Office of the Comptroller of the Currency

Washington, DC 20219

OCC's Quarterly Report on Bank Trading and Derivatives Activities
Third Quarter 2014

Executive Summary

- Insured U.S. commercial banks and savings associations reported trading revenue of $5.7 billion in the third quarter, $0.7 billion lower (11.4%) than $6.4 billion in the second quarter, but $1.2 billion higher (25.6%) than $4.5 billion in the third quarter of 2013.

- Credit exposure from derivatives increased in the third quarter. Net current credit exposure (NCCE) increased $37.2 billion, or 10.2%, to $398 billion.

- Trading risk, as measured by Value-at-Risk (VaR), continued its trend lower in the third quarter. Average VaR across the top 5 dealer banking companies fell $51 million, or 13.6%, to $323 million.

- Notional derivatives increased $2.6 trillion, or 1.1%, to $239.3 trillion. Derivative contracts remain concentrated in interest rate products, which comprise 79.8% of total derivative notional amounts. Credit derivatives, which represent 4.4% of total derivatives notionals, declined 3.9% from the second quarter to $10.4 trillion.

The OCC's quarterly report on bank trading and derivatives activities is based on call report information provided by all insured U.S. commercial banks, savings associations and trust companies (collectively, "banks"), reports filed by U.S. financial holding companies, and other published data. Beginning in the first quarter of 2012, savings associations reported their financial results in the call reports. As a result, their trading and derivatives activity is now included in the OCC's quarterly derivatives report.

A total of 1,389 insured U.S. commercial banks and savings associations reported derivatives activities at the end of the third quarter, 17 fewer than in the second quarter. Derivatives activity in the U.S. banking system continues to be dominated by a small group of large financial institutions. Four large commercial banks represent 92.6% of the total banking industry notional amounts and 85.9% of industry NCCE. The OCC and other supervisors have examiners on-site at the largest banks to evaluate continuously the credit, market, operational, reputation, and compliance risks of bank derivatives activities. In addition to the OCC's on-site supervisory activities, the OCC continues to work with other financial supervisors and major market participants to address infrastructure, clearing, and margining issues in over-the-counter (OTC) derivatives. Activities include development of objectives and milestones for stronger trade processing and improved market transparency across all OTC derivatives categories, migration of certain, highly-liquid products to clearinghouses, and requirements for posting and collecting margin.

Revenue

Insured U.S. commercial banks and savings associations reported $5.7 billion in trading revenue in the third quarter, $0.7 billion lower (11.4%) than second quarter revenue of $6.4 billion, but $1.2 billion higher (25.6%) than in the third quarter of 2013. The $0.7 billion revenue decline relative to the second quarter was driven by a $0.8 billion decline in combined interest rate and foreign exchange (FX) trading revenue. Higher volatility in the third quarter, however, led to stronger performance relative to the third quarter of 2013.

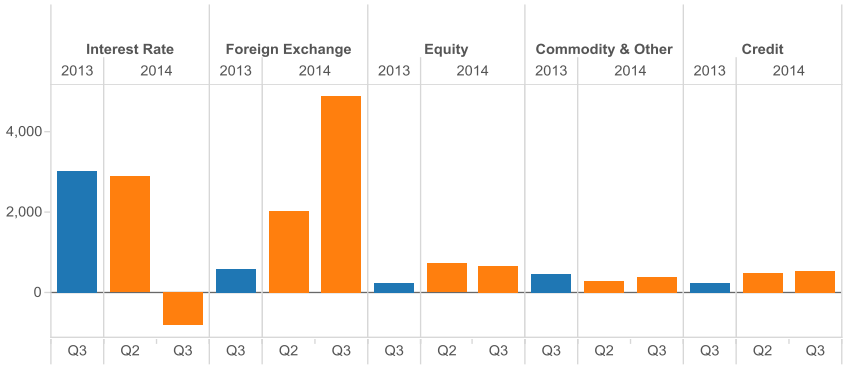
Quarterly Bank Trading Revenue
in $ millions

	3Q2014	2Q2014	Q/Q Change	Q/Q % Change	3Q2013	Y/Y Change	Y/Y % Change
Interest Rate	-818	2,883	-3,701	-128	3,002	-3,821	-127
Foreign Exchange	4,892	2,026	2,867	142	588	4,305	733
Equity	654	726	-72	-10	233	421	181
Commodity & Other	411	293	118	40	481	-71	-15
Credit	547	488	59	12	222	324	146
Total Trading Revenue	5,686	6,416	-730	-11	4,527	1,159	26

	3Q2014	Average Past 12 Q3's	Past 8 Quarter Average	Past 8 Quarter Hi	Past 8 Quarter Low	Since 2000 Average	Since 2000 Hi	Since 2000 Low
Interest Rate	-818	1,741	2,059	4,521	-818	1,629	9,291	-5,282
Foreign Exchange	4,892	1,566	2,304	4,892	588	1,693	4,892	-1,069
Equity	654	635	583	924	187	538	1,830	-1,059
Commodity & Other	411	340	351	672	30	213	789	-307
Credit	547	363	347	890	-713	-266	2,727	-10,237
Total Trading Revenue	5,686	4,645	5,644	7,520	2,911	3,806	10,217	-10,580

Source: call reports

Quarterly Bank Trading Revenue
in $ millions



Source: call reports

Through September, year-to-date trading revenue for insured U.S. commercial banks and savings associations totaled $18.3 billion, $0.9 billion lower than in 2013, driven by a $1.5 billion decline in combined interest rate and FX revenue.

YTD Bank Trading Revenue
in $ millions

	3Q2014	3Q2013	Y/Y Change	Y/Y % Change
Interest Rate	4,080	7,517	-3,436	-46
Foreign Exchange	9,055	7,076	1,979	28
Equity	1,992	1,995	-3	0
Commodity & Other	1,375	1,137	238	21
Credit	1,791	1,451	340	23
Total Trading Revenue	18,294	19,176	-882	-5

Source: call reports

Holding Company Quarterly Trading Revenue[1]

To get a more complete picture of trading revenue in the banking system, it is useful to consider consolidated holding company trading performance. As illustrated in the table below, consolidated holding company trading revenue of $12.2 billion in the third quarter was $2.5 billion (16.9%) lower than second quarter revenue of $14.6 billion, but $1.2 billion (11.2%) higher than in the third quarter of 2013. The weakness in trading revenue relative to the second quarter was centered in equity and credit trading activities, for which revenue collectively declined by $2.9 billion.

[1] The OCC's Quarterly Report on Bank Trading and Derivatives Activities focuses on the activity and performance of insured U.S. commercial banks and savings associations. Discussion of consolidated bank holding company (BHC) activity and performance is limited to this section, as well as the data in Table 2 and Graph 8.

Quarterly Holding Company Trading Revenue
in $ millions

	3Q2014	2Q2014	Q/Q Change	Q/Q % Change	3Q2013	Y/Y Change	Y/Y % Change
Interest Rate	299	3,546	-3,248	-92	3,864	-3,566	-92
Foreign Exchange	5,984	2,522	3,463	137	313	5,672	1,813
Equity	3,048	4,345	-1,297	-30	4,602	-1,554	-34
Commodity & Other	1,136	924	212	23	1,347	-210	-16
Credit	1,690	3,291	-1,602	-49	804	886	110
Total Trading Revenue	12,157	14,629	-2,472	-17	10,930	1,228	11

Source: call reports

For the first nine months of 2014, trading revenue for BHCs was $43.6 billion, down $1.7 billion (3.7%) from the same period in 2013, driven by a $2.4 billion decline in equity revenue.

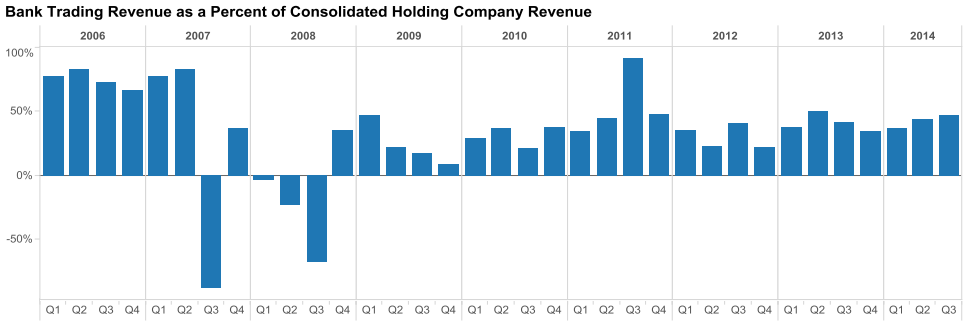
YTD Quarterly Holding Company Trading Revenue
in $ millions

	3Q2014	3Q2013	Y/Y Change	Y/Y % Change
Interest Rate	7,206	8,905	-1,699	-19
Foreign Exchange	10,978	9,624	1,353	14
Equity	11,035	13,457	-2,422	-18
Commodity & Other	4,678	4,417	261	6
Credit	9,698	8,858	841	9
Total Trading Revenue	43,596	45,261	-1,665	-4

Source: call reports

Bank Trading Revenue as a Percent of Consolidated Holding Company Revenue

Prior to the financial crisis, trading revenue at banks typically ranged from 60-80% of consolidated holding company trading revenue. Since the financial crisis, and the adoption of bank charters by the former investment banks, the percentage of trading revenue at banks to consolidated company revenue has generally fallen into a range of 30-50%. This decline reflects the significant amount of trading activity by the former investment banks that, while included in holding company results, remains outside the insured commercial bank. More generally, insured U.S. commercial banks and savings associations have more limited legal authorities than do their holding companies, particularly in commodity and equity products.



