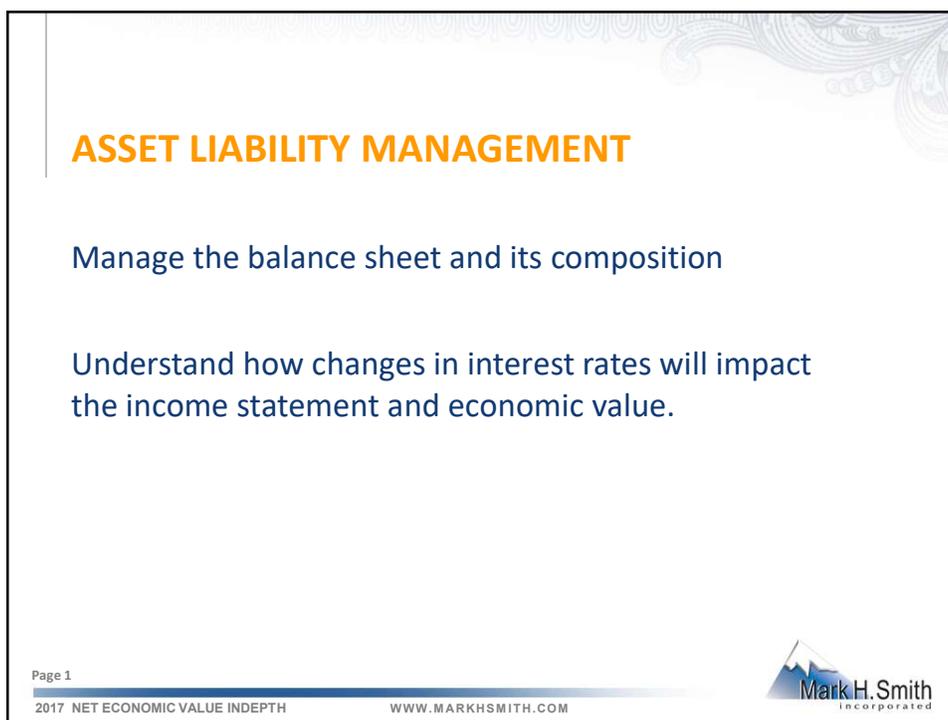


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IN-DEPTH DISCUSSION OF NET ECONOMIC VALUE

PRESENTED BY CYNTHIA R WALKER, CEO

WEBINAR WILL BEGIN ON THE HOUR



ASSET LIABILITY MANAGEMENT

Manage the balance sheet and its composition

Understand how changes in interest rates will impact the income statement and economic value.

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ASSET LIABILITY MANAGEMENT

Interest Rate Risk Measurement Tools

- **GAP:** Measures mismatch between repricing assets and liabilities
- **Income simulation:** Measures change in net interest income or net income
- ★ • **Net Economic Value:** Estimates interest rate risk exposure relative to capital

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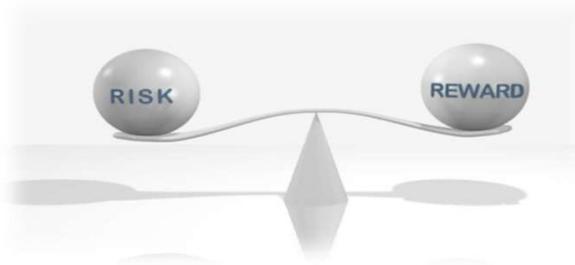


POLL QUESTION #1

(NOTE: IF YOU ARE SEEKING CPE CREDIT, IT IS IMPORTANT THAT YOU PARTICIPATE IN THE POLLS.)

INTEREST RATE RISK ANALYSIS

- More of an art than a science
- A process
- A continual effort to optimize the balance sheet to meet earnings objectives



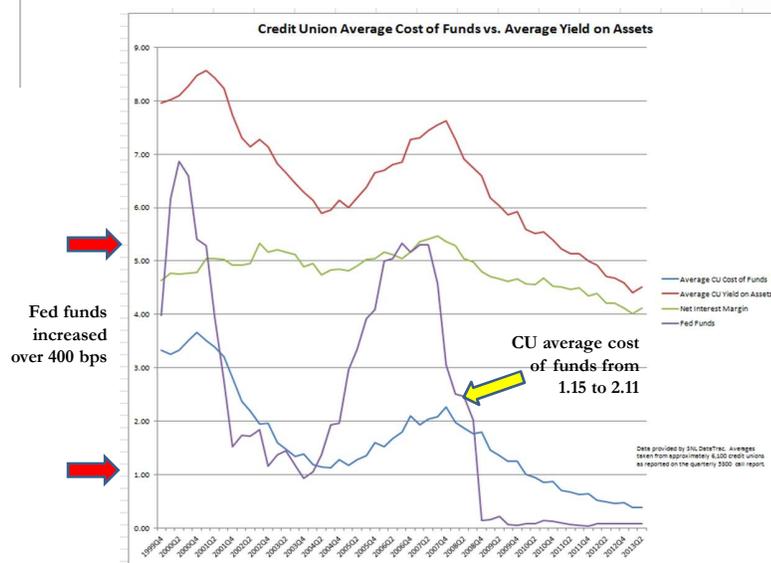
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$96/400 = .24\%$ beta



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WHICH ASSUMPTIONS ARE MOST CRITICAL?

