

The following survey asks short questions about credit outlook and current portfolio management strategy. The goal is to create a quick snapshot of current credit risk views, and actions, and an information base for IACPM members to discuss likely evolutions of the credit cycle over time.

Credit Outlook and Strategy. The following questions focus on your credit outlook and portfolio strategy.

1. Where do you expect Credit Spreads to be at the end of the next quarter, i.e. in 3 months?

	Up (widen)	Unchanged	Down (narrow)	Total Number of Responses Dec-09	IACPM 3 Months Credit Spread Outlook Index (positive numbers indicate credit improvement)				
					Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
CDX North America Investment Grade 5Y vs. 83*	11 24%	12 26%	23 50%	46	26.1	(11.1)	(38.1)	(22.0)	25.5
CDX North America High Yield 5Y vs. 502*	13 29%	7 16%	25 56%	45	26.7	(7.0)	(25.0)	(17.5)	(4.3)
CMBX North America AA**	NA	NA	NA	NA	NA	NA	NA	10.3	28.2
CMBX North America BBB**	NA	NA	NA	NA	NA	NA	NA	7.1	7.7
iTraxx Europe 5Y vs. 73*	10 25%	11 28%	19 48%	40	22.5	(15.0)	(57.5)	(12.8)	8.9
iTraxx Europe Crossover 5Y vs. 428*	11 28%	9 23%	20 50%	40	22.5	(15.4)	(53.8)	(23.7)	(11.4)
iTraxx Japan Series 5Y vs. 133*	6 22%	10 37%	11 41%	27	18.5	0.0	(8.0)	9.5	21.4
iTraxx Asia ex-Japan Investment Grade 5Y vs. 96*	6 22%	6 22%	15 56%	27	33.3	4.3	(8.7)	(4.3)	6.9
iTraxx Asia ex-Japan High Yield 5Y vs. 415*	7 26%	5 19%	15 56%	27	29.6	(8.7)	(4.8)	(17.4)	(6.9)
iTraxx Australia 5Y vs. 84*	6 24%	6 24%	13 52%	25	28.0	0.0	4.8	4.3	34.8

IACPM Major Markets Credit Spread Outlook Index (weighted average based on number of responses; includes four indices in bold)	171	24.6	(12.0)	(43.5)	(19.0)	4.9
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IACPM 3 Months Credit Spread Outlook Index (weighted based on number of responses; includes all indices listed above)	277	25.6	(8.0)	(29.5)	(8.9)	10.0
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* (values as of December 29, 2009 in basis points; Source: Markit)

** Effective April 20, 2009 standard trading convention for Markit CMBX indices changed to price from spread.

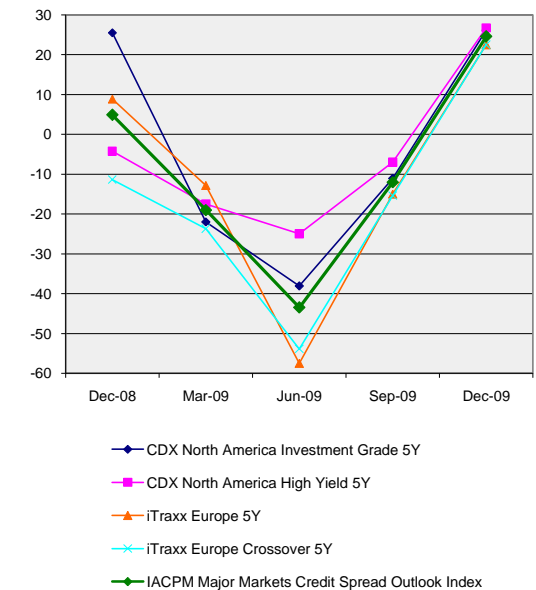
2. Where do you expect CMBX index prices to be at the end of next quarter, i.e. in 3 months?

- Effective April 20, 2009 standard trading convention for Markit CMBX indices changed to price from spread.

