

Report of SVO Classification Determinations  
**Report Number 3, Dated June 27, 2006**

The SVO classifies securities in accordance with the SVO Purposes and Procedures Manual. The classification analysis covers securities filed by regulated entities, and requests submitted through the Advanced Rating Service/Emerging Investment Vehicle submission.

This report follows up on **Report Number 2 dated June 14, 2006**. The purpose of this report is to relay information on various classification decisions made by the SVO concerning securities typically referred to as capital securities. Capital securities are issued by a variety of regulated and non-regulated institutions to raise capital. The category encompasses trust-preferred securities; a new type of security referred to as a hybrid and could also encompass securities known by other names than trust preferred or hybrids.

**Section 1. Transactions Reviewed Since Last Report (dated June 14, 2006):**

| Security   | CUSIP     | Classification                    |
|--|-----------|-----------------------------------|
| HEARST-ARGYLE CAP TRUST  | 42242#AB2 | Redeemable Preferred Subordinated |
| FRESENIUS MEDICAL CARE CAPITAL TRUST II                                  | 35802N303 | Debt Subordinated                 |
| FRESENIUS MEDICAL CARE CAPITAL TRUST IV                                  | 35802QAB4 | Debt Redeemable                   |
| JPM CAPITAL TRUST II   | 46623MAA9 | Preferred                         |
| BARCLAYS BANK plc – 6.278% ADR Series 1                                  | 06738C828 | Common                            |
| BNP U.S. FUNDING LLC – NC Preferred, Series A                            | 05562EAA6 | Preferred                         |
| SKANDINAVISKA ENSKILDA BANKEN AB –4.958% CAPITAL CONTRIBUTION SECURITIES | 830505AL7 | Common                            |
| SKANDINAVISKA ENSKILDA BANKEN AB –5.471% CAPITAL CONTRIBUTION SECURITIES | 830505AM5 | Common                            |
| KBC FUNDING TRUST III – 9.86% FIXED/FLOATING RATE NC TRUST PREFERRED     | 48239AAA7 | Preferred                         |

Securities Submitted Under ARS/EIV Process

Since **June 14**, the SVO has not completed any analysis of ARS/EIV hybrid securities.

**Section 2. Cumulative Report of Transactions Reviewed in 2006**

As of **June 26**, the SVO has completed review and classification of the following securities owned by insurance companies.

| Security  | CUSIP     | Classification |
|---|-----------|----------------|
| RBS Capital Trust III                           | 74927QAA5 | Common         |
| ING Capital Funding Trust III                   | 44978NAA3 | Preferred      |
| ING Groep NV                                    | 456837AC7 | Preferred      |
| Washington Mutual Pref. Funding Trust I         | 93934WAA3 | Preferred      |
| Washington Mutual Pref. Funding (Cayman) I Ltd. | 93934VAA5 | Preferred      |
| Lehman ECAP                                     | 52520YAA5 | Common         |
| BNSF Funding                                    | 05567SAAA | Common         |
| Wachovia Cap Trust III (WITS)                   | 92978AAA0 | Common         |

|   |           |                         |
|---|-----------|-------------------------|
| Stanley Works Caps Trust I  | 854624AA1 | Common                  |
| ZFS Finance Trust I   | 98876XAA0 | Common                  |
| ZFS Finance Trust II  | 98876YAA8 | Common                  |
| Safeco Capital Trust I  | 786427AC8 | Redeemable<br>Preferred |
| HEARST-ARGYLE CAP TRUST   | 42242#AB2 | Redeemable<br>Preferred |
| FRESENIUS MEDICAL CARE CAPITAL TRUST II                                     | 35802N303 | Subordinated<br>Debt    |
| FRESENIUS MEDICAL CARE CAPITAL TRUST IV                                     | 35802QAB4 | Subordinated<br>Debt    |
| JPM CAPITAL TRUST II  | 46623MAA9 | Redeemable<br>Preferred |
| BARCLAYS BANK plc – 6.278% ADR Series 1                                     | 06738C828 | Common                  |
| BNP U.S. FUNDING LLC – NC Preferred, Series A                               | 05562EAA6 | Preferred               |
| SKANDINAVISKA ENSKILDA BANKEN AB –4.958%<br>CAPITAL CONTRIBUTION SECURITIES | 830505AL7 | Common                  |
| SKANDINAVISKA ENSKILDA BANKEN AB –5.471%<br>CAPITAL CONTRIBUTION SECURITIES | 830505AM5 | Common                  |
| KBC FUNDING TRUST III – 9.86% FIXED/FLOATING<br>RATE NC TRUST PREFERRED     | 48239AAA7 | Preferred               |

Securities Under Review Via ARS/EIV Process

To date, the SVO has completed eight of the 10 securities submitted (2 securities submitted recently) pursuant to the Advance Rating Service / Emerging Investment Vehicle ("ARS/EIV") Process, all have been classified as common.