REPRICING TERM ASSUMPTIONS FOR ASSETS

	Balance in Thousands	% of Total Assets	Current Yield	Market Yield for NEV*	Maturity Term in Months for NEV							Repricing Criteria
					Shock Down 300 BP	Shock Down 200 BP	Shock Down 100 BP	Bench mark	Shock Up 100 BP	Shock Up 200 BP	Shock Up 300 BP	
Fast mortgages	2,213	8.0%	3.90%	3.90%	12	24	36	72	84	96	144	Up to 30 years fixed rate
Home equity loans	8,322	7.7%	3.20%	3.31%	12	18	24	34	60	72	108	Up to 30 months fixed rate
Home equity lines of credit	3,060	2.8%	4.25%	4.08%	60	60	60	60	60	60	60	Variable rate with 4% floor and 10% ceiling
Short-term loans	5,303	4.6%	2.72%	2.72%	12	18	21	24	27	33	36	Up to 54 months fixed rate
Fixed rate loans	26,229	24.3%	3.46%	2.91%	12	15	18	24	26	28	30	Up to 54 months fixed rate
Other vehicle loans	2,649	2.3%	3.51%	4.91%	12	18	24	27	30	36	42	Up to 54 months fixed rate
Unsecured loans	3,253	3.0%	9.00%	10.17%	6	12	15	18	21	24	27	Up to 60 months fixed rate
Lines of credit	2,245	2.1%	7.48%	9.17%	12	12	12	12	12	12	12	Repricing credit
Shares/certificate account	109	0.1%	2.90%	3.51%	12	12	15	18	21	24	27	Up to 48 months fixed rate tied to one maturity
VISA classic	1,945	1.4%	11.11%	11.45%	12	12	12	12	12	12	12	Repricing credit
VISA gold	3,031	4.7%	9.20%	10.05%	12	12	12	12	12	12	12	Repricing credit
Loans purchased - (HELOCs)	2,220	2.1%	3.67%	4.09%	60	60	60	60	60	60	60	Fixed - 1.75%, 4% floor, 10% ceiling, 10 year term, 20 year term
	0	0.0%	0.00%	0.00%	0	0	0	0	0	0	0	0
	0	0.0%	0.00%	0.00%	0	0	0	0	0	0	0	0
	0	0.0%	0.00%	0.00%	0	0	0	0	0	0	0	0
	0	0.0%	0.00%	0.00%	0	0	0	0	0	0	0	0
	0	0.0%	0.00%	0.00%	0	0	0	0	0	0	0	0
	0	0.0%	0.00%	0.00%	0	0	0	0	0	0	0	0
Allowance for loan losses	(249)				0	0	0	0	0	0	0	
Net Loans	66,976	62.6%	4.76%		16	20	24	34	37	42	53	Weighted Average

Credit Unions 12 Month Historical Turnover Average
 *This calculation is an average of the last 12 months of the data presented on index page 4 and page 3.1



WHICH ASSUMPTIONS ARE MOST CRITICAL?

