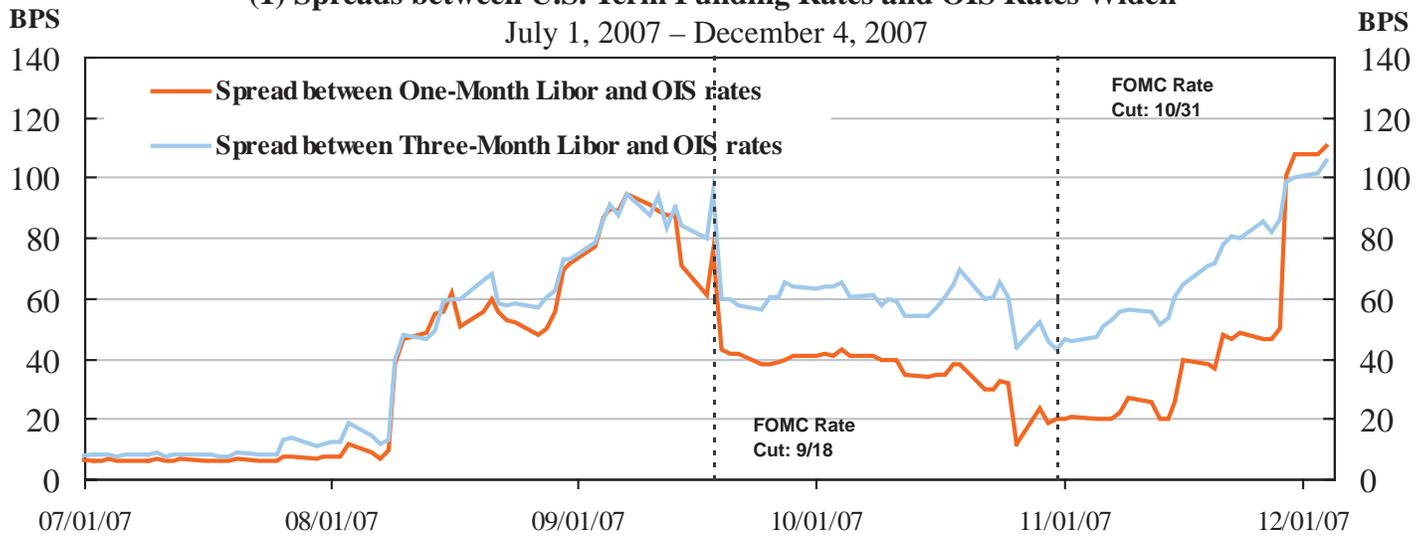


Appendix 1: Materials used by Mr. Dudley

(1) Spreads between U.S. Term Funding Rates and OIS Rates Widen

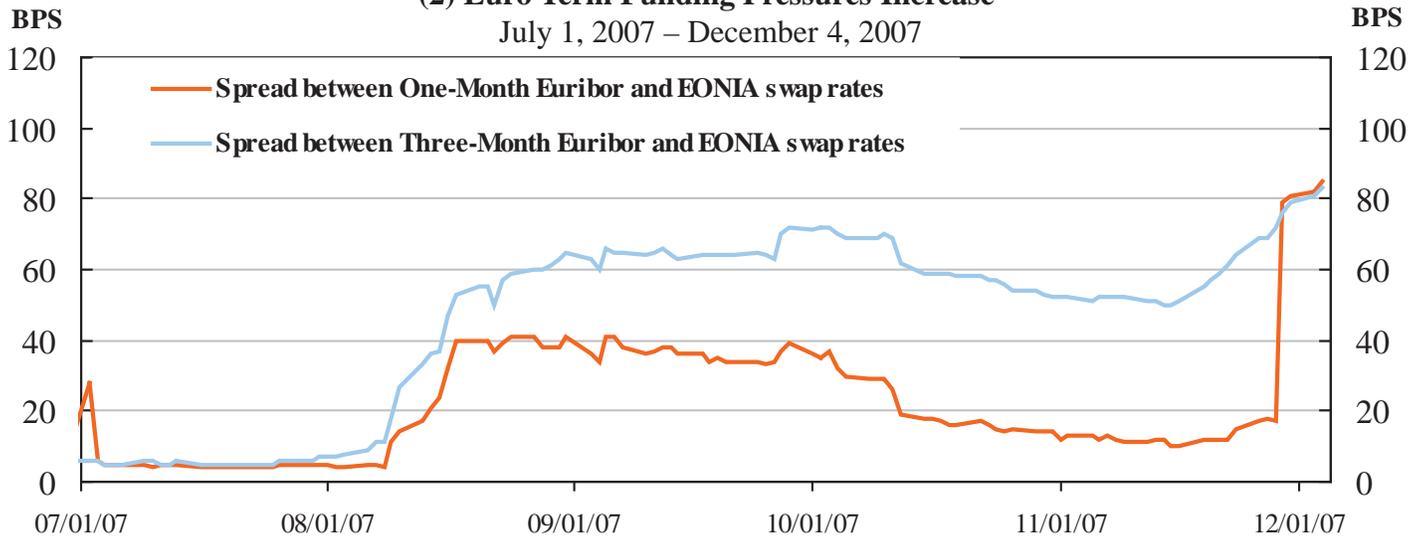
July 1, 2007 – December 4, 2007



Source: Bloomberg

(2) Euro Term Funding Pressures Increase

