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ENHANCED DISCLOSURE IN PUBLIC REPORTING: ANNUAL SURVEY

Kyle L Brandon

MONTHLY STATISTICAL REVIEW

Kyle L Brandon

RESEARCH DEPARTMENT
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Charles Bartlett, *Vice President and Director, Statistics*
Kyle L Brandon, Vice President and Director, Securities Research
Stephen L. Carlson, Vice President and Director, Surveys
Nancy Cosentino, *Research Assistant*
Isabelle Delalex, *Vice President and Director, Industry Research*
Lenore Dittmar, Exec. Asst.
Claire McKenna, Manager, Surveys
Paul Rainy, Research Assistant

SECURITIES INDUSTRY ASSOCIATION – info@sia.com, http://www.sia.com
120 Broadway, 35th Floor, New York, NY 10271-0080 – 212-608-1500, fax 212-968-0703
1425 K Street, NW, Washington, DC 20005-3500 – 202-216-2000, fax 202-216-2119
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Summary

Disclosure in public reporting continues to be an important topic for regulators and standard setters worldwide. Since this topic emerged in 2000 as a matter of industry interest, SIA has reported on developments in financial firms' risk disclosure in public reporting: this year's survey will also examine critical accounting policy disclosures. Public reporting, and especially risk and accounting disclosures, is constantly evolving – and, one hopes, improving. Because every change in requirements can involve great expense in both human and capital resources, it is incumbent upon standard setters and regulators to carefully consider each new requirement and for preparers and users of public reports to actively engage in those considerations.

Risk Disclosure

The subject of enhanced risk disclosure continues to be a major topic. Risk disclosure is not only a subject for the U.S. regulators and standard setters in regard to U.S. public firms' reporting, but plays a major role in the international arena as part of the third pillar of the new Basel Accord on capital measurement and capital standards (Basel II).[1] While Basel II is yet to be implemented, the principle that capital adequacy measurements should be consistent with management's approach to risk management is firmly enshrined. Public disclosures, too, must be consistent with risk management practices if they are to deliver meaningful information to users of public reports.

SIA has been reporting on financial institutions' risk disclosures in public reporting since 2000.[2] Since 2001, SIA has examined risk disclosures in annual reports of major financial institutions based on the six recommendations for enhanced disclosure contained in the report of the Working Group on Public Disclosure, known as the "Shipley Report" after the name of its chairman, former Citibank chairman Walter V. Shipley (see Box 1).

Box 1: Shipley Report: Summary of Recommendations for Enhanced Disclosures[3]

1. Aggregate high, average and low trading ***Value-at-Risk*** (***VaR***).[4]
2. High, average and low trading VaR by major risk categories, including ***diversification effect***.
3. Quantification of how well market risk models performed (e.g., histogram of daily trading revenues compared to average VaR).
4. Current credit exposures by internal ratings with explanatory information on their ratings.
5. Information about the maturity profiles of transactions giving rise to material current credit exposures.
6. Insight into credit concentrations (e.g., industry sector and country risk).

[1] The three "pillars" of the new Basel Accord are: (1) minimum capital standards; (2) the supervisory review process; and, (3) market discipline. See Basel Committee on Banking Supervision, "International Convergence on Capital Measurement and Capital Standards: A Revised Framework," November 2005 (www.bis.org/publ/bcbs118.pdf) ("Basel II").

[2] Last year's survey may be found in Brandon, K., "Risk Management Update," *SIA Research Reports*, Vol. VI, No. 10, November 1, 2005, p. 15 (www.sia.com/research/pdf/RsrchRprtVol6-10.pdf).

[3] Shipley, Walter V., Working Group on Public Disclosure letter to the Board of Governors, Federal Reserve System, January 11, 2001 (www.federalreserve.gov/boarddocs/press/general/2001/200110111/DisclosureGroupLetter.pdf ("Shipley Report"), p. 3.

[4] Terms in ***bold blue italics*** are defined in the Glossary provided at the end of this article.

Pillar Three of Basel II similarly describes disclosures regarding risk management that are necessary for proper evaluation of institutions. "The risks to which banks are exposed and the techniques that banks use to identify, measure, monitor and control those risks are important factors market participants consider in their assessment of an institution."[5]

This year's SIA survey once again reviews the risk disclosures of 19 U.S. and global financial institutions' annual reports in order to evaluate how well the firms' disclosures adhere to the principles outlined in the Shipley Report.[6] This year's summaries, like last year's, are stripped down to the simplest identification of the Shipley recommendations to be better able to quantify, rather than merely describe, adherence to the principles. Examples of disclosure language are used throughout the piece to illustrate current practices. The six disclosures are broken into two sections: the three that pertain to market risk disclosures in Appendix 1 (recommendations 1 – 3) and those that pertain to credit risk disclosures in Appendix 2 (recommendations 4 – 6).

Market Risk Disclosures

Similar to the Shipley recommendations, Pillar Three envisions quantitative disclosures for trading portfolios of "high, mean and low VaR values over the reporting period and period end."[7] Most of the risk disclosures surveyed included aggregate average, high, and low, as well as year-end trading VaR for two years. Only one firm did not provide average, high and low VaR, while three did not provide year-end VaR. These findings are unchanged from the previous year's survey. A majority of firms disclose one-day 99% confidence level VaR. However, four of the five investment banks displayed daily VaR at a 95% confidence interval, while the fifth displayed VaR at both 95% and 99% confidence intervals. Three institutions used 97.5 % or 98%. As for choice of interval, only one annual report (non-U.S. banking institution) displayed 10-day, as opposed to one-day, VaR, while another used 10-day VaR scaled to a one-day holding period and two others disclosed more than one time interval. Three firms also displayed non-trading VaR in their risk disclosures. There continues to be overall adherence to the first Shipley recommendation in the annual reports surveyed.

Average, high and low VaR were also disclosed by risk categories in nearly all the reports surveyed (16 out of 19 institutions), while 13 out of 19 disclosed year-end VaR by risk categories. Three annual reports contained no VaR disclosures by risk categories. Among the institutions that disclosed VaR by major risk categories, all break it out at least into interest rate, equity and currency/foreign exchange components, and a large majority also included commodity and diversification effect components. Five firms also included a separate credit or debt-specific component, while one each included real estate/mortgage, specific risk and "other" components.

Several reports also included a graphic display of the percentage breakdown average daily VaR. Again, almost all of the surveyed reports included the Shipley recommended disclosure of VaR by major risk categories. One of the members of the original Shipley Working Group does not disclose market risk component VaR, nor does it disclose much other VaR related information. However, the Shipley Report makes clear that "meaningful differences are likely in how firms will implement these recommendations… reflecting legitimate differences in their internal practices. We expect firms will include these disclosures as soon as it is practical for them to do so."[8]

[5] Basel II, p. 189.

[6] Please see Appendix 4 for a list of the annual reports surveyed in 2005, including reference to those of firms that were among the eleven members of the Shipley Working Group.

[7] Basel II, p. 199.

[8] Shipley Report, p. 3.

Firms also included disclosures that quantify the performance of their market risk models. Pillar III also describes quantitative disclosures for trading portfolios: "A comparison of VaR estimates with actual gains/losses experienced by the bank, with analysis of important 'outliers' in backtest results."[9] Most of the firms provided information regarding the performance of their VaR, as recommended in the Shipley Report and Pillar III. A majority of firms disclosed the number of daily trading losses and/or the number of days on which losses exceeded VaR. Most of the remainder provided other types of quantification of model performance such as the distribution of daily trading revenues. While nearly two-thirds of the reports contained a graph of daily VaR, less than a third of the reports surveyed contain graphs of VaR ***back testing*** results. A few others disclosed that daily losses never exceeded a stated amount, the number of days on which losses exceeded a stated amount or the maximum single day's loss.

While there is no doubt that VaR disclosures will remain central to enhanced disclosure, VaR alone is only one measure of market risk – and a limited one, at that. While VaR is a very useful measurement of the day-to-day ordinary market risk, it does not reveal all market risks to which a firm may be exposed.

> VaR provides risk transparency in a normal trading environment (U.S. Commercial Bank).
>
> …VaR risk measures should be interpreted carefully in light of the methodology's limitations, which include the following: past changes in market risk factors may not always yield accurate predictions of the distributions and correlations of future market movements; changes in portfolio value in response to market movements (especially for complex derivative portfolios) may differ from the responses calculated by a VaR model; VaR using a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or hedged within one day; the historical market risk factor data used for VaR estimation may provide only limited insight into losses that could be incurred under market conditions that are unusual relative to the historical period used in estimating VaR; and published VaR results reflect past trading positions while future risk depends on future positions…[management] therefore, uses VaR as only one component in its risk management oversight process (U.S. Investment Bank).

Especially lacking is a reflection of extreme risks, the so-called ***fat tail*** of the distribution of risks. These are risks of extreme events that are rarely realized, so because of their infrequency they do not fall into the 99%, let alone 95%, confidence interval. Nor are data from extreme events always included in the data sets used to calculate VaR. If the last market 'meltdown' occurred long enough ago, it would not be included in the data set used to calculate VaR.

> VaR is not likely to accurately predict exposures in markets that exhibit sudden fundamental changes or shifts in market conditions or established trading relationships (U.S. Investment Bank).

Another drawback of overly concentrating on VaR as the single representation of market risk is that firms calculate VaR according to their own proprietary models, using their own data sets. Therefore, VaR is not truly comparable across firms. Unfortunately, it has become common to see VaR disclosures used to compare risk-taking across firms without reference to the many factors that render such comparisons suspect, at best.

> VaR is the "industry standard" measure of market risk but VaR is a generic term within which there are many variants. Institutions may use different confidence levels or holding periods; they may use shorter or longer time series, which may result in the exclusion of earlier market upheavals (shorter time series) or dilution of the effect of more recent market events (longer time series), or they may weight their time series to give greater prominence to more recent events. In addition, they may model the risks on a different basis, for example by approximating the changes in individual risk factors as normally distributed with given volatilities and correlations ("variance/covariance") or by simulating more complex distributions for the risk factors ("Monte Carlo simulations"). Furthermore, conversions between different confidence intervals typically rely on an assumption of statistical "normality", which is generally not fully valid and…conversions between 10-day and 1-day VaR based on the square root of time formula cannot be relied upon. Comparison of VaR levels between institutions can therefore be misleading and should be treated with caution (Non-U.S. Commercial Bank).

[9] Basel II, p. 199.

Stress testing and/or ***scenario analysis*** are used to complement VaR as a risk management technique to try to capture more severe market moves than are captured in VaR analysis.

> While the value-at-risk approach provides a forecast for possible losses under "normal" market conditions, it cannot predict contingent losses under extreme conditions. For this reason, the VaR approach is complemented by the calculations of stress tests in order to take account of possible extreme market movements. Stress test are intended to simulate the impact of crises, extreme market conditions and major changes in correlations and volatilities. (Non-U.S. Commercial Bank).

All of the reports surveyed at least mention stress testing and/or scenario analysis as risk management techniques used to supplement VaR, although only a few disclose actual results or ranges of results of stress testing.

> Our stress test scenarios include:
>
> — Price and volatility risks for interest rates, equity prices, foreign exchange and commodity prices for industrialized countries. This covers both trading and nontrading securities and investments, as well as trading book derivative portfolios and includes many basis risks.
>
> — Emerging Markets' risks, including equity price declines, increases in interest rates and currency devaluations.
>
> — Credit spread risk for bonds, credit derivatives and traded loans of both industrialized and Emerging Markets countries.
>
> — Underwriting risks in debt and equity capital markets for industrialized countries (Non-U.S. Commercial Bank).

Scenario analysis is not a perfect tool because it is limited by, among other things, the imagination of those who devise the scenarios.

> Scenario analysis estimates the loss that could arise if specific events in the economy or in financial markets were to occur. Seldom do past events repeat themselves in exactly the same way. Therefore, it is necessary to use business experience to choose a set of meaningful scenarios and to assess the scenario results in light of current economic and market conditions (Non-U.S. Commercial Bank).