Liability & Share Classification	Balance in Thousands	% to Total Assets	Current Yield	Non-Interest Expense	Market Yield for NEV**	Bench mark	Up Rate Shock 300 BP				Rate Sensitivity
							Arg Life	Arg Life	Beta	Lag	
Notes payable	0	0.0%	0.00%	0.00%	0.0%		1	1	0	1	Adjusts daily
Liabilities	962	0.9%									
Regular shares	49,283	45.8%	0.05%	0.75%	3.12%	97	91	0.15%	1		Core shares-low by definition
	0	0.0%	0.00%	0.00%	0.00%	0	0	0.00%	0		
Share drafts	15,792	14.7%	0.00%	2.00%	3.00%	91	92	0.00%	1		Low by definition
IRA shares	1,096	1.0%	0.14%	1.25%	2.48%	59	56	0.35%	1		High by definition
Member certificates	9,256	8.6%	0.38%	0.00%	0.31%	15	9	1.00%	9		Average weighted maturity
Money market shares - tier 1 - (0 to 2,499.99)	29	0.0%	0.05%	1.25%	2.48%	59	56	0.35%	1		Low by definition
Money market shares - tier 2 - (2,500 to 49,999.99)	7,231	6.7%	0.10%	1.25%	2.48%	59	56	0.35%	1		Moderate by analysis / definition
Money market shares - tier 3 - (50,000 to 99,999.99)	4,713	4.4%	0.20%	1.00%	2.11%	38	33	0.60%	1		High by definition
Money market shares - tier 4 - (100,000 and above)	9,289	8.6%	0.20%	0.50%	1.89%	29	28	0.95%	1		High by definition
	0	0.0%	0.00%	0.00%	0.00%	0	0	0.00%	0		0
	0	0.0%	0.00%	0.00%	0.00%	0	0	0.00%	0		0
	0	0.0%	0.00%	0.00%	0.00%	0	0	0.00%	0		0
	0	0.0%	0.00%	0.00%	0.00%	0	0	0.00%	0		0
Total Shares & Deposits	96,694	89.8%		0.12%							
Owner's Equity / Capital	9,981	9.3%									
Total Liabilities & Capital	107,675	100.0%									



POLL QUESTION #2

(NOTE: IF YOU ARE SEEKING CPE CREDIT, IT IS IMPORTANT THAT YOU PARTICIPATE IN THE POLLS.)

SAMPLE CREDIT UNION

Total assets \$107.6 million

Asset Composition

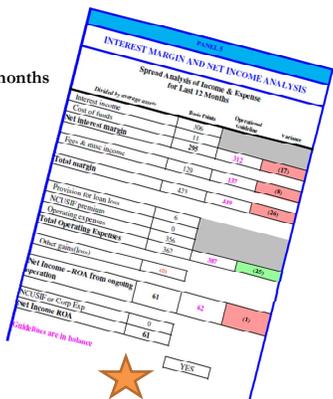
- Loan to Asset Ratio 62% with average yield 4.78%
- First mortgage & HELOC fixed rate 14.5% of total assets
- Overnight funds 7.4% of total assets
- Investment portfolio average yield 1.24% average term 15 months

Liability Composition as percent of total assets

Weighted average beta .32%

• Regular shares 45.8%	beta .15%
• Share drafts 14.7%	beta 0%
• Certificates 8.6%	beta 1.0%
• Money Markets 19.8%	beta .35% to .95%
• IRA 1.0%	beta .35%

Net Worth Ratio 9.3%



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NET ECONOMIC VALUE BOOK TO MARKET (BASE CASE)

Shows the change in capital from book to current market rates

BASE CASE				
	Current Balance Sheet	Adjusted to current market	Dollar amount change	Total % Change
Net Loans	66,776	67,224	448	0.7%
Total Investments	38,551	38,540	(11)	0.0%
All other assets	2,310	2,310	0	0.0%
Total Assets	107,637	108,074	437	0.4%
Borrowed funds	0	0	0	0.0%
All other liabilities	962	962		
Total Deposits	96,694	86,389	(10,305)	-10.7%
NET WORTH	9,960	20,723	10,757	107.9%
Total Liab & Net Worth	107,637	108,074	437	0.4%

Book NW Ratio	Market Adjusted NW Ratio
9.3%	19.2%

WHY SO MUCH AND WHAT DOES THIS MEAN ????

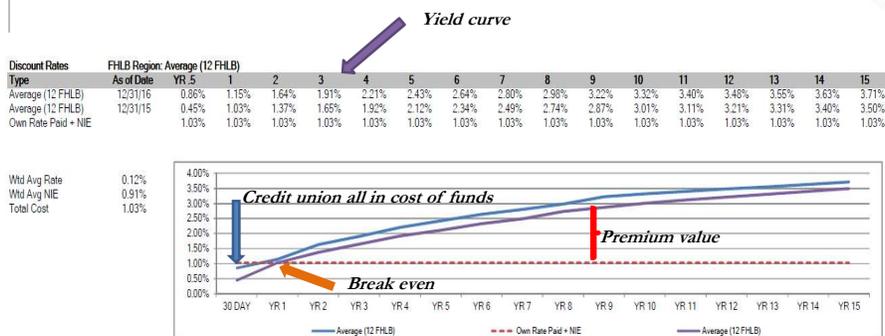
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NMD PREMIUM ACCUMULATION



NIE = non interest expense

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PROJECTED CASH FLOW AND ASSUMED TRUNCATION IMPACT

Discount Rates		FHLB Region: Average (12 FHLB)									
Type	As of Date	YR. 5	1	2	3	4	5	6	7	8	9
Average (12 FHLB)	12/31/16	0.86%	1.15%	1.64%	1.91%	2.21%	2.43%	2.64%	2.80%	2.98%	3.22%
Own Rate Paid + NIE		1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%	1.03%
Annual payment		687	685	957	902	840	802	774	751	710	45,309

