1. This series of agenda papers addresses hedges of credit risk using credit derivatives.

2. It contains two papers (21A and 21B).

3. Agenda paper 21A contains:
   (a) a description on how financial institutions manage credit exposures arising from their lending activities; and
   (b) an analysis of the accounting implications.

4. Agenda paper 21B contains:
   (a) the alternatives for how the Board could proceed;
   (b) the staff recommendation; and
   (c) a question to the Board.