To give an idea of the range of differences in disclosure of stress test results, word searches for the terms 'stress test' and 'scenario analysis' were performed in the 19 annual reports, with the results shown below. There was little change, overall, from last year's findings. The area of stress test disclosure is still in a very early stage of development. While there appears to be considerable support for its increased use by firms as part of their risk management practice,[10] there is as yet little agreement as to how stress testing disclosure could be used to enhance the usefulness of public risk disclosure, especially in terms of comparability. However, with implementation of Basel II only a few years away, and increasing attention on stress testing by other bodies such as the UK's Financial Service Authority, such disclosures may become more widely used.

Box 2: Word Search Results

	High	Low	Mean	Median
'Stress Test'	27	1	9	5
'Scenario Analysis'	11	0	1	0

[10] For a look at an ongoing stress testing debate, see http://belranto.typepad.com/bel_ranto/stress_testing/index.html.

Credit Risk Disclosures

Credit risk disclosures are not nearly as uniformly in line with the recommendation of the Shipley Report as the market risk disclosures. It is here that differences between investment banks' and commercial banks' disclosures are quite clear. There are also differences to be found between U.S. banks that are internationally active and those that are not.

The disclosure of credit exposure by internal ratings varied widely among the 19 firms. While most of the reports – 15 out of 19 – include some disclosures by internal ratings, they took a variety of forms and covered different types of exposures. Because the institutions themselves are in many cases quite different, the diversity in disclosure practices no doubt reflects their very different credit portfolios. There is no way of knowing, however, in the case of those reports that do not include 'exposures by internal ratings' disclosures whether they are being developed for the future, or have been deemed unnecessary by management. Eight of the 19 financial institutions disclose over the counter (OTC) derivatives exposure by internal ratings in the Management Discussion and Analysis (MD&A) section of their annual reports, while one other has some disclosure of derivatives exposures by internal rating in the notes to their financial statements (Notes). Several of the reports' MD&A contain some disclosure of credit exposure by internal ratings in the areas of lending commitments, corporate credit exposure, wholesale exposure, loans and advances, or other trading products. Only three reports contained no credit risk disclosure by internal ratings.

Disclosure practices are also mixed in the area of maturity profiles of transactions that give rise to material current credit exposures. No doubt this is due in large part to different firms having different material exposures. Many of the reports contain maturity profiles of OTC derivatives: eight reports (compared with six last year) contain charts of such exposure in their MD&As, while another eight include maturity profiling of some derivative exposures in their Notes. Contractual obligations and commitments appear often in the MD&As, 15 and nine times, respectively, compared with 12 and seven times in 2004. Maturity analyses of other types of exposures include guarantees, loans, lending commitments and off-balance sheet arrangements disclosed in both the MD&A and Notes.

Not surprisingly, investment banks provide more detailed OTC derivatives disclosure compared to commercial banks, due to the relatively greater importance of derivatives to their overall credit exposure. Four out of five investment banks provide internal ratings on OTC derivatives and all disclose OTC derivatives' maturity profile. On the other hand, only four out of 14 banks disclosed internal ratings of OTC derivatives, although 10 out of 19 disclosed some credit exposures by internal ratings. As for maturity profiles, only three out of 14 banks disclosed OTC derivatives in their MD&As, while another seven did so in their Notes. All the banks provided some sort of credit risk maturity profile in the MD&A (11) and/or Notes (13).

Credit concentrations are another area with mixed disclosure practices. In this case, it is the U.S. investment banks that have the least amount of disclosure – mainly due to the fact that their most concentrated positions are in U.S. government or agency, or other sovereign exposures. Stripping out the U.S. investment banks, however, yields a more uniform picture with a large majority, 12 out of 14, disclosing credit concentrations by industry sector and geographic location, as well as 10 out of 14 disclosing cross-border exposures in their MD&As. A significant number, six out of 14, also disclosed credit concentrations to emerging markets. Other credit concentrations disclosed in the Notes of the annual reports included loans by industry sector and geographic region and structural currency exposures.

Critical Accounting Policy Disclosure

This year's survey includes a review of critical accounting disclosures, a summary of which is Appendix 3.[11] Of the 19 annual reports included in this survey, 17 included specific disclosure areas in their MD&As titled Critical Accounting Policies, Critical Accounting Estimates, or the like (CAP)[12]. Two of the reports contain no such section. Several areas of disclosure stand out as important to most of the institutions: Valuation of financial instruments; goodwill/other intangible assets; allowances for loan/credit losses; and legal, regulatory and/or tax contingencies.

Valuation of Financial Instruments

Of the 17 firms with CAP disclosures, 16 (94%) include the valuation of financial instruments.[13]

> The Company has identified the valuation of financial instruments as a critical accounting policy due to the complex nature of certain of its products, the degree of judgement required to appropriately value these products and the pervasive impact of such valuation on the financial condition and earnings of the Company (U.S. Investment Bank).

Of those 16 firms, 12 also disclose how they categorize, or bucket, their financial instruments by valuation method or transparency.

> The categories of pricing transparency have been broadly segregated as follows:
>
> *Quoted market prices or observable market parameters*: these financial instruments are valued based upon directly observable market prices or through the use of valuation models and techniques for which the required parameters are directly observable.
>
> *Reduced or no observable market parameters*: these financial instruments are priced using management's best estimate of fair value applying valuation techniques that are based on significant judgement since observable, market-based data is not generally available (Non-U.S. Commercial Bank).

Many reports surveyed also provide a description of the controls over the valuation of financial instruments.

> A control infrastructure, independent of trading and investing functions, is fundamental to ensuring that our financial instruments are appropriately valued and that fair value measurements are reliable, This is particularly important in valuing instruments with lower levels of price transparency (U.S. Investment Bank).

Allowances for Loan/Credit Losses

The second most common area described as a critical accounting policy is allowance for loan or credit losses, included by 13 of the 17 firms. Not surprisingly, commercial banks rather than investment banks have more extensive credit risk sections in their annual reports, although the importance of credit risk management to the investment banks is also growing in importance.

> [The bank's] allowance for credit losses covers the wholesale and consumer loan portfolios as well as the Firm's portfolio of wholesale lending-related commitments. The Allowance for loan losses in intended to adjust the value of the Firm's loan assets for probable credit losses as of the balance sheet date (U.S. Commercial Bank).

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[11] For previous SIA review of accounting disclosures see Brandon, K., "Critical Accounting Disclosures in Public Reporting," *SIA Research Report*, Vol. V, No. 5, May 17, 2004, p. 12 (www.sia.com/research/pdf/RsrchRprtVol5-5.pdf).

[12] This survey only reports on disclosures made in a separate Critical Accounting Policy or Critical Accounting Estimate section within the MD&A. All of the annual reports contained similar and additional accounting disclosures in other areas of the MD&A and the Notes.

[13] Accounting disclosures will likely be influenced by the implementation of disclosure requirements in the new accounting standard, Fair Value Measurements, which is expected to be released in final form by June 30, 2006 (www.fasb.org/project/fv_measurement.shtml#decisions).

Legal, Regulatory and/or Tax Contingencies

Most annual reports contained some critical accounting policy related to contingent liabilities, whether they be legal, regulatory or tax related.

> The use of estimates is important in determining provisions for potential losses that may arise from litigation and regulatory proceedings and tax audits. We estimate and provide for potential losses that may arise out of litigation and regulatory proceedings and tax audits to the extent that such losses are probable and can be estimated…Significant judgment is required in making these estimates and our final liabilities may ultimately be materially different (Non-U.S. Commercial Bank).

Goodwill/Other Intangible Assets

The last category included as a critical accounting policy by greater than half of those annual reports that contain such a section is goodwill and/or other intangible assets.

> Determining the fair values and useful lives of certain assets acquired and liabilities assumed associated with business acquisitions – intangible assets in particular – requires significant judgment. In addition, we are required to assess for impairment goodwill and other intangible assets with indefinite lives at least annually using fair value measurement techniques. Periodically estimating the fair value of a reporting unit and intangible assets with indefinite lives involves significant judgment and often involves the use of significant estimates and assumptions. These estimates and assumptions could have a significant effect on whether or not an impairment charge is recognized and the magnitude of such a charge (U.S. Investment Bank).

Other areas discussed by several or more firms were accounting for pensions and/or post-retirement benefits and securitizations/special purpose vehicles. Other firms included discussions particular to their specific business lines or situation, such as real estate reconfiguration, aircraft leasing, principal investing/merchant banking, insurance, and equity compensation.

Upcoming Topics in Enhanced Disclosure

Enhanced disclosure will be front and center with the implementation of Basel II, which will rely on market discipline (Pillar 3) in concert with risk-based capital requirements (Pillar 1) and risk-based supervision (Pillar 2), in regulating capital adequacy. Pillar 3 deals with the disclosure of risks and capital adequacy as a means to enhance market discipline. According to its guiding principles, the Basel Committee "aims to encourage market discipline by developing a set to of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes, and hence the capital adequacy of the institution."[14] The Committee believes this approach of making disclosures based on a common framework will provide a consistent, understandable and comparable means of informing the market about a bank's risk exposures. The market discipline component of capital regulation "signals that sound accounting and disclosure will continue to be important parts of the global bank supervisory approach for many years to come,"[15] and is, therefore, of central importance to financial institutions.

Kyle L Brandon
Vice President and Director, Securities Research

[14] Basel II, p. 184.

[15] Remarks by Federal Reserve System Vice Chairman Roger W. Ferguson, Jr., to the Financial Stability Forum, International Accounting Standards Board, and International Federation of Accountants Roundtable on Financial Reporting and Auditing, Paris, France (via videoconference), February 16, 2006.

Appendix 1
Summary of "Shipley Report" Disclosures 1 – 3: 2005 Annual Reports

Legend:
IB = Investment Bank
U.S. BHC = U.S. Bank Holding Company
Non-U.S. BHC = Non-U.S. Bank Holding Company

Firm	1. Trading VaR Disclosures		2. VaR Disclosures by Major Risk Categories		3. Quantification of Market Risk Model Performance	
1 IB	Aggregate FY-end VaR: For How many years? Aggregate High/Low/Ave: For How many years? Interval (Day/Week): Confidence Level (%):	Y 2 Y 2 D 95	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	Y Y Y Y Y N Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Average daily trading profit.	Y Y Y N
2* IB	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave[16]: For How Many Years? Interval (Day/Week): Confidence Level (%):	Y 2 Y 1 D 95	Component FY-end VaR: Component High/Low/Ave[16]: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	Y Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR:	Y Y Y Y
3* IB	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: Trading and non-trading VaR; aggregate and component average one-day 99% and 95% trading VaR four-year/one-year historical time series; and 10-day holding period 99% and 95% average trading VaR.	Y 2 Y 2 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	Y Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR[17]:	N Y Y Y
4 IB	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: Above based on net revenue volatility. Also FY-end and average historical simulation VaR provided.	Y 2 Y 2 D 95	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	Y Y Y Y Y N Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Daily trading losses did not exceed a specified amount.	N N Y N
5* IB	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave[18]: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: One-week 95% FY-end trading VaR (2 years).	Y 2 Y 1 D 95	Component FY-end VaR: Component High/Low/Ave[18]: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	Y Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR:	Y N Y N

[16] Average daily aggregate and market component VaR are provided for three years.

[17] Distribution.

[18] Average daily aggregate and market component VaR are provided for two years.

* Member of original Shipley Group

Firm	1. Trading VaR Disclosures		2. VaR Disclosures by Major Risk Categories		3. Quantification of Market Risk Model Performance	
6* US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: Separate investment bank trading and credit portfolio VaR.	Y 2 Y 2 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect: Other: Credit portfolio VaR with diversification effect.	Y Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Number of days posting market-risk related gains and gains exceeding a certain level; loss level not exceeded; average daily trading revenue; distribution of daily VaR less market risk-related losses; and range of economic value stress-testing results.	Y Y Y N
7* US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: H/L/A market-based trading VaR, which excludes CDS used for credit risk management.	N - Y 2 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect: Other: Credit and real estate/mortgage components.	N Y Y Y Y Y Y	Number of daily trading losses[19]: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Percent of trading days with losses exceeding a specified amount and the largest daily loss.	Y Y Y Y
8 US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: Doesn't specify 97.5% or 99% confidence level.	Y 2 Y 2 D ?	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	N Y Y Y Y Y N	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: One-day VaR limit.	N Y Y Y
9* US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave[20]: For How Many Years? Interval (Day/Week): Confidence Level (%):	Y 2 Y 2 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect[21]: Other: Specific risk and general market factors.	Y Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Number of trading-related daily losses greater than a specified amount.	Y N Y N
10* US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%):	N - Y 1 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	N N N N N N N	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR:	N N N N

[19] Percent of trading days with positive trading-related revenue.