	Up	Unchanged	Down	Total Number of Responses Dec-09	IACPM 3 Months Credit Spread Outlook Index (positive numbers indicate credit improvement)				
					Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
CMBX North America AA vs. 34*	13 41%	11 34%	8 25%	32	15.6	20.7	3.6	NA	NA
CMBX North America BBB vs. 18*	10 32%	12 39%	9 29%	31	3.2	14.3	7.1	NA	NA

* (values as of December 29, 2009 in basis points; Source: Markit)

IACPM 3 Months Credit Spread Outlook Index



3. Where do you expect credit spreads to be in 12 months?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Up (widen)	Unchanged	Down (narrow)	Total Number of Responses Dec-09	IACPM 12 Months Credit Spread Outlook Index (positive numbers indicate credit improvement)				
	Dec-09	Dec-09	Dec-09		Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
CDX North America Investment Grade 5Y vs. 83*	9 19%	7 15%	31 66%	47	46.8	44.4	59.5	57.5	70.2
CDX North America High Yield 5Y vs. 502*	10 22%	9 20%	27 59%	46	37.0	40.0	52.5	45.0	53.2
CMBX North America AA**	NA	NA	NA	NA	NA	NA	NA	51.7	56.4
CMBX North America BBB **	NA	NA	NA	NA	NA	NA	NA	51.7	43.6
iTraxx Europe 5Y vs. 73*	8 20%	9 22%	24 59%	41	39.0	35.0	45.0	52.6	61.4
iTraxx Europe Crossover 5Y vs. 429*	9 22%	9 22%	23 56%	41	34.1	33.3	33.3	44.7	51.1
iTraxx Japan Series 5Y vs. 133*	4 15%	8 30%	15 56%	27	40.7	44.0	40.0	47.6	69.2
iTraxx Asia ex-Japan Investment Grade 5Y vs. 96*	3 11%	7 26%	17 63%	27	51.9	50.0	47.8	34.8	53.6
iTraxx Asia ex-Japan High Yield 5Y vs. 415*	3 11%	10 37%	14 52%	27	40.7	58.3	33.3	17.4	50.0
iTraxx Australia 5Y vs. 84*	3 12%	4 16%	18 72%	25	60.0	54.2	47.6	34.8	60.9

IACPM 12 Months Credit Spread Outlook Index (weighted based on number of responses)	281	24.6	43.2	45.8	45.4	56.8
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IACPM 12 Months Credit Spread Outlook Index (excl. CMBX) (weighted based on number of responses)	281	39.4	43.2	45.8	43.9	64.9
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*(values as of December 29, 2009 in basis points; Source: Markit)

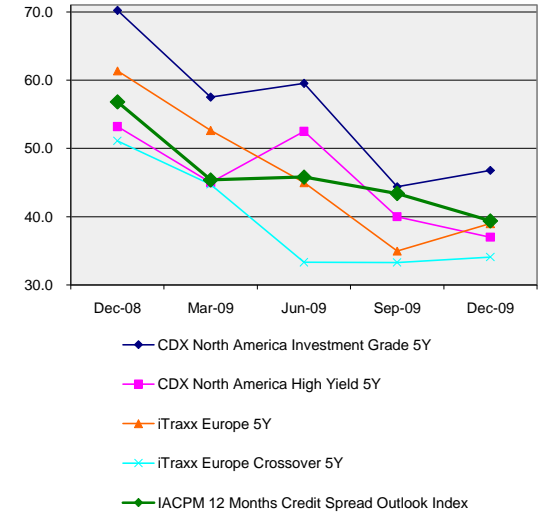
4. Where do you expect CMBX index prices to be in 12 months?

- Effective April 20, 2009 standard trading convention for Markit CMBX indices changed to price from spread.