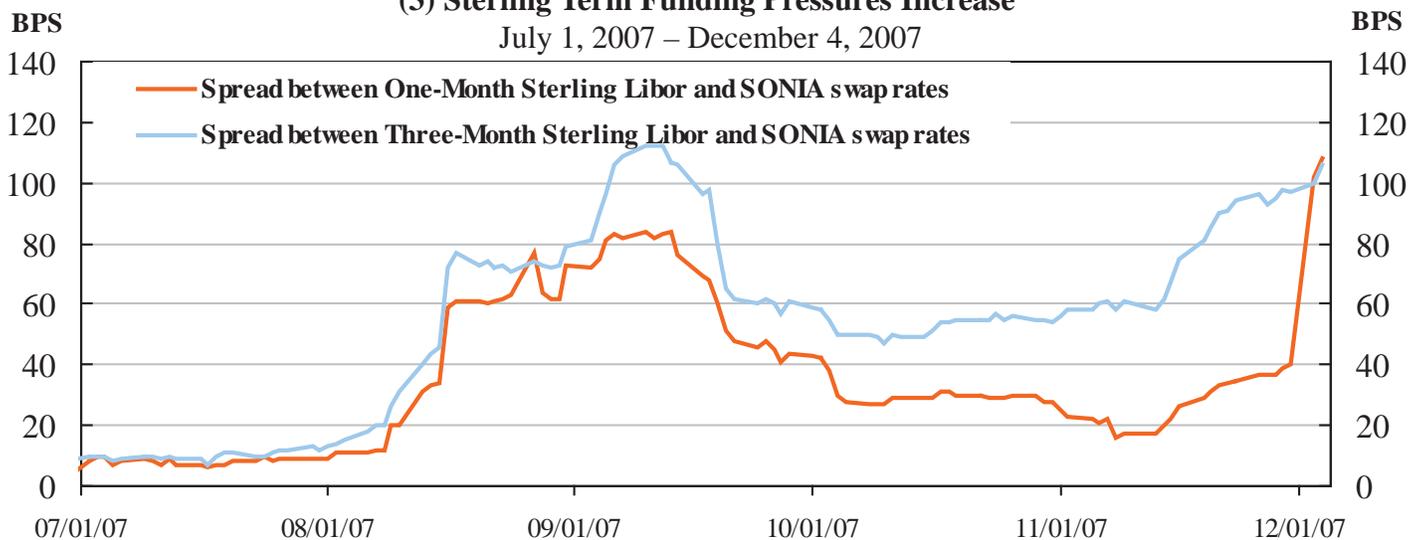
July 1, 2007 – December 4, 2007



Source: Bloomberg

(3) Sterling Term Funding Pressures Increase

July 1, 2007 – December 4, 2007



Source: Bloomberg

(4) Growth in Year-End Premium: Libor Futures

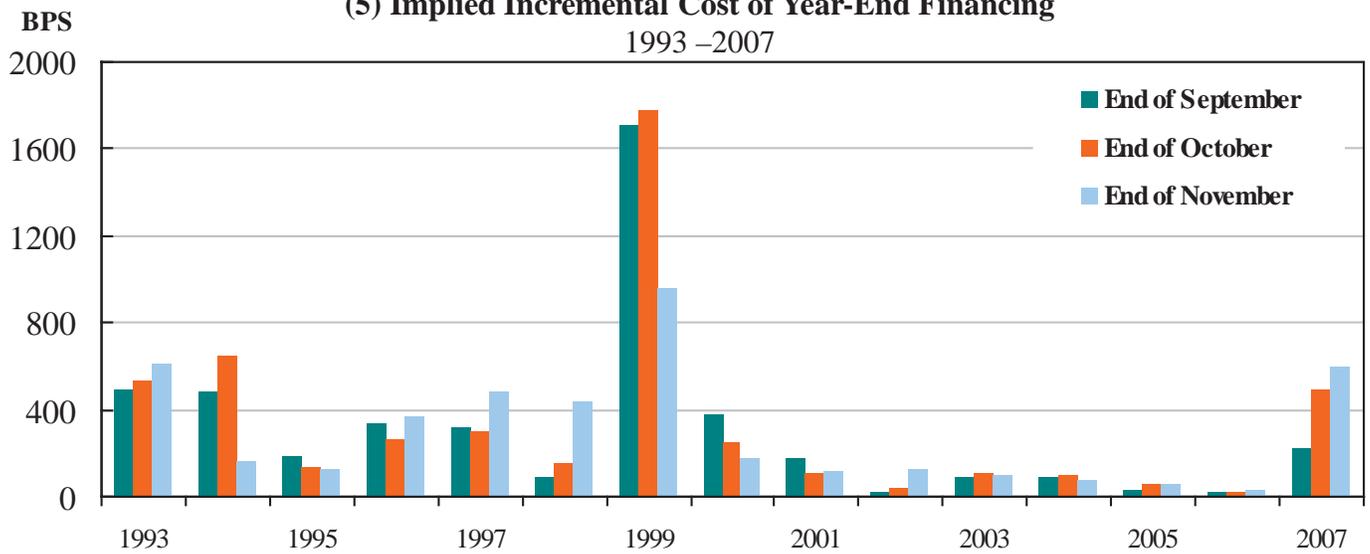