[20] Aggregate high and low VaR are not provided.

[21] For FY-end and average only.

* Member of original Shipley Group

Firm	1. Trading VaR Disclosures		2. VaR Disclosures by Major Risk Categories		3. Quantification of Market Risk Model Performance	
11 Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%):	N - N - D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	N N N N N N N	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR:	N N N Y
12 Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%):	Y 2 Y 2 D 98	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect: Other: Credit spread.	N Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR[22]: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Average trading revenue and number of positive revenue days.	Y Y Y Y
13 Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%):	Y 2 Y 2 D 97.5	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect: Other: High/Low/Ave/FY-end by business unit.	N N N N N N N	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR[23]: Other: Percentage distribution of market risk by business unit.	N N N Y
14* Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: Above for global markets trading and non-trading. Also trading VaR, with sub groups and total VaR for firm.	Y 2 Y 2 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency[24]: Commodity[24]: Diversification Effect: Other: Above for trading VaR, with sub groups (positions taken with and without intention to trade) and total VaR for firm.[25]	Y Y Y Y Y Y N	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Average daily revenue from global markets and other trading activities and standard deviation of revenues.	Y N Y N
15* Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%):	Y 2 Y 2 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect:	Y Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Graph of trading units' income; days with positive income (%); largest single day trading loss; regulatory back-testing; average trading units' income and its distribution and VaR estimate; description of market risk assessment of non-trading portfolios.	N Y Y Y

[22] Back testing is performed using 99% 1-day VaR.

[23] Graph of weekly averages of 1-day 97.5% VaR for group and by business unit.

[24] Currency and commodity are provided as one combined component.

[25] Total VaR for firm is broken into currency and interest rate components only.

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Firm	1. Trading VaR Disclosures		2. VaR Disclosures by Major Risk Categories		3. Quantification of Market Risk Model Performance	
16 Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: 10-day VaR scaled to 1-day holding period.	Y 2 Y 2 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect: Other: Results of sensitivity analysis of non-trading market risk by major risk categories.	Y Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Graph of daily back-testing profit and loss.	N Y Y Y
17 Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%):	Y 3 Y 3 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect: Other: Debt specific component. Graph of global VaR by major risk categories.	Y Y Y Y Y Y N	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: Graph of daily net trading revenue (included in graph of daily trading VaR).	N Y Y Y
18* Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%): Other: Above for investment bank. Also group 10-day 99% trading VaR by business group; 1-day 99% VaR for investment bank and group; and 10-day 99% non-trading currency risk VaR (High/ Low/Ave/FY-end).	Y 2 Y 2 10 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect: Other: "Other" component, which included energy and precious metals risk. Pie chart of average 10-day 99% confidence VaR by components (%).	Y Y Y Y Y N Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR[26]: Other: Distribution and graph of investment bank daily back-testing revenue.	N Y Y Y
19[27] Non-US BHC	Aggregate FY-end VaR: For How Many Years? Aggregate High/Low/Ave: For How Many Years? Interval (Day/Week): Confidence Level (%):	Y 2 Y 2 D 99	Component FY-end VaR: Component High/Low/Ave: Interest Rate: Equity: Currency: Commodity: Diversification Effect: Other: Credit risk component and breakdown of average trading VaR by risk components (%).	Y Y Y Y Y Y Y	Number of daily trading losses: Daily trading losses in excess of VaR: Distribution of daily trading revenues: Graph of daily trading VaR: Other: VaR trading limit, graph of daily back-testing profit and loss and description of results of historical and hypothetical stress tests for various risk factors.	Y Y N Y

[26] One-day 99% VaR (only positions subject to market risk regulatory capital) and 10-day 99% VaR.

[27] Information contained in the Registration Document, not in the Annual Report.

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Appendix 2
Summary of "Shipley Report" Disclosures 4 – 6: 2005 Annual Reports

Firm	4. Credit Exposures by Internal Rating		5. Maturity Profile of Transactions		6. Credit Concentrations, e.g. Industry, Sector, Country Risk	
1 IB	OTC derivatives:	Y	OTC Derivatives: Contractual obligations: Commitments: In Notes: Commitments and guarantees.	Y Y Y	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Description of concentration risk.	N N N N
2* IB	OTC derivatives:	Y	OTC derivatives: Contractual obligations: Commitments: In Notes: Guarantees and OTC derivatives.	Y Y Y	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Exposure to U.S. gov't, federal agency obligations, and other sovereigns and whether credit exposure to any other counterparty exceeded a certain percent of assets.	N N N N
3* IB	OTC derivatives: Other: Lending commitments and funded loans.	Y	OTC derivatives: Contractual obligations: Commitments: Other: Lending commitments and funded loans, and contingent liabilities. In Notes: Commitments and guarantees.	Y Y Y	Exposure to emerging markets[28]: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Exposure to and concentration of collateral held in U.S. gov't, federal agency obligations, and other sovereigns.	Y N N N
4 IB	OTC derivatives: Other: Net credit exposure for OTC contracts, in percentage.	N	OTC derivatives: Contractual obligations: Commitments: Other: Lending commitments and guarantees. Net credit exposure for OTC contracts. In Notes: Lending-related commitments, other commitments and guarantees.	Y Y Y	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Exposure to and concentration of collateral held in U.S. gov't, federal agencies, and other sovereigns. Identification of the most significant industry exposure.	N N N N
5* IB	OTC derivatives: Other: Lending by credit quality. Trading and non-trading exposures and commitments to non-investment grade or highly leveraged corporate issuers or counterparties.	Y	OTC derivatives: Contractual obligations: Commitments: Other: Significant off-balance sheet arrangements. In Notes: Commitments and guarantees.	Y Y Y	Exposure to emerging markets: Exposure by industry[29]: Exposure by geographic location: Cross-border exposure: Other: Borrowings by currency. In Notes: Exposure to U.S. gov't, federal agency obligations, and other sovereigns. Unsecured exposure and credit rating of largest counterparty.	N Y Y N

[28] Percent of total credit exposure.

[29] Percent concentrations.

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Firm	4. Credit Exposures by Internal Rating		5. Maturity Profile of Transactions		6. Credit Concentrations, e.g. Industry, Sector, Country Risk	
6* US BHC	OTC derivatives: Other: Wholesale exposure.	Y	OTC derivatives: Contractual obligations: Commitments: Other: Wholesale exposure; exposure profile of derivatives measures; off-balance sheet lending-related financial instruments and guarantees; contractual cash obligations; and non-exchange traded commodity contracts.	Y N N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure[30]:	N Y Y Y
7* US BHC	OTC derivatives: Other: Net credit default protection.	N	OTC derivatives: Contractual obligations: Commitments: Other: Net credit default protection and non-exchange traded commodity contracts. In Notes: Commitments.	N Y Y	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure:	Y Y Y Y
8 US BHC	OTC derivatives: Other: No internal ratings provided.	N	OTC derivatives: Contractual obligations: Commitments: In Notes: Risk management derivative financial instruments and other commitments.	N N N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure:	N Y N N
9* US BHC	OTC derivatives[31]: Other: Risk rating distribution of the corporate credit portfolio and hedged credit exposure.	Y	OTC derivatives: Contractual obligations: Commitments: Other: Corporate credit portfolio. In Notes: Commitments and guarantees.	N Y Y	Exposure to emerging markets: Exposure by industry[31]: Exposure by geographic location[31]: Cross-border exposure: Other: Consumer loans by geography. In Notes: Two largest credit concentrations by country.	Y Y Y Y
10* US BHC	OTC derivatives: Other: No internal ratings provided.	N	OTC derivatives: Contractual obligations: Commitments: In Notes: Lease commitments.	N Y N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure:	N N N N
11 Non-US BHC	OTC derivatives: Other: No internal ratings provided.	N	OTC derivatives: Contractual obligations: Commitments: Other: Interest rate risk. In Notes: Derivative financial instruments and commitments.	N Y N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Credit concentration by geographic area; industries exceeding a certain percent of total credit commitments; and counterparty types exceeding a certain percent of total derivative financial instruments credit exposure.	N Y Y Y

[30] In 10-K.

[31] Percent distribution.

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Firm	4. Credit Exposures by Internal Rating		5. Maturity Profile of Transactions		6. Credit Concentrations, e.g. Industry, Sector, Country Risk	
12 Non-US BHC	OTC derivatives: Other: Loans and advances, balances and limits to wholesale customers; and commodity derivatives.	N	OTC derivatives: Contractual obligations: Commitments: Other: Loans and advances to customers and banks, and commodity derivatives. In Notes: Obligations, commitments and derivative financial instruments.	N Y Y	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: Other: Loans and advances to borrowers in non-local currencies In Notes: Description of credit concentration.	Y Y Y Y
13 Non-US BHC	OTC derivatives: Other: Chart of internal ratings; country risk by rating group; 20 largest sub-standard loans and 20 largest problem loans; utilization of credit rating structure (commercial banking); counterparty risk (investment banking); and protection bought (trading book).	N	OTC derivatives: Contractual obligations: Commitments: In Notes: Derivative transactions.	N N N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure:	N N Y Y
14* Non-US BHC	OTC derivatives: Other: Loans and advances neither past due nor impaired.	N	OTC derivatives: Contractual obligations: Commitments: In Notes: Commitments.	N Y N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Net structural currency exposures.	N Y Y Y
15* Non-US BHC	OTC derivatives: Other: Corporate credit exposures (loans, contingent liabilities and tradable assets).	Y	OTC derivatives: Contractual obligations[32]: Commitments: Other: Exchange-traded derivative instruments. In Notes[31]: Lease commitments and loan maturities.	Y Y N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: Other: Main credit exposure categories by industry and region. In Notes: Identification of largest credit concentrations by region and industry. Cross-border outstandings[32].	Y Y Y N
16[32] Non-US BHC	OTC derivatives: Other: Gross exposure, risk mitigation and loss given default for group and investment bank.	Y	OTC derivatives: Contractual obligations: Commitments: Other: Loan portfolio. In Notes: Guarantees and commitments.	Y Y N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Loan portfolio by borrower group, foreign and domestic.	N Y Y Y
17 Non-US BHC	OTC derivatives: In Notes: Derivative financial instruments.	N	OTC derivatives: Contractual obligations: Commitments: In Notes: Derivative instruments and lease commitments.	N Y Y	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Concentrations of credit risk by geographic region.	N Y Y N

[32] In 20-F.

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Firm	4. Credit Exposures by Internal Rating		5. Maturity Profile of Transactions		6. Credit Concentrations, e.g. Industry, Sector, Country Risk	
18* Non-US BHC	OTC derivatives: Other: Internal ratings scale. Distribution graph (%) of business banking domestic gross loans; investment bank banking products; and investment bank traded products exposures. Distribution (amount) of wealth management and business banking banking products and investment bank banking exposures.	N	OTC derivatives: Contractual obligations: Commitments: In Notes: Derivative instruments.	N Y N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: In Notes: Due from banks and loans, by industry, foreign and domestic. Cross-border outstandings.	Y Y Y Y
19[33] Non-US BHC	OTC derivatives: Other: Breakdown of risk for corporate clients and for group banking customers.	N	OTC derivatives: Contractual obligations: Commitments: In Notes: Commitments on financial derivatives.	N N N	Exposure to emerging markets: Exposure by industry: Exposure by geographic location: Cross-border exposure: Other: Breakdown (%) of commercial loans by industry and non-bank customers by geographical region.[34]	Y Y Y Y

[33] Information contained in the Registration Document, not in the Annual Report.

[34] In Annual Report.