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Up	Unchanged	Down	Total Number of Responses Dec-09	IACPM 3 Months Credit Spread Outlook Index (positive numbers indicate credit improvement)				
	Dec-09	Dec-09	Dec-09		Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
CMBX North America AA vs. 34*	14 45%	5 16%	12 39%	31	6.5	17.9	(10.7)	NA	NA
CMBX North America BBB vs. 18*	14 45%	2 6%	15 48%	31	(3.2)	11.1	3.6	NA	NA

*(values as of December 29, 2009 in basis points; Source: Markit)

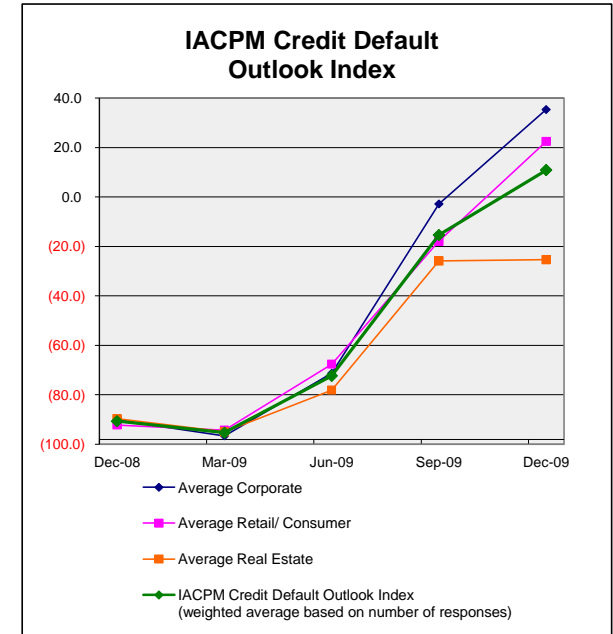
IACPM 12 Months Credit Spread Outlook Index



5. Where do you expect Credit Defaults to be in 12 months?

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.	Up	Unchanged	Down	Total Number of Responses Dec-09	IACPM 12 Months Credit Default Outlook Index (positive numbers indicate credit improvement)				
	Dec-09	Dec-09	Dec-09		Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
North America Corporate	10 20%	9 18%	31 62%	50	42.0	0.0	(71.7)	(91.5)	(90.4)
North America Retail/ Consumer	17 35%	10 20%	22 45%	49	10.2	(19.6)	(68.9)	(91.3)	(92.2)
North America Real Estate	30 61%	9 18%	10 20%	49	(40.8)	(32.6)	(80.0)	(87.0)	(86.3)
Europe Corporate	12 29%	14 33%	16 38%	42	9.5	(16.7)	(81.0)	(100.0)	(93.9)
Europe Retail/ Consumer	16 37%	9 21%	18 42%	43	4.7	(31.7)	(75.0)	(97.6)	(95.9)
Europe Real Estate	25 60%	10 24%	7 17%	42	(42.9)	(43.9)	(87.8)	(100.0)	(91.7)
Asia Corporate	4 13%	8 27%	18 60%	30	46.7	3.6	(63.0)	(96.6)	(87.2)
Asia Retail/ Consumer	4 13%	9 30%	17 57%	30	43.3	0.0	(48.1)	(92.6)	(89.2)
Asia Real Estate	8 27%	15 50%	7 23%	30	(3.3)	0.0	(61.5)	(96.2)	(91.4)
Australia Corporate	3 12%	6 24%	16 64%	25	52.0	7.7	(62.5)	(100.0)	(87.5)
Australia Retail/ Consumer	4 16%	4 16%	17 68%	25	52.0	(11.5)	(75.0)	(96.2)	(90.0)
Australia Real Estate	9 36%	5 20%	11 44%	25	8.0	(11.5)	(76.0)	(100.0)	(90.0)
Average Corporate	7 20%	9 25%	20 55%	36	35.4	(2.8)	(71.2)	(96.6)	(90.1)
Average Retail/ Consumer	10 28%	8 21%	19 51%	37	22.4	(17.9)	(67.6)	(94.3)	(92.2)
Average Real Estate	18 49%	10 27%	9 24%	37	(25.3)	(25.9)	(78.1)	(95.0)	(89.6)

IACPM Credit Default Outlook Index (weighted average based on number of responses)	440	10.9	(15.3)	(72.3)	(95.3)	(90.7)
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6. Is your current strategy to increase or decrease the percentage of retained risk in your overall portfolio (via sale, hedge, asset acquisition/increase, etc)?

