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edge accounting has never been for the faint of heart, not when treasuries must deal with the increasingly confusing framework of FAS 133. Not surprisingly, almost half of participating executives in *Treasury & Risk's* 2007 Financial Risk

Management Survey report that while they continue to do hedge accounting, they either limit or have cut out entirely use of the now infamous shortcut option available under the accounting rule. But despite the controversy, companies continue to use derivatives at about the same rate, primarily to hedge transactions. The survey is based on the responses of 190 senior finance executives, taken between Feb. 14 and Feb. 21. MORE SURVEY RESULTS CAN BE FOUND ONLINE AT WWW.TREASURYANDRISK.COM

Is Regulation Stifling



Treasury & Risk's 2007 Financial Risk Management Survey

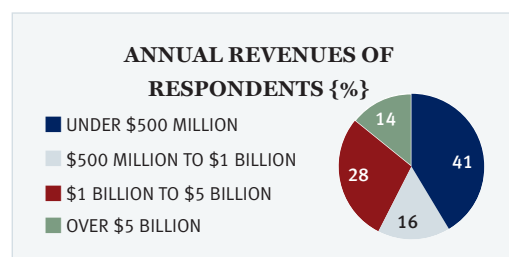
WHICH FINANCIAL INSTITUTION IS BEST AT RECOMMENDING RISK MANAGEMENT SOLUTIONS?

| {OVER \$1 BILLION} | | {UNDER \$1 BILLION} | |
|--------------------|-----------------|---------------------|-----------------|
| FIRST | JPMorgan Chase | FIRST | JPMorgan Chase |
| SECOND | Citigroup | SECOND | Bank of America |
| THIRD | Bank of America | THIRD | ABN Amro |

WHICH FINANCIAL INSTITUTION IS BEST AT POST-SALE ACCOUNT SERVICE SECONDARY MARKET TRADING?

| {OVER \$1 BILLION} | | {UNDER \$1 BILLION} | |
|--------------------|-----------------|---------------------|--------------------------|
| FIRST | Bank of America | FIRST | Bank of America |
| SECOND | Citigroup | SECOND | JPMorgan Chase |
| THIRD | JPMorgan Chase | THIRD | ABN Amro and Wells Fargo |

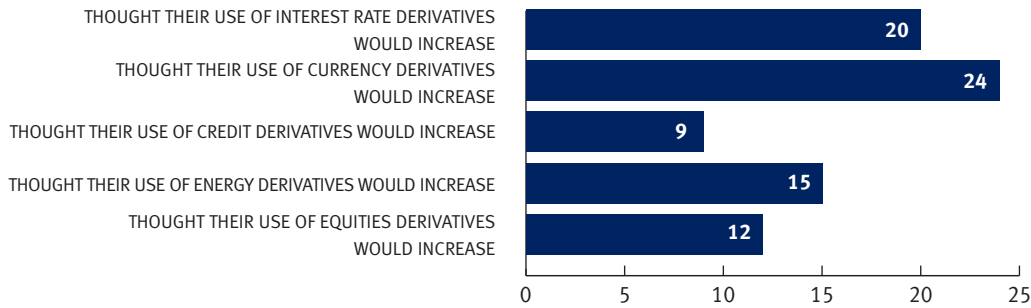
64% of the total survey used derivatives and **21%** of their hedges qualified for shortcut accounting



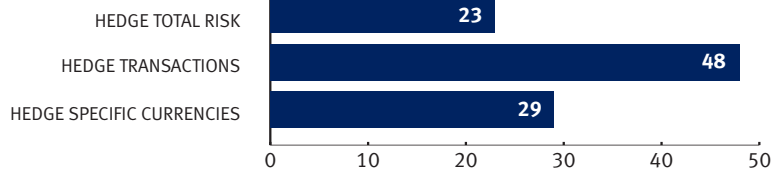
THE BEST FINANCIAL INSTITUTION IN:

| | |
|----------------|-----------------------------------|
| CURRENCIES | Citigroup |
| CREDIT | Citigroup |
| ENERGY | Bank of America and Goldman Sachs |
| COMMODITIES | JPMorgan Chase and Goldman Sachs |
| EQUITIES | JPMorgan Chase |
| INTEREST RATES | JPMorgan Chase |

DERIVATIVE EXPECTATIONS {%



HOW DO YOU HEDGE? {%



Market Growth?

WHICH FINANCIAL INSTITUTION IS BEST AT USING DERIVATIVES TO STRUCTURE DEBT ISSUANCE/CAPITAL RAISING?

| {OVER \$1 BILLION} | | {UNDER \$1 BILLION} | |
|--------------------|-----------------|---------------------|-----------------|
| FIRST | Citigroup | FIRST | JPMorgan Chase |
| SECOND | JPMorgan Chase | SECOND | Bank of America |
| THIRD | Bank of America | THIRD | Goldman Sachs |

WHICH FINANCIAL INSTITUTION HAS THE BEST OVERALL WEB SERVICES?

| {OVER \$1 BILLION} | | {UNDER \$1 BILLION} | |
|--------------------|-----------------|---------------------|-----------------|
| FIRST | Bank of America | FIRST | Bank of America |
| SECOND | Citigroup | SECOND | JPMorgan Chase |
| THIRD | JPMorgan Chase | THIRD | Citigroup |

WHICH FINANCIAL INSTITUTION DO YOU THINK IS THE BEST OVERALL PROVIDER OF DERIVATIVES?

| {OVER \$1 BILLION} | | {UNDER \$1 BILLION} | |
|--------------------|-----------------|---------------------|-----------------|
| FIRST | JPMorgan Chase | FIRST | JPMorgan Chase |
| SECOND | Citigroup | SECOND | Citigroup |
| THIRD | Bank of America | THIRD | Bank of America |

46% said that recent rulings by the FASB had caused them to limit or cut out entirely the use of FAS 133's shortcut

Only about half of the survey uses currency derivatives, while three-quarters use interest rate derivatives