Account closings or decay rate plus dividends on remaining balances equal annual payments

Dividends is current rate plus non interest expense

Truncation Point: The time period in which retention is truncated (runoff ballooned) to recognize the chance that event risk becomes material after some point in time

NMD PREMIUM ACCUMULATION

	Balance 12/31/16	Current Portfolio Yield 12/31/16	Current Market Yield 12/31/16	Avg mat or Decay	Current Market Value 12/31/16	\$ Change
--	---------------------	---	--	---------------------	--	--------------

Notes payable	0	0.00%	0.00%	1	0	0
Liabilities	962	0.00%	0.00%	0	962	0
Regular shares	49,285	0.05%	3.12%	97	41,009	(8,276)
	0	0.00%	0.00%	0	0	0
Share drafts	15,792	0.00%	3.00%	91	14,660	(1,133)
IRA shares	1,096	0.14%	2.48%	59	1,037	(59)
Member certificates	9,256	0.58%	0.51%	15	9,264	8
Money market shares - tier 1 - (0 to	29	0.05%	2.48%	59	28	(2)
Money market shares - tier 2 - (2,500	7,231	0.10%	2.48%	59	6,828	(403)
Money market shares - tier 3 - (50,000	4,715	0.20%	2.11%	38	4,564	(151)
Money market shares - tier 6 -	9,289	0.20%	1.89%	29	8,999	(290)
	0	0.00%	0.00%	0	0	0
	0	0.00%	0.00%	0	0	0
	0	0.00%	0.00%	0	0	0
	0	0.00%	0.00%	0	0	0
Total Liabilities & Deposits	97,656				87,351	(10,305)
Owner's Equity (Capital)	9,968				20,723	10,757
Total Liabilities & Equity	107,637				108,074	437

Premium value

LOAN NEV DETAIL BOOK TO MARKET (BASE CASE)

	Balance 12/31/16	Current Portfolio Yield 12/31/16	Current Market Yield 12/31/16	Avg mat or Decay	Current Market Value 12/31/16	\$ Change
First mortgages	7,273	3.90%	3.50%	72	7,381	88
Home equity loans	8,322	5.29%	5.31%	54	8,318	(4)
Home equity lines of credit	3,060	4.23%	4.09%	60	3,130	70
New auto loans	5,003	2.72%	2.72%	24	5,003	0
Used auto loans	26,329	3.46%	2.91%	24	26,490	161
Other vehicle loans	2,649	3.51%	4.91%	27	2,604	(45)
Unsecured loans	3,253	9.80%	10.17%	18	3,243	(10)
Lines of credit	2,248	7.48%	9.17%	12	2,225	(23)
Share/certificate secured	109	2.98%	3.51%	18	109	(1)
VISA classic	1,548	11.11%	11.48%	12	1,545	(4)
VISA gold	5,031	9.29%	10.08%	12	5,007	(24)
Loans purchased - (HELOCs)	2,220	3.67%	4.09%	60	2,197	(23)
	0	0.00%	0.00%	0	0	(0)
	0	0.00%	0.00%	0	0	(0)
	0	0.00%	0.00%	0	0	(0)
	0	0.00%	0.00%	0	0	(0)
	0	0.00%	0.00%	0	262	262
	0	0.00%	0.00%	0	0	(0)
	0	0.00%	0.00%	0	0	(0)
Allowance for loan losses	(269)	0.00%	0.00%	0	(269)	0
Net Loans	66,776				67,224	448

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INVESTMENT NEV DETAIL BOOK TO MARKET (BASE CASE)

	Balance 12/31/16	Current Portfolio Yield 12/31/16	Current Market Yield 12/31/16	Avg mat or Decay	Current Market Value 12/31/16	\$ Change
Daily accounts	7,992	0.66%	0.66%	1	7,992	0
	0	0.00%	0.00%	0	0	0
Investment CDs - non callable	29,030	1.33%	1.37%	15	29,016	(14)
Investment CDs - callable	0	0.00%	0.00%	0	0	0
Investment CDs - step/callable	0	0.00%	0.00%	0	0	0
Securities - non callable	1,015	1.71%	1.88%	28	1,011	(4)
Securities - callable	0	0.00%	0.00%	0	0	0
Securities - step/callable	0	0.00%	0.00%	0	0	0
Securities - MBS	244	3.50%	2.40%	60	251	7
	0	0.00%	0.00%	0	0	0
CUSO investments	228	3.00%	3.00%	12	228	0
Membership shares	42	0.70%	0.70%	1	42	0
Total Investments	38,551				38,540	(11)
Cash on hand & bank	567				567	0
Other assets	1,742				1,742	0
Total assets	107,637				108,074	437

