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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **OCC BANK DERIVATIVES REPORT SECOND QUARTER 2005**

### **GENERAL**

The OCC's quarterly report on bank derivatives activities and trading revenues is based on call report information provided by U.S. insured commercial banks. The notional amount of derivatives in insured commercial bank portfolios increased by \$5.1 trillion in the second quarter, to \$96.2 trillion. Generally, changes in notional volumes are reasonable reflections of business activity but do not provide useful measures of risk. During the second quarter, the notional amount of interest rate contracts increased by \$3.9 trillion, to \$82 trillion. Foreign exchange contracts increased by \$139 billion to \$8.6 trillion. This figure excludes spot foreign exchange contracts, which decreased by \$7 billion to \$731 billion. Credit derivatives increased by \$981 billion, to \$4.1 trillion. Equity, commodity and other contracts increased by \$98 billion, to \$1.6 trillion. The number of commercial banks holding derivatives increased by 74 to 769. [See Tables 1, 2, and 3, Graphs 1 and 3.]

Eighty-five percent of the notional amount of derivative positions consists of interest rate contracts with foreign exchange accounting for an additional 9 percent. Equity, commodity and credit derivatives accounted for the remaining 6 percent of the total notional amount. [See Table 3 and Graph 3.]

Holdings of derivatives continue to be concentrated in the largest banks. Five commercial banks account for 96 percent of the total notional amount of derivatives in the commercial banking system, with more than 99 percent held by the largest 25 banks. [See Tables 3, 5 and Graph 4.]

Over-the-counter (OTC) and exchange-traded contracts comprised 91 percent and 9 percent, respectively, of the notional holdings as of the second quarter of 2005. [See Table 3.] OTC contracts tend to be more popular with banks and bank customers because they can be tailored to meet firm-specific risk management needs. However, OTC contracts expose participants to greater credit risk and tend to be less liquid than exchange-traded contracts, which are standardized and fungible.

The notional amount of short-term contracts (i.e., with remaining maturities of less than one year) increased by \$1.8 trillion to \$23 trillion from the first quarter of 2005. Contracts with

remaining maturities of one to five years grew by \$392 billion to \$29.5 trillion, and long-term contracts (i.e., with maturities of five or more years) increased by \$744 billion, to \$19 trillion. Longer term contracts present valuable customer service and revenue opportunities. They also pose greater risk management challenges, as longer tenor contracts are generally more difficult to hedge and result in greater counterparty credit risk. [See Tables 8, 9 and 10, Graphs 7, 8 and 9.]

End-user activity decreased by \$11 billion to \$2.5 trillion in the second quarter, and the number of commercial banks reporting end-user derivatives activities increased by 72 to 733 banks.

## **RISK**

The notional amount is a reference amount from which contractual payments will be derived, but it is generally not an amount at risk. The risk in a derivative contract is a function of a number of variables, such as whether counterparties exchange notional principal, the volatility of the interest rates, currencies, equity or corporate reference entity used as the basis for determining contract payments, the maturity and liquidity of contracts, and the credit worthiness of the counterparties in the transaction.

Table 4 contains summary data on counterparty credit exposures. The credit exposures shown are measured using the rules contained in the risk-based capital guidelines of the U.S. banking agencies. The presentation of the credit data in Table 4, while consistent across banks, overstates bank credit exposures in two meaningful respects. First, it ignores collateral that banks may have received from counterparties to secure exposures from derivative contracts. A more meaningful analysis would reduce the current credit exposure amount by liquid collateral held against those exposures. Call reports filed by U.S. banks do not currently require this information. Second, the potential future exposure numbers derived from the risk-based capital guidelines compute an exposure amount over the life of derivatives contracts; longer-term contracts generate larger potential exposures. However, many contracts banks have with their counterparties, especially other dealers, contain agreements that allow the bank to close out the transaction if the counterparty fails to post collateral required by the terms of the contracts. As a result, these contracts have potential future exposures that, from a practical standpoint, are often much smaller, due to a shorter exposure period, than future exposures derived from the agencies' risk-based capital guidelines. Readers should keep these mitigating factors in mind when interpreting the credit data. [See Tables 4 and 6, Graphs 5a and 5b.]

Total credit exposure, which is the sum of bilaterally netted current credit exposure and potential future exposure, increased \$50.5 billion to \$969 billion. Current credit exposure, which is the gross positive fair value of contracts less the dollar amount of netting benefits, increased by \$2 billion to \$200 billion. Current credit exposure is the amount owed to banks if all contracts were immediately liquidated, and is the most useful measure of credit risk in a dealer's portfolio given information available in call reports. A more risk sensitive measure of credit exposure would consider the current credit exposure net of collateral held against those exposures. Current call report instructions, however, do not require banks to report this information. The \$2 billion change in current credit exposure consists of a \$282 billion increase in gross positive fair values, which eclipsed a \$280 billion increase in netting benefits. Potential future exposure (PFE) increased \$48 billion, due to increases in commodity contracts maturing from one to five years, interest rate contracts maturing beyond five years, and equity contracts maturing within five

years. The increases in PFE for commodity and equity contracts largely result from the large increases in credit derivative transactions. Since there is no line item for credit derivatives in the schedule that computes PFE requirements, banks distribute their credit derivative transactions among commodity and equity contracts, depending upon whether the underlying reference entity is investment grade or not. [See Tables 4 and 6, Graphs 5a and 5b.]

When banks have valid and legally enforceable netting agreements, they may reduce the gross positive fair values of contracts by the amount of contracts with gross negative fair values, which yields bilaterally netted current credit exposure. This risk mitigation technique reduced credit exposures by 86.6 percent in the second quarter, up from 83.7 percent in the first quarter. Total credit exposures for the top five banks, which is the sum of bilaterally netted current credit exposure and PFE, increased to 317 percent of risk-based capital in the second quarter of 2005 from 305 percent in the first quarter of 2005. [See Graph 5a and 5b.]

Past-due derivative contracts remained at nominal levels. For all banks, the fair value of contracts past due 30 days or more aggregated to \$35 million or .0037 percent of total credit exposure from derivatives contracts. A more complete assessment of the magnitude of troubled derivative exposures would include restructured derivative contracts, contracts re-written as loans, and those accounted for on a non-accrual basis in addition to past due contracts. Call report instructions, however, currently require banks to report only past due derivative contracts. Therefore, use of past-due information alone does not provide a complete picture of the extent of troubled derivative exposures.

During the second quarter of 2005 banks charged off \$14 million from derivatives, or .0015 percent of the total credit exposure from derivative contracts. For comparison purposes, C&I loan charge-offs relative to total C&I loans for the quarter were .054 percent. [See Graph 5c.]

The call report data reflect the significant differences in business strategies among the banks. The preponderance of trading activities, including both customer transactions and proprietary positions, is confined to the very largest banks. The banks with the 25 largest derivatives portfolios hold 97 percent of their contracts for trading purposes, primarily customer service transactions, while the remaining 3 percent are held for their own risk management needs. Trading contracts represent 97 percent of all notional amounts in the insured commercial banking system. Smaller banks tend to limit their use of derivatives to risk management purposes. [See Table 5.]

The gross positive and gross negative fair values of derivatives portfolios are relatively balanced; that is, the value of positions in which the bank has a gain is not significantly different from the value of those positions with a loss. In fact, for derivative contracts held for trading purposes, the five largest banks have \$1.45 trillion in gross positive fair values and \$1.43 trillion in gross negative fair values. Note that while gross fair value data is more useful than notional amounts in depicting meaningful gross market risk exposure, users should keep in mind that these figures do not include risk mitigating or risk adding transactions in cash trading accounts. Similarly, the data are reported on a legal entity basis and consequently do not reflect the effects of positions in portfolios of affiliates. [See Table 6.]

For all commercial banks, end-user positions or derivatives held for risk management purposes

have aggregate gross positive fair values of \$18 billion, while the gross negative fair value of these contracts aggregated to \$17 billion. These figures are only useful in the context of a more complete analysis of each bank's asset/liability structure and risk management process. For example, these figures do not reflect the impact of off-setting positions on the balance sheet. [See Table 6.]

The notional amount of credit derivatives reported by insured commercial banks increased by 31 percent from first quarter levels, or \$981 billion, to \$4.1 trillion. The notional amount for the 17 commercial insured institutions that sold credit protection (i.e., assumed credit risk) to other parties was \$1.89 trillion, an increase of \$406 billion from first quarter levels. The notional amount for the 26 commercial banks reporting credit derivatives that bought credit protection (i.e., hedged credit risk) from other parties was \$2.21 trillion, a \$575 billion increase from the first quarter. [See Tables 1, 3 and Graphs 2, 3 and 4.]

## **REVENUES**

The call report data include revenue information regarding trading activities involving cash instruments and derivative instruments. The data also show the impact on net interest income and non-interest income from derivatives used in non-trading activities. Note that the revenue data reported in Table 7, Graphs 6a and 6b reflect figures for the second quarter alone, and are not annualized.

Relative to the first quarter of 2005, there was a decrease in trading revenues from cash instruments and derivatives activities of \$2.5 billion, to \$1.96 billion in the second quarter of 2005. The top five banks accounted for 79 percent of total trading revenue, compared to 85 percent in the first quarter of 2005. In the second quarter, revenues from interest rate positions decreased by \$1.3 billion, to \$362 million, while revenues from foreign exchange positions decreased by \$398 million, to \$1.3 billion. Revenues from equity trading positions decreased by \$756 million, to \$131 million. Revenues from commodity and other trading positions decreased by \$46 million in the second quarter to \$166 million. [See Table 7, Graphs 6a and 6b.]

Derivatives held for purposes other than trading added \$27 million to gross revenues in the second quarter down from \$675 million in the first quarter. These results are only useful in the context of a more complete analysis of each bank's asset/liability structure and risk management process.

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## GLOSSARY OF TERMS

**Bilateral Netting:** A legally enforceable arrangement between a bank and a counterparty that creates a single legal obligation covering all included individual contracts. This means that a bank's obligation, in the event of the default or insolvency of one of the parties, would be the net sum of all positive and negative fair values of contracts included in the bilateral netting arrangement.

**Credit Derivative:** A contract which transfers credit risk from a protection buyer to a credit protection seller. Credit derivative products can take many forms, such as credit default options, credit limited notes and total return swaps.

**Derivative:** A financial contract whose value is derived from the performance of assets, interest rates, currency exchange rates, or indexes. Derivative transactions include a wide assortment of financial contracts including structured debt obligations and deposits, swaps, futures, options, caps, floors, collars, forwards and various combinations thereof.

**Exchange-Traded Derivative Contracts:** Standardized derivative contracts (e.g. futures and options) that are transacted on an organized exchange.

**Gross Negative Fair Value:** The sum total of the fair values of contracts where the bank owes money to its counterparties, without taking into account netting. This represents the maximum losses the bank's counterparties would incur if the bank defaults and there is no netting of contracts, and no bank collateral was held by the counterparties.

**Gross Positive Fair Value:** The sum total of the fair values of contracts where the bank is owed money by its counterparties, without taking into account netting. This represents the maximum losses a bank could incur if all its counterparties default and there is no netting of contracts, and the bank holds no counterparty collateral.

**High-Risk Mortgage Securities:** Securities where the price or expected average life is highly sensitive to interest rate changes, as determined by the FFIEC policy statement on high-risk mortgage securities. See also OCC Banking Circular 228 (rev.)