Source: call reports and y-9

In the third quarter, banks generated 47% of consolidated company trading revenue, up from 44% in the second quarter. The increase is due to a stronger bank contribution from commodity and equity revenue to total BHC trading revenue. Commodity and equity revenue at banks represented 7.9% of total BHC trading revenue in the third quarter, up from 5.3% in the second quarter.

Credit Risk

Credit risk is a significant risk in bank derivatives trading activities. The notional amount of a derivative contract is a reference amount that determines contractual payments, but it is generally not an amount at risk. The credit risk in a derivative contract is a function of a number of variables, such as whether counterparties exchange notional principal, the volatility of the underlying market factors (interest rate, currency, commodity, equity or corporate reference entity), the maturity and liquidity of the contract, and the creditworthiness of the counterparty.

Credit risk in derivatives differs from credit risk in loans due to the more uncertain nature of the potential credit exposure. With a funded loan, the amount at risk is the amount advanced to the borrower. The credit risk is unilateral; the bank faces the credit exposure of the

borrower. However, in most derivatives transactions, such as swaps (which make up the bulk of bank derivative contracts), the credit exposure is bilateral. Each party to the contract may (and, if the contract has a long enough tenor, probably will) have a current credit exposure to the other party at various points in time over the contract's life. Moreover, because the credit exposure is a function of movements in market factors, banks do not know, and can only estimate, how much the value of the derivative contract might be at various points of time in the future.

Measuring credit exposure in derivative contracts involves identifying those contracts where a bank would lose value if the counterparty to a contract defaulted today. The total of all contracts with positive value (i.e., derivatives receivables) to the bank is the gross positive fair value (GPFV) and represents an initial measurement of credit exposure. The total of all contracts with negative value (i.e., derivatives payables) to the bank is the gross negative fair value (GNFV) and represents a measurement of the exposure the bank poses to its counterparties.

Gross Positive Fair Values
in $ billions

	3Q2014	2Q2014	Q/Q Change	Q/Q % Change	3Q2013	Y/Y Change	Y/Y % Change
Interest Rate	2,554	2,627	-73	-3	2,820	-266	-9
Foreign Exchange	623	328	295	90	409	215	52
Equity	94	97	-3	-3	97	-2	-2
Commodities	44	41	3	8	44	0	-1
Credit	169	177	-8	-5	198	-29	-15
Total Fair Value	3,485	3,271	214	7	3,569	-84	-2

Gross Negative Fair Values

	3Q2014	2Q2014	Q/Q Change	Q/Q % Change	3Q2013	Y/Y Change	Y/Y % Change
Interest Rate	2,489	2,555	-66	-3	2,756	-267	-10
Foreign Exchange	610	323	287	89	419	191	46
Equity	95	97	-2	-2	99	-4	-4
Commodities	44	40	4	10	43	1	1
Credit	165	173	-8	-5	194	-29	-15
Total Fair Value	3,402	3,188	215	7	3,510	-108	-3

Source: call reports

GPFV (i.e., derivatives receivables) increased by $0.2 trillion (6.5%) in the third quarter to $3.5 trillion, driven by a surge in receivables ($0.3 trillion, or 90%) from FX contracts. After having virtually no volatility in FX markets during the first half of the year, major global currencies such as the euro and the Japanese yen depreciated sharply against the U.S. dollar during the third quarter. The sharp rise in FX contract receivables is a direct result of the depreciation of these two currencies against the dollar. Receivables from interest rate contracts, which make up 73% of gross derivatives receivables (and hence are the dominant source of credit exposure), decreased 2.8% to $2.6 trillion. Because banks hedge the market risk of their derivatives portfolios, the change in GPFV was matched by a similar increase in GNFVs (i.e., derivatives payables). Derivatives payables increased $0.2 trillion (6.7%) to $3.4 trillion, driven by a $0.3 trillion increase in payables on FX contracts. The similar increase in payables on FX contracts reflects the depreciation of the euro and the yen, and illustrates the generally matched nature of bank trading books.

A legally enforceable netting agreement with a counterparty creates a single legal obligation for all transactions (called a "netting set") under the agreement. Therefore, when banks have such agreements with their counterparties, contracts with negative values (an amount a bank would pay to its counterparty), can offset contracts with positive values (an amount owed by the counterparty to the bank), leaving a NCCE as shown in the example below:

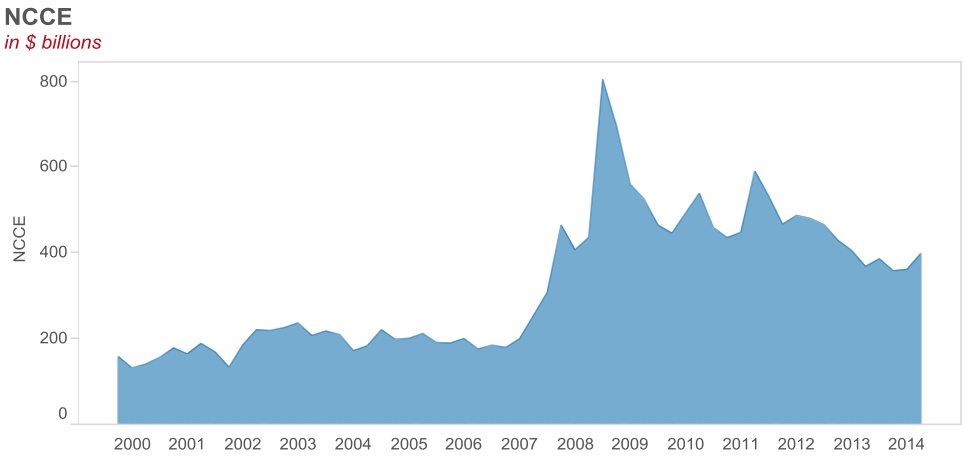
Bank A Portfolio with Counterparty B	**# of Contracts**	**Value of Contracts**	**Credit Measure/Metric**
Contracts With Positive Value to Bank A	6	$500	Gross Positive Fair Value
Contracts With Negative Value to Bank A	4	$350	Gross Negative Fair Value
Total Contracts	10	$150	Net Current Credit Exposure (NCCE) to Bank A from Counterparty B

Most, but not necessarily all, derivatives transactions a bank has with an individual counterparty are subject to a legally enforceable netting agreement. For example, some transactions may be subject to the laws of a jurisdiction that does not provide legal certainty of netting agreements, in which case banks must regard such transactions as separate from the netting set. Other transactions may involve non-standard contractual documentation. Transactions that are not subject to the same legally enforceable netting agreement become unique "netting sets" that have distinct values that cannot be netted, and for which the appropriate current credit measure is the gross exposure to the bank, if that amount is positive. In some cases, transactions that fall under separate netting sets may be tied together under a separate legally enforceable netting agreement. While banks can net exposures within a netting set under the same netting agreement, they cannot net exposures across netting sets without a separate legally enforceable netting agreement. As a result, a bank's NCCE to a particular counterparty equals the sum of the credit exposures across all netting sets with that counterparty. A bank's NCCE across all counterparties equals the sum of its NCCE to each of its counterparties.

NCCE is the primary metric used by the OCC to evaluate credit risk in bank derivatives activities. NCCE for insured U.S. commercial banks and saving associations increased $37.2 billion (10.3%) to $398.2 billion in the third quarter.[2] Notwithstanding the increase during the third quarter, NCCE remains near the lower end of its range since the end of the financial crisis. NCCE peaked at $804 billion at the end of 2008, during the financial crisis, when interest rates had plunged and credit spreads were very high. The difference between very low current market swap rates and prevailing swap rates in dealers' interest rate books, which creates credit exposure, has narrowed due to the

[2] Banks report NCCE in two different sections (RC-R and RC-L) of the call report, and the amounts reported are typically different. In the past, this report has used the amount from RC-R. Effective with the second quarter report, it uses the amount from Schedule RC-L, which is a more comprehensive measure of NCCE. A major difference between the two measures is that RC-R excludes credit exposure from OTC derivatives not subject to risk-based capital standards (e.g., exchange-traded contracts and written options).

extended period of low interest rates and the substantial growth in notional derivatives that has occurred during this low-rate period. The significant decline in NCCE since 2008 results from sharp declines in the GPFV of interest rate and credit contracts. GPFV from interest rate contracts has fallen from $5.1 trillion at the end of 2008 to $2.5 trillion currently. The yield on the 10-year Treasury note, although up sharply in 2013, has generally been below 3% since the fourth quarter of 2008, at the peak of the financial crisis. At September 30, 2014, exposure from credit contracts of $168.9 billion is $931.1 billion lower (84.6%) than $1.1 trillion at December 31, 2008.