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LOANS NEV UP 300 RATE SHOCK

	Balance 12/31/16	Current Portfolio Yield 12/31/16	Current Market Yield 12/31/16	Avg mat or Decay	Current Market Value 12/31/16	3.00% Shocked Rate	Avg mat or Decay	NPV of future cash flows	\$ Change from Market
First mortgages:	7,273	3.90%	3.50%	72	7,361	6.50%	144	6,337	(1,024)
Home equity loans:	8,322	5.29%	5.31%	54	8,318	8.31%	108	7,352	(966)
Home equity lines of credit:	3,060	4.25%	4.09%	60	3,130	7.09%	60	3,127	(2)
New auto loans:	5,003	2.72%	2.72%	24	5,003	5.72%	36	4,772	(231)
Used auto loans:	26,329	3.46%	2.91%	24	26,490	5.91%	30	25,482	(1,008)
Other vehicle loans:	2,449	3.51%	4.91%	27	2,604	7.91%	42	2,446	(158)
Unsecured loans:	3,253	9.80%	10.17%	18	3,243	13.17%	27	3,127	(116)
Lines of credit:	2,248	7.48%	9.17%	12	2,225	12.17%	12	2,186	(40)
Shares/certificate secured:	109	2.98%	3.51%	18	109	6.51%	27	103	(6)
VTSA classic:	1,548	11.11%	11.48%	12	1,545	14.48%	12	1,517	(27)
VTSA gold:	5,031	9.29%	10.08%	12	5,007	13.08%	12	4,918	(89)
Loans purchased - (HELOC):	2,220	3.87%	4.00%	60	2,197	7.09%	60	2,193	(1)
	0	0.00%	0.00%	0	0	3.00%	0	0	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
	0	0.00%	0.00%	0	262	3.00%	0	262	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
Allowance for loan losses:	(269)	0.00%	0.00%	0	(269)	3.00%	0	(269)	0
Net Loans	66,776				67,224			63,583	(3,641)

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INVESTMENTS NEV UP 300 RATE SHOCK

	Balance 12/31/16	Current Portfolio Yield 12/31/16	Current Market Yield 12/31/16	Avg mat or Decay	Current Market Value 12/31/16	3.00% Shocked Rate	Avg mat or Decay	NPV of future cash flows	\$ Change from Market
Daily accounts:	7,992	0.66%	0.66%	1	7,992	3.66%	1	7,992	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
Investment CDs - non callable:	29,036	1.33%	1.37%	15	29,016	4.37%	15	27,892	(1,123)
Investment CDs - callable:	0	0.00%	0.00%	0	0	3.00%	0	0	0
Investment CDs - strip/callable:	0	0.00%	0.00%	0	0	3.00%	0	0	0
Securities - non callable:	1,015	1.71%	1.88%	28	1,011	4.88%	28	947	(64)
Securities - callable:	0	0.00%	0.00%	0	0	3.00%	0	0	0
Securities - strip/callable:	0	0.00%	0.00%	0	0	3.00%	0	0	0
Securities - MBS:	244	3.50%	2.40%	60	251	5.40%	84	229	(22)
	0	0.00%	0.00%	0	0	3.00%	0	0	0
CUSO investments:	228	5.00%	5.00%	12	228	8.00%	12	224	(4)
Membership shares:	42	0.70%	0.70%	1	42	3.70%	1	41	(1)
Total Investments	38,551				38,540			37,327	(1,213)
Cash on hand & bank:	567				567			567	0
Other assets:	1,742				1,742			1,742	0
Total assets	107,637				108,074			103,219	(4,855)

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LIABILITIES NEV UP 300 RATE SHOCK

Why more value?