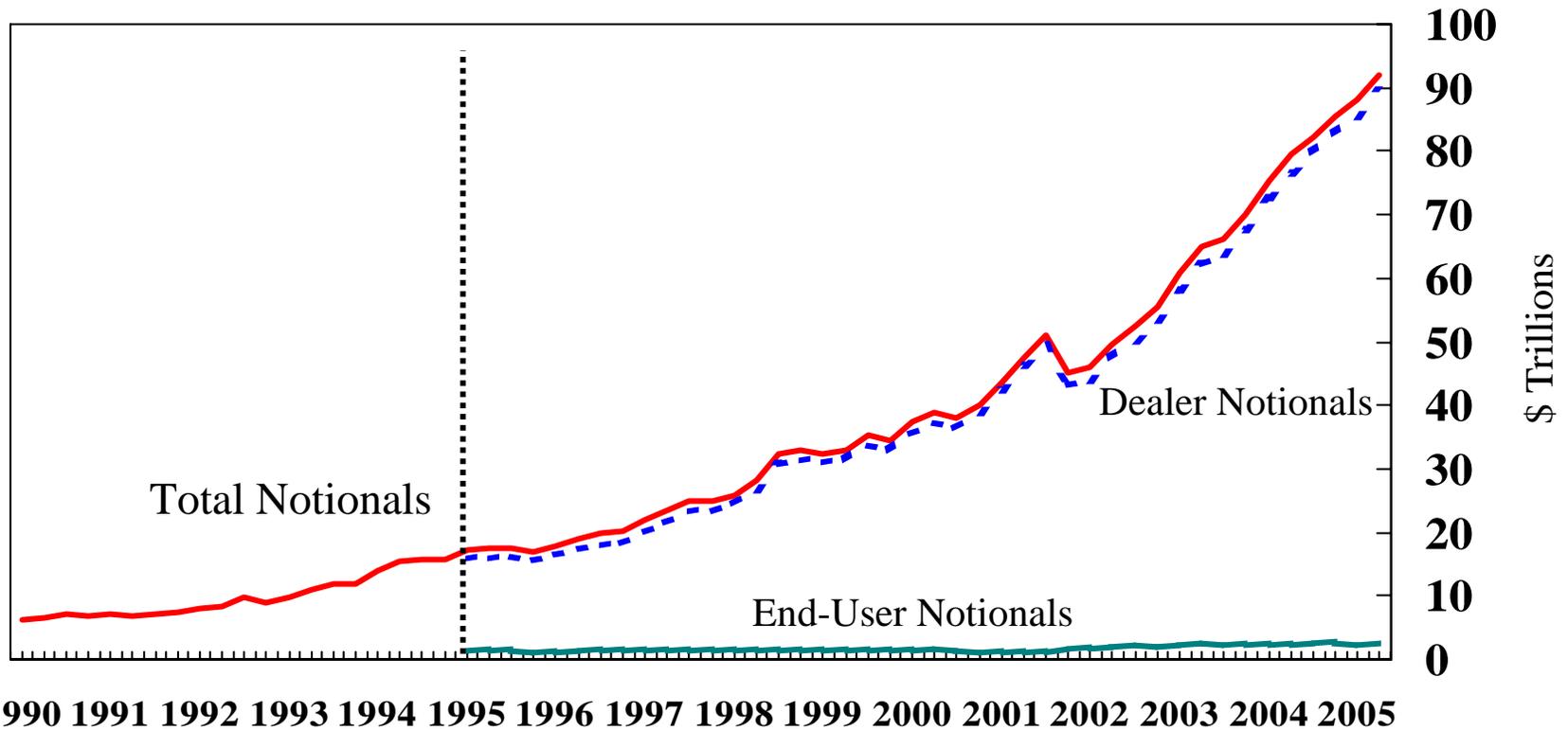
**Notional Amount:** The nominal or face amount that is used to calculate payments made on swaps and other risk management products. This amount generally does not change hands and is thus referred to as notional.

**Over-the-Counter Derivative Contracts:** Privately negotiated derivative contracts that are transacted off organized exchanges.

**Structured Notes:** Non-mortgage-backed debt securities, whose cash flow characteristics depend on one or more indices and/or have embedded forwards or options.

**Total Risk-Based Capital:** The sum of tier 1 plus tier 2 capital. Tier 1 capital consists of common shareholders equity, perpetual preferred shareholders equity with noncumulative dividends, retained earnings, and minority interests in the equity accounts of consolidated subsidiaries. Tier 2 capital consists of subordinated debt, intermediate-term preferred stock, cumulative and long-term preferred stock, and a portion of a bank's allowance for loan and lease losses.

# Derivatives, Notionals by Type of User Insured Commercial Banks



	1995				1996				1997				1998				1999				2000				2001				2002				2003				2004				2005		
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2					
<b>Total Notionals</b>	17.3	17.4	17.6	16.9	17.8	19.0	19.8	20.0	21.9	23.3	25.0	25.0	26.0	28.0	32.5	32.9	32.5	32.8	35.4	34.5	37.3	39.0	37.9	40.1	43.6	47.4	50.9	45.0	45.9	49.6	52.6	55.4	60.7	65.0	66.2	70.1	75.3	79.4	82.3	85.5	88.0	92.1	
<b>Dealer Notionals</b>	15.9	15.9	16.2	15.6	16.5	17.5	18.2	18.5	20.3	21.8	23.5	23.5	24.5	26.6	31.0	31.4	31.0	31.3	33.9	33.0	35.7	37.3	36.5	38.9	42.4	46.2	49.6	43.2	43.9	47.5	50.2	53.3	58.3	62.4	63.7	67.7	72.8	76.9	79.7	82.9	85.5	89.6	
<b>End-User Notionals</b>	1.4	1.5	1.4	1.3	1.3	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.5	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.5	1.2	1.2	1.2	1.2	1.3	1.8	1.9	2.0	2.4	2.1	2.4	2.6	2.5	2.4	2.5	2.5	2.6	2.6	2.5	2.5

Note: Dotted line indicates that beginning in 1Q95, spot foreign exchange was not included in the definition of total derivatives.

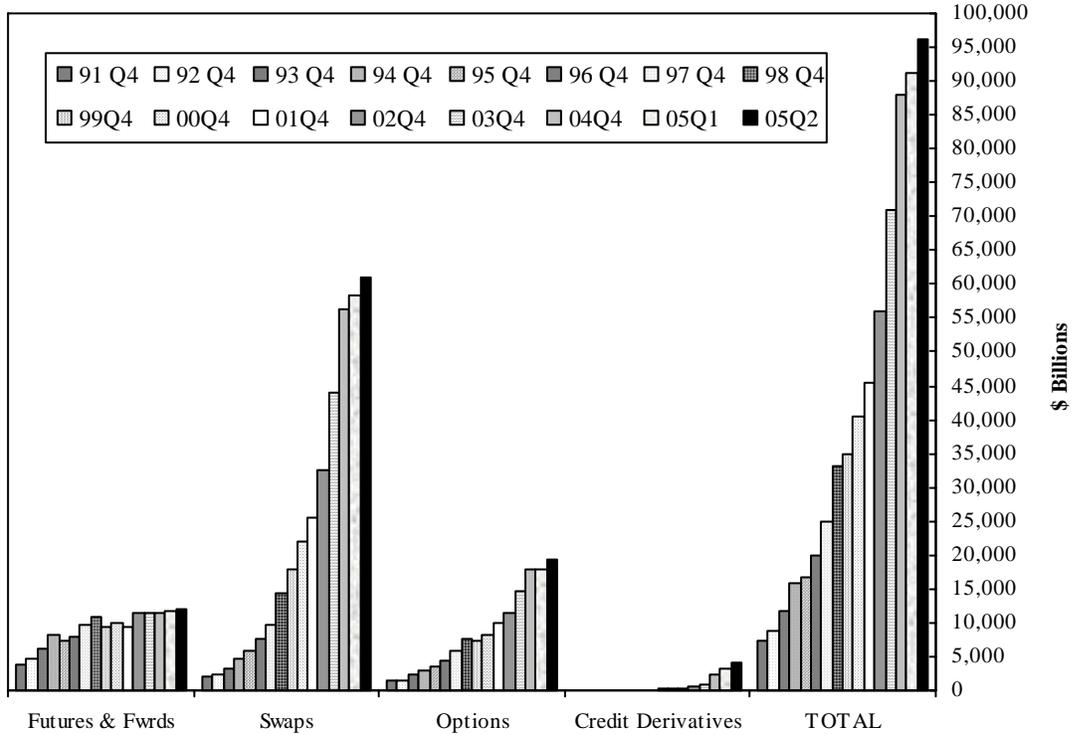
Note: Categories do not include credit derivatives.

Note: Numbers may not add due to rounding.

# Derivative Contracts by Product

## All Commercial Banks

### Year ends 1991 - 2004, First two quarters - 2005



### Derivative Contracts by Product (\$ Billions)\*

	91Q4	92Q4	93Q4	94Q4	95Q4	96Q4	97Q4	98Q4	99Q4	00Q4	01Q4	02Q4	03Q4	04Q4	05Q1	05Q2
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Futures &amp; Fwrds</b>	3,876	4,780	6,229	8,109	7,399	8,041	9,550	10,918	9,390	9,877	9,313	11,374	11,393	11,373	11,634	11,918
<b>Swaps</b>	2,071	2,417	3,260	4,823	5,945	7,601	9,705	14,345	17,779	21,949	25,645	32,613	44,083	56,411	58,330	60,912
<b>Options</b>	1,393	1,568	2,384	2,841	3,516	4,393	5,754	7,592	7,361	8,292	10,032	11,452	14,605	17,750	18,027	19,265
<b>Credit Derivatives</b>							55	144	287	426	395	635	1,001	2,347	3,124	4,105
<b>TOTAL</b>	<b>7,339</b>	<b>8,764</b>	<b>11,873</b>	<b>15,774</b>	<b>16,861</b>	<b>20,035</b>	<b>25,064</b>	<b>32,999</b>	<b>34,817</b>	<b>40,543</b>	<b>45,386</b>	<b>56,074</b>	<b>71,082</b>	<b>87,880</b>	<b>91,115</b>	<b>96,200</b>

\*In billions of dollars; notional amount of futures, total exchange traded options, total over the counter options, total forwards, and total swaps. Note that data after 1994 do not include spot fx in the total notional amount of derivatives.

Credit derivatives were reported for the first time in the first quarter of 1997. Currently, the Call Report does not differentiate credit derivatives by product and thus they have been added as a separate category. As of 1997, credit derivatives have been included in the sum of total derivatives in this chart.

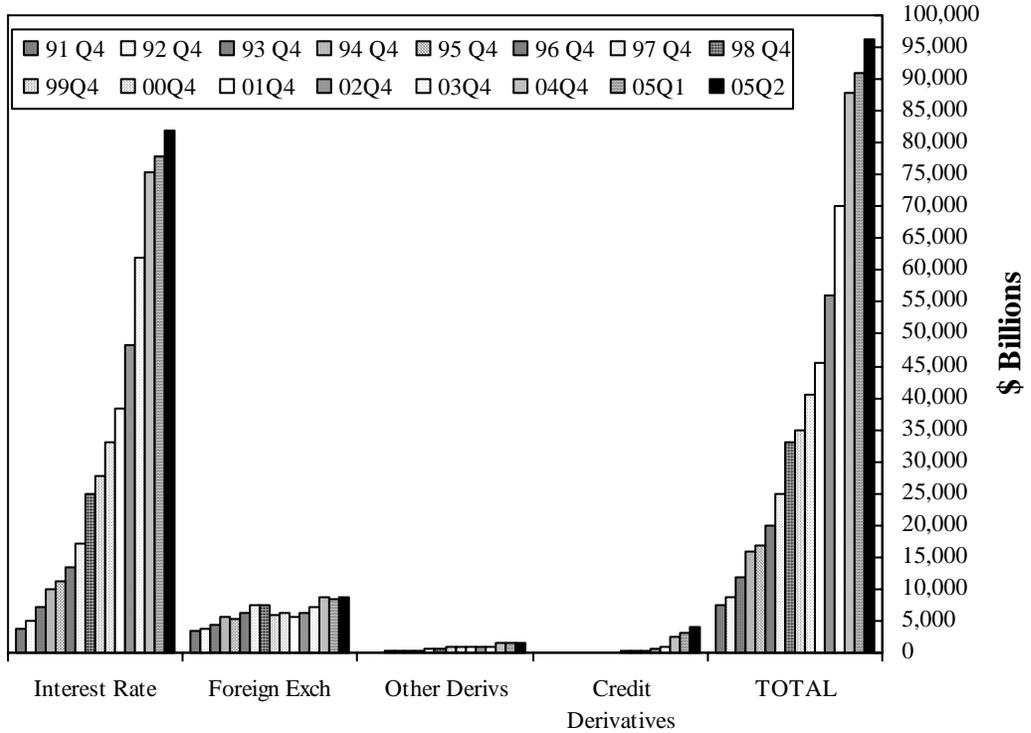
Note: numbers may not add due to rounding.