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Appendix 3
Summary of Critical Accounting Disclosures: 2005 Annual Reports

Firm	CAP Categories	
1 IB	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Merchant Banking.	Y Y N Y N N N
2 IB	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles:	Y Y Y N N N N
3 IB	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Aircraft Under Operating Leases.	Y Y N Y Y N N
4 IB	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Real Estate Reconfiguration Charges.	Y Y Y Y N N Y
5 IB	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles:	Y Y N Y N N Y
6 US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles:	Y Y Y N Y N N
7 US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Principal Investing.	Y Y Y Y Y N N

Firm	CAP Categories	
8 US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Consolidation.	Y Y Y Y Y N N
9 US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles:	Y N N Y Y N Y
10 US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Mortgage Servicing Rights.	N N N N Y Y N
11 Non- US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Investment Securities; Contingent Liabilities; and Derivatives.	Y N Y Y Y Y Y
12 Non- US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles:	Y N Y N Y Y N
13 Non- US BHC	No Critical Accounting Policy section.	
14 Non- US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles:	Y Y Y N Y N N
15 Non- US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Impairment of Assets other than Loans and Deferred Tax Assets Valuation Allowance.	Y Y N Y Y N N

Firm	CAP Categories	
16 Non-US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Provisions from the Insurance Business.	Y Y Y Y Y Y N
17 Non-US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles:	Y Y N Y Y Y Y
18 Non-US BHC	Valuation of Financial Instruments: Bucketing of Financial Instruments: Goodwill/Other Intangible Assets: Legal, Regulatory and/or Tax Contingencies: Allowances for Loan/Credit Losses: Pensions/Post-Retirement Benefits: Securitizations/Variable Interest Entities/Special Purpose Vehicles: Other: Deferred Day 1 Profit and Loss and Equity Compensation.	Y N N N Y N Y
19 Non-US BHC	No Critical Accounting Policy section.	

Appendix 4
List of Reports Surveyed, in Alphabetical Order

Institution	Report	Institution Type
Bank of America	*Annual Report*	*U.S. Bank Holding Company*
Bear Stearns	Annual Report	U.S. Investment Bank
Barclays	Annual Report	Non-U.S. Bank Holding Company
Citigroup	*Annual Report*	*U.S. Bank Holding Company*
Commerzbank	Annual Report	Non-U.S. Bank Holding Company
Credit Suisse Group	Annual Report and 20-F	Non-U.S. Bank Holding Company
Deutsche Bank	*Annual Report and 20-F*	*Non-U.S. Bank Holding Company*
Goldman Sachs	*Annual Report*	*U.S. Investment Bank*
HSBC	*Annual Report*	*Non-U.S. Bank Holding Company*
JPMorganChase	*Annual Report*	*U.S. Bank Holding Company*
Lehman Brothers	Annual Report	U.S. Investment Bank
Merrill Lynch	*Annual Report*	*U.S. Investment Bank*
Morgan Stanley	*10-K*	*U.S. Investment Bank*
RBC	Annual Report	Non-U.S. Bank Holding Company
Societe Generale	Annual Report and Registration Statement	Non-U.S. Bank Holding Company
TD Bank Financial Group	Annual Report	Non-U.S. Bank Holding Company
UBS	*Annual Report*	*Non-U.S. Bank Holding Company*
Wachovia*	10-K	U.S. Bank Holding Company
Wells Fargo	*Annual Report*	*U.S. Bank Holding Company*

Original Shipley Group members in italics.

* In 2004 Wachovia replaced BankOne, an original Shipley Group member, which was merged with JPMorganChase (another Shipley Group member).

Glossary[35]

Back testing is a statistical process for validating the accuracy of a VaR model. It essentially compares actual losses to the losses predicted by the VaR model, and tells you how many times the VaR model under-predicted actual losses versus the number of times such an under-prediction is expected. For example, for a VaR model that predicts a given loss level using a one-day holding period and 99% confidence interval, one would expect to see two or three under-predictions per year. Back testing is often required by regulators to validate the accuracy of a model before it is approved for use in regulatory calculations.

Confidence level (or Confidence Interval) is a measure of the probability that there will be price movements within a given range, and can be expressed in a number of ways. Perhaps most common is the reference to a percentage: calculating a VaR number of $1 million at a 97.5% confidence interval means that there is only a 2.5% chance that losses on the portfolio in question will exceed $1 million. The confidence interval can also be expressed in terms of how often the maximum loss is expected to exceed: $1 million VaR at a 97.5% confidence interval also means (using a one-day holding period) that a loss greater than $1 million will occur, on average, approximately once every 40 trading days. Increasing the confidence level used makes the likelihood of actual losses exceeding the predicted maximum loss (VaR) a more remote outcome.

Credit risk comprises risk of loss resulting from counterparty default on loans, swaps, options, and during settlement.

Diversification effect equals the difference between aggregate VaR and the sum of the VaRs for each of the risk categories (for example: interest rate, equity, currency and commodity categories). Adding the risk category VaRs to arrive at a total VaR implies losses in all risk categories occur simultaneously (*i.e*. perfect correlation).

Fat tails refer to a distribution having more frequent extreme price movements than would be predicted in a normal distribution.

Holding period is an important quantitative parameter of a VaR model, and its choice requires careful deliberation. The holding period chosen will need to reflect the uses of the VaR model in question and the liquidity profile of the institution's trading activity. A ten-day holding period means that the model operates on the assumption that it would take a minimum of ten days before the institution can trade out of or hedge a position, during which time losses could accumulate. Also, different holding periods can reflect the uses of the model: a trader may be interested in normal trading market conditions and therefore a one-day holding period, while a risk manager who is more concerned by the prospect of illiquid markets may use a longer holding period.

Market risk is the risk that prices or rates will adversely change due to economic forces. Such risks include adverse effects of movements in equity and interest markets, currency exchange rates, and commodity prices. Market risk can also include the risks associated with the cost of borrowing securities, dividend risk and correlation risk.

Monte Carlo is a technique that employs a large number of simulations. Each simulation uses random quantities for uncertain variables, and the distribution of results is used to infer the most likely outcome. Monte Carlo simulations are typically used when the availability of historical data is limited.

Operational risk encompasses the risk of loss due to the breakdown of controls within the firm including, but not limited to, unidentified limit excesses, unauthorized trading, fraud or system failure in trading or back office functions, inexperienced personnel, and unstable and easily accessed computer systems.

Scenario analysis is a risk exposure tool, by which potential loss as a result of a given event is measured. For example: what would happen to the value of the portfolio for a given economic event such as the 1987 stock market crash? Scenario analysis typically goes beyond the impact of discrete changes in market parameters on a portfolio of investments. It attempts to examine how the event would impact revenue streams and help the institution evaluate its more strategic vulnerabilities.

Stress testing is a risk exposure tool, by which potential losses as a result of changes in major market parameters are measured. For example: what would happen to the value of the portfolio for a given change in interest rates, foreign exchange rates or equity prices? Stress testing may involve relatively few changes or it may take a matrix approach in which multiple parameters are changed to see how they impact the portfolio. Choosing what to stress (i.e., the variables), the range of stress and the usefulness of the stress information (versus simply producing data overload) is only the beginning of the difficult decisions required for meaningful stress test results.

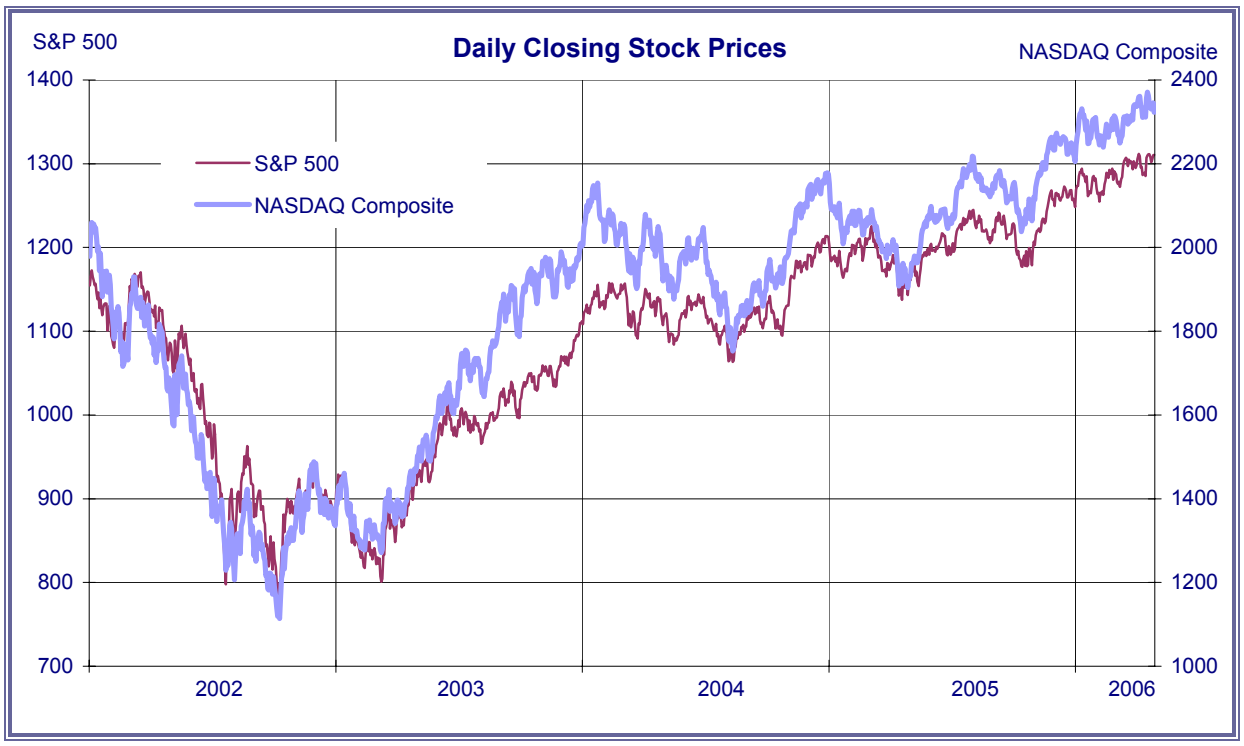
Value-at-Risk (***VaR***) is the maximum loss over a target horizon such that there is a low, pre-specified probability (***Confidence Level***) that the actual loss will be larger than the maximum estimated. In order to calculate VaR, historical returns (of a pre-specified holding period) are compiled and plotted into a distribution. Simply put, from this distribution, if it is normal, one can calculate the probability of returns being greater or less than a certain amount. Since distributions of returns are unlikely to be either normal or linear, more sophisticated computation methods (***Monte Carlo*** simulations being very common) are used to account for risk and correlation.

[35] Definitions were sourced from a variety of resources, such as financial firms' annual reports, *The Practice of Risk Management* (Euromoney Publications, 1998), www.gloriamundi.org, and www.gsm.uci.edu/~jorion/index.htm.

