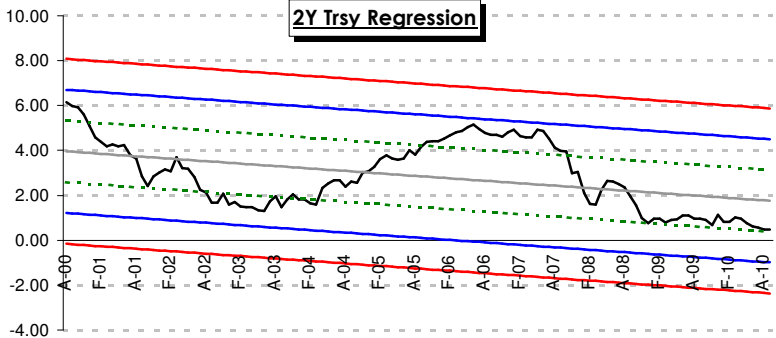
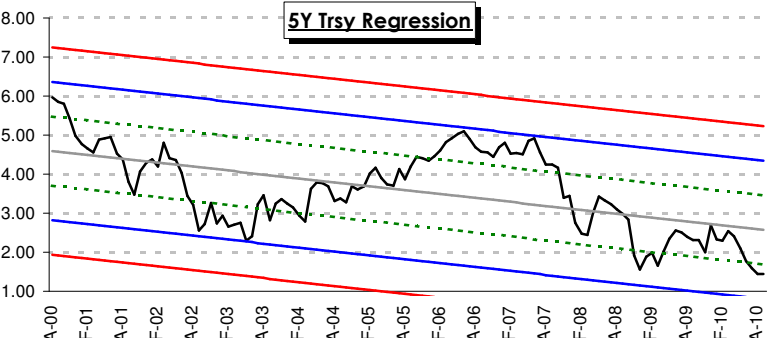
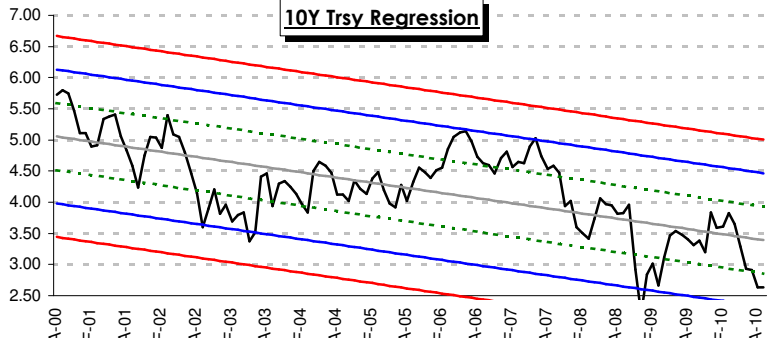


Regression Analysis is a tool to help in determining the timing of changes to the duration of the assets (or liabilities) of a financial institution. Although this analysis does not necessarily PREDICT interest rates, it does help to understand the rate cycle, i.e. when rates are "relatively high", or "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 1.77%</p> <p>Current 0.49%</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 4.35%</p> <p>+1 StD 3.47%</p> <p>Mean 2.58%</p> <p>-1 StD 1.70%</p> <p>Current 1.45%</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 3.94%</p> <p>Mean 3.41%</p> <p>-1 StD 2.87%</p> <p>Current 2.63%</p> <p>-2 StD 2.33%</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 4.74%</p> <p>+1 StD 4.39%</p> <p>Mean 4.04%</p> <p>-1 StD 3.70%</p> <p>Current 3.69%</p> <p>-2 StD 3.35%</p>	