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08
Increase aggressively	3	2	1	1	1	0	0	6%	4%	2%	2%	2%	0%	0%
Increase moderately	21	12	11	4	13	5	9	40%	24%	23%	8%	24%	10%	17%
Unchanged	9	16	13	17	15	8	8	17%	33%	27%	35%	28%	15%	15%
Decrease moderately	17	17	21	25	18	31	31	32%	35%	44%	51%	33%	60%	60%
Decrease aggressively	3	2	2	2	7	8	4	6%	4%	4%	4%	13%	15%	8%
Total Number of Responses	53	49	48	49	54	52	52	100%	100%	100%	100%	100%	100%	100%

7. What is the rationale for this strategy?

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08
Balance sheet/Capital appetite	20	23	24	25	24	27	27	38%	47%	50%	51%	44%	52%	52%
Portfolio optimization	21	16	16	9	9	8	12	40%	33%	33%	18%	17%	15%	23%
Change in risk view	9	6	4	8	8	14	10	17%	12%	8%	16%	15%	27%	19%
Other, please comment	3	4	4	7	13	3	3	6%	8%	8%	14%	24%	6%	6%
Total	53	49	48	49	54	52	52	100%	100%	100%	100%	100%	100%	100%

Comments, September 2009
Confidential
Happy with current strategy
Mandate
Not an issue for our portfolio

Comments, June 2009
Mandate
Don't really manage this way.
European Commission retribution for state
We're naturally long, so to shorten up is

Comments, March 2009
At this stage of the market we aren't active player
Balance Sheet/Capital appetite and Portfolio Optimization
Consistent strategy regardless of credit view
Cost
Mandate
Not really applicable.
Portfolio optimization & PF optimization

Comments, December 2008
Hedge is not available
Continue business but limited economic mitigation options
Management of the credit risk
Few hedge approaches in Taiwan
Financing hedged carry + roll down
Portfolio is already conservatively positioned
High spread level (risk priced in)
Mandate
Lock in of MTM gains on hedge book
Not really how we manage or think about risk.
Further market deterioration
Return Opportunities Exceed Higher Risk Levels

8. What industry sectors are you most focused on for risk mitigation efforts in the next 3 months? (top 3)

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08
TMT: Telecom	4	3	3	3	4	2	2	8%	6%	6%	6%	7%	4%	4%
TMT: Media	8	13	11	6	8	7	5	15%	27%	23%	12%	15%	13%	10%
TMT: Technology	1	2	1	2	4	2	4	2%	4%	2%	4%	7%	4%	8%
Natural Resources: Oil and Gas	8	3	2	6	10	4	2	15%	6%	4%	12%	19%	8%	4%
Natural Resources: Paper	6	7	7	4	5	5	6	11%	14%	15%	8%	9%	10%	12%
Natural Resources: Metals/Mining	2	3	9	5	13	1	2	4%	6%	19%	10%	24%	2%	4%
Natural Resources: Chemicals	2	3	1	7	9	2	3	4%	6%	2%	14%	17%	4%	6%
Natural Resources: Utilities	2	0	0	0	2	5	2	4%	0%	0%	0%	4%	10%	4%
Industrial: Auto and related transportation	12	17	23	25	25	21	26	23%	35%	48%	51%	46%	40%	50%
Industrial: Airlines/ Aerospace/ Defense	9	14	8	6	11	5	13	17%	29%	17%	12%	20%	10%	25%
Industrial: Diversified	7	5	5	4	5	7	5	13%	10%	10%	8%	9%	13%	10%
Pharma/ Biotech/ Health Care	3	0	2	1	2	0	0	6%	0%	4%	2%	4%	0%	0%
Retail/ Consumer	22	23	21	21	34	17	28	42%	47%	44%	43%	63%	33%	54%
Financial: banks/ brokers	9	11	5	14	12	29	19	17%	22%	10%	29%	22%	56%	37%
Financial: insurance	7	7	6	12	12	10	8	13%	14%	12%	24%	22%	19%	15%
Financial: nonbank	6	11	7	11	9	14	17	11%	22%	15%	22%	17%	27%	33%
Real Estate: Commercial and Construction	40	32	27	27	31	30	28	75%	65%	56%	55%	57%	58%	54%
Real Estate: Residential	20	10	9	13	12	12	11	38%	20%	19%	27%	22%	23%	21%
Other, please specify	2	1	1	4	4	3	3	4%	2%	2%	8%	7%	6%	6%

Others, December 2009
Sovereign
Anything that is weakly rated and thus more capital consumptive under B2.