U.S. Equity Market Activity

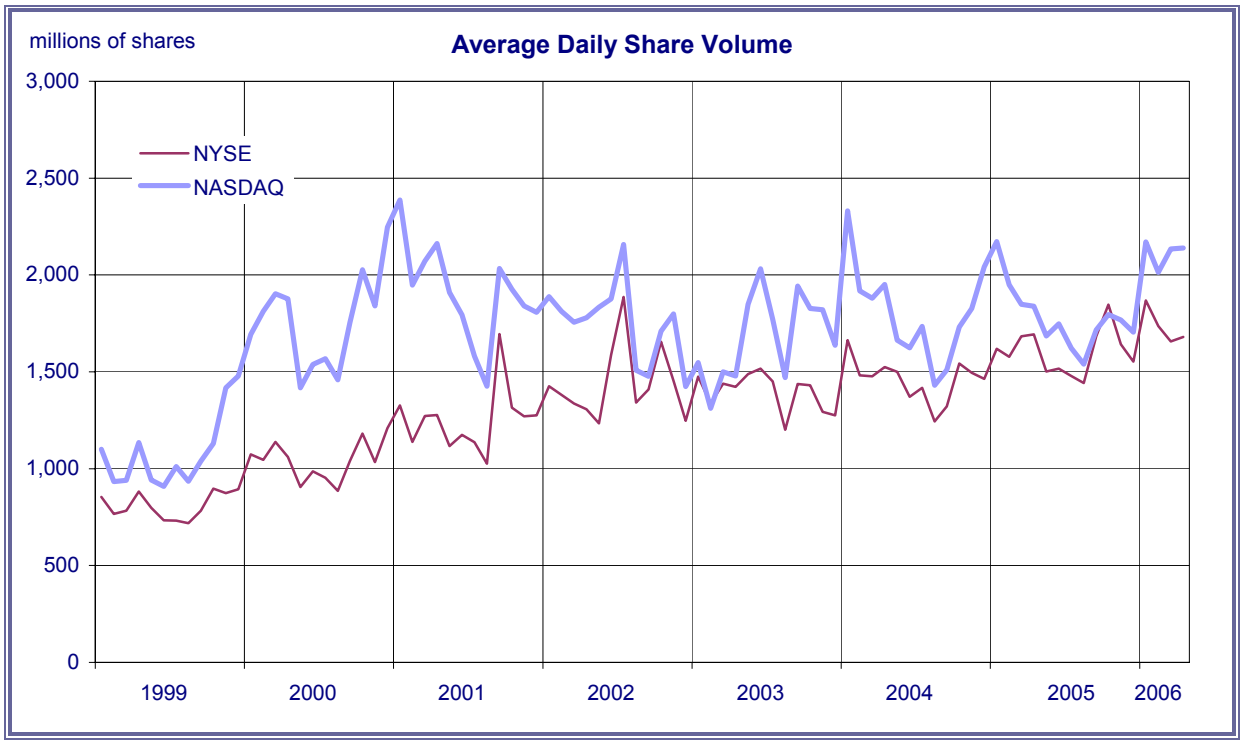
Stock Prices – The U.S. stock markets generally continued their strong showing in April following a solid first quarter performance. The Dow Jones Industrial Average and S&P 500 rose 2.3% and 1.2%, respectively, in April, while the NASDAQ slipped 0.7%. The DJIA closed the month at 11367.14, its highest month-end close since August 2000 and within 356 points of its January 14, 2000 all time high. The DJIA has risen 11.5% year-to-date, while the S&P 500 is up 13.3% and the NASDAQ is 20.9% higher.

While the stock markets reached recent highs, and in the case of the Dow closed in on an all-time record high, concern over the future direction of U.S. inflation, interest rates and corporate earnings prompted increased interest by short sellers. On May 15, the New York Stock Exchange short interest was 3.1% higher than in mid-April. Short sellers' expectations of stock price declines were met as stock prices fell roughly 2%[1] in the third week of May, largely erasing April's gains. Further downward pressure was exerted on stock prices by net outflows from equity mutual funds and exchange traded funds and general selling pressure sparked by the release of April consumer price index numbers, which exceeded market expectations.

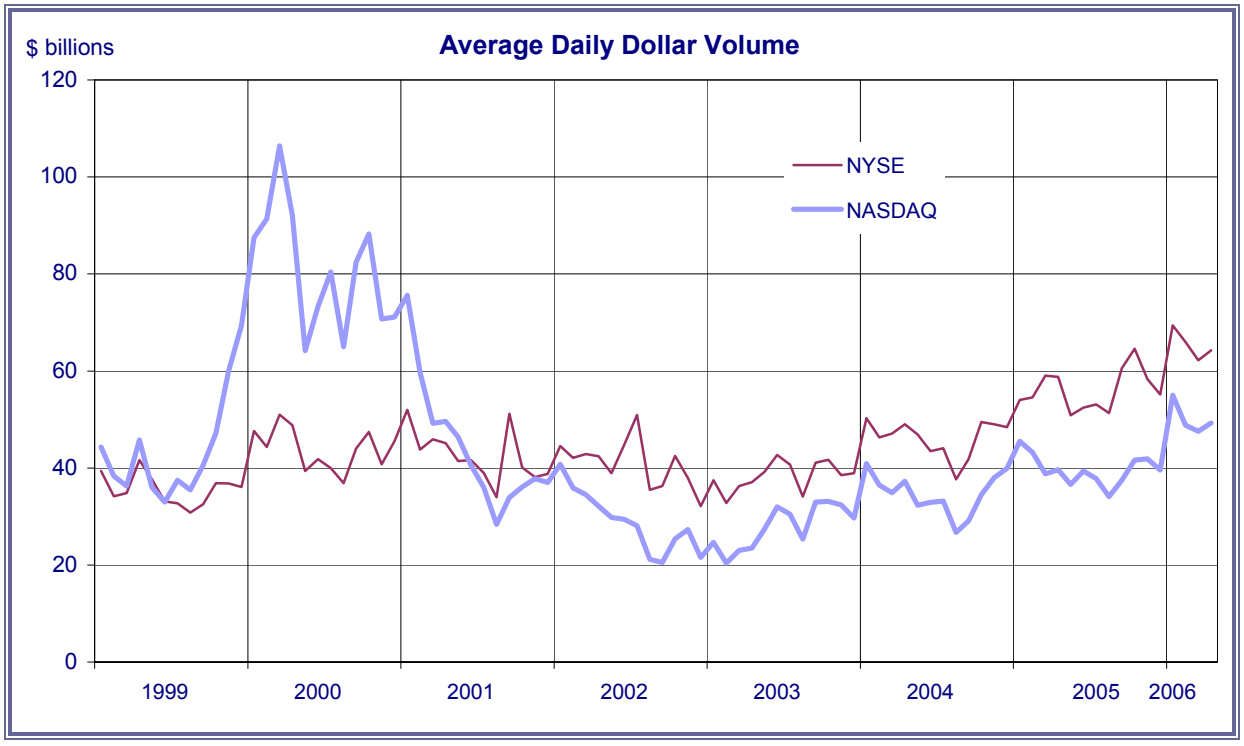


Share Volume – Average daily volume on the NYSE reversed its two-month slide, climbing 1.5% in April to 1.68 billion shares. Year-to-date, average daily volume reached 1.73 billion shares, 5.3% above the volume level attained in the same year-earlier period. NASDAQ share volume was up slightly during April, rising 0.2% to reach an average of 2.14 billion shares. Compared with the same year-earlier period, share volume was up 8.6%.

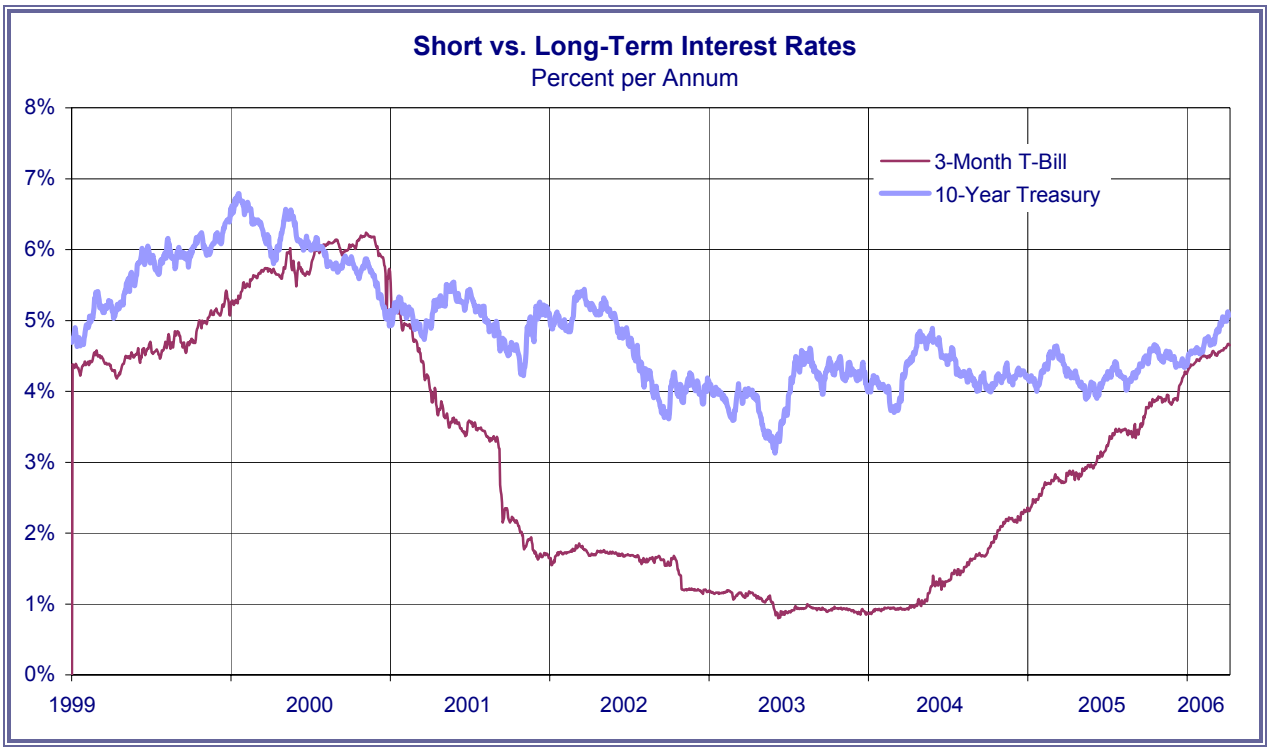
[1] For the week ending May 19, the S&P 500 fell 1.9%, the DJIA dropped 2.1% and the NASDAQ was off 2.2%. Broader indexes such as the Russell 2000 and the DJ Wilshire 5000 fell 2.7% and 2.0%, respectively.



Dollar Volume – Dollar volume followed the same pattern as share volume, with NYSE and NASDAQ average daily dollar volume rising in April. This upturn came after a very strong January, which was followed by weaker February and March volume. April daily volume averaged $64.3 billion on the NYSE and $49.3 billion on the NASDAQ, up 3.3% and 3.6% on the month, respectively. Year-to-date, NYSE average daily dollar volume reached $65.4 billion, 15.2% ahead of the same year-earlier period. NASDAQ daily dollar volume averaged $50.1 billion year-to-date, 20.2% above the same year-earlier period.

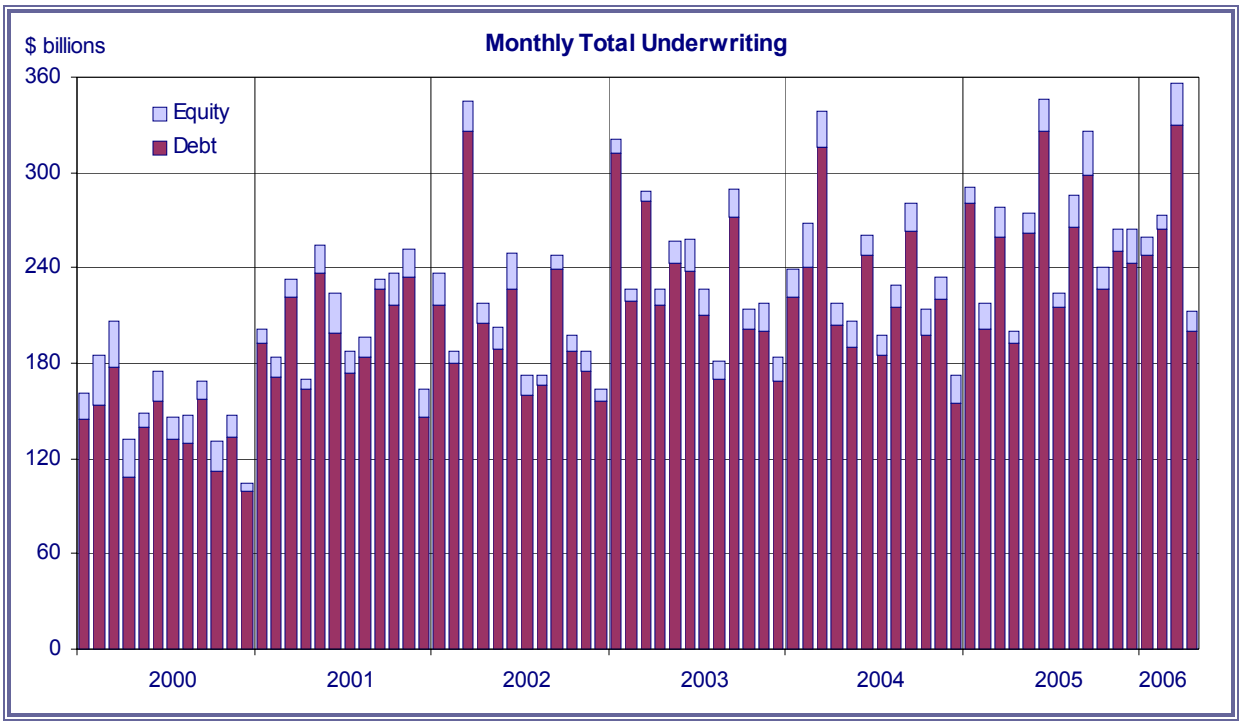


Interest Rates – Long-term interest rates rose for the fourth consecutive month in April, with the 10-year Treasury yield rising to 4.99% on average from 4.72% in March and 4.57% in February. Short-term rates also continued their multi-year rise, with the yield on three-month Treasury bills averaging 4.60% in April, up from 4.51% in March and 4.43% in February. The yield spread between three-month and 10-year Treasuries widened slightly for the second month in a row to an average of 39 basis points in April from 21 basis points in March and 14 basis points in February, compared with 158 basis points in April a year ago. The Federal Open Market Committee meeting raised the Federal Funds rate by a quarter-point as expected at its May meeting. Future interest rate rises are expected to be dependent on future economic performance, with expectations of further rises outweighing expectations of no further rises.



