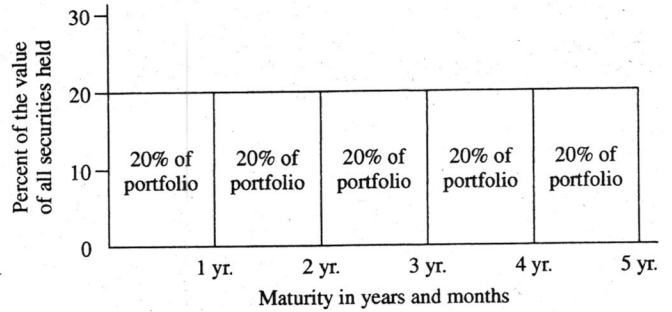


EXHIBIT 10-2

Alternative Maturity Strategies for Managing Investment Portfolios

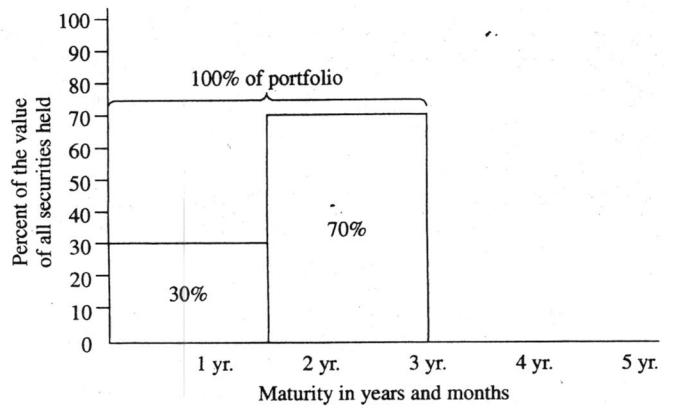
STRATEGY: Divide investment portfolio equally among all maturities acceptable to the investing institution.
ADVANTAGES: Reduces investment income fluctuations/requires little management expertise.

The Ladder or Spaced-Maturity Policy



STRATEGY: All security investments are short-term.
ADVANTAGES: Strengthens the financial firm's liquidity position and avoids large capital losses if market interest rates rise.

The Front-End Load Maturity Policy



STRATEGY: All security investments are long-term.
ADVANTAGES: Maximizes income potential from security investments if market interest rates fall.

The Back-End Load Maturity Policy

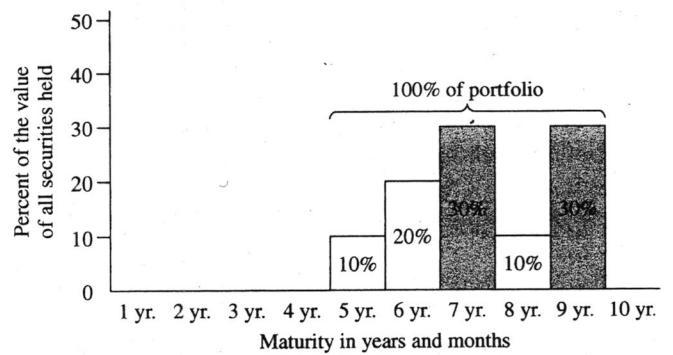
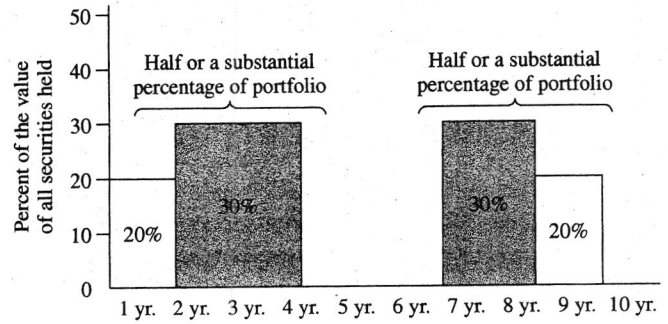


EXHIBIT 10-3
Additional Maturity Strategies for Managing Investment Portfolios

STRATEGY: Security holdings are divided between short-term and long-term.
ADVANTAGES: Helps to meet liquidity needs with short term securities and to achieve earnings goals due to higher potential earnings from the long term portion of the portfolio.

STRATEGY: Change the mix of investment maturities as the interest-rate outlook changes.
ADVANTAGES: Maximizes the potential for earnings (and also for losses).

The Barbell Investment Portfolio Strategy



The Rate-Expectations Approach

