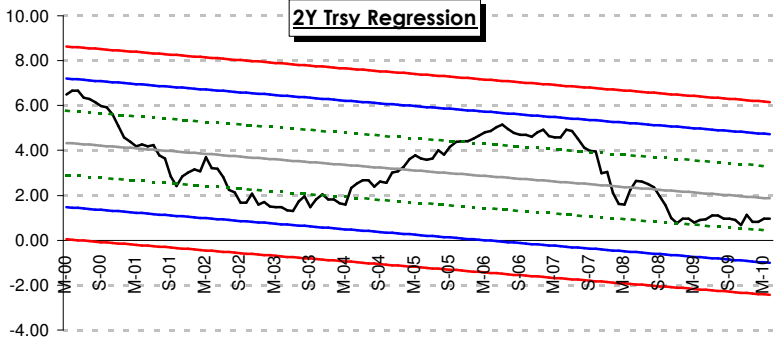
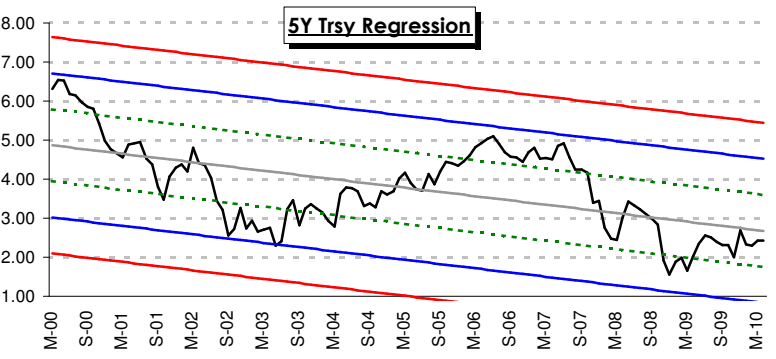
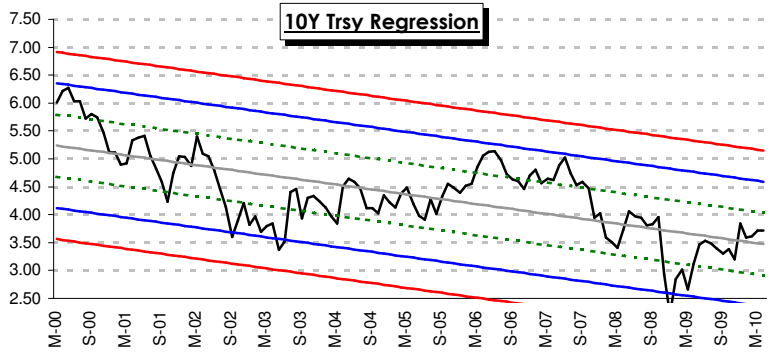


Regression Analysis is a tool to help in determining the timing of changes to the duration of the assets (or liabilities) of a financial institution. Although this analysis does not necessarily PREDICT interest rates, it does help to understand the rate cycle, i.e. when rates are "relatively high", or "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 4.75%</p> <p>+1 StD 3.31%</p> <p>Mean 1.88%</p> <p>Current 0.96%</p> <p>-1 StD 0.45%</p> <p>-2 StD -0.98%</p>	
<p>Current Rates are within ONE standard deviation from the mean, suggesting that portfolio durations be maintained.</p>	<p>+2 StD 4.54%</p> <p>+1 StD 3.62%</p> <p>Mean 2.69%</p> <p>Current 2.42%</p> <p>-1 StD 1.77%</p> <p>-2 StD 0.85%</p>	
<p>Current Rates are within ONE standard deviation from the mean, suggesting that portfolio durations be maintained.</p>	<p>+2 StD 4.61%</p> <p>+1 StD 4.05%</p> <p>Current 3.71%</p> <p>Mean 3.49%</p> <p>-1 StD 2.93%</p> <p>-2 StD 2.37%</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 4.65%</p> <p>+1 StD 4.46%</p> <p>Mean 4.11%</p> <p>-1 StD 3.76%</p> <p>-2 StD 3.41%</p>	