



March 2, 2007

LETTER OF COMMENT NO. 20

Mr. Larry Smith  
Director of Technical Application and Implementation Activities  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, Connecticut 06856-5116

**Re: Proposed Statement of Financial Accounting Standards, *Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133***

Dear Mr. Smith:

We appreciate the opportunity to comment on the Financial Accounting Standards Board's (FASB or the Board) Proposed Statement of Financial Accounting Standards, *Disclosures about Derivative Instruments and Hedging Activities, an amendment to FASB Statement No. 133* (Exposure Draft). Ernst & Young supports the FASB's efforts to provide users of financial statements with greater transparency into the overall effect that derivative instruments have on an entity's financial position, results of operations, and cash flows. We support informed, beneficial disclosures, and we understand the objectives of this Exposure Draft, and they are commendable. As our letter will explain further, we are not certain the Board has completely met its objectives in terms of proposing disclosures that are meaningful and add clarity to an entity's use of derivative instruments. We are concerned that the expansive tabular disclosures will not provide the necessary context for a user of the financial statements to understand what the derivative instruments are or are not designed to accomplish. It is potentially misleading to emphasize and discuss a derivative instrument without equal attention to the offsetting hedged item with which it is paired in a highly effective hedge relationship. Focus on the derivative instrument alone when it is part of an effective accounting hedge, including its contingent provisions, could imply that the derivative instrument alone is a source of additional risk, when if it has qualified for an effective hedge, it is actually mitigating risk somewhere else in the enterprise. Accordingly, we have attached an appendix which suggests an alternate presentation, which functions like a snapshot of the relevant sections of the balance sheet and income statement for each major hedging strategy using a "zoom lens", intended to show the derivative,

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the hedged item (or hedged transaction), and associated effectiveness and ineffectiveness in a familiar asset/liability, debit/credit format.

We hope that any final standard will require an entity to discuss its risk mitigation strategy in a way that is understandable to the users of the financial statements and provides the context necessary for users to understand or infer what might have occurred had the entity *not* hedged, as well as appreciate the areas of the entity's operations where the entity has chosen not to hedge or, similarly, does not *need* to hedge.

We agree that the Exposure Draft should have a limited objective, but as the FASB contemplates revisions, it should consider the ever-present and significant "understanding gap" between the Statement 133-mandated way of qualifying for hedge accounting and discussing risk management in financial statement footnotes and the way entities actually approach risk management.

One understanding gap that we believe the FASB should try to bridge for the sake of improving investor understanding of hedge strategies is the fact that Statement 133's "micro" focus on individual transactions and individual hedged items still does not always lend itself to a meaningful and informed disclosure of how management thinks about risk in its organization. Most entities focus on risk from a macro perspective, but in managing risk must acknowledge that Statement 133 does not permit a macro, or enterprise-wide, perspective when it comes to the use of derivatives instruments. Therefore entities drill down, assemble and designate the "micro" derivative pieces item-by-item in order to achieve the overall macro objective. Furthermore, many entities' macro-focus centers on hedging, or "fixing" a key operating margin measurement [e.g., a financial institution focuses on managing the net interest margin, while a refinery focuses on managing the "crack" spread (cost of acquiring crude versus price obtainable from selling a refined product such as gasoline)]. However, Statement 133 does not permit using *derivative instruments that focus solely on this "margin risk," requiring instead that entities approach formal hedge relationships from the perspective of the gross components that affect the margin.*

Another area in which Statement 133 concepts and management approaches to risk differ is that of fair value hedges. No matter how Statement 133 tries to define fair value hedges as hedges of the risk of changes in fair value of a hedged item (such as fixed-rate debt), entities and the users of financial statements continue to think of fair value hedges as instruments that convert a fixed pattern of expense (or income) recognition to a floating, market-based pattern. While management is forced to "translate" the desired floating rate economics into a fair value hedge with ineffectiveness, the entire concept of "hedge ineffectiveness" with respect to a fair value

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hedge is simply lost to the typical user of the financial statements, who is perplexed by a disclosure of hedge ineffectiveness for an interest rate swap that, in the user's view, would appear to "perfectly convert(s) a fixed cash flow into a market-based floating cash flow". And yet, according to Statement 133 (by way of paragraph 70), we know that *every* fair value hedge of fixed-rate debt has hedge ineffectiveness (unless it qualifies for the short-cut method which then permits the ineffectiveness to be ignored). Nearly nine years have passed since Statement 133 was published and constituents, both preparers and users alike, have maintained their "let's achieve a floating rate" view about fair value hedges.