Data Source: Call Reports

# Derivative Contracts by Type

## All Commercial Banks

Year ends 1991 - 2004, First two quarters - 2005



### Derivative Contracts by Type (\$ Billions)\*

	91Q4	92Q4	93Q4	94Q4	95Q4	96Q4	97Q4	98Q4	99Q4	00Q4	01Q4	02Q4	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Interest Rate</b>	3,837	4,872	7,210	9,926	11,095	13,427	17,085	24,785	27,772	32,938	38,305	48,347	61,856	66,183	70,594	73,007	75,518	77,982	81,849
<b>Foreign Exch</b>	3,394	3,789	4,484	5,605	5,387	6,241	7,430	7,386	5,915	6,099	5,736	6,076	7,182	7,952	7,765	7,927	8,607	8,513	8,652
<b>Other Derivs</b>	109	102	179	243	378	367	494	684	843	1,080	950	1,016	1,043	1,187	1,168	1,333	1,409	1,496	1,593
<b>Credit Derivatives</b>							55	144	287	426	395	635	1,001	1,202	1,486	1,909	2,347	3,124	4,105
<b>TOTAL</b>	7,340	8,763	11,873	15,774	16,861	20,035	25,064	32,999	34,817	40,543	45,386	56,074	71,082	76,524	81,013	84,177	87,880	91,115	96,200

\*In billions of dollars; notional amount of futures, total exchange traded options, total over the counter options, total forwards, and total swaps. Note that data after 1994 do not include spot fx in the total notional amount of derivatives.

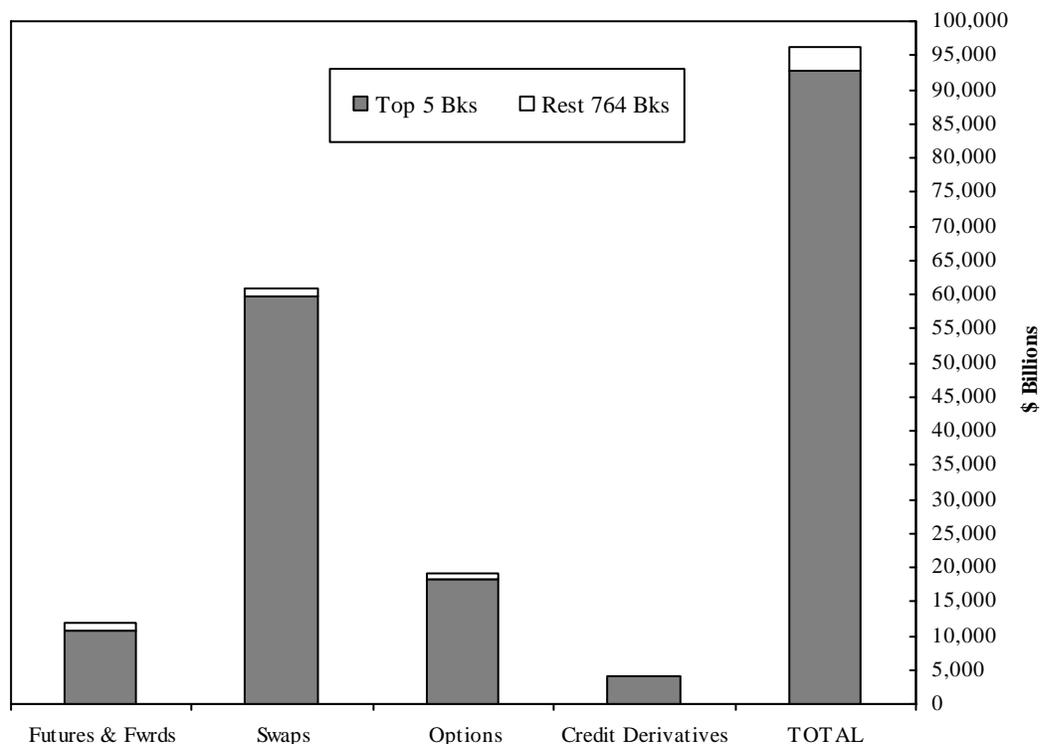
Credit derivatives were reported for the first time in the first quarter of 1997. Currently, the Call Report does not differentiate credit derivatives by product and thus they have been added as a separate category. As of 1997, credit derivatives have been included in the sum of total derivatives in this chart.

Note: numbers may not add due to rounding.

Data Source: Call Reports

# Five Banks With Most Derivatives Dominate

All Commercial Banks, Second Quarter 2005



## Concentration of Derivative Contracts, 05Q2 (\$ Billions)\*

	\$ Top 5 Bks	% Tot Derivs	\$ Rest 764 Bks	% Tot Derivs	\$ All 769 Bks	% Tot Derivs
<b>Futures &amp; Forwards</b>	10,620	11.0	1,297	1.3	11,918	12.4
<b>Swaps</b>	59,642	62.0	1,270	1.3	60,912	63.3
<b>Options</b>	18,312	19.0	953	1.0	19,265	20.0
<b>Credit Derivatives</b>	4,078	4.2	27	0.0	4,105	4.3
<b>TOTAL</b>	<b>92,653</b>	<b>96.3</b>	<b>3,547</b>	<b>3.7</b>	<b>96,200</b>	<b>100.0</b>

\*In billions of dollars; notional amount of futures, total exchange traded options, total over the counter options, total forwards, and total swaps. Note that data after 1994 do not include spot fx in the total notional amount of derivatives.

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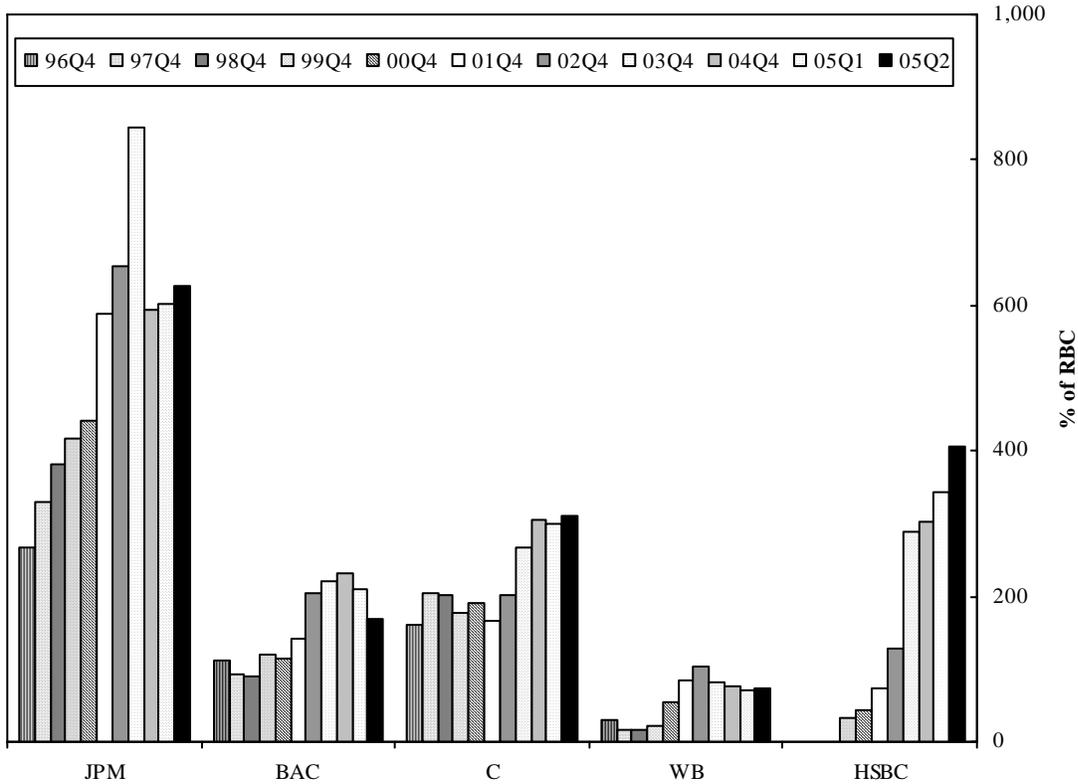
Note: numbers may not add due to rounding.

Data Source: Call Reports

# Percentage of Credit Exposure to Risk Based Capital

\*Top 5 Commercial Banks with Derivatives

Year ends 1996 - 2004, First two quarters - 2005



## Credit Exposure to Risk Based Capital (top banks 05Q2) (%)\*

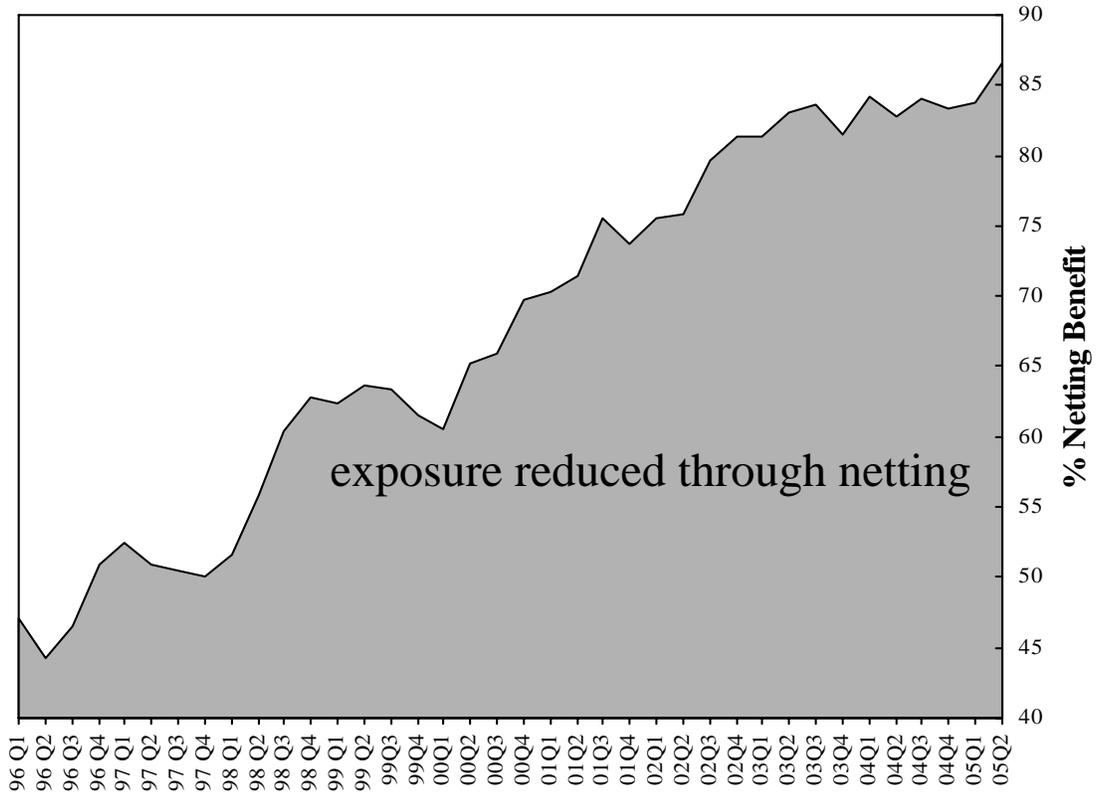
	96Q4	97Q4	98Q4	99Q4	00Q4	01Q4	02Q4	03Q4	04Q4	05Q1	05Q2
<b>JPM organ Chase (JPM)</b>	265.8	329.5	380.3	416.0	442.5	589.2	654.5	844.6	592.7	601.5	<b>625.4</b>
<b>Morgan Grnty (JPM)</b>	507.7	806.4	820.3	873.3	873.7						
<b>Bk of America (BAC)</b>	112.0	92.2	90.3	119.8	114.5	141.7	204.9	221.7	232.9	210.2	<b>168.4</b>
<b>NationsBank (NB)</b>	120.1	68.2	80.8								
<b>Citibank (C)</b>	162.1	204.9	202.5	176.3	190.6	167.4	201.1	267.1	305.3	299.0	<b>309.8</b>
<b>Wachovia (WB)</b>	30.3	16.3	17.5	20.5	55.5	83.9	102.5	80.6	77.6	71.9	<b>74.4</b>
<b>HSBC Bank USA</b>				32.2	44.7	72.4	127.2	288.5	301.6	342.4	<b>407.3</b>
<b>Avg % (Top Bks)</b>	199.7	252.9	265.3	273.0	286.9	210.9	258.0	340.5	302.0	305.0	<b>317.1</b>
<b>Avg % (All Bks)</b>	6.4	7.4	7.7	6.9	6.9	6.8	6.6	5.5	4.2	4.1	<b>3.8</b>

\*Note: The third quarter 1999 Call Report reflected the merger between Bank of America and NationsBank. Here, prior quarters are not merger-adjusted and may not be comparable. The fourth quarter 2001 Call Report reflected the merger between Chase Manhattan and Morgan Guaranty. Here, prior quarters represent Chase Manhattan's data only. The second quarter 2002 Call Report reflected the merger between First Union and Wachovia. Here, prior quarters represent First Union's data. Fourth quarter 2004 Call Report reflect the merger between JPMC and Bank One.