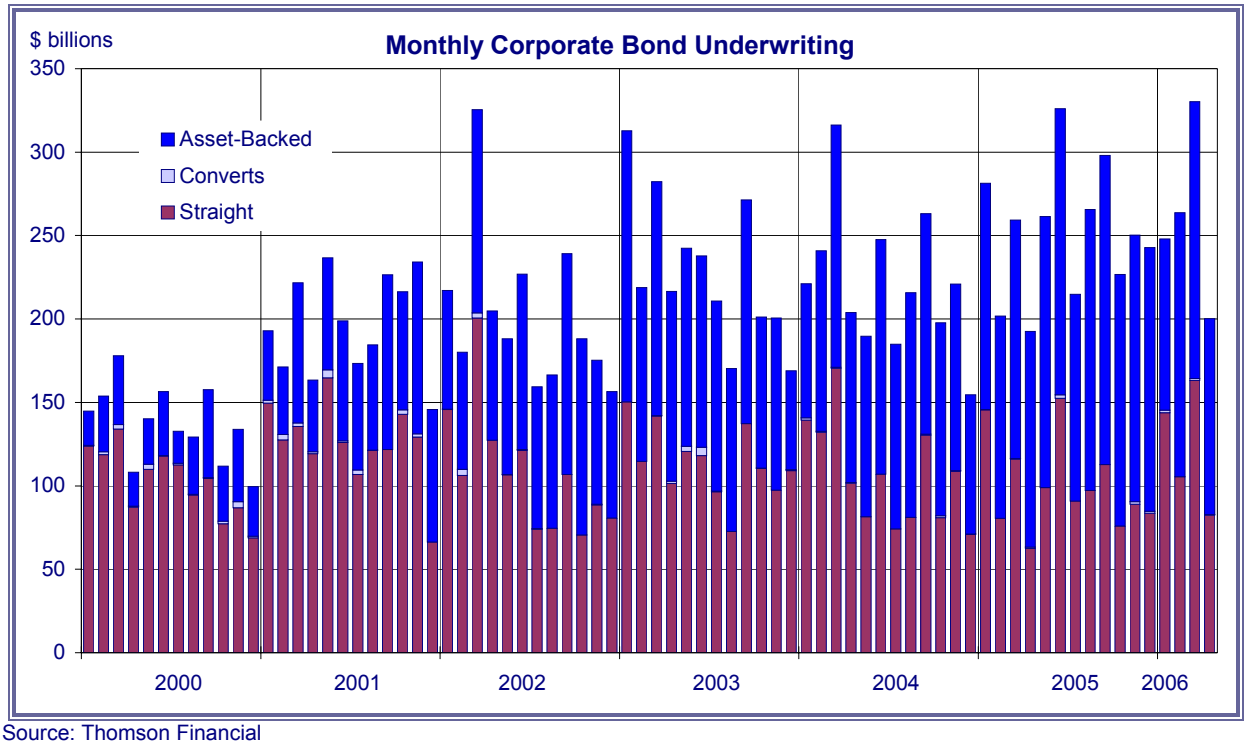
U.S. Underwriting Activity

Total underwriting activity in the U.S. markets fell dramatically in April, dropping 40.1% to $213.1 billion, reflecting lower debt and equity issuance. That result is 6.5% ahead of last year's April underwriting volume of $200.2 billion, and 11.6% above of the same year-earlier period.



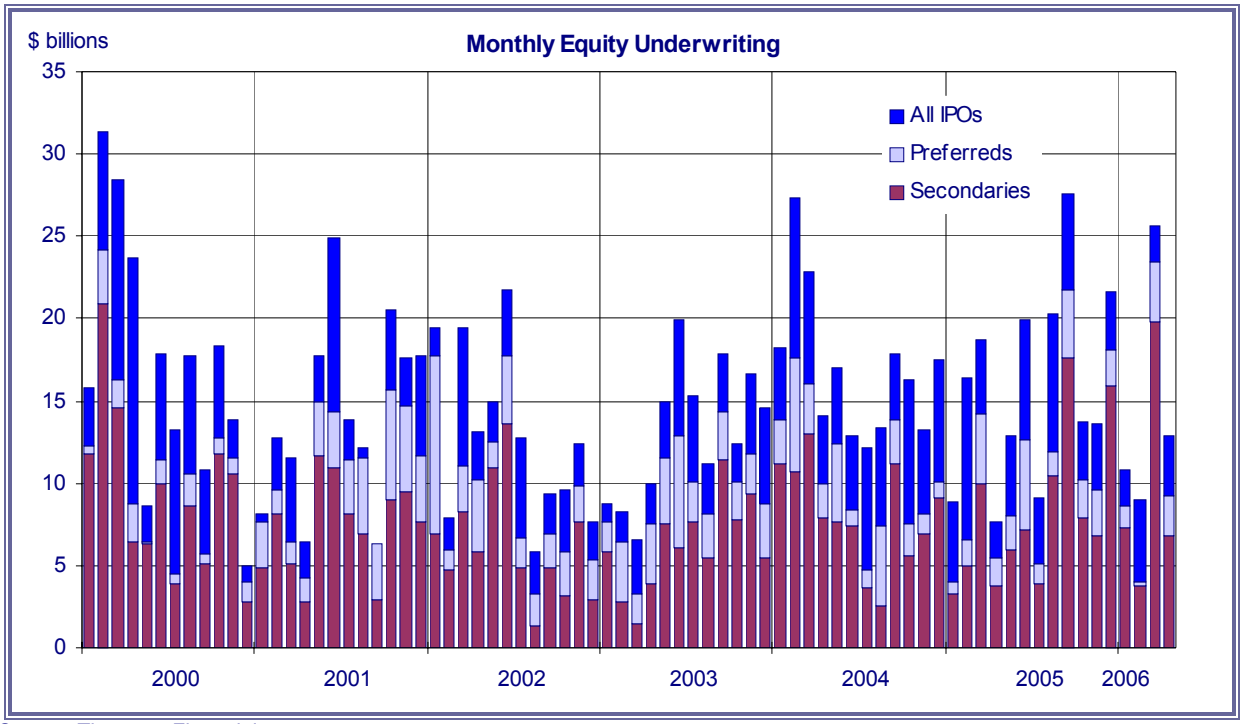
Source: Thomson Financial

Corporate Bond Underwriting – Debt issuance fell across the board, dropping 39.4% in April, although still 11.5% above last year's level year-to-date. Straight corporate bonds led the way with a nearly 50% decrease from March's level, although still 31.9% ahead of last April's issuance and, year-to-date, 22.3% above the same year-earlier period. Convertibles had a weak month, but marked nearly twice the issuance size year-to-date over the same year-earlier period.



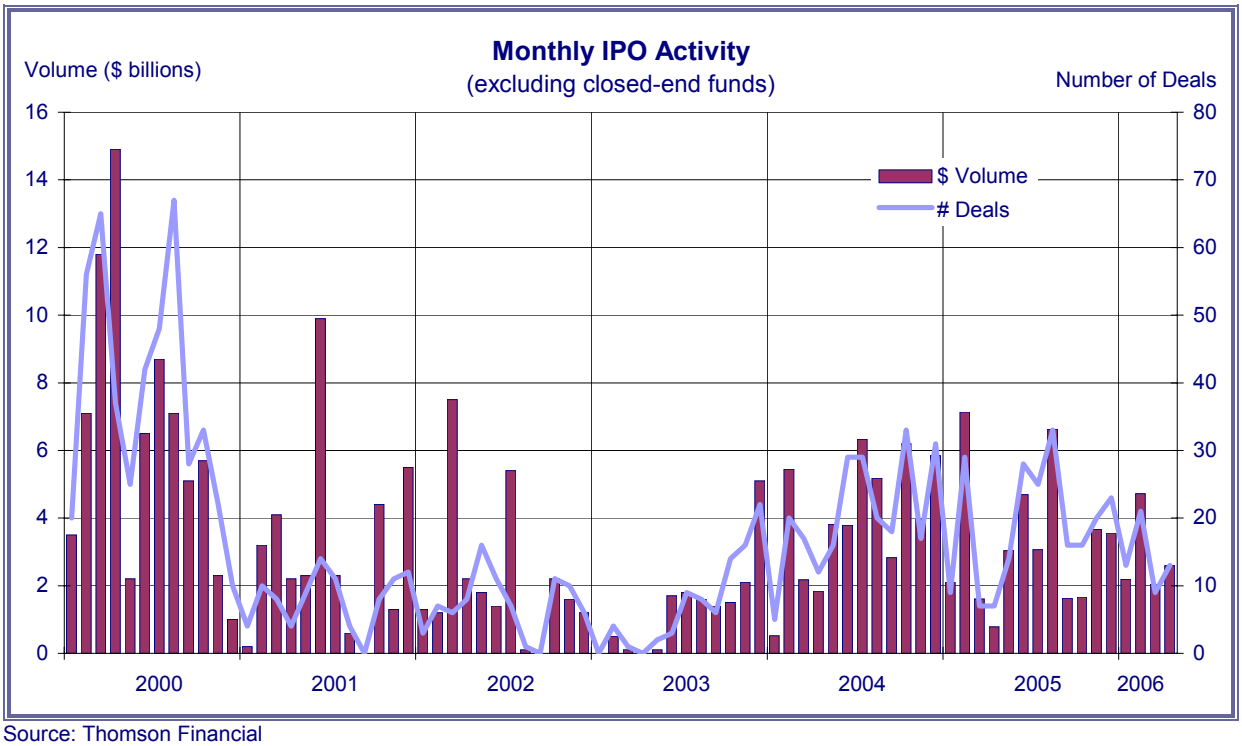
Source: Thomson Financial

Equity Underwriting – Overall issuance volume of common and preferred stock fell in April, down nearly 50% to $12.9 billion, after a very strong March result ($25.6 billion). However, April's secondary offerings, while off 65.4% from March, are 81.1% above April 2005's level. Secondary offerings in the first four months of 2006 were 71.2% ahead of the same year-earlier period.