Accordingly, it may be difficult for certain preparers to easily blend a qualitative discussion of how derivative instruments are used in risk management strategies with a tabular presentation that lists derivatives one after the other. We recommend that the Board keep this in mind as they process all the comments they are likely to receive and consider possible changes to the focus on the tabular presentation.

We are concerned that some of the proposed tabular disclosures are excessive. Specifically, we believe the requirement for the disclosures of notional amounts should be dropped for two main reasons. First, while we agree that notionals give *some* indication of the magnitude of risk, they are just as likely to raise unnecessary alarms because the current proposal provides no context for understanding the notional disclosures. Unless the derivative instrument is used for purely speculative purposes (in which the disclosure of notionals would be more supportable), each derivative instrument in a formal hedging relationship or an economic hedge relationship has an *offsetting notional exposure* already in the financial statements. Notionals are still commonly misunderstood and can confuse the user of the financial statement who should have their primary attention focused on the derivative instrument's fair value. Also, simply providing the total absolute value of notional amounts gives no transparency into the nature of "long" versus "short" positions, which is equally important in understanding the risk management perspective of the entity. Second, notional disclosures other than US denominated interest rate derivatives are not easily aggregated. Entities that hedge more than one pair of foreign currencies (e.g., USD/EUR and GBP/JPY) or more than one commodity price risk (crude oil and natural gas), or more than one interest rate risk (U.S. versus Japan) would not be able to aggregate tabular disclosures for the same type of hedge. As a result, the tables might have to go on for page after page in the footnotes, simply because unit measurements (e.g., "barrels", "bushels", "gallons", etc.) cannot be aggregated, even though every other item in the disclosure columns in the FASB's proposed tabular example (fair value, income statement classification, etc.) may be able to be aggregated for the same pair of derivative instruments.

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We generally agree with the Exposure Draft's objectives of requiring disclosures by type of hedge of the balance sheet location(s) of the derivative instruments, as well as the income statement location(s) of the derivative instrument gain/(loss), and the gain/(loss) of the related hedged item. We note however that entities may record all of their derivative assets and all of their derivative liabilities in the same account on the balance sheet, and this may be able to be disclosed in a single sentence without repeating the same information over and over in tabular format. Likewise, we would expect that the income statement location(s) of the derivative gain/(loss) and the gain/(loss) on the related hedged item ought to be the same income statement account, so perhaps the disclosure objective should focus on when that expected practice was *not followed*, helping to make the derivative disclosure clear and concise. We believe most users want to know where the hedge ineffectiveness is recorded, including whether it is presented with the effective part of the derivative in the same income statement account or segregated in an isolated income statement account. This type of disclosure might also be best made in a non-tabular fashion.

In addition to our comments above, our comments on the Board's eleven issues raised in the Exposure Draft are as follows:

### Scope

*Issue 1: Do you agree with the Board's decision to exclude from the scope of this proposed Statement prescriptive guidance about how derivative instruments should be presented and classified in the financial statements? Why or why not?*

Except as noted above, we agree with the Board's decision to limit the scope of the Exposure Draft, to providing greater transparency into the overall effect that derivative instruments have on an entity on a timely basis is an important objective.

We believe the Board missed the opportunity to provide further guidance on the display of cash flows of derivative instruments as FASB Statement Nos. 95, *Statement of Cash Flows*, (Statement 95) and 104, *Statement of Cash Flows-Net Reporting of Certain Cash Receipts and Cash Disbursements and Classification of Cash Flows from Hedging Transactions*, (Statement 104), are antiquated from a derivatives perspective and diversity in practice in their application exists and is growing. We believe it is ironic that a footnote (# 4) to Statements 95 and 104 implies that the presumptive category to classify cash flows from derivative instruments is investing activities, when a derivative instrument is defined as a contract that requires *no* initial investment. We believe the "the purchase of a futures contract" example in the footnote provides a bad example as futures contracts are not typically "purchased" in that they are entered

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into for no initial exchange of cash. We recommend the Board investigate the statement of cash flows guidance as it relates to the use of derivative instruments.