October 1, 2007 – December 4, 2007



Source: Bloomberg

(5) Implied Incremental Cost of Year-End Financing

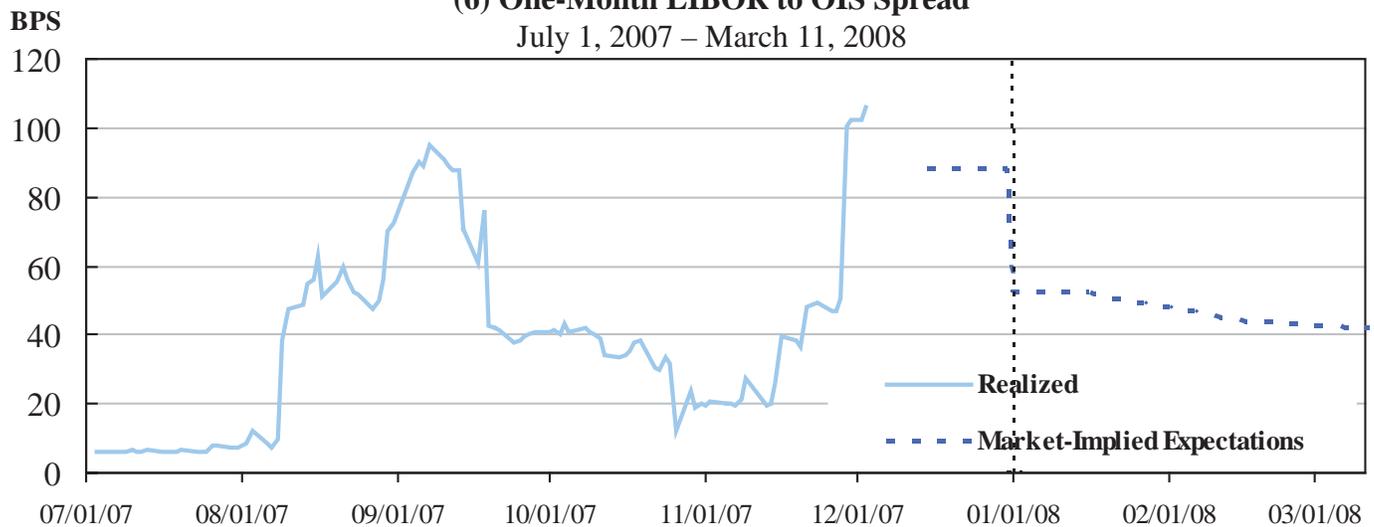
1993 – 2007



Source: Federal Reserve Bank of New York

(6) One-Month LIBOR to OIS Spread

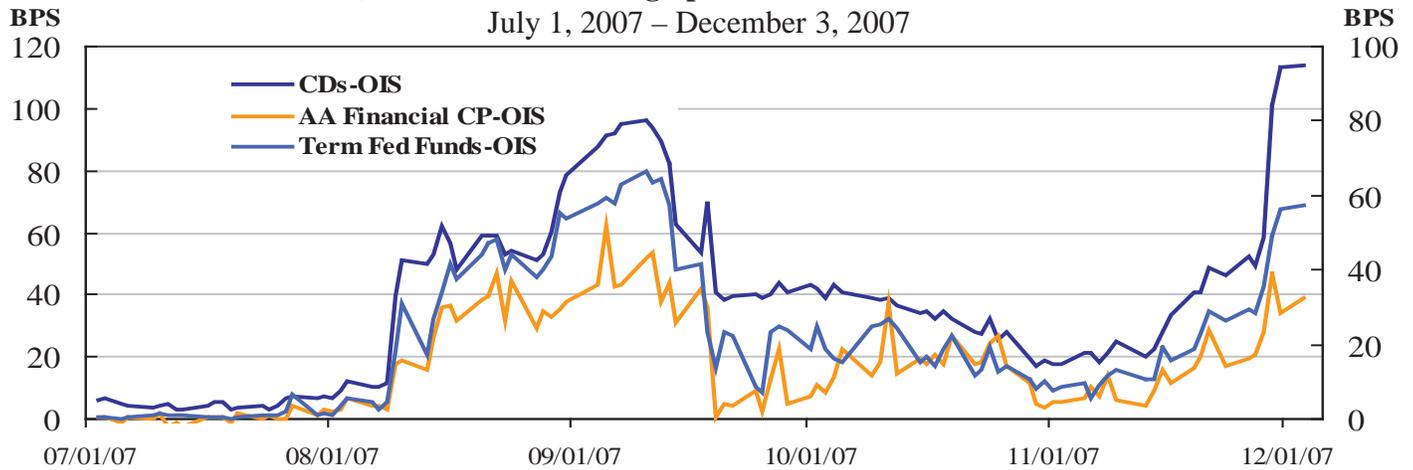
