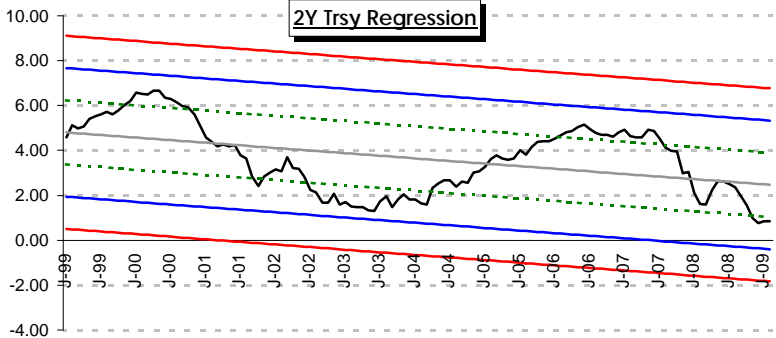
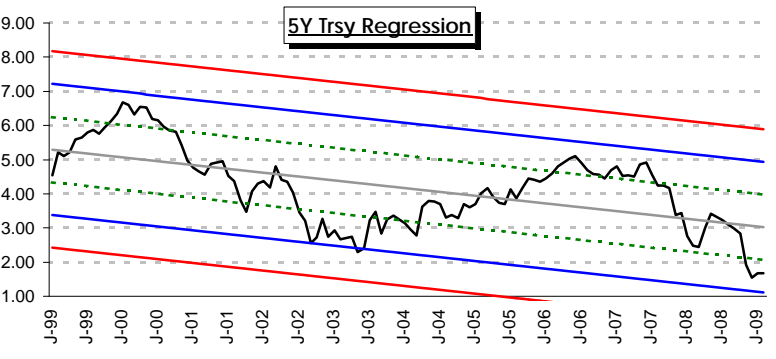
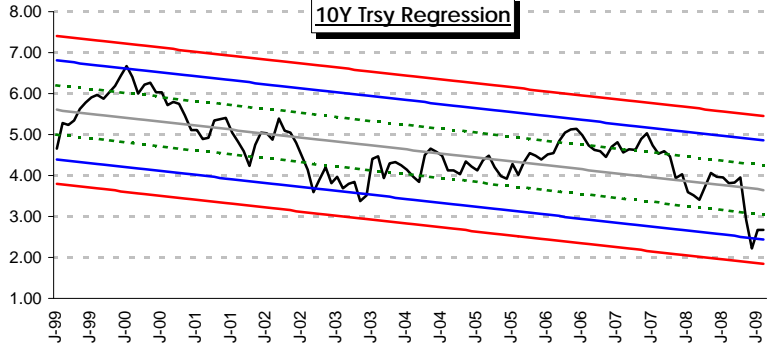
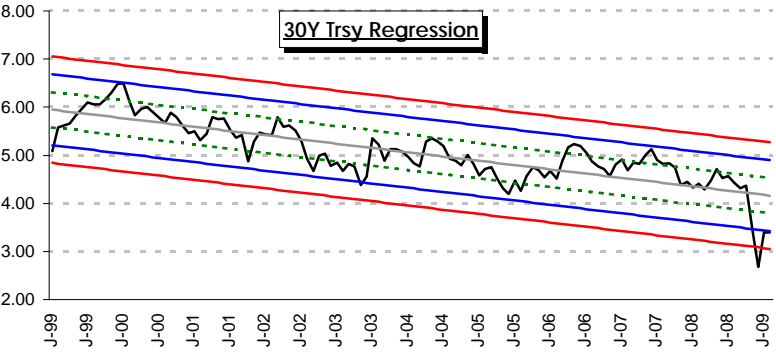


Regression Analysis is a tool to help in determining the timing of changes to the duration of the assets (or liabilities) of a financial institution. Although this analysis does not necessarily PREDICT interest rates, it does help to understand the rate cycle, i.e. when rates are "relatively high", or "relatively low".

Red Lines = 3 Std (99.5%); Blue Lines = 2 Std (96.4%); Green Lines = 1 Std (66.5%).

<p>Current Rates are between ONE and TWO standard deviations BELOW the mean, suggesting that portfolio durations be gradually shortened.</p>	<p>+2 StD 5.35%</p> <p>+1 StD 3.92%</p> <p>Mean 2.49%</p> <p>-1 StD 1.05%</p> <p>Current 0.85%</p> <p>-2 StD -0.38%</p>	 <p>2Y Trsy Regression</p>
<p>Current Rates are between ONE and TWO standard deviations BELOW the mean, suggesting that portfolio durations be gradually shortened.</p>	<p>+2 StD 4.96%</p> <p>+1 StD 4.00%</p> <p>Mean 3.04%</p> <p>-1 StD 2.09%</p> <p>Current 1.68%</p> <p>-2 StD 1.13%</p>	 <p>5Y Trsy Regression</p>
<p>Current Rates are between ONE and TWO standard deviations BELOW the mean, suggesting that portfolio durations be gradually shortened.</p>	<p>+2 StD 4.87%</p> <p>+1 StD 4.27%</p> <p>Mean 3.66%</p> <p>-1 StD 3.06%</p> <p>Current 2.67%</p> <p>-2 StD 2.46%</p>	 <p>10Y Trsy Regression</p>
<p>Current Rates are at or BELOW TWO standard deviations, suggesting that portfolio durations be shortened to your minimum tolerances.</p>	<p>+2 StD 4.91%</p> <p>+1 StD 4.54%</p> <p>Mean 4.18%</p> <p>-1 StD 3.81%</p> <p>-2 StD 3.44%</p> <p>Current 3.39%</p>	 <p>30Y Trsy Regression</p>