	Balance 12/31/16	Current Portfolio Yield 12/31/16	Current Market Yield 12/31/16	Avg mat or Decay	Current Market Value 12/31/16	3.00% Shocked Rate	Avg mat or Decay	NPV of future flows	\$ Change from Market
Notes payable	0	0.00%	0.00%	1	0	3.00%	1	0	(0)
Liabilities:	962	0.00%	0.00%	0	962	0.00%	0	0	0
Regular shares	49,285	0.05%	-3.12%	97	41,009	6.00%	91	35,367	(5,880)
Share drafts	0	0.00%	0.00%	0	0	3.00%	0	0	0
Share drafts	15,792	0.00%	3.00%	91	14,660	6.02%	92	11,879	(2,781)
IRA shares	1,096	0.14%	2.48%	59	1,037	5.41%	56	956	(80)
Member certificates	9,256	0.58%	0.51%	15	9,264	3.51%	9	9,099	(165)
Money market shares - tier 1 - (0 to 29)	29	0.05%	2.48%	59	28	5.41%	56	26	(2)
Money market shares - tier 2 - (2,500 to 4,715)	7,231	0.10%	2.48%	59	6,828	5.41%	56	6,299	(529)
Money market shares - tier 5 - (50,000 to 9,289)	4,715	0.20%	2.11%	38	4,564	5.02%	35	4,417	(147)
Money market shares - tier 6 -	9,289	0.20%	1.89%	29	8,999	4.84%	28	8,944	(55)
	0	0.00%	0.00%	0	0	3.00%	0	0	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
	0	0.00%	0.00%	0	0	3.00%	0	0	0
Total Liabilities & Deposits	97,656				87,351			77,711	(9,640)
Owner's Equity (Capital)	9,966				20,723			25,508	4,785
Total Liabilities & Equity	107,637				108,074			103,219	(4,855)

Market Risk Adjusted Value	Dollar amount change compared to market	Total % Change	Operational Guideline
3.00%			
25,508	4,785	23.1%	-50.0%

Risk Adjusted NW Ratio
24.7%

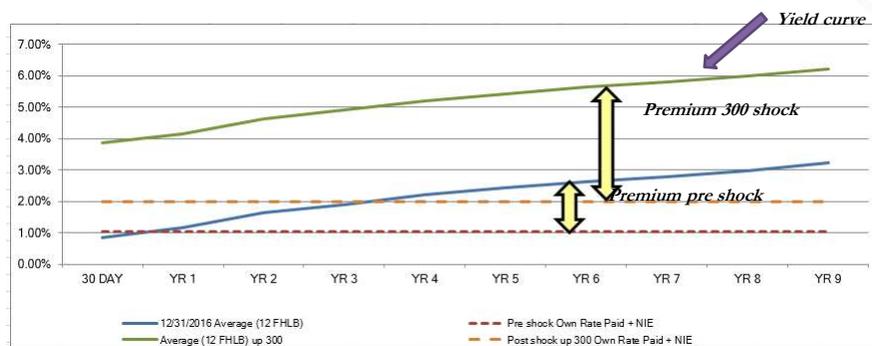
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ADDITIONAL NMD PREMIUM ACCUMULATION



Pre shock cost of funds .12%
NIE weighted average .91%
Weighted average beta .32%
Post shock all in cost of funds 2.00%

NIE = non interest expense

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NET ECONOMIC VALUE SUMMARY

CURRENT NET WORTH RATIO	SHOCK UP 100 BP	SHOCK UP 200 BP	SHOCK UP 300 BP
\$9,966			
\$20,723	\$22,996	\$24,678	\$25,508
\$10,757	\$2,273	\$3,955	\$4,785
n/a	11.0%	19.1%	23.1%
Adjusted to current Market Rates	-50.0%	-50.0%	-50.0%
	61.0%	69.1%	73.1%
9.3%			
19.2%	21.6%	23.5%	24.7%
	5.0%	5.0%	5.0%
	16.6%	18.5%	19.7%

NET ECONOMIC VALUE

ALTERNATIVE SCENARIOS FOR NON-MATURITY DEPOSITS

ANTICIPATED SUPERVISORY IRR RATING

LOW

% of net worth at risk
-10.9%

Risk Adjusted Net Worth Ratio:
9.7%



Only change in the scenarios is to shorten the average weighted lives of non-maturity deposits

Alt 1 approximately 25% shorter

Alt 2 approximately 50% shorter

NCUA pre defined NMD premiums at 1% and then 4% in the up 300 scenario

NMD at par or book value

NEV ADD \$21M FIXED RATE 30YR MTG LT FIXED ASSET RATIO OVER 35%

ALTERNATIVE SCENARIOS FOR NON-MATURITY DEPOSITS

ANTICIPATED SUPERVISORY IRR RATING

LOW

% of net worth at risk
-34.7%

Risk Adjusted Net Worth Ratio:
7.3%



Only change in the scenarios is to shorten the average weighted lives of non-maturity deposits
 Alt 1 approximately 25% shorter
 Alt 2 approximately 50% shorter
 NCUA pre defined NMD premiums at 1% and then 4% in the up 300 scenario
 NMD at par or book value