Source: call reports (pre-2Q 2009, schedule RC-R; 2Q 2009 onwards, schedule RC-L)

in $ billions

	3Q2014	2Q2014	Q/Q Change	Q/Q % Change
Total Fair Value	3,485	3,271	214	7
Netting Benefit	3,086	2,910	177	6
NCCE	398	361	37	10
Netting Benefit %	88.6%	89.0%	-0.4%	
10-Year Interest Rate Swap (%)	2.6	2.6	0.0	
Dollar Index Spot	86	80	6	8
Credit Derivative Index - North America IG (bps)	65	50	14	28
Credit Derivative Index - High Volatility (bps)	114	118	-4	-3

Note: Numbers may not add due to rounding.

Legally enforceable netting agreements allowed banks to reduce GPFV exposures by 88.6% ($3.1 trillion) in the third quarter.

The distribution of NCCE in the banking system is concentrated in banks/securities firms (54.2%) and corporations (36.4%). Exposure to hedge funds, sovereign governments and monoline financial firms is very small (9.4% in total). However, the sheer size of aggregate counterparty exposures results in the potential for major losses, even in sectors where credit exposure is a small percentage of the total. For example, notwithstanding the minimal share of NCCE to monolines, banks suffered material losses on these exposures during the credit crisis. Because banks have taken credit charges (via credit valuation adjustments) to completely write down their monoline exposures, current credit exposures to monolines are now virtually 0% of total NCCE. Sovereign credit exposures are also a small component (7.0%) of NCCE and, like monoline exposures before the financial crisis, are largely unsecured. Sovereign exposures are an increasing area of focus for bank supervisors as they review counterparty credit risk.

Net Current Credit Exposure by Counterparty Type as a % of Total NCCE

		Banks & Securities Firms	Monoline Financial Firms	Hedge Funds	Sovereign Governments	Corp and All Other Counterparties
2014	Q3	54%	0%	2%	7%	36%
	Q2	54%	0%	2%	8%	36%
2013	Q3	56%	0%	2%	7%	35%
2012	Q3	56%	0%	1%	6%	36%

A more risk sensitive measure of credit exposure would also consider the value of collateral held against counterparty exposures. Commercial banks and savings associations with total assets greater than $10 billion report the fair value of collateral held against various classifications of counterparty exposure.

Reporting banks held collateral against 80.0% of total NCCE at the end of the third quarter, down from 83.3% in the second quarter, due to slightly lower coverage of exposures to banks/securities firms and corporates. Credit exposures to banks/securities firms and hedge funds remain very well secured; banks held collateral against 96.8% of their current exposure to banks and securities firms, down from 101.7% in

the second quarter. Collateral held against hedge fund exposures fell to 342.5% in the third quarter. Hedge fund exposures have always been very well secured, because banks take "initial margin" on transactions with hedge funds, in addition to fully securing any current credit exposure. Collateral coverage of corporate, monoline and sovereign exposures is much less than for financial institutions and hedge funds. At the end of the third quarter, banks held collateral against 51.7% of corporate counterparty exposures, down slightly from 52.6% in the second quarter, but the same as one year ago.

Fair Value of Collateral to Net Current Credit Exposure

		FV Banks & Securities Firms	FV Monoline Financial Firms	Hegde Funds	FV Sovereign Governments	FV Corp and All Other Counterparties	FV/NCCE%
2014	Q3	97%	6%	342%	13%	52%	80%
	Q2	102%	0%	354%	14%	53%	83%
2013	Q3	95%	6%	347%	13%	52%	80%
2012	Q3	90%	4%	386%	13%	44%	72%

Collateral quality held by banks is very high and liquid, with 78.0% held in cash (both U.S. dollar and non-dollar), and an additional 5.3% held in U.S. Treasuries and government agencies. Supervisors assess changes in the quality of collateral held as a key early warning indicator of potential easing in credit terms. Indeed, the quality of collateral held to secure derivatives exposures has slipped slightly over the past year. "Other" collateral has increased from 13.6% in the third quarter of 2013 to 14.2% currently. Examiners review the collateral management practices of derivatives dealers as a regular part of their ongoing supervision activities.

Fair Value of Collateral to Net Current Credit Exposure

		Cash U.S. Dollar	Cash Other	U.S. Treas Securities	U.S. Gov't Agency	Corp Bonds	Equity Securities	All Other Collateral
2014	Q3	45%	33%	2%	3%	1%	2%	14%
	Q2	46%	32%	2%	3%	1%	2%	14%
2013	Q3	44%	31%	4%	5%	1%	2%	14%
2012	Q3	47%	31%	3%	6%	1%	1%	12%

Credit quality metrics for derivatives exposures improved in the third quarter, with declines in both charge-offs and the number of banks reporting them. Net charge-offs fell to $14.6 million in the third quarter, from $55.9 million in the second quarter. Moreover, the number of banks with charge-offs also fell, from 24 to 21. Net charge-offs in the third quarter of 2014 represented 0.004% of the NCCE from derivative contracts. [See Graph 7.] For comparison purposes, Commercial and Industrial (C&I) loan net charge-offs fell $20.9 million, or 2.2%, to $911.9 million. Net C&I charge-offs were generally unchanged from the second quarter at 0.054% of total C&I loans. Charge-offs of derivatives exposures typically are associated with problem commercial lending exposures, where the borrower has an associated swap transaction.

The level of charge-offs of derivatives credit exposures is typically much less than for C&I exposures. Two factors account for the historically favorable charge-off performance of derivatives. First, the credit quality of the typical derivatives counterparty is higher than the credit quality of the typical C&I borrower. Second, most of the large credit exposures from derivatives, whether from other dealers, large non-dealer banks, or hedge funds, are collateralized daily, typically by cash and/or government securities.

Market Risk

Value-at-Risk

Banks control market risk in trading operations primarily by establishing limits against potential losses. VaR is a statistical measure that banks use to quantify the maximum expected loss, over a specified horizon and at a certain confidence level, in normal markets. It is important to emphasize that VaR is not the maximum potential loss; it provides a loss estimate at a specified confidence level. A VaR of $50 million at 99% confidence measured over one trading day, for example, indicates that a trading loss of greater than $50 million in the next day on that portfolio should occur only once in every 100 trading days under normal market conditions. Since VaR does not measure the maximum potential loss, banks stress test trading portfolios to assess the potential for loss beyond the VaR measure. Banks and supervisors have been working to expand the use of stress analyses to complement the VaR risk measurement process banks typically use to assess a bank's exposure to market risk.

in $ millions

	JPMORGAN	CITIGROUP	BANK OF AMERICA	GOLDMAN	MORGAN STANLEY	TOTAL
Q3'14	36	121	56	68	42	323
Q2'14	55	135	59	77	48	374
Q/Q Change	-19	-14	-3	-9	-6	-51
Q/Q % Change	-35	-10	-5	-12	-13	-14
Equity Capital	227,314	211,362	237,411	70,755	81,629	828,471
2013 Net Income	17,923	13,908	11,431	8,040	2,932	54,234
Avg VaR/Equity	0.02%	0.06%	0.02%	0.10%	0.05%	0.04%
Avg VaR/Net Income	0.20%	0.87%	0.49%	0.85%	1.43%	0.60%

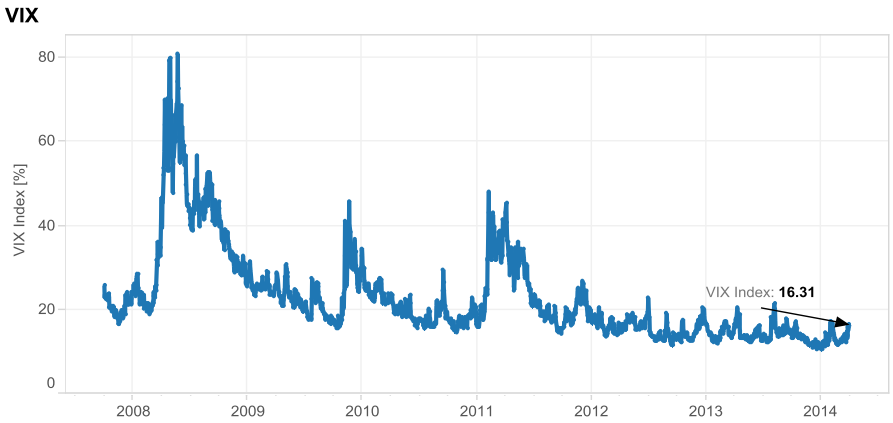
The large trading banks disclose average VaR data in published financial reports. To provide perspective on the market risk of trading activities, it is useful to compare the VaR numbers over time, and to equity capital and net income. As shown in the table above, market risks reported by the five largest banking companies, as measured by VaR, are small as a percentage of their capital. Because of mergers,

and VaR measurement systems incorporating higher volatility price changes throughout the credit crisis (compared to the very low volatility environment prior to the crisis), bank VaR measures had generally increased throughout the credit crisis. After the peak of the financial crisis, as more normal market conditions emerged and Federal Reserve policy accommodation continued, volatility declined and bank VaR measures have broadly trended lower.