July 1, 2007 – March 11, 2008



Source: Bloomberg

(7) One-Month Funding Spreads to OIS Also Increase

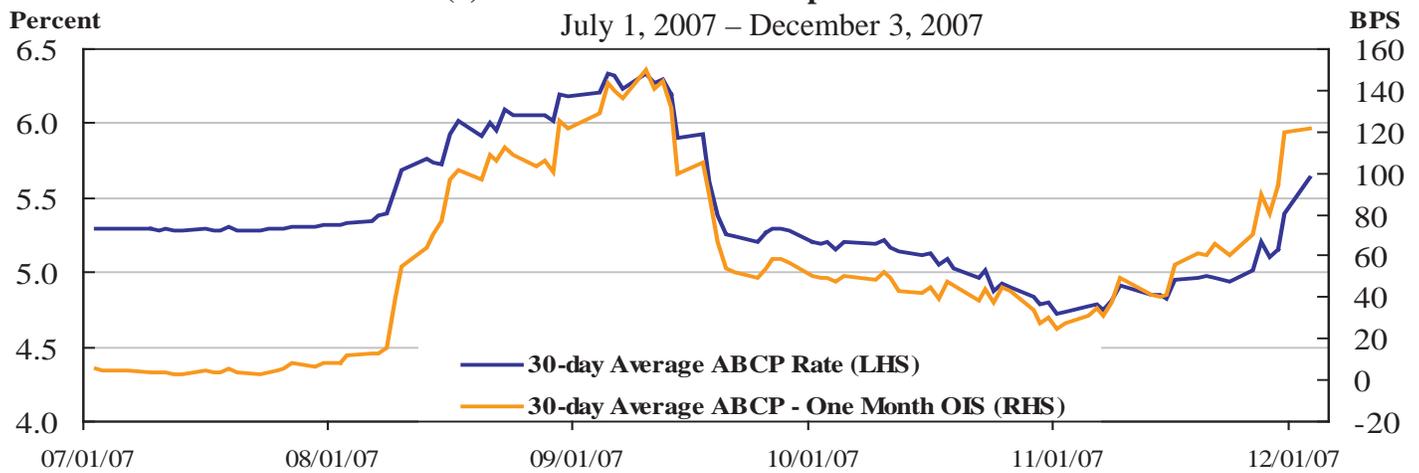
July 1, 2007 – December 3, 2007



Source: Reuters, Federal Reserve Board

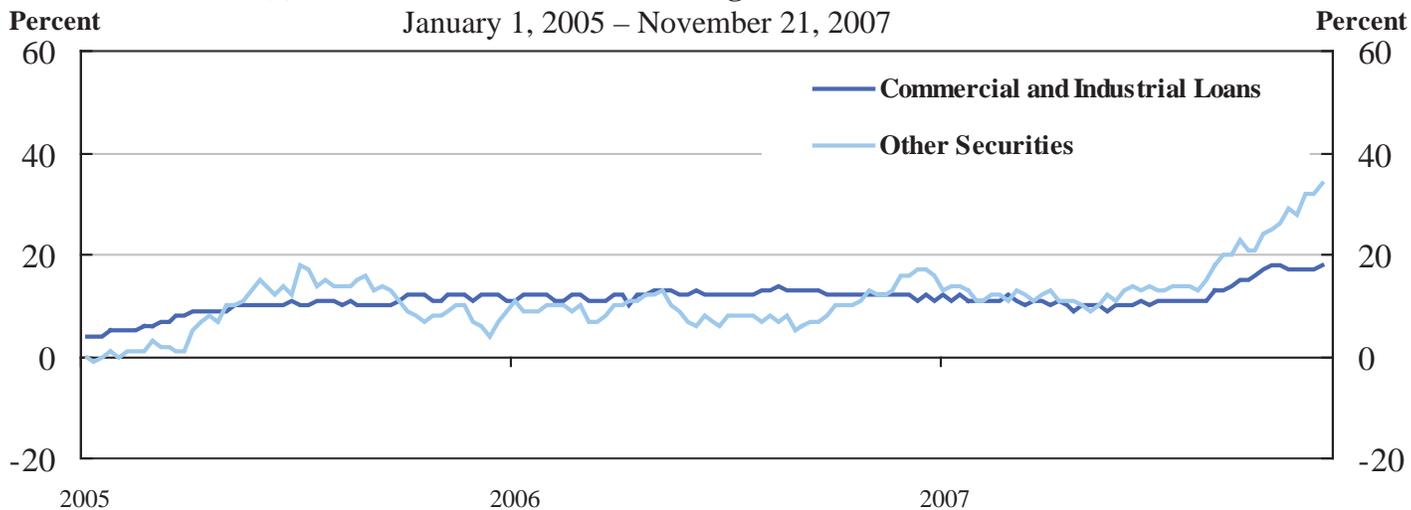
(8) ABCP Rate Rises and Spread to OIS Widens