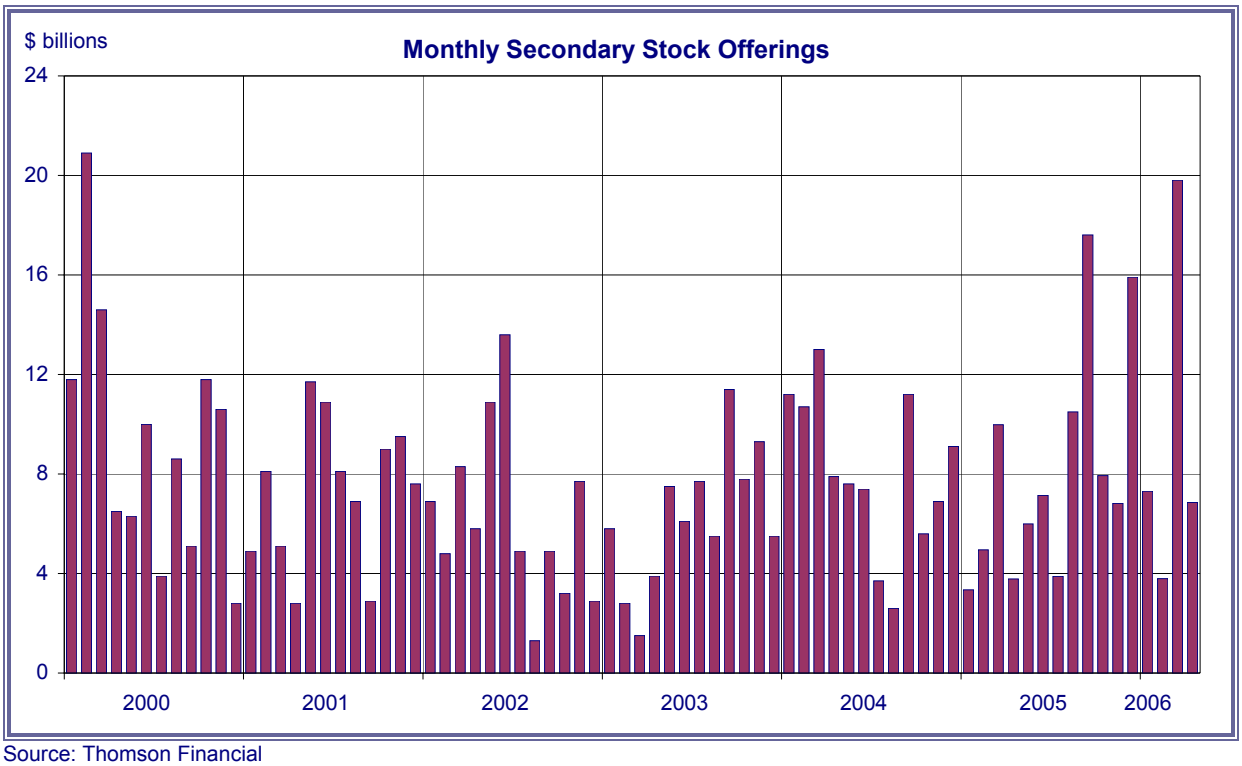
Source: Thomson Financial

Initial Public Offerings (IPOs) – U.S. IPO activity rebounded somewhat in April, rising 27% to $2.6 billion, and year-to-date IPO volume totaled $11.5 billion, down slightly, 0.8%, from the same year-earlier period. Deal flow is picking up as well, with 10 IPOs filed on May 12, the highest number of deals filed in a single day since March 2000, and 19 filed during the week ending May 12, the highest weekly number this year.



Source: Thomson Financial

Secondary offerings of common stock – U.S. secondary offerings fell back in April after a very strong March, to $6.9 billion, down more than 65% on the month. Despite the weak monthly showing, total volume of $37.8 billion for the year-to-date is over 70% ahead of the same year-earlier period.



Source: Thomson Financial

Kyle L Brandon
Vice President and Director, Securities Research

U.S. CORPORATE UNDERWRITING ACTIVITY

(In $ Billions)

	Straight Corporate Debt	Con-vertible Debt	Asset-Backed Debt	**TOTAL DEBT**	Common Stock	Preferred Stock	**TOTAL EQUITY**	All IPOs	"True" IPOs	Secondaries	**TOTAL UNDER-WRITINGS**
1985	76.4	7.5	20.8	104.7	24.7	8.6	33.3	8.5	8.4	16.2	138.0
1986	149.8	10.1	67.8	227.7	43.2	13.9	57.1	22.3	18.1	20.9	284.8
1987	117.8	9.9	91.7	219.4	41.5	11.4	52.9	24.0	14.3	17.5	272.3
1988	120.3	3.1	113.8	237.2	29.7	7.6	37.3	23.6	5.7	6.1	274.5
1989	134.1	5.5	135.3	274.9	22.9	7.7	30.6	13.7	6.1	9.2	305.5
1990	107.7	4.7	176.1	288.4	19.2	4.7	23.9	10.1	4.5	9.0	312.3
1991	203.6	7.8	300.0	511.5	56.0	19.9	75.9	25.1	16.4	30.9	587.4
1992	319.8	7.1	427.0	753.8	72.5	29.3	101.8	39.6	24.1	32.9	855.7
1993	448.4	9.3	474.8	932.5	102.4	28.4	130.8	57.4	41.3	45.0	1,063.4
1994	381.2	4.8	253.5	639.5	61.4	15.5	76.9	33.7	28.3	27.7	716.4
1995	466.0	6.9	152.4	625.3	82.0	15.1	97.1	30.2	30.0	51.8	722.4
1996	564.8	9.3	252.9	827.0	115.5	36.5	151.9	50.0	49.9	65.5	979.0
1997	769.8	8.5	385.6	1,163.9	120.2	33.3	153.4	44.2	43.2	75.9	1,317.3
1998	1,142.5	6.3	566.8	1,715.6	115.0	37.8	152.7	43.7	36.6	71.2	1,868.3
1999	1,264.8	16.1	487.1	1,768.0	164.3	27.5	191.7	66.8	64.3	97.5	1,959.8
2000	1,236.2	17.0	393.4	1,646.6	189.1	15.4	204.5	76.1	75.8	112.9	1,851.0
2001	1,511.2	21.6	832.5	2,365.4	128.4	41.3	169.7	40.8	36.0	87.6	2,535.1
2002	1,303.2	8.6	1,115.4	2,427.2	116.4	37.6	154.0	41.2	25.8	75.2	2,581.1
2003	1,370.7	10.6	1,352.3	2,733.6	118.5	37.8	156.3	43.7	15.9	74.8	2,889.9
2004	1,278.4	5.5	1,372.3	2,656.2	169.6	33.2	202.7	72.8	47.9	96.7	2,859.0
2005	1,205.4	6.3	1,808.6	3,020.3	160.5	29.9	190.4	62.6	39.6	97.8	3,210.7
2005											
Jan	145.6	0.2	135.5	281.3	8.2	0.7	8.9	4.9	2.1	3.3	290.2
Feb	80.5	0.0	121.2	201.7	14.8	1.7	16.4	9.8	7.1	5.0	218.2
Mar	116.0	0.5	142.8	259.3	14.4	4.3	18.7	4.4	1.6	10.0	278.0
Apr	62.5	0.8	129.3	192.5	6.0	1.6	7.6	2.2	0.8	3.8	200.2
May	98.9	0.0	162.5	261.4	10.8	2.0	12.8	4.9	3.0	6.0	274.2
June	152.5	2.0	171.4	325.9	14.5	5.5	20.0	7.3	4.7	7.1	345.9
July	90.9	0.0	123.8	214.7	7.8	1.3	9.1	3.9	3.1	3.9	223.8
Aug	97.3	0.0	168.3	265.6	18.8	1.4	20.2	8.3	6.6	10.5	285.8
Sept	112.8	0.0	185.2	298.0	23.4	4.2	27.6	5.8	1.6	17.6	325.7
Oct	75.9	0.0	150.8	226.7	11.4	2.2	13.7	3.5	1.7	7.9	240.4
Nov	88.9	1.6	159.7	250.3	10.8	2.8	13.6	4.0	3.7	6.8	263.9
Dec	83.5	1.2	158.0	242.8	19.5	2.2	21.7	3.6	3.6	15.9	264.5
2006											
Jan	143.8	1.6	102.5	247.9	9.6	1.3	10.9	2.3	2.2	7.3	258.8
Feb	105.4	0.0	158.3	263.7	8.8	0.2	9.0	5.0	4.7	3.8	272.7
Mar	163.3	1.0	166.0	330.3	22.1	3.6	25.7	2.3	2.0	19.8	355.9
Apr	82.4	0.4	117.4	200.2	10.6	2.3	12.9	3.7	2.6	6.9	213.1
YTD '05	404.6	1.5	528.8	934.9	43.4	8.2	51.6	21.3	11.6	22.1	986.5
YTD '06	494.9	3.0	544.2	1,042.1	51.0	7.5	58.5	13.2	11.5	37.8	1,100.6
% Change	22.3%	98.2%	2.9%	11.5%	17.5%	-9.0%	13.3%	-37.9%	-0.8%	71.2%	11.6%

Note: IPOs and secondaries are subsets of common stock. “True” IPOs exclude closed-end funds.
Source: Thomson Financial

MUNICIPAL BOND UNDERWRITINGS

(In $ Billions)

INTEREST RATES

(Averages)

	Compet. Rev. Bonds	Nego. Rev. Bonds	**TOTAL REVENUE BONDS**	Compet. G.O.s	Nego. G.O.s	**TOTAL G.O.s**	**TOTAL MUNICIPAL BONDS**	3-Mo. T Bills	10-Year Treasuries	SPREAD
1985	10.2	150.8	161.0	17.6	22.8	40.4	201.4	7.47	10.62	3.15
1986	10.0	92.6	102.6	23.1	22.6	45.7	148.3	5.97	7.68	1.71
1987	7.1	64.4	71.5	16.3	14.2	30.5	102.0	5.78	8.39	2.61
1988	7.6	78.1	85.7	19.2	12.7	31.9	117.6	6.67	8.85	2.18
1989	9.2	75.8	85.0	20.7	17.2	37.9	122.9	8.11	8.49	0.38
1990	7.6	78.4	86.0	22.7	17.5	40.2	126.2	7.50	8.55	1.05
1991	11.0	102.1	113.1	29.8	28.1	57.9	171.0	5.38	7.86	2.48
1992	12.5	139.0	151.6	32.5	49.0	81.5	233.1	3.43	7.01	3.58
1993	20.0	175.6	195.6	35.6	56.7	92.4	287.9	3.00	5.87	2.87
1994	15.0	89.2	104.2	34.5	23.2	57.7	161.9	4.25	7.09	2.84
1995	13.5	81.7	95.2	27.6	32.2	59.8	155.0	5.49	6.57	1.08
1996	15.6	100.1	115.7	31.3	33.2	64.5	180.2	5.01	6.44	1.43
1997	12.3	130.2	142.6	35.5	36.5	72.0	214.6	5.06	6.35	1.29
1998	21.4	165.6	187.0	43.7	49.0	92.8	279.8	4.78	5.26	0.48
1999	14.3	134.9	149.2	38.5	31.3	69.8	219.0	4.64	5.65	1.01
2000	13.6	116.2	129.7	35.0	29.3	64.3	194.0	5.82	6.03	0.21
2001	17.6	164.2	181.8	45.5	56.3	101.8	283.5	3.39	5.02	1.63
2002	19.5	210.5	230.0	52.3	73.1	125.4	355.4	1.60	4.61	3.01
2003	21.1	215.8	236.9	54.7	87.7	142.4	379.3	1.01	4.02	3.00
2004	17.2	209.8	227.1	51.5	77.7	129.2	356.3	1.37	4.27	2.90
2005	20.5	240.9	261.4	55.9	89.1	145.0	406.4	3.15	4.29	1.15
2005										
Jan	1.0	11.7	12.7	3.6	6.6	10.2	22.8	2.33	4.22	1.89
Feb	1.5	15.6	17.1	4.5	9.2	13.6	30.7	2.54	4.17	1.63
Mar	1.2	24.1	25.3	7.2	12.5	19.7	45.0	2.74	4.50	1.76
Apr	1.9	16.4	18.2	5.1	7.9	13.0	31.3	2.76	4.34	1.58
May	1.3	20.8	22.1	4.1	9.5	13.6	35.7	2.84	4.14	1.30
June	2.4	25.2	27.6	7.1	9.4	16.5	44.1	2.97	4.00	1.03
July	1.5	21.8	23.3	3.8	6.8	10.5	33.8	3.22	4.18	0.96
Aug	1.3	21.7	23.0	4.3	6.8	11.1	34.1	3.44	4.26	0.82
Sept	2.5	17.2	19.7	4.9	6.7	11.7	31.4	3.42	4.20	0.78
Oct	2.9	18.8	21.7	2.4	3.4	5.8	27.4	3.71	4.46	0.75
Nov	2.3	26.1	28.4	5.1	5.1	10.3	38.7	3.88	4.54	0.66
Dec	0.8	21.5	22.3	3.8	5.2	9.0	31.3	3.89	4.47	0.58
2006										
Jan	0.7	10.5	11.2	3.4	4.0	7.4	18.6	4.24	4.42	0.18
Feb	1.6	12.3	13.9	3.2	5.9	9.2	23.1	4.43	4.57	0.14
Mar	1.1	16.1	17.3	4.2	5.4	9.6	26.9	4.51	4.72	0.21
Apr	2.2	21.0	23.2	2.8	4.3	7.1	30.2	4.60	4.99	0.39
YTD '05	5.5	67.8	73.3	20.4	36.2	56.5	129.8	2.59	4.31	1.72
YTD '06	5.7	59.9	65.6	13.7	19.6	33.2	98.9	4.45	4.68	0.23
% Change	3.3%	-11.6%	-10.5%	-32.8%	-45.9%	-41.2%	-23.8%	71.5%	8.5%	-86.6%

