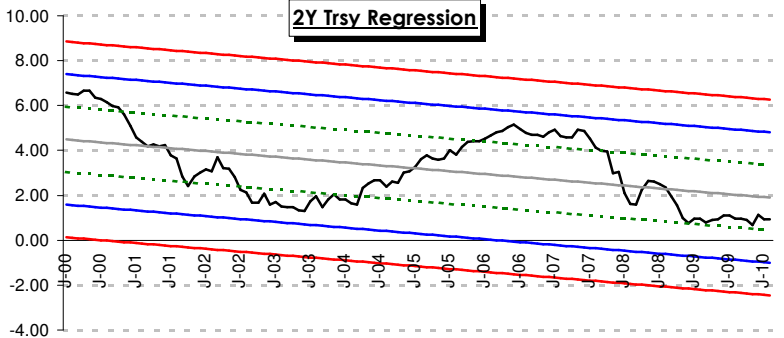
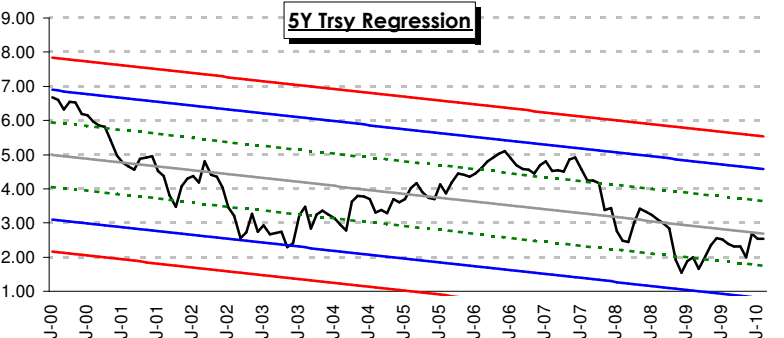
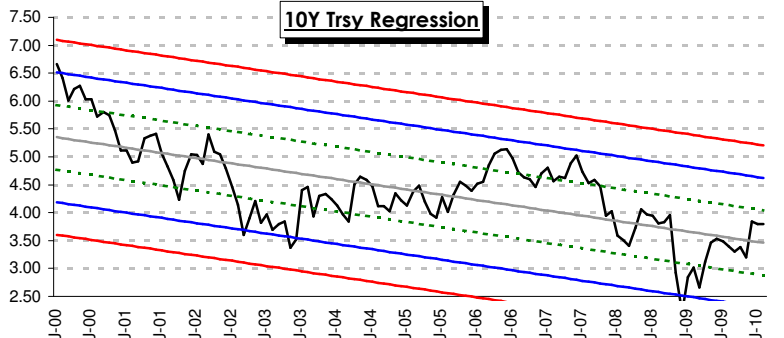
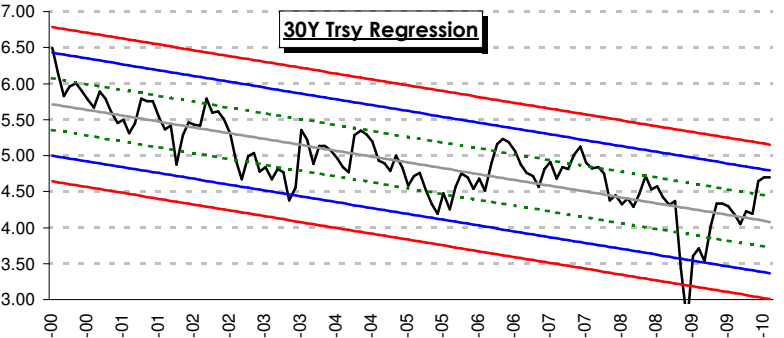


Regression Analysis is a tool to help in determining the timing of changes to the duration of the assets (or liabilities) of a financial institution. Although this analysis does not necessarily PREDICT interest rates, it does help to understand the rate cycle, i.e. when rates are "relatively high", or "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 4.83%</p> <p>+1 StD 3.37%</p> <p>Mean 1.92%</p> <p>Current 0.93%</p> <p>-1 StD 0.47%</p> <p>-2 StD -0.98%</p> |  <p>2Y Trsy Regression</p> |
| <p>Current Rates are within ONE standard deviation from the mean, suggesting that portfolio durations be maintained.</p> | <p>+2 StD 4.60%</p> <p>+1 StD 3.65%</p> <p>Mean 2.71%</p> <p>Current 2.54%</p> <p>-1 StD 1.76%</p> <p>-2 StD 0.81%</p> |  <p>5Y Trsy Regression</p> |
| <p>Current Rates are within ONE standard deviation from the mean, suggesting that portfolio durations be maintained.</p> | <p>+2 StD 4.64%</p> <p>+1 StD 4.06%</p> <p>Current 3.80%</p> <p>Mean 3.47%</p> <p>-1 StD 2.89%</p> <p>-2 StD 2.31%</p> |  <p>10Y Trsy Regression</p> |
| <p>Current Rates are between ONE and TWO standard deviations ABOVE the mean, suggesting that portfolio durations be gradually extended.</p> | <p>+2 StD 4.81%</p> <p>Current 4.70%</p> <p>+1 StD 4.45%</p> <p>Mean 4.09%</p> <p>-1 StD 3.74%</p> <p>-2 StD 3.38%</p> |  <p>30Y Trsy Regression</p> |