VaR measures are not comparable across firms, due both to methodological differences in calculating VaR, as well as differences in the scope of coverage. These differences can result in materially different VaR estimates across firms, even for the same portfolios. When assessing trading risk in the banking system, it is therefore appropriate to review the trend in VaR at individual firms, not in aggregate across firms.

Because of methodological differences in calculating VaR, readers are cautioned that a higher VaR figure at a particular bank may not necessarily imply that the bank has more trading risk than another bank with a lower VaR. For example, JPMorgan, Goldman Sachs and Morgan Stanley calculate VaR using a 95% confidence interval. If those firms used a 99% confidence interval, as does Bank of America and Citigroup, their VaR estimates would be meaningfully higher. The data series used to measure risk also is an important factor in the calculated risk measure. The VaR measure for a single portfolio of exposures will be different if the time period used to measure risk is not the same. Firms using a longer period over which to measure risk may include the higher volatility period of the financial crisis, and therefore their measured VaR will be higher than firms that use a less volatile data series. Indeed, one major reason for the decline in VaR at large trading firms is the sharply lower volatility environment that has prevailed since the end of the financial crisis. While some firms may have reduced their appetite to take market risk, consistent with tepid client demand and regulatory changes, the material decline in measured risk across the banking industry is largely a function of the sustained, extremely low, volatility environment. The chart below of the VIX index, which measures the market's expectation of stock market volatility of S&P 500 index options over the next 30-day period, illustrates that there has been an extended period of low volatility, although volatility did increase during the third quarter.

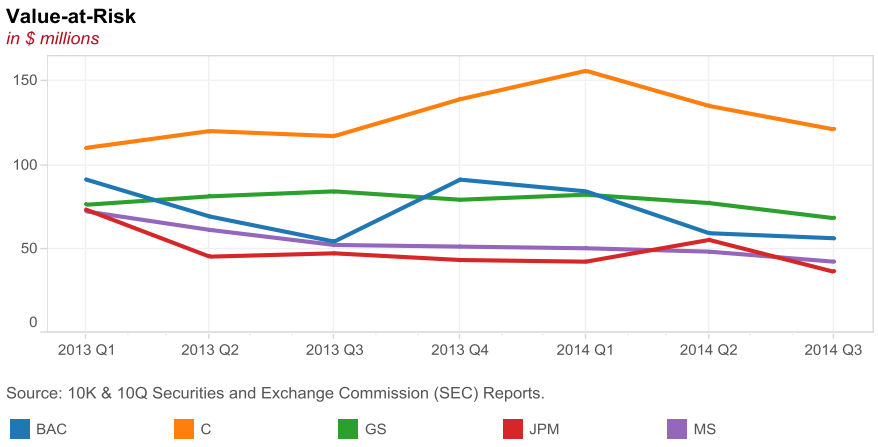
VIX



Source: Bloomberg

The scope of coverage of the VaR measure is also important when reviewing risks across institutions. Some firms disclose VaR based only on their trading/intermediation activity, while others also include risks from hedging mortgage-servicing assets, fair value option portfolios, and asset/liability management activities.

The chart below illustrates the trend over the past five quarters in average VaR at each of the large trading companies. Average VaR declined for all five of the large trading companies in the third quarter.



Source: 10K & 10Q Securities and Exchange Commission (SEC) Reports.

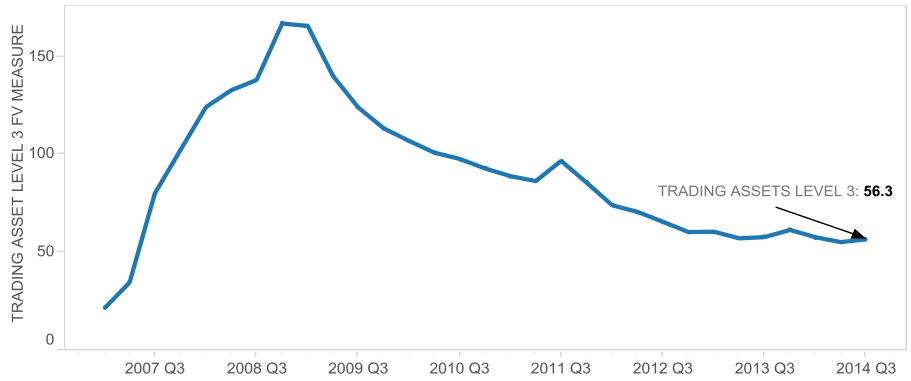
To test the effectiveness of VaR measurement systems, trading institutions track the number of times that daily losses exceed VaR estimates. Under the Market Risk Rule, which establishes regulatory capital requirements for U.S. commercial banks and savings associations with significant trading activities, a bank's capital requirement for market risk is based on its VaR measured at a 99% confidence level and assuming a 10-day holding period. Banks back-test their VaR measure by comparing the actual daily profit or loss to the VaR measure. The results of the back-test determine the size of the multiplier applied to the VaR measure in the risk-based capital calculation. The multiplier adds a safety factor to the capital requirements. An "exception" occurs when a dealer has a daily loss in excess of its VaR measure. Some banks disclose the number of such "exceptions" in their published financial reports. Because of the unusually high market volatility and large write-downs in Collateralized Debt Obligations during the financial crisis, as well as poor market liquidity, a number of banks experienced back-test exceptions and therefore an increase in their capital multiplier. Currently, however, none of the top 5 trading banks are required to hold additional capital for market risk due to back-test exceptions.

Level 3 Trading Assets

Another measure used to assess market risk is the volume of, and changes in, level 3 trading assets. Since the peak of the financial crisis at the end of 2008, major dealers have sharply reduced the volume of level 3 trading assets. Because the fair value of these illiquid exposures cannot be determined by using observable measures, such as market prices, banks estimate them using pricing models. Level 3 assets held by the top 4 trading banks peaked at $166 billion at the end of 2008. At the end of the third quarter of 2014, the top 4 trading banks held $56.3 billion of level 3 assets, up 2.6% from the second quarter and 49.7% lower ($112 billion) than the peak level from 2008.

Level 3 Assets at the Top 4 Banks

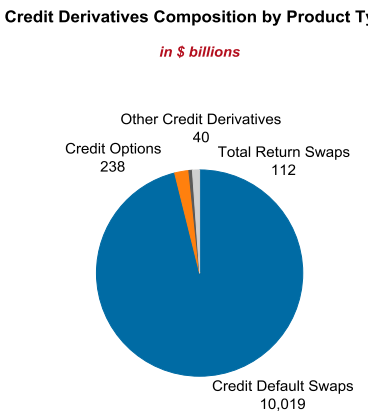
in $ millions

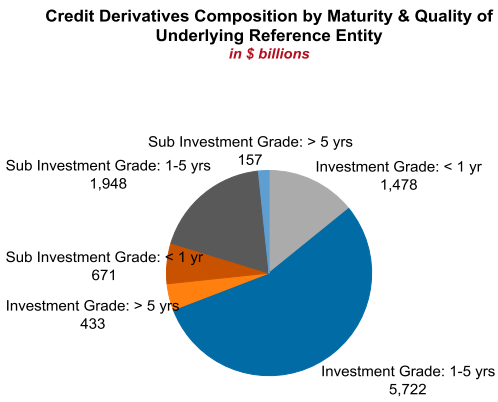


Source: call reports

Credit Derivatives

The secular trend toward declining notional amounts of credit derivatives continued in the third quarter, with notionals falling another $423 billion (3.9%) to $10.4 trillion. Contracts referencing non-investment grade entities were little changed while contracts referencing investment grade firms decreased $431 billion. The decline in the third quarter is the tenth in the past twelve quarters. Credit derivatives outstanding remain well below the peak of $16.4 trillion in the first quarter of 2008. From year-end 2003 to 2008, credit derivative contracts grew at a 100% compounded annual growth rate. Industry efforts to eliminate offsetting trades ("trade compression"), as well as reduced demand for structured products, has led to a decline in credit derivative notionals. Tables 11 and 12 provide detail on individual bank holdings of credit derivatives by product and maturity, as well as the credit quality of the underlying reference entities. As shown in the first chart below, credit default swaps are the dominant product at 96.3% of all credit derivatives notionals. [See charts below, Tables 11 and 12, and Graph 14.]