# Netting Benefit: Amount of Gross Exposure Eliminated Through Bilateral Netting

All Commercial Banks with Derivatives

1996 – 2005 Quarterly Data



Netting Benefit (%)\*

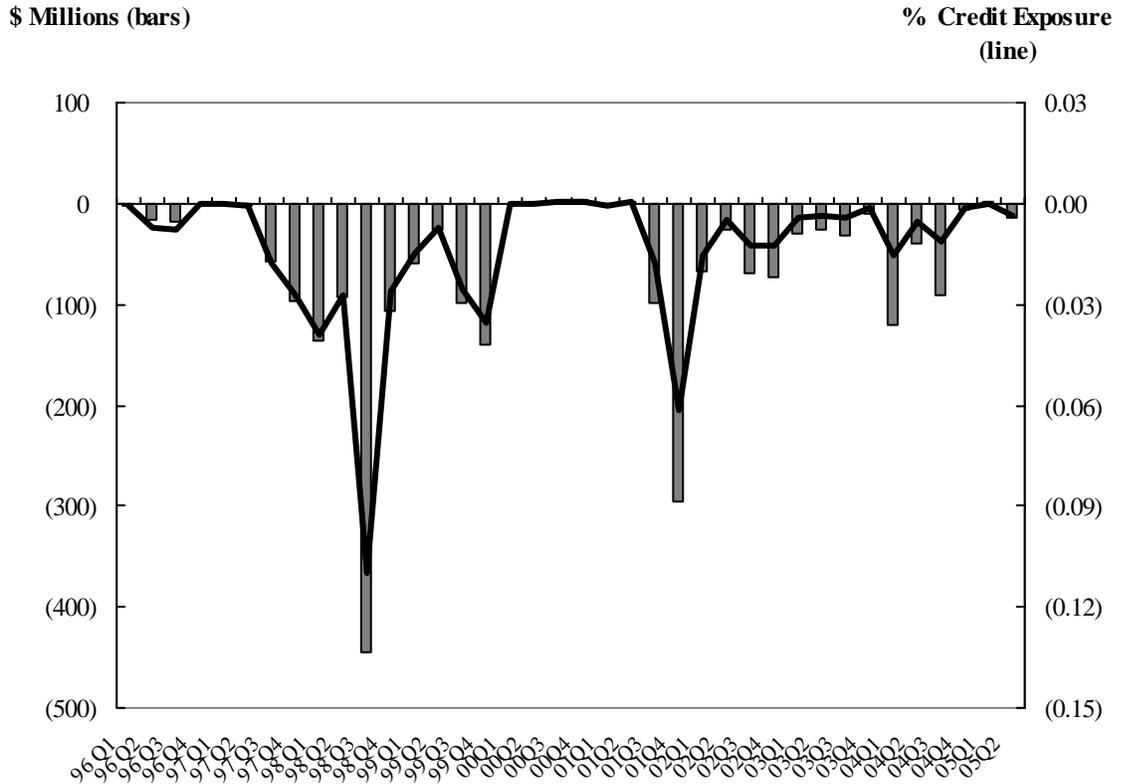
96Q1	96Q2	96Q3	96Q4	97Q1	97Q2	97Q3	97Q4	98Q1	98Q2	98Q3	98Q4	99Q1	99Q2	99Q3	99Q4	00Q1	00Q2	00Q3	00Q4	01Q1	01Q2	01Q3	01Q4	02Q1	02Q2	02Q3	02Q4	03Q1	03Q2	03Q3	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2	
47.1	44.3	46.6	50.9	52.5	51.0	50.4	50.0	51.7	55.8	60.4	62.8	62.4	63.7	63.4	61.6	60.6	65.2	65.9	69.8	70.4	71.4	71.4	75.6	73.7	75.5	75.8	79.6	81.3	81.4	83.1	83.6	81.5	84.2	82.8	84.1	83.4	83.7	86.6

\*Note: The ratio of the netting benefit is defined as [1 - (bilaterally netted contracts/gross positive fair values)].

# Quarterly (Charge-Offs)/Recoveries From Derivatives

## All Commercial Banks with Derivatives

### 1996 - 2005 Quarterly Data



## Quarterly (Charge-Offs)/Recoveries From Derivatives (\$ Millions)

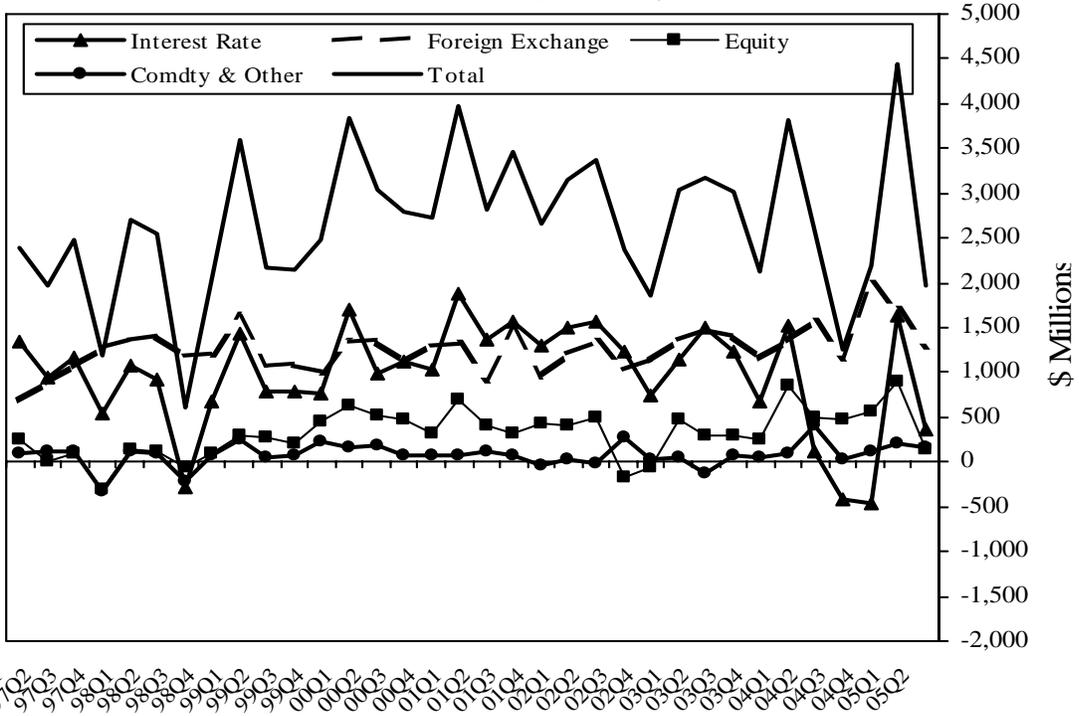
96Q1	96Q2	96Q3	96Q4	97Q1	97Q2	97Q3	97Q4	98Q1	98Q2	98Q3	98Q4	99Q1	99Q2	99Q3	99Q4	00Q1	00Q2	00Q3	00Q4	01Q1	01Q2	01Q3	01Q4	02Q1	02Q2	02Q3	02Q4	03Q1	03Q2	03Q3	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2
(20)	(169)	(180)	(0)	(1)	(2)	(57.0)	(95.9)	(135.5)	(93.7)	(445.4)	(107.2)	(59.0)	(258)	(72.1)	(141.0)	(11)	(8)	1.0	3.1	(2.0)	1.0	(98.7)	(255.7)	(67.9)	(25.1)	(70.0)	(73.6)	(29.7)	(25.5)	(32.3)	(9.9)	(121.4)	(39.9)	(91.2)	(5.4)	1.3	(14.2)

\* Note: The figures are for each quarter alone, not year-to-date.

# Quarterly Trading Revenue Cash & Derivative Positions

All Commercial Banks

1997 - 2005 Quarterly data



## Cash & Derivative Revenue (\$ Millions)\*

	97Q1	97Q2	97Q3	97Q4	98Q1	98Q2	98Q3	98Q4	99Q1	99Q2	99Q3	99Q4	00Q1	00Q2	00Q3	00Q4	01Q1	01Q2	01Q3	01Q4	02Q1	02Q2	02Q3	02Q4	03Q1	03Q2	03Q3	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2
<b>Interest Rate</b>	1,380	989	1,173	534	1,057	980	-284	669	1,486	788	794	772	1,707	993	1,120	1,039	1,871	1,362	1,562	1,291	1,497	1,557	1,228	752	1,147	1,504	1,238	669	1,514	124	-414	-472	1,643	362
<b>Foreign Exchange</b>	680	908	1,070	1,281	1,363	1,444	1,185	1,215	1,624	1,078	1,068	1,003	1,338	1,336	1,114	1,232	1,327	924	1,501	967	1,214	1,346	1,081	1,138	1,388	1,488	1,410	1,158	1,371	1,570	1,162	1,982	1,699	1,301
<b>Equity</b>	246	1	108	-35	148	114	-65	92	230	264	212	462	624	522	471	321	765	408	310	425	407	400	-172	-64	485	310	239	257	849	497	485	574	888	131
<b>Comdty &amp; Other</b>	97	115	125	-320	124	98	-222	64	245	41	73	235	170	183	78	84	72	119	81	-35	24	-26	278	30	55	-117	78	40	89	415	24	114	212	166
<b>Tot Trading Rev*</b>	2,383	1,962	2,471	1,190	2,738	2,556	614	2,080	3,595	2,172	2,137	2,472	3,839	3,034	2,783	2,736	3,975	2,812	3,454	2,649	3,141	3,366	2,364	1,856	3,045	3,175	3,025	2,124	3,823	2,596	1,257	2,198	4,441	1,901

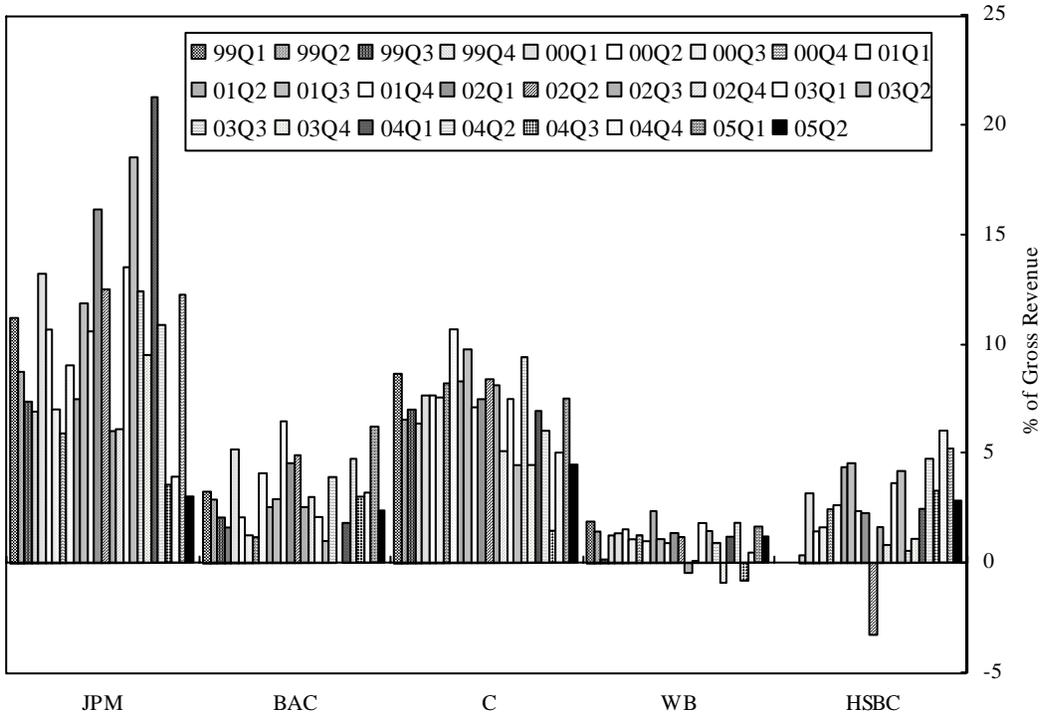
\* Note: The trading revenue figures above are for cash and derivative activities. Revenue figures are for each quarter alone, not year-to-date.