*Issue 2: Do you agree that this proposed Statement should apply to both public and private entities? Why or why not?*

We agree that the Exposure Draft should apply to all entities, as users of both public and private entity financial statements should be provided with greater transparency into the overall effect that derivative instruments and hedging activities have on an entity.

#### **Costs of Implementing the Proposed Statement's Disclosure Requirements**

*Issue 3: Do you foresee any significant operational concerns or constraints in compiling the information in the format required by this proposed Statement? Are there any alternative formats of presentation that would provide the data more concisely?*

As noted above, we disagree that the Board's proposed requirement of tabular disclosures will provide the necessary context for the user of the financial statements to understand an entity's use of and accounting for derivative instruments, and have suggested an alternative presentation (without requiring disclosure of notionals) in the attached appendix. We believe the proposed tabular format would cause the user to have information overload and therefore suggested a format we believe is easier to follow. In addition, the current proposed tabular format would not easily allow for electronic processing. Alternatively, we recommend the Board consider requiring the fair value disclosures pursuant to FASB Statement No. 107, "*Disclosures about Fair Value of Financial Instruments*" rather than the current proposed disclosures. However, if the Board wishes to continue with the tabular requirements, we ask the Board to consider the following observations.

We believe the Exposure Draft is not clear as to how much aggregation would be required or permitted in the proposed tabular disclosures. The disclosures pose a challenge in determining the right level of aggregation of similar exposures among different hedged items (e.g., similar price exposures among different commodities). Disclosures that do not provide enough aggregation will result in a cumbersome tabular disclosure that will be difficult for users of financial statements to understand, while disclosures prepared with a high level of aggregation may not be meaningful. We believe the most helpful improvement in the aggregation dilemma would be to drop the requirement that notional amounts be disclosed.

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In addition, we believe the proposed disclosure requirement in paragraph 44C that requires individual tabular presentation for situations in which derivative instruments contain multiple underlying risk exposures (e.g., interest rate and credit, interest rate and foreign exchange, and credit and foreign exchange) is not consistent with paragraph 44, which requires entities to disclose its objectives for using derivative instruments by the instrument's primary underlying risk exposure (e.g., interest rate, credit, foreign exchange rate, or overall price). We believe in instances where derivative instruments contain multiple underlying risk exposures, entities should have the option of classifying these derivative instruments in the tabular presentation based on the instrument's *primary* underlying risk exposure.

If an entity is required to disclose segments pursuant to Statement 131, *Disclosures about Segments of an Enterprise and Related Information*, it is not clear what disclosures would be required for each segment. We recommend the Board provide clarity as to the required level of aggregation.

*Issue 4: Do you foresee any significant operational concerns or constraints in compiling that information for this disclosure?*

See our response to Issue 3, above.

We point out that the Board may want to consider providing specific guidance to those multinational companies using a central treasury function as permitted in Statement 133, paragraphs 40A and 40B. In these situations, the internal derivatives are the instruments qualifying for hedge accounting, technically, but they are eliminated in consolidation and only the external derivatives reside on the balance sheet. It is unclear to us how such multinational company should apply the Exposure Draft's tabular disclosure requirements.

We do not fully appreciate the Board's concerns regarding contingent features versus other underlyings to a derivative. Underlyings include contingencies such as the occurrence or nonoccurrence of an event, but also the movements of interest rates, security prices, commodity prices, foreign exchange rates, etc. All of these underlyings can move suddenly and dramatically, affecting the fair value of a derivative, so we are confused by the Exposure Draft's focus on just one type of underlying for special disclosure - contingent events. We are also confused by the footnote to be added to Paragraph 44D that would imply that one type of contingency (default features) that does not have a greater than remote chance of occurring are not considered contingent features for purposes of this disclosure. We question why a remote default provision would be treated any differently than any other remote contingent event. A derivative's fair value already contemplates the existence of contingent features and the

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likelihood (remote, reasonably possible, or probable) of their occurrence, as well as all the other underlyings to a derivative, so it is unclear what the additional disclosure requirement is intended to address. We recommend the Board clarify their concerns regarding contingent features, perhaps by discussing the extent of concern, such as, is there a difference in disclosure requirements between remote contingencies, or reasonably possible contingencies. We would further note this is perhaps another example of the confusion surrounding the appropriate accounting for non-financial occurrence/nonoccurrence underlyings, which many continue to have difficulty in determining whether these non-financial underlyings meet the definition of a derivative. We believe the model for these non-financial underlyings needs to be reexamined.