Source: call reports

Contracts referencing investment grade entities with maturities from 1-5 years, which fell by $187 billion (3.2%) in the quarter, represent the largest segment of the market at 55.0% of all credit derivatives notionals, unchanged from last quarter. Contracts of all tenors that reference investment grade entities are 73.3% of the market. [See chart on right above.]

The notional amount for the 48 insured U.S. commercial banks and savings associations that sold credit protection (i.e., assumed credit risk) was $5.1 trillion, down $115 billion (2.2%) from the second quarter. The notional amount for the 33 banks that purchased credit protection (i.e., hedged credit risk) was $5.3 trillion, $309 billion lower (5.5%) than in the second quarter. [See Tables 1, 3, 11 and 12 and Graphs 2, 3 and 4.]

Notionals

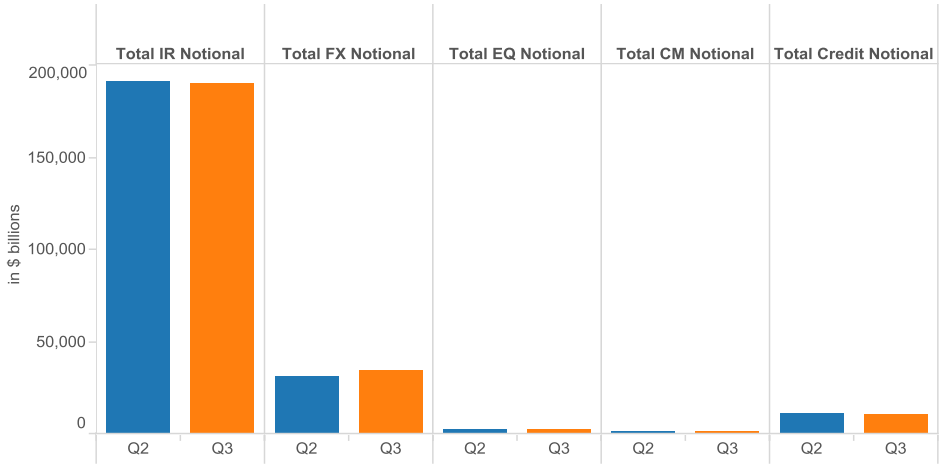
Changes in notional amounts are generally reasonable reflections of business activity, and therefore can provide insight into potential revenue and operational issues. However, the notional amount of derivative contracts does not provide a useful measure of either market or credit risks.

The notional amount of derivative contracts held by insured U.S. commercial banks and savings associations in the third quarter increased by $2.6 trillion (1.1%) to $239.3 trillion. Notionals for FX rate contracts increased by $3.4 trillion (11.0%), as the depreciation of the euro and the yen led to a significant increase in risk management activity during the quarter.

On a product basis, the increase in notionals resulted from an increase in swaps and options contracts of $1.8 and $1.4 trillion, respectively.

Notwithstanding the increase in third quarter notional derivatives, the general decline in notionals since 2011 has resulted from trade compression efforts, as well as the lower volatility environment, which has led to less need for risk management products. Trade compression continues to be a significant factor in reducing the amount of notional derivatives outstanding. Trade compression aggregates a large number of swap contracts with similar factors, such as risk or cash flows, into fewer trades. Compression removes economic redundancy in a derivatives book and reduces both operational risks and capital costs for large dealers.

The four banks with the most derivatives activity hold 92.6% of all derivatives, while the largest 25 banks account for nearly 100% of all contracts. [See Tables 3, 5 and Graph 4.]



Source: call reports

Interest rate contracts continue to represent the lion's share of the derivatives market at 79.8% of total derivatives. FX and credit derivatives are 14.4% and 4.3% of total notionals, respectively. Commodity and equity derivatives are each less than 1% of total notional derivatives.

in $ billions

	3Q2014	2Q2014	Q/Q Change	Q/Q % Change	3Q2013	Y/Y Change	Y/Y % Change	% of Notionals
Interest Rate	190,894	191,552	-657	0	194,273	-3,378	-2	80
Foreign Exchange	34,400	30,984	3,417	11	28,262	6,138	22	14
Equity	2,317	2,198	119	5	2,178	139	6	1
Commodity	1,327	1,214	113	9	1,340	-13	-1	1
Credit Derivatives	10,408	10,832	-423	-4	12,793	-2,385	-19	4
Total Notionals	239,347	236,780	2,568	1	238,846	502	0	100

Source: call reports

Swap contracts continue to represent the bulk of the derivatives market for insured commercial banks at $148.3 trillion, or 62.0% of all notionals.

in $ billions

	3Q2014	2Q2014	Q/Q Change	Q/Q % Change	3Q2013	Y/Y Change	Y/Y % Change	% of Notionals
Futures & Forwards	45,059	45,264	-205	0	40,136	4,923	12	19
Swaps	148,329	146,510	1,819	1	151,915	-3,586	-2	62
Options	35,552	34,174	1,377	4	34,001	1,550	5	15
Credit Derivatives	10,408	10,832	-423	-4	12,793	-2,385	-19	4
Total Notionals	239,347	236,780	2,568	1	238,846	502	0	100

Source: call reports

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 receivable or payable, 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 financial contract that allows a party to take, or reduce, credit exposure (generally on a bond, loan or index). Our derivatives survey includes over-the-counter (OTC) credit derivatives, such as credit default swaps, total return swaps, and credit spread options.

Derivative: A financial contract whose value is derived from the performance of underlying market factors, such as interest rates, currency exchange rates, commodity, credit, and equity prices. 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.

Gross Negative Fair Value (GNFV): 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 negative fair values associated with credit derivatives are included.

Gross Positive Fair Value (GPFV): 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. Gross positive fair values associated with credit derivatives are included.

Net Current Credit Exposure (NCCE): For a portfolio of derivative contracts, NCCE is the gross positive fair value of contracts less the dollar amount of netting benefits. On any individual contract, current credit exposure (CCE) is the fair value of the contract if positive, and zero when the fair value is negative or zero. NCCE is also the net amount owed to banks if all contracts were immediately liquidated.

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.

Potential Future Exposure (PFE): An estimate of what the current credit exposure (CCE) could be over time, based upon a supervisory formula in the agencies' risk-based capital rules. PFE is generally determined by multiplying the notional amount of the contract by a credit conversion factor that is based upon the underlying market factor (e.g., interest rates, commodity prices, equity prices, etc.) and the contract's remaining maturity. However, the risk-based capital rules permit banks to adjust the formulaic PFE measure by the "net to gross ratio," which proxies the risk-reduction benefits attributable to a valid bilateral netting contract. PFE data in this report uses the amounts upon which banks hold risk-based capital.

