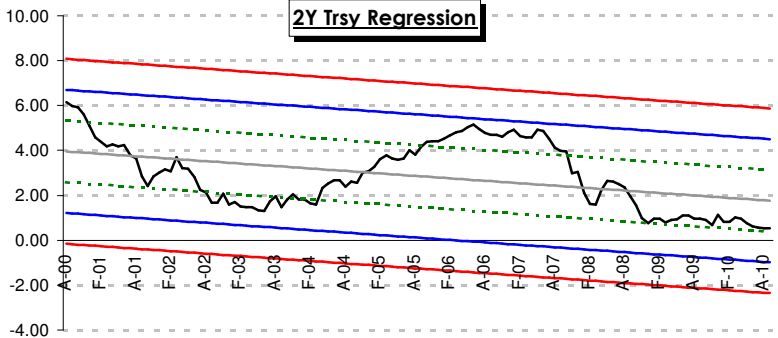
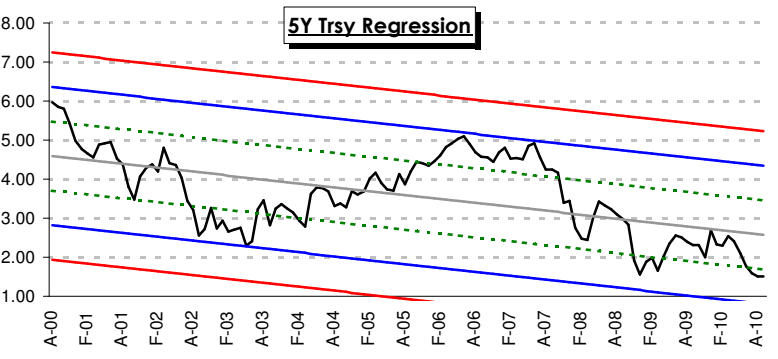
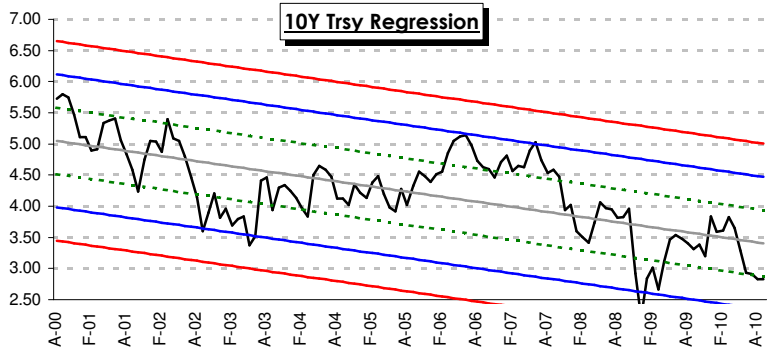


Regression Analysis is a tool to help in determining the timing of changes to the duration of the assets (or liabilities) of a financial institution. Although this analysis does not necessarily PREDICT interest rates, it does help to understand the rate cycle, i.e. when rates are "relatively high", or "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 4.52%</p> <p>+1 StD 3.15%</p> <p>Mean 1.78%</p> <p>Current 0.52%</p> <p>-1 StD 0.40%</p> <p>-2 StD -0.97%</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 4.36%</p> <p>+1 StD 3.47%</p> <p>Mean 2.59%</p> <p>-1 StD 1.71%</p> <p>Current 1.51%</p> <p>-2 StD 0.82%</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 4.48%</p> <p>+1 StD 3.95%</p> <p>Mean 3.42%</p> <p>-1 StD 2.88%</p> <p>Current 2.83%</p> <p>-2 StD 2.35%</p>	
<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 4.41%</p> <p>Mean 4.06%</p> <p>Current 4.00%</p> <p>-1 StD 3.72%</p> <p>-2 StD 3.38%</p>	