Note: Numbers may not add due to rounding.

Data Source: Call Report

# Quarterly Trading Revenue as a Percentage of Gross Revenue Cash & Derivative Positions

## Top 5 Commercial Banks with Derivatives, 1999 - 2005



Trading Revenue as a Percentage of Gross Revenue (top banks, ratios in %)\*

	99Q1	99Q2	99Q3	99Q4	00Q1	00Q2	00Q3	00Q4	01Q1	01Q2	01Q3	01Q4	02Q1	02Q2	02Q3	02Q4	03Q1	03Q2	03Q3	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2	
<b>JPMorgan Chase (JPM)</b>	11.2	8.8	7.4	6.9	13.2	10.7	7.0	5.9	9.0	7.5	11.9	10.6	16.2	12.5	6.0	6.1	13.5	18.5	12.4	9.5	21.3	10.7	3.5	3.9	12.2	3.0	
<b>Bank America (BAC)</b>	3.3	2.9	2.1	1.7	5.2	2.1	1.3	1.2	4.1	2.6	2.9	6.5	4.6	4.9	2.6	3.0	2.1	1.0	3.9	2.8	1.8	4.3	3.1	3.2	6.2	2.4	
<b>Citibank (C)</b>	8.7	6.6	7.0	6.4	7.7	7.7	7.6	8.2	10.7	8.3	9.8	7.1	7.5	8.4	8.1	5.1	7.5	4.5	9.4	4.5	6.9	5.3	1.4	5.0	7.5	4.5	
<b>Wachovia (WB)</b>	1.9	1.5	0.2	1.3	1.4	1.6	1.1	1.3	1.0	2.4	1.1	0.9	1.4	1.2	-0.4	0.1	1.8	1.5	0.9	-0.9	1.6	1.9	-0.8	0.5	1.7	1.2	
<b>HSBC Bank USA</b>				0.4	3.2	1.5	1.7	2.5	2.7	4.4	4.6	2.4	2.3	-3.3	1.7	0.8	3.7	4.2	0.6	1.2	9.7	0.2	3.3	6.0	5.2	2.8	
<b>Total % (Top 5 Banks)</b>													6.7	7.9	7.6	4.8	3.8	6.6	6.5	6.8	4.2	8.1	5.5	2.0	3.7	7.7	3.0
<b>Total % (All Banks)</b>	3.7	2.2	2.1	2.3	3.5	2.7	2.4	2.3	3.4	2.6	3.3	2.6	3.1	3.3	2.3	1.8	3.0	3.1	2.9	2.0	3.5	2.4	1.1	1.9	3.6	1.5	

\* Note that the trading revenue figures above are for cash and derivative activities. Revenue figures are for each quarter alone, not year-to-date.

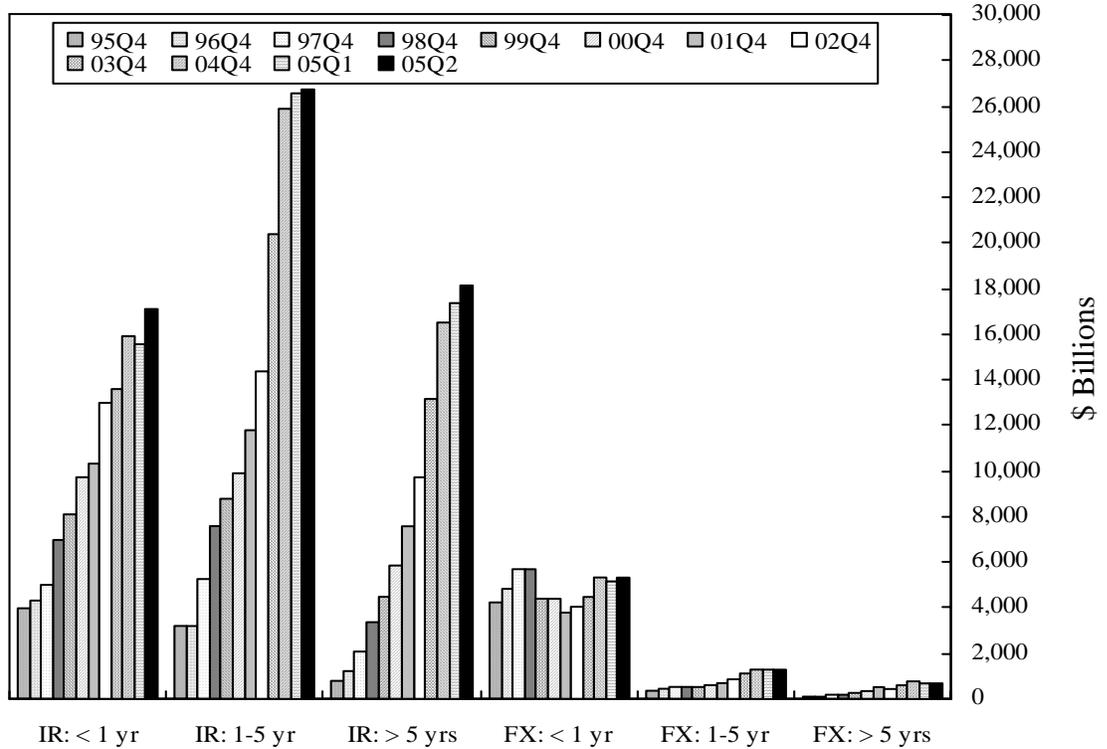
\*Note: Historical data for total top 5 banks previous to fourth quarter 2001 not calculated due to merger activity.

\* Note: The third quarter 1999 Call Report reflected the merger between Bank of America and NationsBank. The fourth quarter 2001 Call Report reflected the merger between Chase and JPMorgan. Prior quarters include the sum of Bank of America and NationsBank's trading figures for comparison purposes. Fourth quarter 2004 Call Report reflects merger between JPMC and Bank One.

# Notional Amounts for Interest Rate and Foreign Exchange Contracts by Maturity

All Commercial Banks

Year ends 1995 - 2004, First two quarters - 2005



Notional Amounts: Interest Rate and Foreign Exchange Contracts by Maturity (\$ Billions)\*

	95Q4	96Q4	97Q4	98Q4	99Q4	00Q4	01Q4	02Q4	03Q4	04Q1	04Q2	04Q3	04Q4	05Q1	05Q2
<b>IR: &lt;1 yr</b>	3,942	4,339	4,974	6,923	8,072	9,702	10,357	12,972	13,573	16,171	15,815	16,206	15,914	15,559	17,136
<b>IR: 1-5 yr</b>	3,215	3,223	5,230	7,594	8,730	9,919	11,809	14,327	20,400	21,444	22,505	24,308	25,890	26,565	26,717
<b>IR: &gt;5 yrs</b>	775	1,214	2,029	3,376	4,485	5,843	7,523	9,733	13,114	13,694	14,374	15,362	16,489	17,379	18,111
<b>FX: &lt;1 yr</b>	4,206	4,826	5,639	5,666	4,395	4,359	3,785	4,040	4,470	4,979	4,872	4,862	5,348	5,192	5,318
<b>FX: 1-5 yr</b>	324	402	516	473	503	592	661	829	1,114	1,143	1,158	1,251	1,286	1,314	1,313
<b>FX: &gt;5 yrs</b>	87	113	151	193	241	345	492	431	577	613	628	644	760	691	685

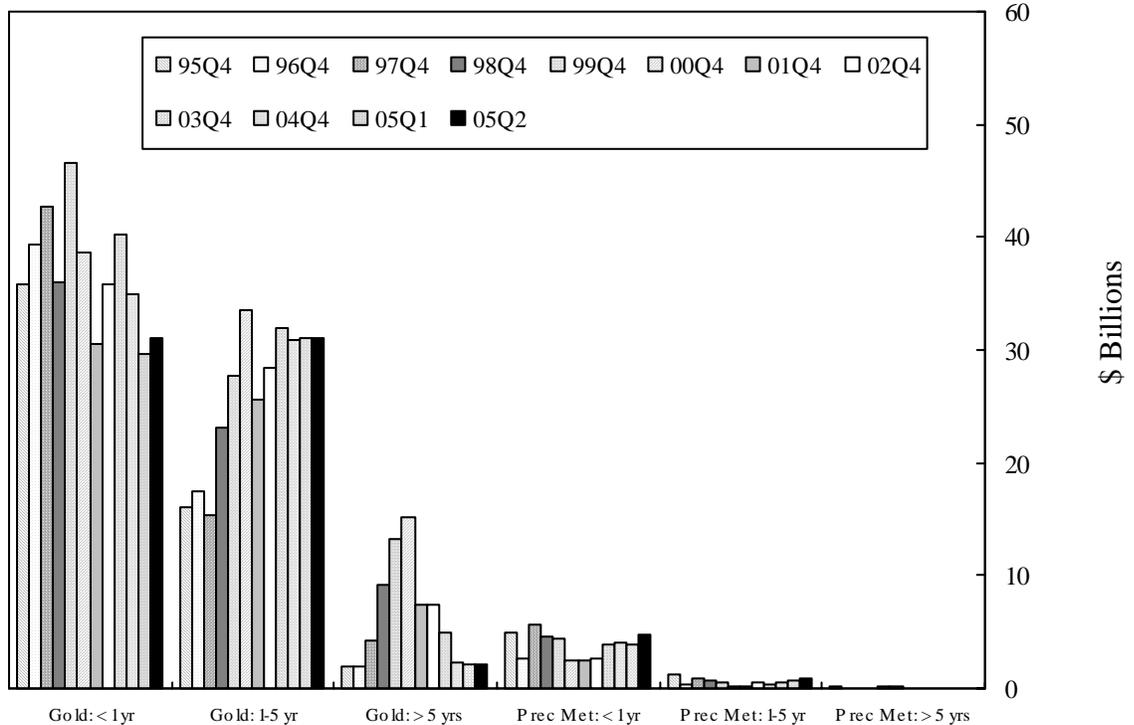
\*Note: Figures above exclude foreign exchange contracts with an original maturity of 14 days or less, futures contracts, written options, basis swaps, and any other contracts not subject to risk-based capital requirements.

\*Note: Currently, the Call Report does not include maturity breakouts for credit derivatives. Credit derivatives have been excluded here.

# Notional Amounts for Gold and Precious Metals Contracts by Maturity

## All Commercial Banks

Year ends 1995 - 2004, First two quarters - 2005



Notional Amounts: Gold and Precious Metals Contracts by Maturity (\$ Billions)\*

	95Q4	96Q4	97Q4	98Q4	99Q4	00Q4	01Q4	02Q4	03Q4	04Q4	05Q1	05Q2
<b>Gold: &lt;1 yr</b>	35.9	39.4	42.6	36.0	46.5	38.7	30.5	35.8	40.2	34.9	29.6	31.0
<b>Gold: 1-5 yr</b>	16.1	17.4	15.4	23.2	27.8	33.6	25.6	28.4	31.9	30.9	31.1	31.1
<b>Gold: &gt;5 yrs</b>	1.9	2.0	4.2	9.2	13.3	15.2	7.4	7.5	4.9	2.3	2.1	2.1
<b>Prec Met: &lt;1 yr</b>	5.0	2.6	5.7	4.6	4.4	2.5	2.4	2.7	3.9	4.0	3.9	4.7
<b>Prec Met: 1-5 yr</b>	1.3	0.4	0.9	0.6	0.5	0.2	0.2	0.5	0.3	0.5	0.7	0.8
<b>Prec Met: &gt;5 yrs</b>	0.1	0.0	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0

\*Note: Figures above exclude foreign exchange contracts with an original maturity of 14 days or less, futures contracts, written options, basis swaps, and any other contracts not subject to risk-based capital requirements.