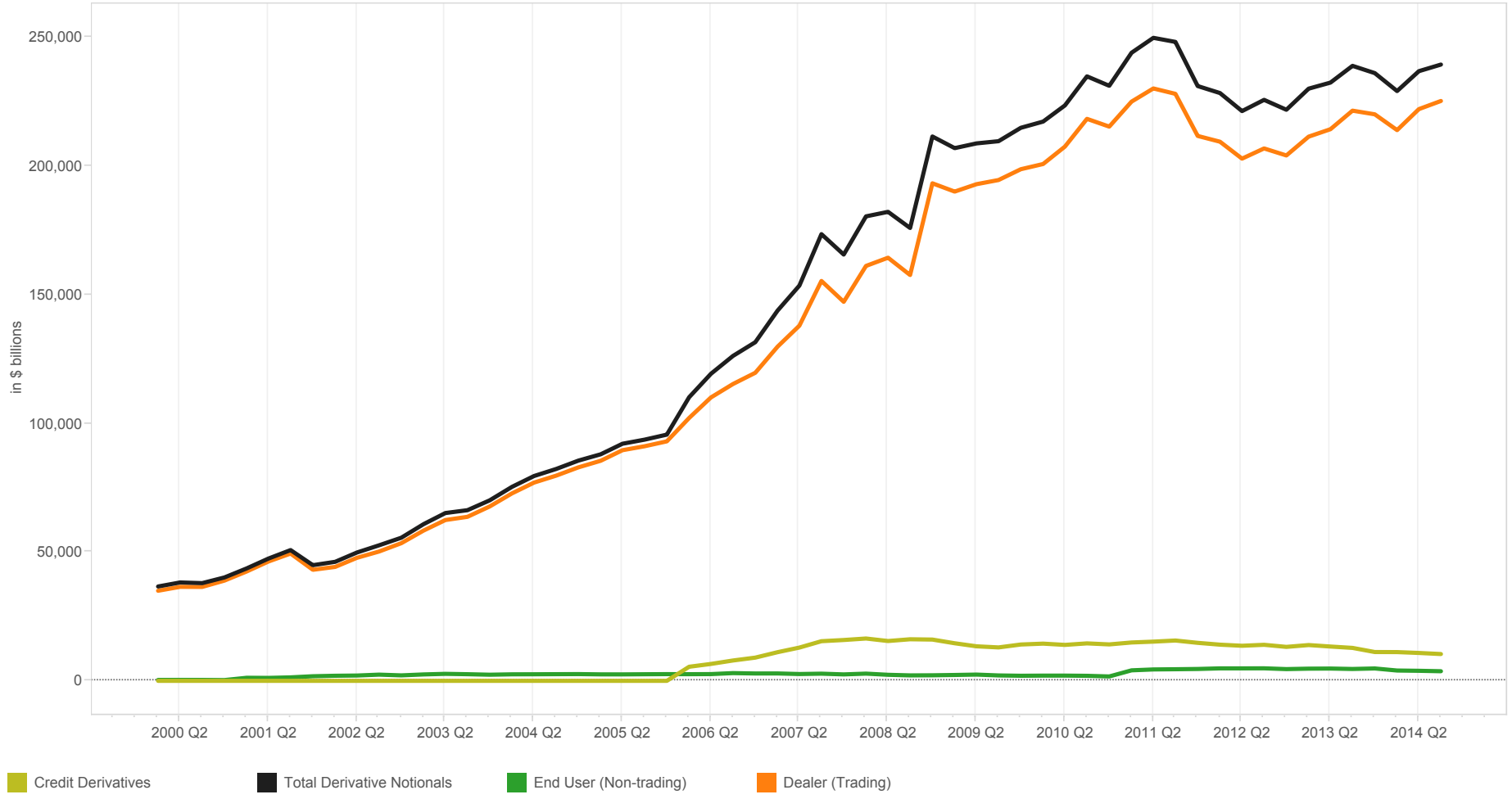
Total Credit Exposure (TCE): The sum total of net current credit exposure (NCCE) and potential future exposure (PFE).

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.

Graph 1

Derivative Notionals by Type

Insured U.S. Commerical Banks and Savings Associations



in $ billions

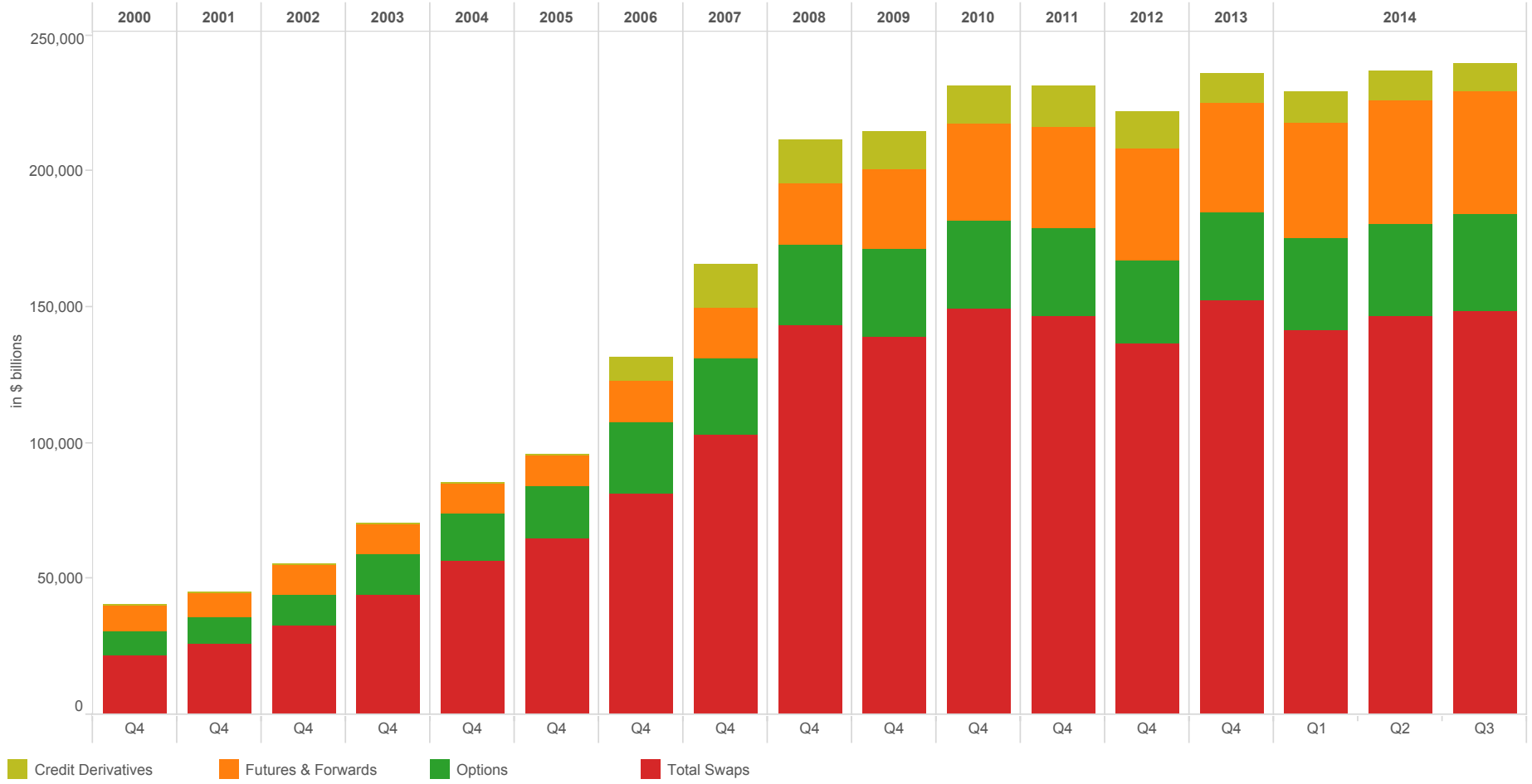
	2010				2011				2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total Derivative Notionals	217,202	223,481	234,765	231,099	243,932	249,723	248,146	230,998	228,279	221,272	225,637	221,794	229,987	232,342	238,846	236,020	229,055	236,780	239,347
Dealer (Trading)	200,723	207,486	218,260	215,244	224,950	230,067	227,975	211,626	209,383	202,805	206,772	204,044	211,353	214,240	221,443	220,018	213,882	222,045	225,207
End User (Non-trading)	2,028	2,034	1,956	1,704	4,081	4,427	4,510	4,613	4,845	4,843	4,867	4,560	4,733	4,776	4,610	4,812	4,008	3,903	3,732
Credit Derivatives	14,451	13,961	14,550	14,151	14,900	15,229	15,661	14,759	14,051	13,624	13,998	13,190	13,901	13,327	12,793	11,191	11,165	10,832	10,408

Note: Numbers may not add due to rounding. Total derivative notionals are now reported including credit derivatives, for which regulatory reporting does not differentiate between trading and non-trading.
Data Source: call reports

