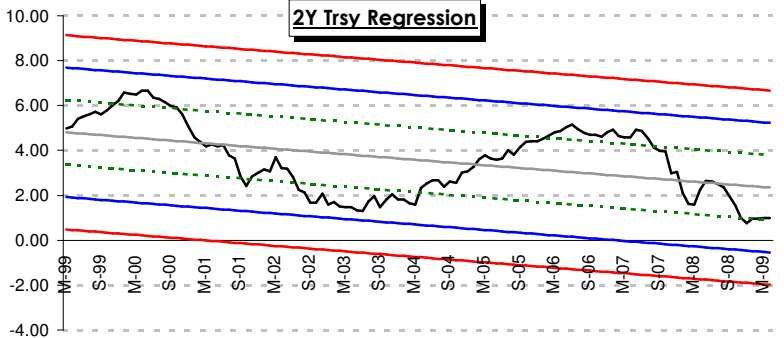
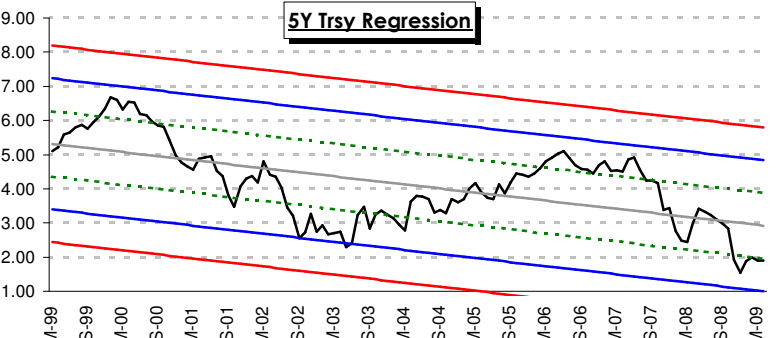
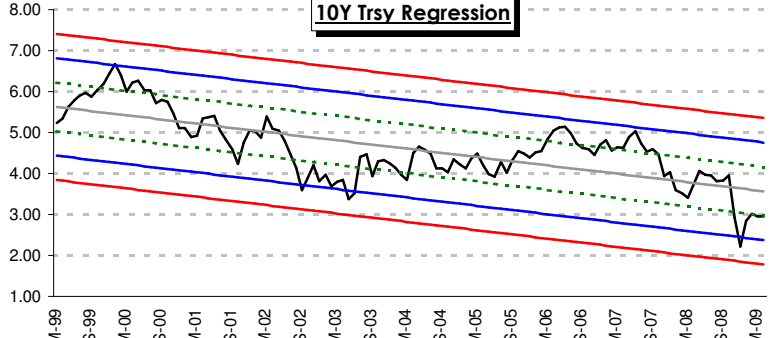


Regression Analysis is a tool to help in determining the timing of changes to the duration of the assets (or liabilities) of a financial institution. Although this analysis does not necessarily PREDICT interest rates, it does help to understand the rate cycle, i.e. when rates are "relatively high", or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

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

<p>Current Rates are within ONE standard deviation from the mean, suggesting that portfolio durations be maintained.</p>	<p>+2 StD 5.25%</p> <p>+1 StD 3.81%</p> <p>Mean 2.36%</p> <p>Current 0.99%</p> <p>-1 StD 0.92%</p> <p>-2 StD -0.52%</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 4.86%</p> <p>+1 StD 3.90%</p> <p>Mean 2.94%</p> <p>-1 StD 1.98%</p> <p>Current 1.90%</p> <p>-2 StD 1.02%</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 4.77%</p> <p>+1 StD 4.18%</p> <p>Mean 3.58%</p> <p>-1 StD 2.99%</p> <p>Current 2.95%</p> <p>-2 StD 2.39%</p>	
<p>Current Rates are within ONE standard deviation from the mean, suggesting that portfolio durations be maintained.</p>	<p>+2 StD 4.83%</p> <p>+1 StD 4.47%</p> <p>Mean 4.12%</p> <p>Current 3.77%</p> <p>-1 StD 3.77%</p> <p>-2 StD 3.41%</p>	