Others, June 2009
We focus on specific names.

Others, March 2009
Homebuilders/Gaming & Lodging
Shipping

Others, Dec. 2008
Shipping
Shipping
Across all sectors
Energy

Others, September 2008
Shipping
Steady approach across all sectors
Leveraged Finance

Others, June 2008
Leveraged names
Shipping
We are defensively positioned

Demographics. The following questions relate to the size and nature of your firm and are for background demographic information.

9. Please identify the nature of your institution.

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08
Bank/Investment bank	45	42	40	42	45	42	42	85%	86%	83%	83%	83%	81%	81%
Insurance company	4	3	3	3	4	7	6	8%	6%	6%	6%	7%	13%	12%
Fund	3	2	4	2	4	2	3	6%	4%	8%	8%	7%	4%	6%
Other, please identify	1	2	1	2	1	1	1	2%	4%	2%	2%	2%	2%	2%
Total	53	49	48	49	54	52	52	100%	100%	100%	100%	100%	100%	100%

Other, December 2009
ECA

Other,
ECA
Asset manager/cdpc

Other, June 2009
ECA

Other, March 2009
ECA
Bank and Insurance

Other, December 2008
ECA

10. Please identify your firm's continent of domicile.

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08
North America	20	19	18	18	19	19	20	38%	39%	38%	38%	35%	37%	38%
Europe	21	19	20	19	21	20	21	40%	39%	42%	42%	39%	38%	40%
Asia	4	5	4	5	7	6	7	8%	10%	8%	8%	13%	12%	13%
Australia	4	4	3	3	4	4	3	8%	8%	6%	6%	7%	8%	6%
Latin America	0	0	1	1	1	1	0	0%	0%	2%	2%	2%	2%	0%
Middle East	0	0	0	0	0	0	0	0%	0%	0%	0%	0%	0%	0%
Africa	4	2	2	3	2	2	1	8%	4%	4%	4%	4%	4%	2%
Total	53	49	48	49	54	52	52	100%	100%	100%	100%	100%	100%	100%

**11. Please identify your firm's approximate portfolio asset size.
(Please include only the assets for which the portfolio management group is responsible.)**

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08
Less than \$50 billion	9	8	8	4	6	5	7	17%	16%	17%	8%	11%	10%	13%
\$50 billion to \$100 billion	13	12	10	11	15	17	16	25%	24%	21%	22%	28%	33%	31%
\$100 billion to \$200 billion	12	13	11	14	18	14	11	23%	27%	23%	29%	33%	27%	21%
Greater than \$200 billion	NA	NA	18	20	14	14	16	NA	NA	38%	41%	26%	27%	31%
\$200 billion to \$500 billion	12	8	NA	NA	NA	NA	NA	23%	16%	NA	NA	NA	NA	NA
Greater than \$500 billion	6	6	NA	NA	NA	NA	NA	11%	12%	NA	NA	NA	NA	NA
Does not apply	1	2	1	0	1	2	2	2%	4%	2%	0%	2%	4%	4%
Total	53	49	48	49	54	52	52	100%	100%	100%	100%	100%	100%	100%

12. In what part of your organization is the credit portfolio management group located?

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08
Line of business	25	24	25	23	30	22	27	47%	49%	52%	47%	56%	42%	52%
Risk management (including credit risk management)	20	17	15	17	20	22	18	38%	35%	31%	35%	37%	42%	35%
Finance/Treasury	6	5	4	6	1	4	4	11%	10%	8%	12%	2%	8%	8%
Does not apply	1	2	2	1	3	3	2	2%	4%	4%	2%	6%	6%	4%
Other, please specify	1	1	2	2	0	1	1	2%	2%	4%	4%	0%	2%	2%
Total	53	49	48	49	54	52	52	100%	100%	100%	100%	100%	100%	100%