Graph 2

Derivative Contracts by Product

Insured U.S. Commercial Banks and Savings Associations



in $ billions

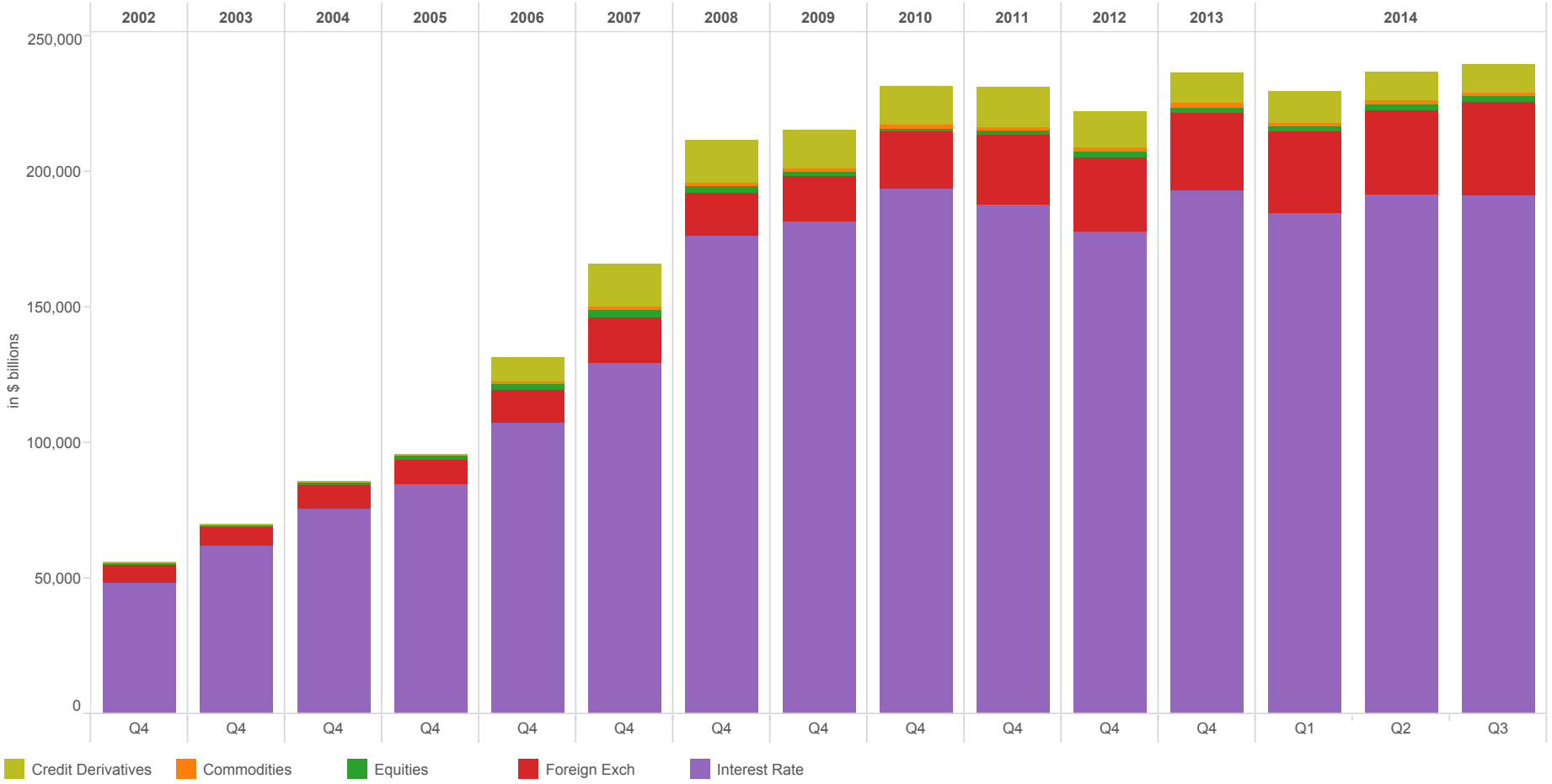
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q1	Q2	Q3
Futures & Forwards	11,383	11,406	11,370	12,057	14,882	18,867	22,529	29,652	35,539	37,469	41,621	40,027	42,479	45,264	45,059
Options	11,580	14,616	17,754	18,858	26,277	27,727	29,747	31,884	32,078	32,505	30,375	32,338	34,131	34,174	35,552
Total Swaps	32,622	44,090	56,411	64,712	81,340	103,102	143,111	139,138	149,331	146,266	136,608	152,465	141,281	146,510	148,329
Credit Derivatives	0	0	0	0	9,020	15,863	16,029	14,112	14,151	14,759	13,190	11,191	11,165	10,832	10,408
Total Derivative Notionals	55,585	70,112	85,536	95,627	131,519	165,559	211,416	214,786	231,099	230,998	221,794	236,020	229,055	236,780	239,347

*Notional amount of total: futures, exchange traded options, over the counter options, forwards and swaps.
Note: Numbers may not add due to rounding
Data Source: call reports

Graph 3

Derivatives Contracts by Type

Insured U.S. Commercial Banks and Savings Associations



in $ billions

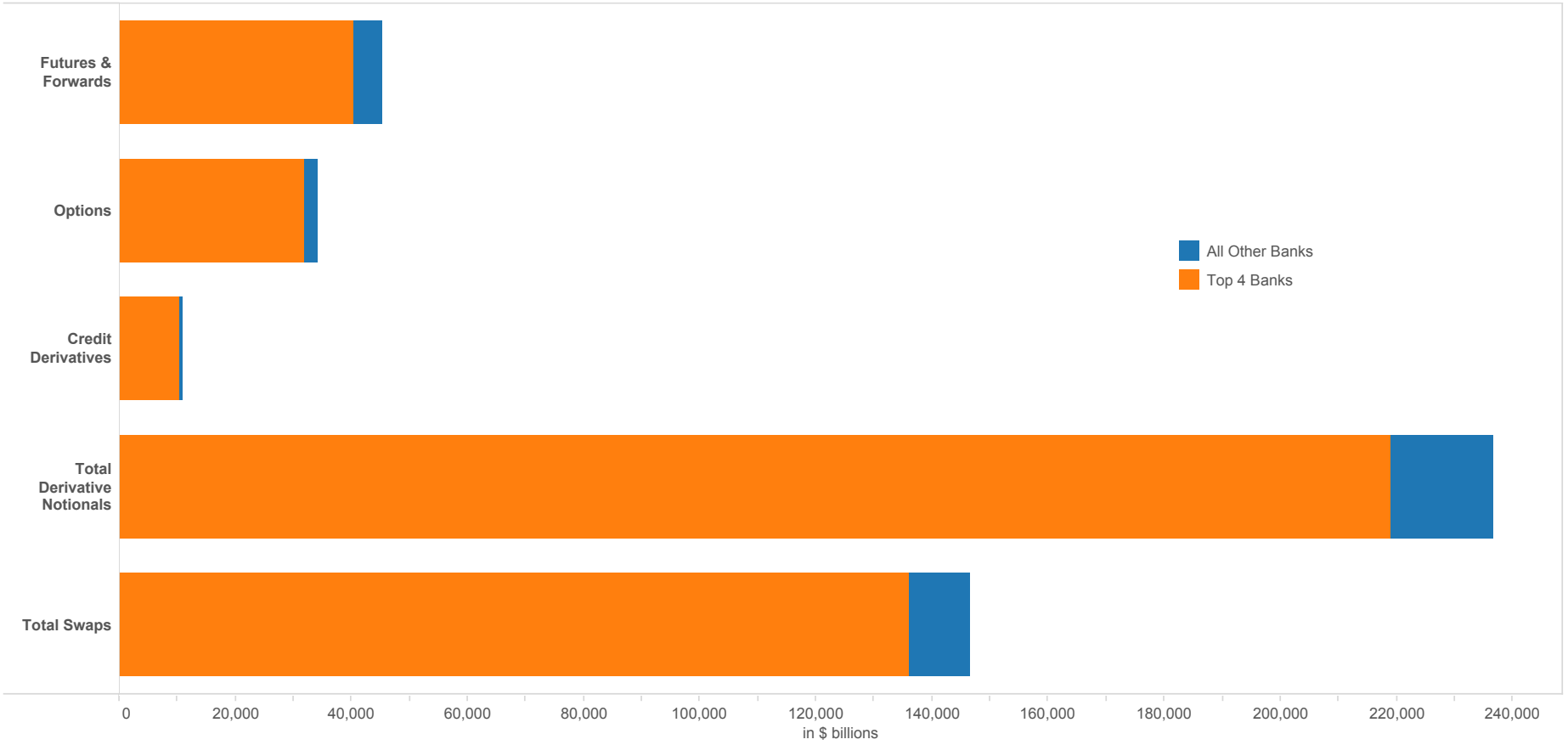
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q1	Q2	Q3
Credit Derivatives	0	0	0	0	9,020	15,863	16,029	14,112	14,151	14,759	13,190	11,191	11,165	10,832	10,408
Commodities	226	223	284	552	893	1,067	1,061	979	1,195	1,330	1,397	1,209	1,263	1,214	1,327
Equities	787	829	1,112	1,255	2,271	2,524	2,207	1,685	1,364	1,606	1,970	2,061	2,152	2,198	2,317
Foreign Exch	6,081	7,185	8,607	9,289	11,900	16,614	16,224	16,555	20,990	25,436	27,587	28,480	30,058	30,984	34,400
Interest Rate	48,491	61,876	75,533	84,530	107,435	129,491	175,895	181,454	193,399	187,866	177,650	193,080	184,416	191,552	190,894

*Notional amount of total: futures, exchange traded options, over the counter options, forwards, and swaps.
Note: As of 2Q06 equities and commodities types are shown as separate categories. They were previously shown as "Other Derivs." Numbers may not add due to rounding.
Data Source: call reports

Graph 4

Four Banks Dominate in Derivatives

Insured U.S. Commercial Banks and Savings Associations



$ Top 4 Banks

Futures & Forwards	40,143
Options	33,278
Credit Derivatives	9,996
Total Derivative Notionals	221,763
Total Swaps	138,347

$ All Banks

Futures & Forwards	45,059
Options	35,552
Credit Derivatives	10,408
Total Derivative Notionals	239,347
Total Swaps	148,329

*Notional amount of total: futures, exchange traded options, over the counter options, forwards, and swaps.
Data Source: call reports

Graph 5

Credit Exposure to Risk-Based Capital

Top 4 Insured U.S. Commercial Banks and Savings Associations by Derivative Holdings