NEV ADD \$21M FIXED RATE 30 YR MORTGAGES

ALL MARKET RATES SHIFT 100 BPS

	Current Balance Sheet	Adjusted to current market	Market Risk Adjusted Value 3.00%	Dollar amount change compared to market	Total % Change
Net Loans	87,776	88,032	81,348	(6,684)	-7.6%
Total Investments	17,551	17,616	16,802	(813)	-4.6%
All other assets	2,310	2,310	2,310	0	0.0%
Total Assets	107,637	107,957	100,460	(7,497)	-6.9%
Borrowed funds	0	0	0	(0)	-0.7%
All other liabilities	962	962	962		
Total Deposits	96,694	86,389	76,748	(9,640)	-11.2%
NET WORTH	9,966	20,607	22,749	2,143	10.4%
Total Liab & Net Worth	107,637	107,957	100,460	(7,497)	-6.9%

	Adjusted to current market	Dollar amount change	Market Risk Adjusted Value 3.00%	Dollar amount change compared to market	Total % Change
	86,261	(1,515)	79,031	(7,229)	-8.4%
	17,360	(191)	16,565	(795)	-4.6%
	2,310	0	2,310	0	0.0%
	105,931	(1,706)	97,906	(8,024)	-7.6%
	0	0	0	(0)	-0.7%
	962		962		
	81,496	(15,198)	72,981	(8,516)	-10.4%
	23,472	13,506	23,964	491	2.1%
	105,931	(1,706)	97,906	(8,024)	-7.6%

NEV ADD \$21M FIXED RATE 30 YR MTG ALL MARKET RATES SHIFT 100 BPS

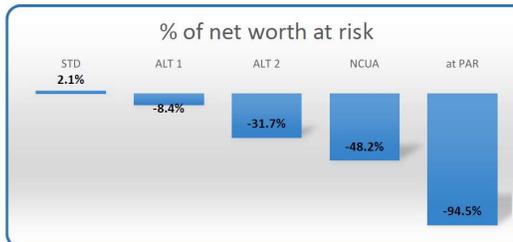
ALTERNATIVE SCENARIOS FOR NON-MATURITY DEPOSITS

ANTICIPATED SUPERVISORY IRR RATING

MODERATE

% of net worth at risk
-48.2%

Risk Adjusted Net Worth Ratio:
4.9%



Alt 1 approximately 25% shorter

Alt 2 approximately 50% shorter

NCUA pre defined NMD premiums at 1% and then 4% in the up 300 scenario

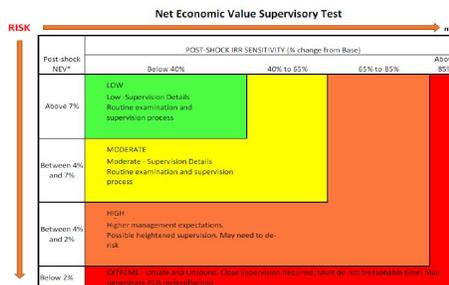
NMD at par or book value

NET ECONOMIC VALUE SUPERVISORY TEST

CAUTION: DO NOT USE EXCLUSIVELY!!

*SUPERVISORY NON-MATURITY DEPOSIT VALUATION (For examination purpose).

For non-maturity deposits a 1% premium in the base case and a 4% premium in the up 300 shock scenario from the base, resulting in a 4.96% economic value premium for NMDs. NCUA has also adjusted the post shock NEV limits and post shock % change from base to accommodate for the limitations used in the NMD valuation. See the chart. Effective December 31, 2016.



*USING STANDARDIZED NMS VALUES OF 1% FOR THE BASE CASE THEN 4% IN UP 300 SHOCK. NET EFFECT 4.96%.

NEV SCENARIO PREVIOUS SCENARIOS & REGULAR SHARES BETA OF .60% AND SHARE DRAFTS BETA .15%

	Current Balance Sheet	Adjusted to current market	Dollar amount change	Rates-Up Shock				Operational Guideline	Variance from Guideline
				Market Risk Adjusted Value 3.00%	Dollar amount change compared to market	Total % Change			
Net Loans	87,776	86,261	(1,515)	79,031	(7,229)	-8.4%			
Total Investments	17,551	17,366	(185)	16,565	(795)	-4.6%			
All other assets	2,310	2,310	0	2,310	0	0.0%			
Total Assets	107,637	105,931	(1,706)	97,906	(8,024)	-7.6%			
Borrowed funds	0	0	0	0	(0)	-0.7%			
All other liabilities	962	962		962					
Total Deposits	96,694	82,519	(14,175)	77,965	(4,554)	-4.7%			
NET WORTH	9,966	22,450	12,484	18,979	(3,471)	-15.5%	-50.0%	34.5%	
Total Liab & Net Worth	107,637	105,931	(1,706)	97,906	(8,024)	-7.6%			

