 5.65% | 5.22% |
| Net Liquid Assets/Shares & Liab. | 59.46% | 51.13% | 45.46% | 43.89% | 34.29% | 23.12% | 24.97% |
| Net Long-term Assets/Assets | 3.61% | 7.30% | 19.49% | 26.09% | 31.93% | 35.91% | 35.05% |
| LOAN QUALITY | | | | | | | |
| Delinquency Rate | 3.59% | 1.83% | 1.25% | 1.04% | 1.01% | 1.43% | 1.38% |
| Net Charge-off Rate | 3.15% | 1.50% | 1.02% | 0.79% | 0.71% | 0.80% | 0.80% |
| | 0.44% | 0.33% | 0.24% | 0.26% | 0.31% | 0.62% | 0.58% |
| EARNINGS | | | | | | | |
| Investment Yield | 2.44% | 3.15% | 3.25% | 3.20% | 3.21% | 3.57% | 3.50% |
| Loan Yield | 7.56% | 6.91% | 6.23% | 6.11% | 5.99% | 5.97% | 5.98% |
| Asset Yield | 4.80% | 5.05% | 4.64% | 4.62% | 4.78% | 5.12% | 5.07% |
| Cost of Funds | 0.65% | 0.87% | 0.92% | 1.03% | 1.35% | 1.92% | 1.83% |
| Gross Net Margin | 4.15% | 4.18% | 3.72% | 3.58% | 3.43% | 3.20% | 3.24% |
| Provision Expense | -0.34% | -0.40% | -0.24% | -0.29% | -0.32% | -0.60% | -0.56% |
| Net Interest Margin | 3.81% | 3.78% | 3.48% | 3.29% | 3.11% | 2.60% | 2.68% |
| Net Operating Expense | 3.11% | 3.47% | 2.77% | 2.62% | 2.45% | 1.93% | 2.01% |
| Net Income (Return on Assets) | 0.70% | 0.31% | 0.71% | 0.67% | 0.66% | 0.67% | 0.67% |
| EFFICIENCY METRICS | | | | | | | |
| Avg Loan Balance | \$5,647 | \$9,147 | \$4,011 | \$6,741 | \$11,298 | \$21,502 | \$18,551 |
| Avg Share Per Member | \$2,433 | \$5,252 | \$9,244 | \$10,920 | \$12,900 | \$14,544 | \$14,118 |
| Avg Compensation per FTE | \$25,885 | \$46,447 | \$72,583 | \$79,130 | \$86,617 | \$112,923 | \$107,086 |
| Comp & Benefits-to-Total Assets | 2.30% | 2.14% | 1.68% | 1.71% | 1.81% | 1.59% | 1.62% |
| Pct of Total Operating Expense | 64% | 67% | 68% | 70% | 73% | 75% | 74% |
| Office Occ & Ops-to-Total Assets | 0.27% | 0.18% | 0.21% | 0.23% | 0.23% | 0.17% | 0.18% |
| Pct of Total Operating Expense | 17% | 14% | 21% | 24% | 25% | 24% | 24% |

ECONOMIC CALENDAR

SEPTEMBER 2025

| Monday | Tuesday | Wednesday | Thursday | Friday |
|--|--|--|--|--|
| 1 Closed for Labor Day | 2 •ISM Data | 3 •JOLTs Job Openings •Wards Total Vehicle Sales | 4 •Challenger job cuts •ADP Emp Change •Jobless claims •ISM Services | 5 •Nonfarm payrolls •Hourly earnings |
| 8 •NY Fed -yr Inf. Exp. •Consumer credit | 9 •BLS prelim benchmark revision | 10 •PPI | 11 •CPI •Jobless claims | 12 •U. of Mich Survey |
| 15 | 16 •Retail sales •Import export prices | 17 •FOMC rate meeting •Housing starts •Building permits | 18 •Jobless claims | 19 |
| 22 | 23 •S&P Global PMI •Existing homes sales | 24 •New home sales •Building permits | 25 •GDP: Q2 3 rd Revision •Jobless claims | 26 •CORE PCE •Personal income & spending |
| 29 •Pending home sales | 30 - Case-Shiller Index - JOLTs Job openings | | | |

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