Sources: Thomson Financial; Federal Reserve

	STOCK MARKET PERFORMANCE INDICES (End of Period)				STOCK MARKET VOLUME (Daily Avg., Mils. of Shs.)			VALUE TRADED (Daily Avg., $ Bils.)	
	Dow Jones Industrial Average	S&P 500	NYSE Composite	NASDAQ Composite	NYSE	AMEX	NASDAQ	NYSE	NASDAQ
1985	1,546.67	211.28	1,285.66	324.93	109.2	8.3	82.1	3.9	0.9
1986	1,895.95	242.17	1,465.31	348.83	141.0	11.8	113.6	5.4	1.5
1987	1,938.83	247.08	1,461.61	330.47	188.9	13.9	149.8	7.4	2.0
1988	2,168.57	277.72	1,652.25	381.38	161.5	9.9	122.8	5.4	1.4
1989	2,753.20	353.40	2,062.30	454.82	165.5	12.4	133.1	6.1	1.7
1990	2,633.66	330.22	1,908.45	373.84	156.8	13.2	131.9	5.2	1.8
1991	3,168.83	417.09	2,426.04	586.34	178.9	13.3	163.3	6.0	2.7
1992	3,301.11	435.71	2,539.92	676.95	202.3	14.2	190.8	6.9	3.5
1993	3,754.09	466.45	2,739.44	776.80	264.5	18.1	263.0	9.0	5.3
1994	3,834.44	459.27	2,653.37	751.96	291.4	17.9	295.1	9.7	5.8
1995	5,117.12	615.93	3,484.15	1,052.13	346.1	20.1	401.4	12.2	9.5
1996	6,448.27	740.74	4,148.07	1,291.03	412.0	22.1	543.7	16.0	13.0
1997	7,908.25	970.43	5,405.19	1,570.35	526.9	24.4	647.8	22.8	17.7
1998	9,181.43	1,229.23	6,299.93	2,192.69	673.6	28.9	801.7	29.0	22.9
1999	11,497.12	1,469.25	6,876.10	4,069.31	808.9	32.7	1,081.8	35.5	43.7
2000	10,786.85	1,320.28	6,945.57	2,470.52	1,041.6	52.9	1,757.0	43.9	80.9
2001	10,021.50	1,148.08	6,236.39	1,950.40	1,240.0	65.8	1,900.1	42.3	44.1
2002	8,341.63	879.82	5,000.00	1,335.51	1,441.0	63.7	1,752.8	40.9	28.8
2003	10,453.92	1,111.92	6,440.30	2,003.37	1,398.4	67.1	1,685.5	38.5	28.0
2004	10,783.01	1,211.92	7,250.06	2,175.44	1,456.7	66.0	1,801.3	46.1	34.6
2005	10,717.50	1,248.29	7,753.95	2,205.32	1,602.2	63.5	1,778.5	56.1	39.5
2005									
Jan	10,489.94	1,181.27	7,089.83	2,062.41	1,618.4	62.5	2,172.3	54.1	45.5
Feb	10,766.23	1,203.60	7,321.23	2,051.72	1,578.2	62.7	1,950.2	54.5	43.2
Mar	10,503.76	1,180.59	7,167.53	1,999.23	1,682.6	66.7	1,849.0	59.1	38.8
Apr	10,192.51	1,156.85	7,008.32	1,921.65	1,692.8	61.7	1,839.2	58.8	39.6
May	10,467.48	1,191.50	7,134.33	2,068.22	1,502.1	52.9	1,685.6	50.8	36.6
June	10,274.97	1,191.33	7,217.78	2,056.96	1,515.8	58.0	1,747.9	52.5	39.4
July	10,640.91	1,234.18	7,476.66	2,184.83	1,478.9	58.8	1,621.8	53.1	37.8
Aug	10,481.60	1,220.33	7,496.09	2,152.09	1,441.4	61.9	1,538.9	51.3	34.1
Sept	10,568.70	1,228.81	7,632.98	2,151.69	1,683.0	70.5	1,716.5	60.6	37.5
Oct	10,440.07	1,207.01	7,433.12	2,120.30	1,846.7	72.7	1,796.3	64.6	41.7
Nov	10,805.87	1,249.48	7,645.28	2,232.82	1,641.7	64.6	1,768.3	58.3	41.9
Dec	10,717.50	1,248.29	7,753.95	2,205.32	1,553.5	69.6	1,704.4	55.2	39.6
2006									
Jan	10,864.86	1,280.08	8,106.55	2,305.82	1,867.6	81.4	2,170.7	69.4	55.0
Feb	10,993.41	1,280.66	8,060.61	2,281.39	1,737.0	77.4	2,014.0	66.0	48.8
Mar	11,109.32	1,294.83	8,233.20	2,339.79	1,656.2	75.0	2,135.2	62.2	47.6
Apr	11,367.14	1,310.61	8,471.43	2,322.57	1,680.7	92.0	2,138.7	64.3	49.3
YTD '05	10,192.51	1,156.85	7,008.32	1,921.65	1,645.4	63.5	1,948.8	56.7	41.7
YTD '06	11,367.14	1,310.61	8,471.43	2,322.57	1,733.1	81.1	2,116.3	65.4	50.1
% Change	11.5%	13.3%	20.9%	20.9%	5.3%	27.9%	8.6%	15.2%	20.2%

MUTUAL FUND ASSETS

($ Billions)

	Equity	Hybrid	Bond	Money Market	**TOTAL ASSETS**
1985	116.9	12.0	122.6	243.8	495.4
1986	161.4	18.8	243.3	292.2	715.7
1987	180.5	24.2	248.4	316.1	769.2
1988	194.7	21.1	255.7	338.0	809.4
1989	248.8	31.8	271.9	428.1	980.7
1990	239.5	36.1	291.3	498.3	1,065.2
1991	404.7	52.2	393.8	542.5	1,393.2
1992	514.1	78.0	504.2	546.2	1,642.5
1993	740.7	144.5	619.5	565.3	2,070.0
1994	852.8	164.5	527.1	611.0	2,155.4
1995	1,249.1	210.5	598.9	753.0	2,811.5
1996	1,726.1	252.9	645.4	901.8	3,526.3
1997	2,368.0	317.1	724.2	1,058.9	4,468.2
1998	2,978.2	364.7	830.6	1,351.7	5,525.2
1999	4,041.9	383.2	808.1	1,613.1	6,846.3
2000	3,962.0	346.3	811.1	1,845.2	6,964.7
2001	3,418.2	346.3	925.1	2,285.3	6,975.0
2002	2,667.0	327.4	1,124.9	2,272.0	6,391.3
2003	3,684.8	436.7	1,240.9	2,051.7	7,414.1
2004	4,384.0	519.3	1,290.4	1,913.2	8,106.9
2005	4,940.0	567.3	1,357.4	2,040.5	8,905.2
2005					
Jan	4,288.7	515.7	1,302.6	1,892.5	7,999.5
Feb	4,416.3	528.9	1,305.3	1,875.4	8,125.8
Mar	4,349.6	525.4	1,295.7	1,875.7	8,046.4
Apr	4,246.8	522.6	1,306.8	1,841.3	7,917.6
May	4,407.3	534.7	1,323.4	1,858.4	8,123.7
June	4,472.1	543.9	1,336.4	1,865.4	8,217.7
July	4,670.3	554.6	1,339.4	1,883.9	8,448.3
Aug	4,678.6	557.5	1,360.6	1,922.9	8,519.7
Sept	4,759.5	560.8	1,356.3	1,912.6	8,589.2
Oct	4,664.3	552.0	1,344.7	1,936.5	8,497.5
Nov	4,863.6	562.7	1,349.2	1,991.1	8,766.6
Dec	4,940.0	567.3	1,357.4	2,040.5	8,905.2
2006					
Jan	5,196.4	581.1	1,375.4	2,040.4	9,193.3
Feb	5,198.1	582.5	1,389.3	2,051.0	9,220.9
Mar	5,339.9	588.1	1,384.5	2,046.6	9,359.1
YTD '05	4,349.6	525.4	1,295.7	1,875.7	8,046.4
YTD '06	5,339.9	588.1	1,384.5	2,046.6	9,359.1
% Change	22.8%	11.9%	6.9%	9.1%	16.3%

MUTUAL FUND NET NEW CASH FLOW*

($ Billions)

	Equity	Hybrid	Bond	Money Market	**TOTAL**	Total Long-Term Funds
1985	8.5	1.9	63.2	-5.4	68.2	73.6
1986	21.7	5.6	102.6	33.9	163.8	129.9
1987	19.0	4.0	6.8	10.2	40.0	29.8
1988	-16.1	-2.5	-4.5	0.1	-23.0	-23.1
1989	5.8	4.2	-1.2	64.1	72.8	8.8
1990	12.8	2.2	6.2	23.2	44.4	21.2
1991	39.4	8.0	58.9	5.5	111.8	106.3
1992	78.9	21.8	71.0	-16.3	155.4	171.7
1993	129.4	39.4	73.3	-14.1	228.0	242.1
1994	118.9	20.9	-64.6	8.8	84.1	75.2
1995	127.6	5.3	-10.5	89.4	211.8	122.4
1996	216.9	12.3	2.8	89.4	321.3	232.0
1997	227.1	16.5	28.4	102.1	374.1	272.0
1998	157.0	10.2	74.6	235.3	477.1	241.8
1999	187.7	-12.4	-5.5	193.6	363.4	169.8
2000	309.4	-30.7	-49.8	159.6	388.6	228.9
2001	31.9	9.5	87.7	375.6	504.8	129.2
2002	-27.7	8.6	140.3	-46.7	74.5	121.2
2003	152.3	32.6	31.0	-258.5	-42.6	215.8
2004	177.9	42.7	-10.8	-156.6	53.2	209.8
2005	135.5	25.2	31.3	63.1	255.2	192.0
2005						
Jan	10.1	5.0	4.7	-27.5	-7.8	19.7
Feb	22.1	4.4	2.6	-19.3	9.8	29.1
Mar	15.3	3.9	-1.3	-2.2	15.7	17.9
Apr	8.5	2.6	1.2	-36.7	-24.4	12.3
May	11.8	2.2	4.0	14.5	32.5	18.0
June	6.3	2.0	4.1	3.0	15.4	12.4
July	9.9	1.4	7.4	13.9	32.5	18.6
Aug	6.4	1.8	7.4	32.5	48.0	15.5
Sept	7.8	1.3	3.8	-13.4	-0.4	13.0
Oct	6.5	0.9	0.6	21.2	29.2	8.0
Nov	21.0	0.5	-0.3	30.3	51.5	21.2
Dec	9.8	-0.8	-2.8	47.0	53.2	6.2
2006						
Jan	31.6	-0.1	8.3	-4.4	35.3	39.7
Feb	27.3	0.8	8.7	5.5	42.3	36.8
Mar	34.0	0.6	5.2	-9.4	30.5	39.9
YTD '05	47.6	13.2	6.0	-49.1	17.7	66.7
YTD '06	93.0	1.3	22.2	-8.4	108.1	116.5%
% Change	95.5%	-90.3%	271.2%	NM	511.5%	74.5%

* New sales (excluding reinvested dividends) minus redemptions, combined with net exchanges
Source: Investment Company Institute

Securities Industry Association

120 Broadway, New York, NY 10271-0080
(212) 608-1500, Fax (212) 608-1604
info@sia.com, www.sia.com