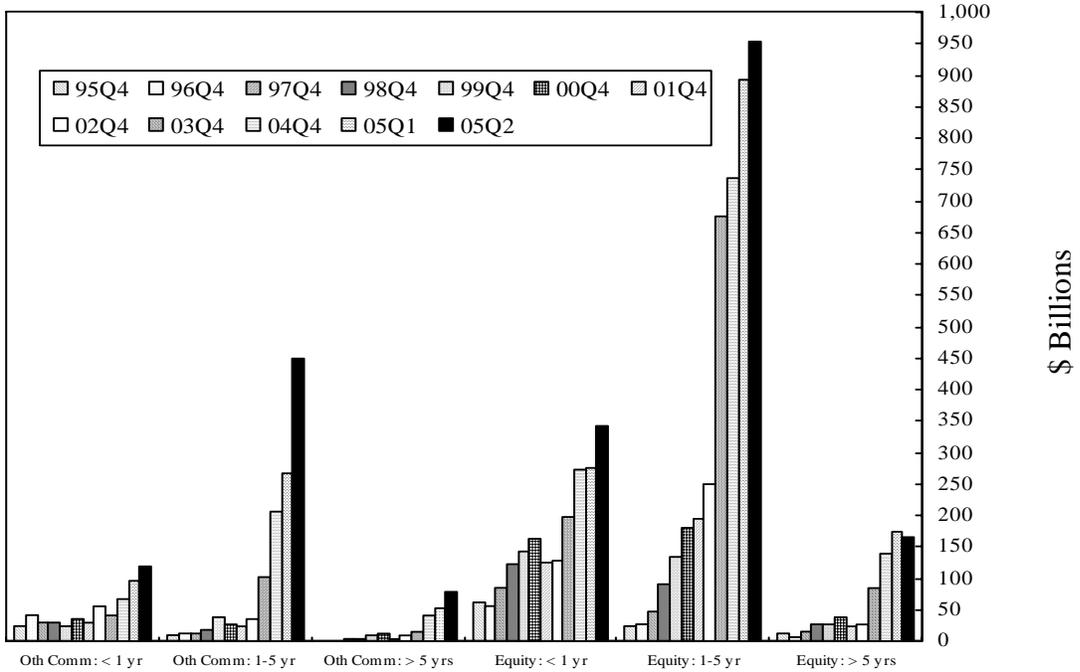
\*Note: Currently, the Call Report does not include maturity breakouts for credit derivatives. Credit derivatives have been excluded here.

Data Source: Call Report

# Notional Amounts for Commodity and Equity Contracts by Maturity

All Commercial Banks

Year ends 1995 - 2004, First two quarters - 2005



Notional Amounts: Commodity and Equity Contracts by Maturity (\$ Billions)\*

	95Q4	96Q4	97Q4	98Q4	99Q4	00Q4	01Q4	02Q4	03Q4	04Q4	05Q1	05Q2
<b>Oth Comm: &lt;1 yr</b>	22.3	39.6	29.3	29.8	23.6	35.6	28.4	55.1	40.5	68.1	95.2	118.6
<b>Oth Comm: 1-5 yr</b>	9.1	11.4	12.5	18.3	36.9	27.2	22.8	35.5	101.9	206.1	267.4	448.5
<b>Oth Comm: &gt;5 yrs</b>	0.4	0.9	2.1	3.6	8.3	10.7	1.8	9.1	14.4	40.1	53.0	79.5
<b>Equity: &lt;1 yr</b>	61.8	54.2	84.0	121.8	143.1	162.1	124.2	126.8	196.8	272.7	275.7	342.3
<b>Equity: 1-5 yr</b>	22.8	27.2	47.4	90.3	133.8	179.9	194.8	249.3	674.4	735.7	892.6	952.6
<b>Equity: &gt;5 yrs</b>	11.1	6.1	13.4	26.3	25.4	38.0	23.1	24.9	84.1	139.9	173.4	166.1

\*Note: Figures above exclude foreign exchange contracts with an original maturity of 14 days or less, futures contracts, written options, basis swaps, and any other contracts not subject to risk-based capital requirements.

\*Note: Currently, the Call Report does not include maturity breakouts for credit derivatives. Credit derivatives have been excluded here.

TABLE 1

**NOTIONAL AMOUNT OF DERIVATIVES CONTRACTS OF THE 25  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVE CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	TOTAL FUTURES (EXCH TR)	TOTAL OPTIONS (EXCH TR)	TOTAL FORWARDS (OTC)	TOTAL SWAPS (OTC)	TOTAL OPTIONS (OTC)	TOTAL CREDIT DERIVATIVES (OTC)	SPOT FX
1	JPMORGAN CHASE BANK NA	OH	973,113	46,611,757	2,210,611	2,423,573	2,655,522	30,592,939	7,068,290	1,660,822	214,841
2	CITIBANK NATIONAL ASSN	NY	704,855	19,828,621	280,421	490,897	2,308,034	12,664,717	3,419,931	664,621	252,642
3	BANK OF AMERICA NA	NC	1,047,537	20,031,333	1,114,957	965,051	1,334,326	13,250,632	2,036,434	1,329,932	138,520
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,601,332	332,665	828,495	78,992	1,505,814	718,586	136,780	8,360
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,579,878	89,296	31,779	215,673	1,628,392	328,491	286,249	50,691
6	BANK OF NEW YORK	NY	86,079	703,302	33,154	35,293	68,573	258,398	306,193	1,691	11,530
7	WELLS FARGO BANK NA	SD	364,120	687,029	173,686	14,370	212,261	135,233	148,244	3,235	9,781
8	STATE STREET BANK&TRUST CO	MA	91,915	463,450	768	-	410,658	39,982	12,042	-	21,341
9	NATIONAL CITY BANK	OH	69,601	255,221	14,824	-	15,028	74,045	150,204	1,120	384
10	PNC BANK NATIONAL ASSN	PA	82,691	150,599	27,115	21,960	8,682	60,132	31,248	1,463	581
11	NATIONAL CITY BANK OF IN	IN	28,502	125,411	2,443	1,575	20,114	20,378	80,901	-	-
12	MELLON BANK NATIONAL ASSN	PA	25,088	107,808	5,761	120	64,877	19,037	17,310	703	12,304
13	SUNTRUST BANK	GA	167,395	102,732	3,290	1,750	12,604	63,651	19,752	1,685	848
14	KEYBANK NATIONAL ASSN	OH	86,505	93,268	9,709	500	8,508	63,315	5,071	6,164	711
15	LASALLE BANK NATIONAL ASSN	IL	69,751	70,881	632	-	5	65,330	4,914	-	-
16	U S BANK NATIONAL ASSN	OH	203,478	62,525	-	-	7,940	49,741	4,542	302	233
17	STANDARD FEDERAL BANK NA	MI	39,199	61,070	5,000	-	8,273	39,257	8,541	-	-
18	NORTHERN TRUST CO	IL	37,881	60,918	-	-	59,305	1,408	71	135	4,735
19	FIRST TENNESSEE BANK NA	TN	36,892	40,940	13,514	-	11,920	10,194	5,312	-	1
20	DEUTSCHE BANK TR CO AMERICAS	NY	33,459	35,645	-	-	1,031	28,903	3,258	2,453	219
21	BRANCH BANKING&TRUST CO	NC	76,719	29,072	-	-	3,343	13,923	11,807	-	27
22	FIFTH THIRD BANK	OH	56,880	28,951	-	-	7,512	16,698	4,675	66	430
23	CAPITAL ONE BANK	VA	28,117	26,909	-	-	852	26,057	-	-	-
24	REGIONS BANK	AL	81,821	25,773	7,495	-	1,051	15,070	2,083	75	0
25	MERRILL LYNCH BANK USA	UT	63,295	25,618	360	-	2,331	17,305	1,233	4,389	452
TOP 25 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$5,055,874	\$95,810,044	\$4,325,700	\$4,815,363	\$7,517,415	\$60,660,550	\$14,389,132	\$4,101,884	\$728,631
OTHER 744 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$2,207,821	\$389,868	\$17,157	\$1,692	\$57,684	\$251,721	\$58,385	\$3,230	\$2,279
TOTAL AMOUNTS FOR ALL 769 BKS & TCs WITH DERIVATIVES			\$7,263,695	\$96,199,912	\$4,342,857	\$4,817,055	\$7,575,099	\$60,912,271	\$14,447,517	\$4,105,114	\$730,909

Note: Currently, the Call Report does not differentiate credit derivatives by contract type. Credit derivatives have been included in the sum of total derivatives here.

Note: Before the first quarter of 1995 total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange was reported separately.

Note: Numbers may not add due to rounding.

Data source: Call Report, schedule RC-L

TABLE 2

**NOTIONAL AMOUNT OF DERIVATIVE CONTRACTS OF THE 25  
HOLDING COMPANIES WITH THE MOST DERIVATIVES CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

RANK	HOLDING COMPANY	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	FUTURES (EXCH TR)	OPTIONS (EXCH TR)	FORWARDS (OTC)	SWAPS (OTC)	OPTIONS (OTC)	CREDIT DERIVATIVES (OTC)	SPOT FX
1	JPMORGAN CHASE & CO.	NY	1,171,283	47,023,288	2,246,130	2,708,275	2,839,640	30,541,765	7,061,743	1,625,735	214,841
2	CITIGROUP INC.	NY	1,547,789	22,289,297	873,856	901,544	3,095,688	12,976,910	3,631,801	809,498	221,136
3	BANK OF AMERICA CORPORATION	NC	1,251,037	20,595,190	1,174,828	1,029,617	1,850,116	13,191,873	2,033,288	1,315,468	138,455
4	WACHOVIA CORPORATION	NC	511,840	3,643,472	336,516	888,659	79,242	1,483,345	718,930	136,780	8,360
5	HSBC NORTH AMERICA HOLDINGS INC.	IL	372,555	2,590,495	98,705	73,654	227,039	1,580,263	325,237	285,596	51,401
6	BANK OF NEW YORK COMPANY, INC., THE	NY	103,110	694,984	33,154	35,293	65,119	253,517	306,193	1,708	10,024
7	WELLS FARGO & COMPANY	CA	434,981	667,177	174,616	14,696	212,056	118,840	141,519	5,450	9,781
8	TAUNUS CORPORATION	NY	366,293	668,377	126,916	122,539	323,144	57,731	18,446	19,601	564
9	COUNTRYWIDE FINANCIAL CORPORATION	CA	158,618	612,642	131,273	87,788	232,068	76,236	85,278	-	-
10	STATE STREET CORPORATION	MA	104,275	462,470	768	-	410,658	39,002	12,042	-	21,341
11	NATIONAL CITY CORPORATION	OH	143,975	183,070	12,381	1,575	21,512	49,463	96,755	1,383	384
12	PNC FINANCIAL SERVICES GROUP, INC., THE	PA	90,809	146,062	27,134	21,976	8,699	56,146	30,754	1,353	581
13	ABN AMRO NORTH AMERICA HOLDING COMPANY	IL	145,025	143,757	5,632	-	8,278	111,753	18,094	-	-
14	BARCLAYS GROUP US INC.	DE	197,758	129,509	70,568	51,435	-	4,814	2,270	422	-
15	MELLON FINANCIAL CORPORATION	PA	37,092	105,650	5,763	120	64,826	16,927	17,310	703	12,304
16	SUNTRUST BANKS, INC.	GA	168,953	100,806	3,290	1,750	12,604	61,725	19,752	1,685	848
17	KEYCORP	OH	91,010	96,319	10,176	520	8,508	65,880	5,071	6,164	711
18	U.S. BANCORP	MN	203,981	65,180	-	-	7,940	52,395	4,543	302	233
19	METLIFE, INC.	NY	381,431	65,264	526	-	5,538	29,124	26,321	3,754	-
20	NORTHERN TRUST CORPORATION	IL	46,256	60,923	-	-	59,305	1,408	75	135	4,735
21	JOHN HANCOCK HOLDINGS (DELAWARE) LLC	DE	101,582	48,931	12	-	19	42,718	5,752	430	-
22	FIRST HORIZON NATIONAL CORPORATION	TN	37,169	41,340	13,514	-	11,920	10,594	5,312	-	1
23	CAPITAL ONE FINANCIAL CORPORATION	VA	56,996	31,996	-	-	931	31,065	-	-	-
24	CITIZENS FINANCIAL GROUP, INC.	RI	148,491	31,786	-	-	3,321	25,648	2,815	2	223
25	FIFTH THIRD BANCORP	OH	103,160	28,190	-	-	7,512	15,448	5,111	119	430
<b>TOTALS FOR THE TOP 25 HOLDING COMPANIES WITH DERIVATIVES</b>			<b>7,975,468</b>	<b>100,526,177</b>	<b>5,345,759</b>	<b>5,939,441</b>	<b>\$9,555,684</b>	<b>\$60,894,590</b>	<b>\$14,574,415</b>	<b>\$4,216,287</b>	<b>\$696,352</b>

Note: Currently, the Y-9 report does not differentiate credit derivatives by contract type. Credit derivatives have been included in the sum of total derivatives.