We also believe the Board should address the applicability of the Exposure Draft to embedded derivative features in the front section of the Exposure Draft rather than in the Basis For Conclusions (paragraph B5). In addition, we believe it would be helpful to preparers of financial statements if the Board provided examples to illustrate the requirements related to embedded derivatives.

#### **Disclosure of Notional Amounts**

*Issue 5: Do you agree that this proposed Statement should require the disclosure of notional amounts? Why or why not?*

We disagree with the Board's proposed requirement to include the notional amounts of derivative instruments as noted above.

*Issue 6: Do you agree that this proposed Statement should not require the disclosure of the aggregate notional amounts related to derivatives that no longer exist at the end of the reporting period? Why or why not?*

We believe that the Exposure Draft should not require disclosure of notional amounts as noted above.

#### **Disclosure of Gains and Losses on Hedged Items**

*Issue 7: Do you agree that information about "hedged items" that are not in designated and qualifying Statement 133 hedging relationships should be excluded from the disclosure tables? Alternatively, should the tables include gains and losses on "hedged items" that are recorded at fair value and are used in hedging relationships not designated and qualifying under Statement 133? Why or why not? Would your answer be affected by the forthcoming FASB Statement on*

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*the fair value option for financial assets and financial liabilities, which will provide the option to report certain financial assets and liabilities at fair value?*

We agree with the Board's conclusion that information regarding hedged items that are not in qualifying Statement 133 hedging relationships should not be required to be included in the tabular disclosures. However, we do not agree that a company should be prohibited from using the tabular format if it voluntarily chooses this format to discuss derivatives used for risk management purposes that do not qualify for hedge accounting, as long as the reader is clearly informed that that section of the table relates to non-accounting hedges. Revised paragraph 44 requires that an entity distinguish between derivative instruments used for risk management purposes from "all other derivatives." However, within the category of "derivatives used for risk management purposes" are (1) derivatives in hedge accounting relationships and (2) derivatives not in hedge accounting relationships. This latter sub-category will be growing in the future with the adoption of Statement 159, and it seems that users will be interested in understanding "natural" hedge relationships as well as formal hedge accounting relationships.

On a separate point, we believe clarification needs to be provided as to whether the tabular presentation should include gains and losses on hedged items under cash flow hedges of forecasted transactions as some confusion exists as to the meaning of "gains and losses", that is, whether the Board means "recognized," "realized," or "unrealized" gains and losses as each has a different meaning. We believe the Board is using the term "gains and losses" in the context of *recognition* in the income statement or in accumulated other comprehensive income, but we believe readers will be confused unless the final Statement is explicit.

#### **Disclosure of Overall Risk Profile**

*Issue 8: Do you agree that information that could be provided in the qualitative and quantitative disclosures encouraged by paragraphs 44 and 45 of Statement 133 would be sufficient to appropriately inform users of financial statements about the risk management strategies of an entity? If not, should additional information about an entity's overall risk management strategies be provided as part of the tabular disclosure required by this proposed Statement?*

We agree that the disclosures encouraged by paragraphs 44 and 45 are sufficient to appropriately inform users of financial statements about the risk management strategies of an entity.

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### **Examples Illustrating Application of This Proposed Statement**

*Issue 9: Are those examples helpful in communicating the objectives of providing information on how and why an entity uses derivatives and on the overall effect of derivatives on an entity's financial position, results of operations, and cash flows? Or, do you believe those examples would be viewed as a prescribed method to comply with the requirements of this proposed Statement?*

We believe that the examples are helpful. In order to ensure that the examples are not viewed as the prescribed method, the Exposure Draft should clearly state that the examples are only one way to present the required disclosures and can be presented differently as long as all of the required disclosures are met. We also strongly recommend that the final Statement acknowledge that a narrative presentation that achieves all of the disclosure objectives is a sufficient replacement for a tabular schedule.

### **Amendments Considered but Not Made**

*Issue 10: Do you agree with the Board's decisions not to require disclosures in those areas? Why or why not?*

We agree with the Board's conclusions regarding not requiring the disclosure of an entity's overall risk profile, assessment of hedge effectiveness, and normal purchases and normal sales (NPNS) exception elections for the same reasons as those stated in the Basis For Conclusions.