NET WORTH ANALYSIS UP RATE SHOCK

Book NW Ratio	Market Adjusted NW Ratio	3.0% Rate Shock		
		Risk Adjusted NW Ratio	Operational Guideline	Variance
9.3%	21.2%	19.4%	5%	14.4%

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2017 NET ECONOMIC VALUE INDEPTH

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NEV SCENARIO PREVIOUS SCENARIOS & REGULAR SHARES BETA OF .60% AND SHARE DRAFTS BETA .15%

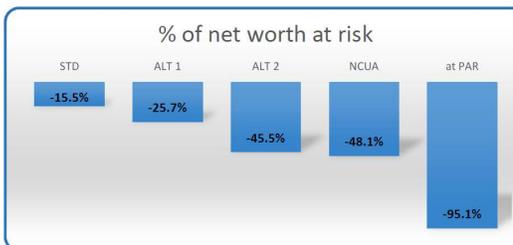
ALTERNATIVE SCENARIOS FOR NON-MATURITY DEPOSITS

ANTICIPATED SUPERVISORY IRR RATING

MODERATE

% of net worth at risk
-48.1%

Risk Adjusted Net Worth Ratio:
4.8%



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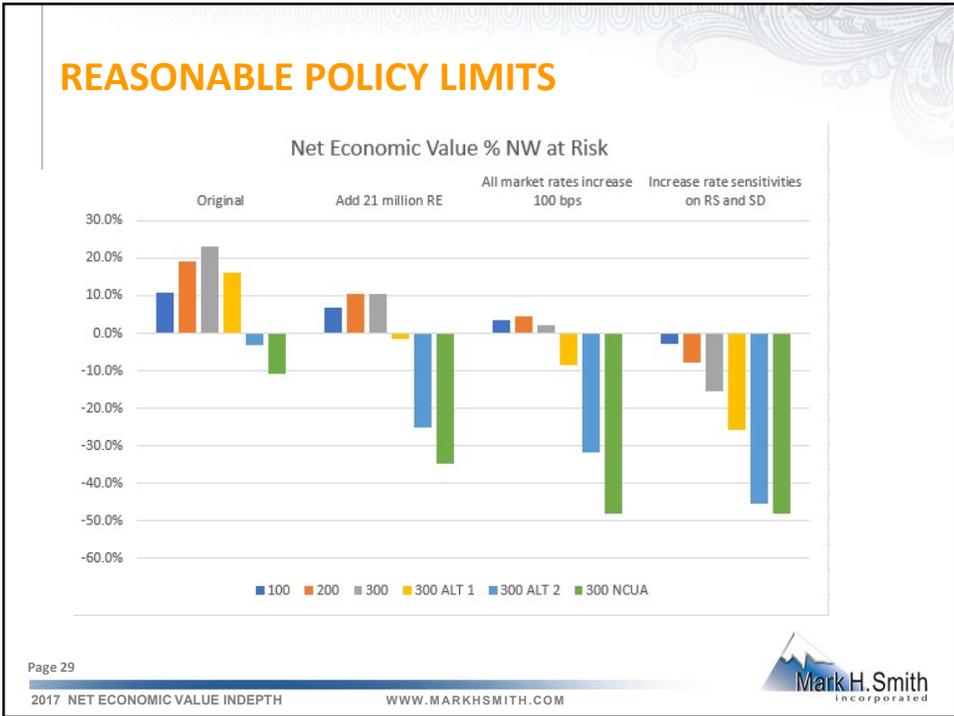
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POLL QUESTION #3

(NOTE: IF YOU ARE SEEKING CPE CREDIT, IT IS IMPORTANT THAT YOU PARTICIPATE IN THE POLLS.)



NET ECONOMIC VALUE CONCLUSION

- Consider alternative scenarios
- Identify and test sensitivity of key assumptions
- Trends help management identify, measure, and monitor current and potential areas of risk



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DUE DILIGENCE

- Discuss and document the results
- Realistic and supportable assumptions
- Identify key assumptions and stress test
- Strong analysis
- Solid reasoning
- Ask lots of questions
- May require more than one model run

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ANALYSIS ONLY VALUABLE IF USED

- Use IRR modeling to guide strategic decisions
- Regularly review and update IRR model assumptions
- Re-evaluate policy limits annually
- Appropriate for your CU
- Ensure policy limits reflect board tolerance for risk

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POLL QUESTION #4

(NOTE: IF YOU ARE SEEKING CPE CREDIT, IT IS IMPORTANT THAT YOU PARTICIPATE IN THE POLLS.)

OUTSOURCE BENEFITS TO YOU AND YOUR CREDIT UNION

- Easy
- Save time
- Delegate to the experts
- Extensive experience
- Regulator responses
- Reliable
- Reputable



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THANK YOU

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