Note: In previous quarters, total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange is reported separately.

Note: Numbers may not add due to rounding.

Data source: Consolidated Financial Statements for Bank Holding Companies, FR Y- 9, schedule HC-F

TABLE 3

**DISTRIBUTION OF DERIVATIVES CONTRACTS OF THE 25  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVE CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	PERCENT EXCH TRADED CONTRACTS	PERCENT OTC CONTRACTS	PERCENT INT RATE CONTRACTS	PERCENT FOREIGN EXCH CONTRACTS	PERCENT OTHER CONTRACTS	PERCENT CREDIT DERIVATIVES
					(%)	(%)	(%)	(%)	(%)	(%)
1	JPMORGAN CHASE BANK NA	OH	973,113	46,611,757	9.9	90.1	87.3	6.7	1.2	3.6
2	CITIBANK NATIONAL ASSN	NY	704,855	19,828,621	3.9	96.1	82.9	13.0	0.3	3.4
3	BANK OF AMERICA NA	NC	1,047,537	20,031,333	10.4	89.6	84.3	8.5	0.3	6.6
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,601,332	32.2	67.8	91.4	2.9	1.0	3.8
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,579,878	4.7	95.3	72.2	13.5	1.6	11.1
6	BANK OF NEW YORK	NY	86,079	703,302	9.7	90.3	87.4	12.1	0.1	0.2
7	WELLS FARGO BANK NA	SD	364,120	687,029	27.4	72.6	92.1	3.8	1.9	0.5
8	STATE STREET BANK&TRUST CO	MA	91,915	463,450	0.2	99.8	2.6	97.4	0.0	0.0
9	NATIONAL CITY BANK	OH	69,601	255,221	5.8	94.2	99.0	0.5	0.0	0.4
10	PNC BANK NATIONAL ASSN	PA	82,691	150,599	32.6	67.4	90.5	6.3	1.1	1.0
11	NATIONAL CITY BANK OF IN	IN	28,502	125,411	3.2	96.8	100.0	0.0	0.0	0.0
12	MELLON BANK NATIONAL ASSN	PA	25,088	107,808	5.5	94.5	27.4	70.7	0.6	0.7
13	SUNTRUST BANK	GA	167,395	102,732	4.9	95.1	85.2	4.7	4.2	1.6
14	KEYBANK NATIONAL ASSN	OH	86,505	93,268	10.9	89.1	81.0	12.2	0.1	6.6
15	LASALLE BANK NATIONAL ASSN	IL	69,751	70,881	0.9	99.1	99.5	0.0	0.2	0.0
16	U S BANK NATIONAL ASSN	OH	203,478	62,525	0.0	100.0	92.1	7.3	0.0	0.5
17	STANDARD FEDERAL BANK NA	MI	39,199	61,070	8.2	91.8	99.7	0.0	0.2	0.0
18	NORTHERN TRUST CO	IL	37,881	60,918	0.0	100.0	2.1	97.7	0.0	0.2
19	FIRST TENNESSEE BANK NA	TN	36,892	40,940	33.0	67.0	100.0	0.0	0.0	0.0
20	DEUTSCHE BANK TR CO AMERICAS	NY	33,459	35,645	0.0	100.0	26.2	25.3	20.8	6.9
21	BRANCH BANKING&TRUST CO	NC	76,719	29,072	0.0	100.0	99.0	1.0	0.0	0.0
22	FIFTH THIRD BANK	OH	56,880	28,951	0.0	100.0	72.6	27.2	0.0	0.2
23	CAPITAL ONE BANK	VA	28,117	26,909	0.0	100.0	94.8	5.2	0.0	0.0
24	REGIONS BANK	AL	81,821	25,773	29.1	70.9	99.6	0.1	0.0	0.3
25	MERRILL LYNCH BANK USA	UT	63,295	25,618	1.4	98.6	70.5	8.6	1.9	17.1
TOP 25 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$5,055,874	\$95,810,044	\$8,022,839	\$82,699,140	\$77,643,575	\$8,473,152	\$1,487,737	\$3,117,515
OTHER 744 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$2,207,821	\$389,868	\$1,137,073	\$4,340,861	\$4,205,657	\$179,056	\$105,622	\$987,598
TOTAL AMOUNTS FOR ALL 769 BKS & TCs WITH DERIVATIVES			\$7,263,695	\$96,199,912	\$9,159,912	\$87,040,000	\$81,849,232	\$8,652,208	\$1,593,359	\$4,105,114
TOP 25 COMMERCIAL BANKS & TC: % OF ALL 769 BKS & TCs WITH DERIVATIVES				99.6	8.3	86.0	80.7	8.8	1.5	3.2
OTHER 744 COMMERCIAL BANKS & TCS: % OF ALL 769 BKS & TCs WITH DERIVATIVES				0.4	1.2	4.5	4.4	0.2	0.1	1.0
TOTAL AMOUNTS FOR ALL 769 BKS & TCS: % OF ALL 769 BKS & TCs WITH DERIVATIVES				100.0	9.5	90.5	85.1	9.0	1.7	4.3
<p>Note: Currently, the Call Report does not differentiate credit derivatives by over the counter or exchange traded. Credit derivatives have been included in the "over the counter" category as well as in the sum of total derivatives here.</p> <p>Note: "Foreign Exchange" does not include spot fx.</p> <p>Note: "Other" is defined as the sum of commodity and equity contracts.</p> <p>Note: Before the first quarter of 1995 total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange was reported separately.</p> <p>Note: Numbers may not add due to rounding.</p> <p>Data source: Call Report, schedule RC-L</p>										

TABLE 4

**CREDIT EQUIVALENT EXPOSURE OF THE 25  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVES CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	BILATERALLY NETTED CURRENT EXPOSURE	FUTURE EXPOSURE (NEW RBC ADD ON)	TOTAL CREDIT EXPOSURE FROM ALL CONTRACTS	TOTAL CREDIT EXPOSURE TO CAPITAL RATIO
1	JPMORGAN CHASE BANK NA	OH	973,113	46,611,757	79,996	419,872	499,868	625.4
2	CITIBANK NATIONAL ASSN	NY	704,855	19,828,621	42,274	156,834	199,108	309.8
3	BANK OF AMERICA NA	NC	1,047,537	20,031,333	32,808	103,561	136,369	168.4
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,601,332	12,059	18,366	30,425	74.4
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,579,878	9,545	47,346	56,891	407.3
6	BANK OF NEW YORK	NY	86,079	703,302	3,018	3,382	6,400	82.7
7	WELLS FARGO BANK NA	SD	364,120	687,029	4,753	3,985	8,738	26.8
8	STATE STREET BANK&TRUST CO	MA	91,915	463,450	2,184	3,855	6,038	123.4
9	NATIONAL CITY BANK	OH	69,601	255,221	1,378	841	2,219	32.1
10	PNC BANK NATIONAL ASSN	PA	82,691	150,599	1,162	711	1,873	25.3
11	NATIONAL CITY BANK OF IN	IN	28,502	125,411	471	586	1,057	47.3
12	MELLON BANK NATIONAL ASSN	PA	25,088	107,808	705	760	1,464	53.8
13	SUNTRUST BANK	GA	167,395	102,732	1,543	831	2,374	15.5
14	KEYBANK NATIONAL ASSN	OH	86,505	93,268	1,250	484	1,734	16.8
15	LASALLE BANK NATIONAL ASSN	IL	69,751	70,881	76	588	664	10.5
16	U S BANK NATIONAL ASSN	OH	203,478	62,525	504	344	848	4.5
17	STANDARD FEDERAL BANK NA	MI	39,199	61,070	371	354	725	14.2
18	NORTHERN TRUST CO	IL	37,881	60,918	898	548	1,446	47.9
19	FIRST TENNESSEE BANK NA	TN	36,892	40,940	193	75	268	8.6
20	DEUTSCHE BANK TR CO AMERICAS	NY	33,459	35,645	422	1,643	2,065	27.0
21	BRANCH BANKING&TRUST CO	NC	76,719	29,072	212	140	352	5.8
22	FIFTH THIRD BANK	OH	56,880	28,951	294	238	532	8.9
23	CAPITAL ONE BANK	VA	28,117	26,909	15	120	136	3.2
24	REGIONS BANK	AL	81,821	25,773	456	160	617	8.1
25	MERRILL LYNCH BANK USA	UT	63,295	25,618	188	248	436	7.3
TOP 25 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$5,055,874	\$95,810,044	\$196,775	\$765,871	\$962,646	Average%
OTHER 744 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$2,207,821	\$389,868	\$3,479	\$2,931	\$6,410	N/A
TOTAL AMOUNTS FOR ALL 769 BKS & TCs WITH DERIVATIVES			\$7,263,695	\$96,199,912	\$200,254	\$768,802	\$969,055	3.8
Commercial banks also hold on-balance sheet assets in volumes that are multiples of bank capital. For example:								
			EXPOSURE TO RISK BASED CAPITAL:					
EXPOSURES FROM OTHER ASSETS			ALL COMMERCIAL BANKS					
ALL COMMERCIAL BANKS			ALL BANKS					
1-4 FAMILY MORTGAGES			192%					
C&I LOANS			118%					
SECURITIES NOT IN TRADING ACCOUNT			191%					
Note: The numbers reported above for future credit exposures reflect gross add-ons.								
Note: The total credit exposure to capital ratio is calculated using risk based capital (tier one plus tier two capital).								
Note: Currently, the Call Report does not differentiate credit derivatives by contract type. Credit derivatives have been included in the sum of total derivatives here.								
Note: Before the first quarter of 1995 total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange was reported separately.								
Note: Numbers may not add due to rounding.								
Source: Call Report Schedule RC-R								

TABLE 5

**NOTIONAL AMOUNTS OF DERIVATIVES CONTRACTS HELD FOR TRADING OF THE 5  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVES CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

<b>RANK</b>	<b>BANK NAME</b>	<b>STATE</b>	<b>TOTAL ASSETS</b>	<b>TOTAL DERIVATIVES</b>	<b>TOTAL HELD FOR TRADING &amp; MTM</b>	<b>% HELD FOR TRADING &amp; MTM</b>	<b>TOTAL NOT TRADED MTM</b>	<b>% NOT TRADED MTM</b>
1	JPMORGAN CHASE BANK NA	OH	973,113	44,950,935	44,860,212	99.8	90,723	0.2
2	CITIBANK NATIONAL ASSN	NY	704,855	19,164,000	18,663,431	97.4	500,569	2.6
3	BANK OF AMERICA NA	NC	1,047,537	18,701,401	18,356,372	98.2	345,029	1.8
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,464,552	3,260,240	94.1	204,312	5.9
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,293,630	2,268,252	98.9	25,378	1.1
<b>TOP 5 COMMERCIAL BANKS &amp; TCs WITH DERIVATIVES</b>			<b>\$3,326,486</b>	<b>\$88,574,518</b>	<b>\$87,408,506</b>	<b>98.7</b>	<b>\$1,166,011</b>	<b>1.3</b>
OTHER 764 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,937,209	\$3,520,281	\$2,187,800	62.1	\$1,332,481	37.9
<b>TOP 25 COMMERCIAL BANKS &amp; TCs WITH DERIVATIVES</b>			<b>\$5,055,874</b>	<b>\$91,708,160</b>	<b>\$89,468,431</b>	<b>97.6</b>	<b>\$2,239,729</b>	<b>2.4</b>
OTHER 744 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$2,207,821	\$386,639	\$127,876	33.1	\$258,763	66.9
<b>TOTAL AMOUNTS FOR ALL 769 BKS &amp; TCs WITH DERIVATIVES</b>			<b>\$7,263,695</b>	<b>\$92,094,799</b>	<b>\$89,596,306</b>	<b>97.3</b>	<b>\$2,498,492</b>	<b>2.7</b>
<p>Note: Currently, the Call Report does not differentiate between traded and non-traded credit derivatives. Credit derivatives have been excluded from the sum of total derivatives here.</p> <p>Note: In previous quarters, total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange is reported separately.</p> <p>Note: Numbers may not add due to rounding.</p> <p>Data source: Call Report, schedule RC-L</p>								