### **Effective Date**

*Issue 11: Does the effective date provide sufficient time for implementation?*

While we believe other constituents are better suited to respond to this question, we do note that requiring entities to make these disclosures for calendar year 2007 means gathering data during this current first quarter of 2007, which few may have contemplated during the 2006 close process. While the data likely exists in raw form, a systems solution to efficiently gather and aggregate the data is not likely to be in place for most companies currently.

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In addition to the previous observations, we have the following comments regarding the Exposure Draft:

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We believe the Exposure Draft is not clear as to whether the disclosures about “gains” and “losses” reported in the statement of financial performance for swap instruments or any other derivatives with multiple interim settlements (multi-period caps, floors, collars) should necessarily represent the *gross* gains and losses or could also represent the *net* gains and losses. As the Board may be aware, many entities follow the convention of “turning off” the fair value monitor on a portion of the derivative instrument once the next period’s swap accrual has been fixed and the entity is just waiting for the passage of time before settling that accrual. For example, companies executing cash flow hedges, which have no or little ineffectiveness, will “adjust” OCI to the appropriate balance at the reporting date, and reflect the swap accrual directly in earnings as the “effective” part of the hedge being recognized in the current period. However, technically speaking, the swap accrual recognition is literally a reclassification of an amount from other comprehensive income that represents the realization (and recognition) of a portion of the swap’s fair value. While it may seem that the correct answer to this question is automatically to disclose all gains and losses on a gross basis, this type of disclosure may actually confuse the user of the financial statements as the user will not have all of the detailed information required to determine how the gross amounts were calculated. In addition, including all gains and losses on a gross basis, adds to the size and complexity of the disclosures without adding much value. We believe the users of the financial statements are most interested in understanding the net effect of how the impacted income statement line item has been altered.

We believe the intent of the proposed disclosure requirement in paragraph 44E(b) is unclear. What if there is no net asset derivative exposure after taking into account the fair value of the collateral? Please confirm that any fully collateralized net asset derivative position does not require disclosure. We believe the proposed disclosure requirement should only be for the fair value of the net asset derivative position after deducting the fair value of collateral and therefore recommend the Board clarify the requirements.

We believe the original disclosure requirement in Statement 133 paragraph 45(b)(2) is unnecessary given the proposed disclosure requirements and should be removed. This requirement never provided a true picture to users of financial statements since it never addressed the hedged forecasted cash flows that would be occurring simultaneously with the other comprehensive income (OCI) balance reclassification. Furthermore, for a “live” cash flow hedge, this amount is only a high-level estimate, and only for a “dead-and-frozen” cash flow hedge does this requirement provide any marginally meaningful information. We note the Exposure Draft requires the disclosure of gains and losses from derivatives along with associated gains and losses on hedged items, which should allow the users of financial statements to obtain

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a complete picture. We recommend that the Board either extend that same “balanced” view to the disclosure requirement in paragraph 45(b)(2) or remove this requirement.

We question the need to require the proposed disclosures for interim financial reporting as the goal of interim financial reporting is provide users of financial statements with an update of an entity’s operations and highlight any significant changes that occurred from the previous annual financial reporting. We are unsure why disclosures about derivative accounting, especially when there is not a significant change from one quarter to the next, would be elevated over equally important or more important areas of accounting. We believe, unless significant changes occur in an entity’s use of derivatives during an interim reporting period, that providing the proposed required disclosures in the annual financial statements only is sufficient to provide users of financial statements with greater transparency into the overall effect that derivative instruments have on an entity.

With respect to paragraph A4 on comparative information, we are uncertain how the Board intends this guidance to be applied in SEC filings, in which two balance sheets and three income statements are displayed in comparative format.

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We would be pleased to discuss these issues in more detail with the Board or staff at your convenience.