July 1, 2007 – December 3, 2007



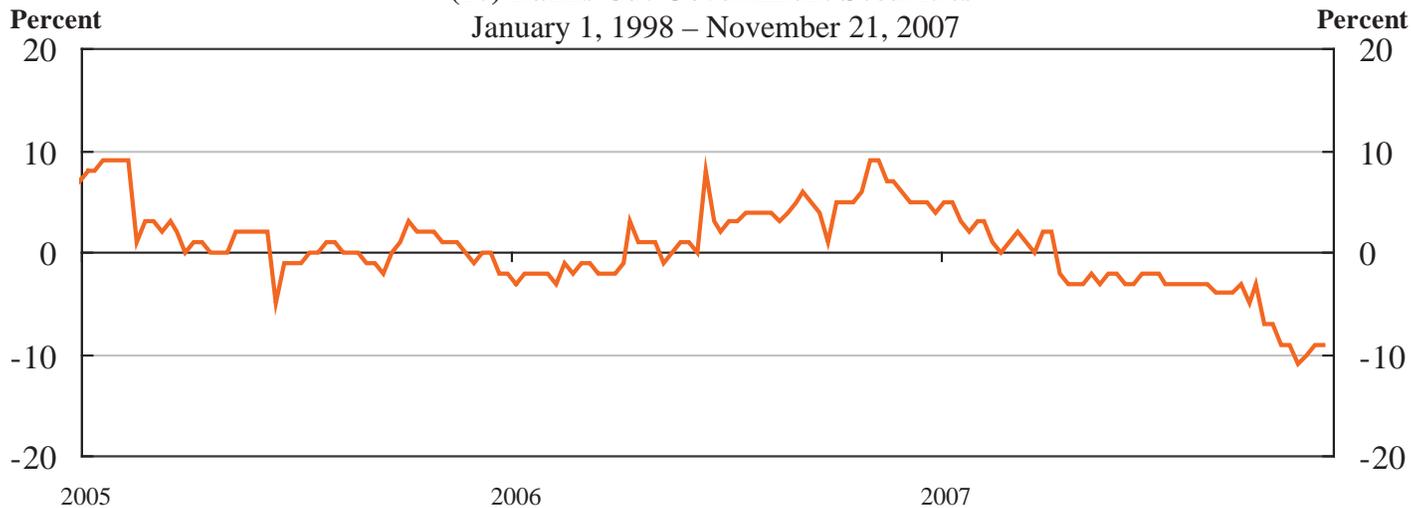
Source: Reuters, Federal Reserve Board

(9) Balance Sheet Pressures at Large Commercial Banks



Source: Federal Reserve Board

(10) Banks Cut Government Securities



Source: Federal Reserve Board