TABLE 6

**GROSS FAIR VALUES OF DERIVATIVE CONTRACTS OF THE 5  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVE CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	TRADED :	TRADED :	NOT TRADED :	NOT TRADED :
					(MTM) GROSS POSITIVE FAIR VALUE*	(MTM) GROSS NEGATIVE FAIR VALUE**	(MTM) GROSS POSITIVE FAIR VALUE*	(MTM) GROSS NEGATIVE FAIR VALUE**
1	JPMORGAN CHASE BANK NA	OH	973,113	44,950,935	836,429	823,722	1,242	304
2	CITIBANK NATIONAL ASSN	NY	704,855	19,164,000	272,908	273,264	3,621	1,903
3	BANK OF AMERICA NA	NC	1,047,537	18,701,401	283,257	276,217	2,606	5,078
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,464,552	30,305	29,167	2,683	2,517
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,293,630	27,992	28,230	203	68
TOP 5 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,326,486	\$88,574,518	\$1,450,891	\$1,430,600	\$10,355	\$9,870
OTHER 764 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,937,209	\$3,520,281	\$26,256	\$26,790	\$7,379	\$6,913
TOTAL AMOUNTS FOR ALL 769 BKS & TCs WITH DERIVATIVES			\$7,263,695	\$92,094,799	\$1,477,147	\$1,457,390	\$17,733	\$16,783

Note: Currently, the Call Report does not differentiate credit derivatives by gross negative and positive fair values. Credit derivatives have been excluded from the sum of total derivatives here.

Note: Before the first quarter of 1995 total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange was reported separately.

\*Market value of contracts that have a positive fair value as of the end of the second quarter, 2005.

\*\*Market value of contracts that have a negative fair value as of the end of the second quarter, 2005.

Note: Numbers may not sum due to rounding.

Data source: Call Report, schedule RC-L

TABLE 7

**TRADING REVENUE FROM CASH INSTRUMENTS AND DERIVATIVES OF THE 5  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVE CONTRACTS  
JUNE 30, 2005, \$ MILLIONS**

NOTE: REVENUE FIGURES ARE FOR SECOND QUARTER (NOT YEAR-TO-DATE)  
DATA ARE PRELIMINARY

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	TOTAL TRADING REV FROM CASH & OFF BAL SHEET POSITIONS	TRADING REV FROM INT RATE POSITIONS	TRADING REV FROM FOREIGN EXCH POSITIONS	TRADING REV FROM EQUITY POSITIONS	TRADING REV FROM COMMOD & OTH POSITIONS
1	JPMORGAN CHASE BANK NA	OH	973,113	44,950,935	413	384	55	(66)	40
2	CITIBANK NATIONAL ASSN	NY	704,855	19,164,000	617	(286)	789	64	50
3	BANK OF AMERICA NA	NC	1,047,537	18,701,401	376	40	164	96	76
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,464,552	85	66	34	(16)	1
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,293,630	51	7	36	9	(1)
TOP 5 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,326,486	\$88,574,518	\$1,542	\$211	\$1,079	\$87	\$166
OTHER 764 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,937,209	\$3,520,281	\$418	\$151	\$222	\$45	\$0
TOTAL AMOUNTS FOR ALL 769 BKS & TCs WITH DERIVATIVES			\$7,263,695	\$92,094,799	\$1,961	\$362	\$1,301	\$131	\$166

Note: Currently, the Call Report does not include trading revenues from credit derivatives. Credit derivatives have been excluded from the sum of total derivatives here.

Note: Trading revenue is defined here as "trading revenue from cash instruments and off balance sheet derivative instruments."

Note: Before the first quarter of 1995 total derivatives included spot foreign exchange. Beginning in the first quarter 1995, spot foreign exchange was reported separately.

Note: Numbers may not sum due to rounding.

Data source: Call Report, schedule RC-I

TABLE 8

**NOTIONAL AMOUNT OF DERIVATIVES CONTRACTS BY CONTRACT TYPE & MATURITY FOR THE 5  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVE CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	INT RATE	INT RATE	INT RATE	INT RATE	FOREIGN EXCH	FOREIGN EXCH	FOREIGN EXCH	FOREIGN EXCH
					MATURITY < 1 YR	MATURITY 1 - 5 YRS	MATURITY > 5 YRS	ALL MATURITIES	MATURITY < 1 YR	MATURITY 1 - 5 YRS	MATURITY > 5 YRS	ALL MATURITIES
1	JPMORGAN CHASE BANK NA	OH	973,113	44,950,935	8,048,722	14,986,420	9,995,809	33,030,951	1,640,846	662,477	352,577	2,655,900
2	CITIBANK NATIONAL ASSN	NY	704,855	19,164,000	5,758,940	4,855,608	3,389,891	14,004,439	1,657,777	338,728	166,725	2,163,230
3	BANK OF AMERICA NA	NC	1,047,537	18,701,401	2,083,685	4,487,083	3,093,675	9,664,442	1,143,958	199,577	122,320	1,465,855
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,464,552	352,630	837,237	592,260	1,782,127	48,106	32,314	14,480	94,900
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,293,630	250,427	777,331	623,100	1,650,859	212,714	54,622	26,099	293,436
TOP 5 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,326,486	\$88,574,518	\$16,494,404	\$25,943,678	\$17,694,735	\$60,132,818	\$4,703,401	\$1,287,719	\$682,201	\$6,673,321
OTHER 764 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,937,209	\$3,520,281	\$641,914	\$773,250	\$415,850	\$1,831,014	\$614,409	\$25,277	\$2,554	\$642,240
TOTAL AMOUNTS FOR ALL 769 BKS & TCs WITH DERIVATIVES			\$7,263,695	\$92,094,799	\$17,136,318	\$26,716,929	\$18,110,586	\$61,963,832	\$5,317,810	\$1,312,996	\$684,755	\$7,315,561

Note: Currently, the Call Report does not include maturity breakouts for credit derivatives. Credit derivatives have been excluded from the sum of total derivatives here.

Note: Before the first quarter of 1995 total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange was reported separately.

Note: Figures above exclude foreign exchange contracts with an original maturity of 14 days or less, futures contracts, written options, basis swaps, and any contracts not subject to risk-based capital requirements.

Therefore, the total notional amount of derivatives by maturity will not add to the total derivatives figure in this table.

Note: Numbers may not add due to rounding.

Data source: Call Report, schedule RC-R

TABLE 9

**NOTIONAL AMOUNT OF DERIVATIVES CONTRACTS BY CONTRACT TYPE & MATURITY FOR THE 5  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVE CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	GOLD	GOLD	GOLD	GOLD	PREC METALS	PREC METALS	PREC METALS	PREC METALS
					MATURITY < 1 YR	MATURITY 1 - 5 YRS	MATURITY > 5 YRS	ALL MATURITIES	MATURITY < 1 YR	MATURITY 1 - 5 YRS	MATURITY > 5 YRS	ALL MATURITIES
1	JPMORGAN CHASE BANK NA	OH	973,113	44,950,935	19,326	15,480	1,746	36,552	1,899	328	2	2,229
2	CITIBANK NATIONAL ASSN	NY	704,855	19,164,000	2,814	5,222	277	8,313	90	7	-	97
3	BANK OF AMERICA NA	NC	1,047,537	18,701,401	114	-	-	114	146	-	-	146
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,464,552	-	-	-	-	-	-	-	-
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,293,630	8,774	10,426	93	19,293	2,538	442	-	2,981
TOP 5 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,326,486	\$88,574,518	\$31,028	\$31,128	\$2,116	\$64,272	\$4,674	\$777	\$2	\$5,453
OTHER 764 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,937,209	\$3,520,281	\$0	\$3	\$0	\$3	\$0	\$0	\$0	\$0
TOTAL AMOUNTS FOR ALL 769 BKS & TCs WITH DERIVATIVES			\$7,263,695	\$92,094,799	\$31,029	\$31,131	\$2,116	\$64,275	\$4,674	\$777	\$2	\$5,453

Note: Currently, the Call Report does not include maturity breakouts for credit derivatives. Credit derivatives have been excluded from the sum of total derivatives here.

Note: Before the first quarter of 1995 total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange was reported separately.

Note: Figures above exclude foreign exchange contracts with an original maturity of 14 days or less, futures contracts, written options, basis swaps, and any contracts not subject to risk-based capital requirements.

Therefore, the total notional amount of derivatives by maturity will not add to the total derivatives figure in this table.

Note: Numbers may not add due to rounding.

Data source: Call Report, schedule RC-R

TABLE 10

**NOTIONAL AMOUNT OF DERIVATIVES CONTRACTS BY CONTRACT TYPE & MATURITY FOR THE 5  
COMMERCIAL BANKS AND TRUST COMPANIES WITH THE MOST DERIVATIVE CONTRACTS  
JUNE 30, 2005, \$ MILLIONS  
NOTE: DATA ARE PRELIMINARY**

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	OTHER COMM MATURITY < 1 YR	OTHER COMM MATURITY 1 - 5 YRS	OTHER COMM MATURITY > 5 YRS	OTHER COMM ALL MATURITIES	EQUITY MATURITY < 1 YR	EQUITY MATURITY 1 - 5 YRS	EQUITY MATURITY > 5 YRS	EQUITY ALL MATURITIES
1	JPMORGAN CHASE BANK NA	OH	973,113	44,950,935	66,455	378,225	72,355	517,035	234,506	390,955	95,401	720,862
2	CITIBANK NATIONAL ASSN	NY	704,855	19,164,000	11,623	28,526	1,968	42,117	46,364	297,769	38,880	383,013
3	BANK OF AMERICA NA	NC	1,047,537	18,701,401	7,153	2,948	100	10,200	32,001	12,501	1,126	45,628
4	WACHOVIA BANK NATIONAL ASSN	NC	459,529	3,464,552	984	3,272	311	4,567	10,936	10,640	682	22,258
5	HSBC BANK USA NATIONAL ASSN	DE	141,452	2,293,630	9,940	24,427	3,432	37,798	5,680	235,508	28,507	269,695
TOP 5 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,326,486	\$88,574,518	\$96,154	\$437,397	\$78,165	\$611,717	\$329,487	\$947,373	\$164,596	\$1,441,456
OTHER 764 COMMERCIAL BANKS & TCs WITH DERIVATIVES			\$3,937,209	\$3,520,281	\$22,457	\$11,118	\$1,343	\$34,918	\$12,791	\$5,253	\$1,511	\$19,555
TOTAL AMOUNTS FOR ALL 769 BKS & TCs WITH DERIVATIVES			\$7,263,695	\$92,094,799	\$118,611	\$448,515	\$79,508	\$646,635	\$342,278	\$952,625	\$166,107	\$1,461,010

Note: Currently, the Call Report does not include maturity breakouts for credit derivatives. Credit derivatives have been excluded from the sum of total derivatives here.

Note: Before the first quarter of 1995 total derivatives included spot foreign exchange. Beginning in the first quarter, 1995, spot foreign exchange was reported separately.

Note: Figures above exclude foreign exchange contracts with an original maturity of 14 days or less, futures contracts, written options, basis swaps, and any contracts not subject to risk-based capital requirements.

Therefore, the total notional amount of derivatives by maturity will not add to the total derivatives figure in this table.

Note: Numbers may not add due to rounding.

Data source: Call Report, schedule RC-R