Others, December 2009
Hybrid risk and business

Others, September 2009
Division

Others, June 2009
Shared in Credit Risk Management, Treasury, Planning
JV between Global Markets & Investment Bank

Other, March 2009
Separate Division
Hybrid risk and business

Other, September 2008
Independent business line

Participating Institutions

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
Aareal Bank	✓				
ABSA Capital	✓	✓	✓	✓	✓
Allianz					
ANZ	✓	✓			✓
Atradius Insurance			✓		✓
Banco Itau			✓	✓	✓
Bank of America	✓	✓	✓	✓	✓
Bank of Montreal	✓	✓			
Bank of New York Mellon			✓	✓	✓
Bank of Tokyo-Mitsubishi UFJ	✓	✓	✓	✓	✓
Bank of the West	✓				
Barclays Capital	✓	✓	✓		✓
BlueCrest Capital Management Limited	✓	✓	✓		✓
BlueMountain Capital Management	✓	✓	✓	✓	✓
BNP Paribas	✓	✓			
Calyon		✓	✓	✓	✓
Capital One	✓	✓	✓	✓	✓
Channel Capital Advisors			✓		✓
Chinatrust Financial Holding					✓
CIBC	✓	✓	✓	✓	✓
Citigroup	✓	✓	✓	✓	✓
Citizens Financial Group			✓		
Commerzbank	✓	✓	✓	✓	
Commonwealth Bank of Australia	✓	✓	✓	✓	✓
Credit Suisse	✓	✓	✓	✓	✓
Deutsche Bank	✓	✓	✓	✓	✓
Dresdner Kleinwort					✓
Export Development Canada	✓	✓	✓	✓	✓
Fifth Third Bank	✓	✓		✓	
First Rand Bank Limited	✓			✓	
Fortis Bank N.V.	✓	✓	✓	✓	✓
Goldman, Sachs & Company		✓			✓
HSBC	✓	✓	✓	✓	✓
IKB Deutsche Industriebank AG					✓
ING Group		✓		✓	
Intesa Sanpaolo	✓		✓	✓	
JP Morgan Chase	✓	✓	✓	✓	
Kasikornbank		✓			
KBC	✓	✓	✓	✓	✓

	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08
KeyBank	✓	✓	✓		✓
KfW Banking Group	✓				✓
KfW IPEX				✓	✓
Landesbank Baden-Wuerttemberg	✓	✓	✓	✓	✓
Lloyds TSB PLC	✓	✓	✓	✓	✓
Manulife Financial Corporation		✓		✓	✓
Metlife	✓				
Mitsubishi UFJ Trust and Banking Corporation	✓	✓	✓	✓	✓
Mizuho		✓			✓
Monte Dei Paschi Di Siena	✓				
Morgan Stanley			✓		✓
Munich Reinsurance	✓	✓	✓	✓	
National Australia Bank	✓	✓	✓	✓	✓
National Bank Financial	✓				
Natixis					✓
Nedbank	✓				
Nomura Holdings, Japan	✓				✓
NRW Bank	✓	✓	✓	✓	✓
PNC Financial Services / National City Bank	✓	✓	✓	✓	✓
Primus Financial	✓	✓	✓	✓	✓
RBC Capital Markets	✓	✓	✓	✓	✓
Regions Bank	✓				
SEB				✓	
Shinsei Bank Limited				✓	✓
Societe Generale	✓	✓	✓	✓	
Standard Bank of South Africa	✓	✓	✓	✓	✓
Standard Chartered	✓	✓	✓	✓	✓
State Street Bank		✓	✓	✓	✓
Sumitomo Mitsui			✓	✓	
Swiss Reinsurance Company	✓	✓		✓	✓
TIAA-CREF	✓		✓		✓
UBS AG	✓	✓	✓	✓	✓
UniCredit Group				✓	
UniCredit Markets & Investment Banking	✓	✓	✓	✓	✓
Union Bank of California	✓	✓	✓		
Wachovia Corporation				✓	✓
Wells Fargo Bank			✓	✓	✓
West LB	✓	✓	✓	✓	✓
Westpac Banking Corporation	✓	✓	✓	✓	✓