Sincerely,

*Ernst + Young LLP*

Appendix

<b>Financial Statement Account</b>	<b>Balance Excluding Impact of Derivative Instruments and Hedging Activities</b>	<b>Effect of Derivatives Designated in a Hedging Relationship</b>	<b>Effect of Derivatives Not Designated in a Hedging Relationship</b>	<b>Balance Including Impact of Derivative Instruments and Hedging Activities</b>
<b>Balance Sheet</b>				
Investments – AFS	\$XXXXX	AAAAA(1)		\$ZZZZZZZ
Inventory	\$XXXXX	AAAAA(1)		\$ZZZZZZZ
Derivative Assets	\$XXXXX	AAAAA(1)	BBBBB	\$ZZZZZZZ
Assets not Hedged	\$XXXXX			\$ZZZZZZZ
Total Assets	\$XXXXX	AAAAA(1)	BBBBB	\$ZZZZZZZ
Derivative Liabilities	\$XXXXX	AAAAA(1)		\$ZZZZZZZ
Long Term Debt	\$XXXXX	AAAAA(1)		\$ZZZZZZZ
Liabilities not Hedged	\$XXXXX		BBBBB	\$ZZZZZZZ
Total Liabilities	\$XXXXX	AAAAA(1)	BBBBB	\$ZZZZZZZ
Accumulated Other Comprehensive Income	\$XXXXX	AAAAA(1)		\$ZZZZZZZ
Net Assets	\$XXXXX	AAAAA(1)	BBBBB	\$ZZZZZZZ
<b>Income Statement</b>				
Revenues	\$XXXXX			\$ZZZZZZZ
Effectiveness		AAAAA(1)		\$ZZZZZZZ
Ineffectiveness		AAAAA(1)		\$ZZZZZZZ
Total	\$XXXXX	AAAAA(1)		\$ZZZZZZZ
Cost of Goods Sold	\$XXXXX	AAAAA(1)		\$ZZZZZZZ
Income Statement Items not Hedged	\$XXXXX			\$ZZZZZZZ
Interest Expense	\$XXXXX			\$ZZZZZZZ
Effectiveness		AAAAA(1)		\$ZZZZZZZ
Total	\$XXXXX	AAAAA(1)		\$ZZZZZZZ
Other Income/(Expense)	\$XXXXX	AAAAA(1)	BBBBB	\$ZZZZZZZ
Effectiveness		AAAAA(1)		\$ZZZZZZZ
Ineffectiveness		AAAAA(1)		\$ZZZZZZZ
Excluded from Effectiveness		AAAAA(1)		
Total	\$XXXXX	AAAAA(1)	BBBBB	\$ZZZZZZZ
Net Income(Loss)	\$XXXXX	AAAAA(1)	BBBBB	\$ZZZZZZZ

## Appendix

(1) Derivatives Designated in a Hedging Relationship include the following:

### A - Fair Value Hedges

- (i) Interest rate risk on debt issuances, for which derivatives held at year-end have a fair value of \$A and \$B for asset and liability positions, respectively. Gains and losses on the derivatives and hedged items (debt) in these hedge relationships during 200X was \$C and \$D, respectively. Gains and losses on the derivatives include an amount excluded from effectiveness testing of \$E. Gains and losses on derivatives that existed during 200X but are either no longer held or designated as a hedge at December 31, 200X was \$F.
- (ii) Credit risk (disclose same information as above)
- (iii) Foreign exchange risk (disclose same information as above)
- (iv) Commodity price risk (disclose same information as above)

### B – Cash Flow Hedges

- (i) Interest rate risk on debt issuances, for which derivatives held at year-end have a fair value of \$A and \$B for asset and liability positions, respectively. The ineffective portion of gains and losses and the amount excluded from effectiveness testing of these hedge relationships during 200X were \$C and \$D, respectively. The effective portion of gains and losses on these derivatives included in OCI at December 31, 200X was \$E. Gains and losses on derivatives that existed during 200X but are either no longer held or designated as a hedge at December 31, 200X was \$F.
- (ii) Credit risk (disclose same information as above)
- (iii) Foreign exchange risk (disclose same information as above)
- (iv) Commodity price risk (disclose same information as above)

### C – Net Investment Hedges

- (i) Foreign exchange risk on net investments in a foreign entity, for which derivatives held at year-end have a fair value of \$A and \$B for asset and liability positions, respectively. The ineffective portion of gains and losses and the amount excluded from effectiveness testing of these hedges during 200X were \$C and \$D, respectively. The effective portion of gains and losses on these derivatives included in OCI at December 31, 200X was \$E. Gains and losses on derivatives that existed during 200X but are either no longer held or designated as a hedge at December 31, 200X was \$F.