Total Credit Exposure to Risk Based Capital (%)

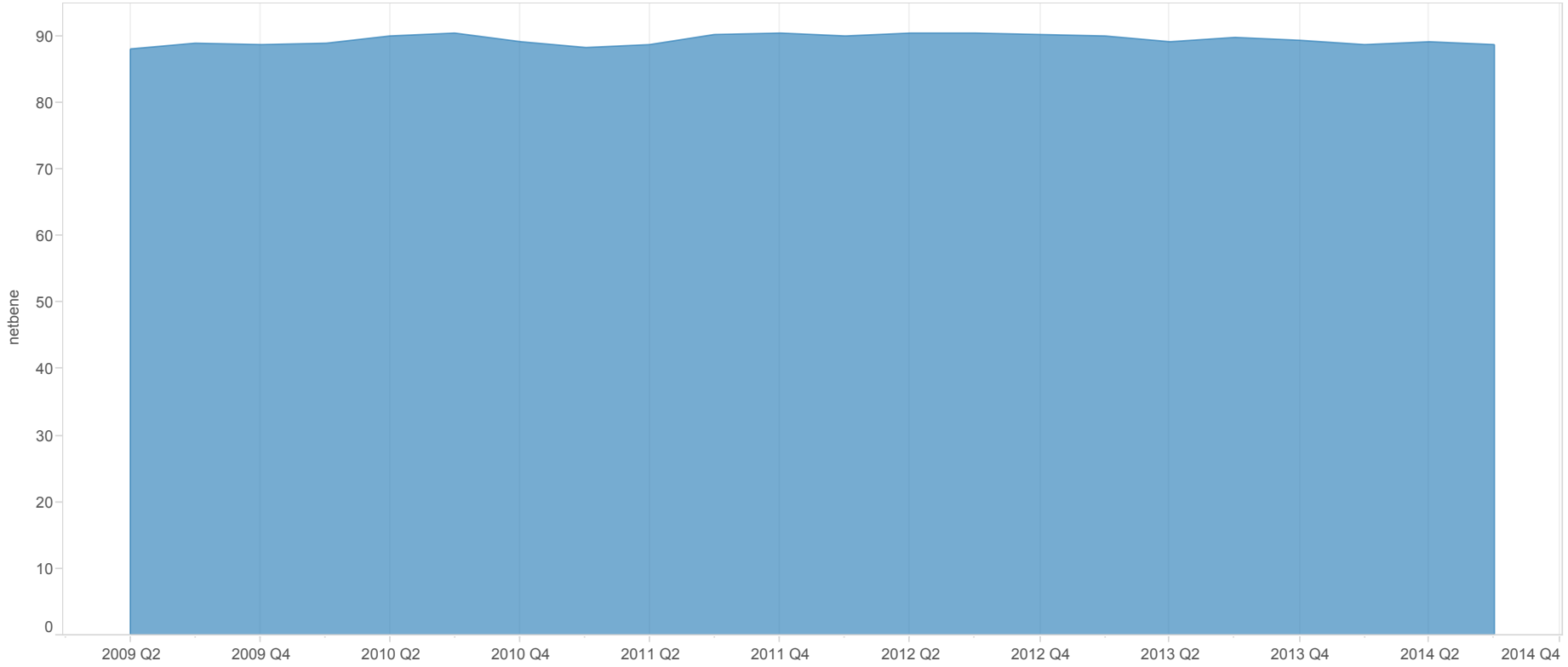
	2009				2010				2011				2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
JPMorgan Chase Bank NA	323%	283%	290%	265%	266%	257%	267%	265%	275%	274%	285%	256%	250%	246%	247%	229%	219%	216%	205%	183%	182%	189%	180%
Bank of America NA	173%	140%	137%	153%	164%	166%	177%	174%	182%	182%	187%	176%	149%	141%	139%	132%	129%	125%	121%	117%	109%	107%	107%
Citibank NA	213%	209%	203%	180%	180%	171%	197%	182%	185%	203%	195%	177%	172%	171%	170%	170%	165%	164%	161%	148%	147%	156%	190%
Goldman Sachs	1048%	921%	858%	766%	666%	685%	638%	628%	781%	788%	801%	794%	751%	738%	727%	705%	703%	693%	719%	741%	689%	620%	539%
Total	401%	356%	344%	310%	285%	287%	282%	278%	304%	310%	313%	297%	284%	282%	281%	271%	261%	258%	262%	262%	247%	239%	224%

Note: The methodology to calculate the Credit Risk Exposure to Capital ratio for the Top 4 category uses a weighted average of total current credit exposure.
Data Source: call reports

Graph 6

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

Top 4 Insured U.S. Commercial Banks and Savings Associations by Derivative Holdings



Netting Benefit (%)

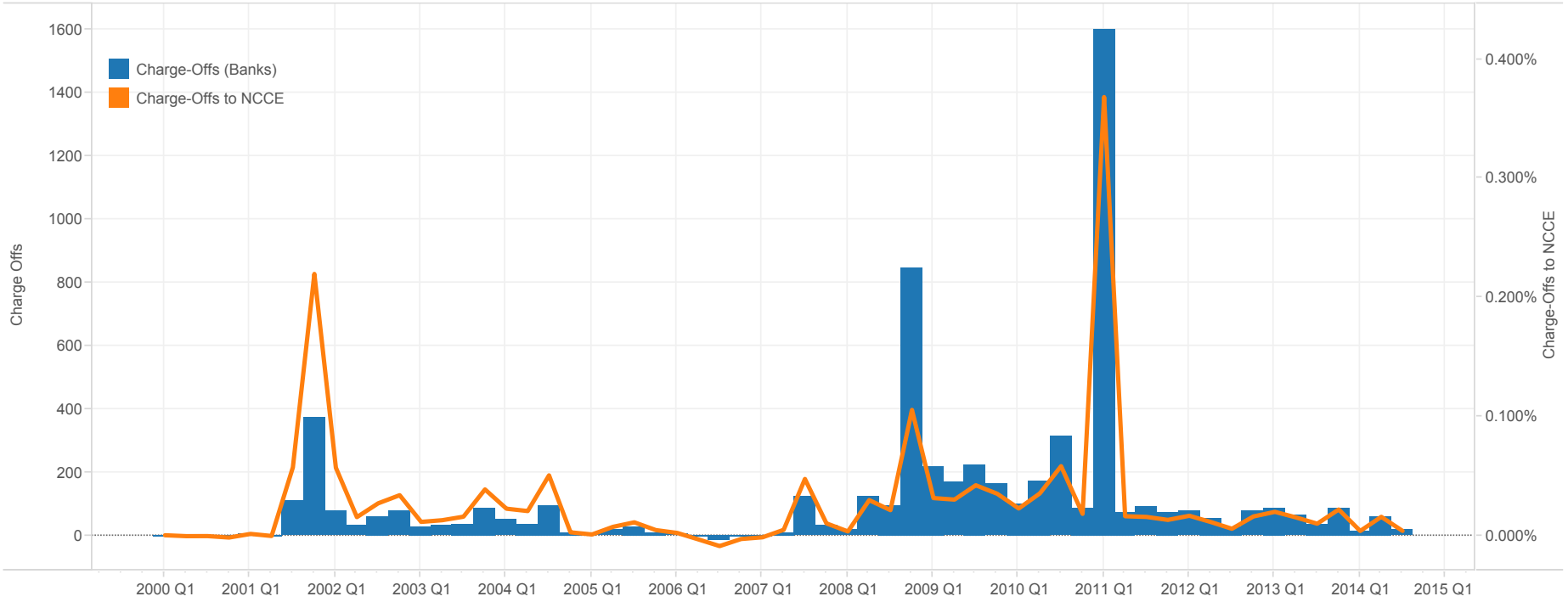
2009			2010				2011				2012				2013				2014		
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
88.0	88.8	88.5	88.9	90.0	90.3	89.1	88.2	88.6	90.2	90.4	89.9	90.3	90.3	90.2	89.8	89.1	89.7	89.3	88.7	89.0	88.6

*The netting benefit is defined as: $ amount of netting benefits/gross positive fair value.
Data Source: call reports

Graph 7

Quarterly (Charge-Offs)/Recoveries from Derivatives

Insured U.S. Commercial Banks and Savings Associations with Derivatives



in $ millions

	2000				2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Charge-Offs	0.0	-1.0	-1.0	-3.0	2.0	-1.0	107.3	370.0	75.8	28.2	59.0	73.7	25.3	29.9	32.3	83.7

	2004				2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Charge-Offs	46.7	34.9	92.2	5.4	1.3	14.2	23.0	8.3	3.6	-7.0	-16.0	-5.8	-3.1	9.1	119.5	30.7

	2008				2009				2010				2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Charge-Offs	15	120	92	847	217	168	221	162	100	173	313	83	1,601	72	91	69

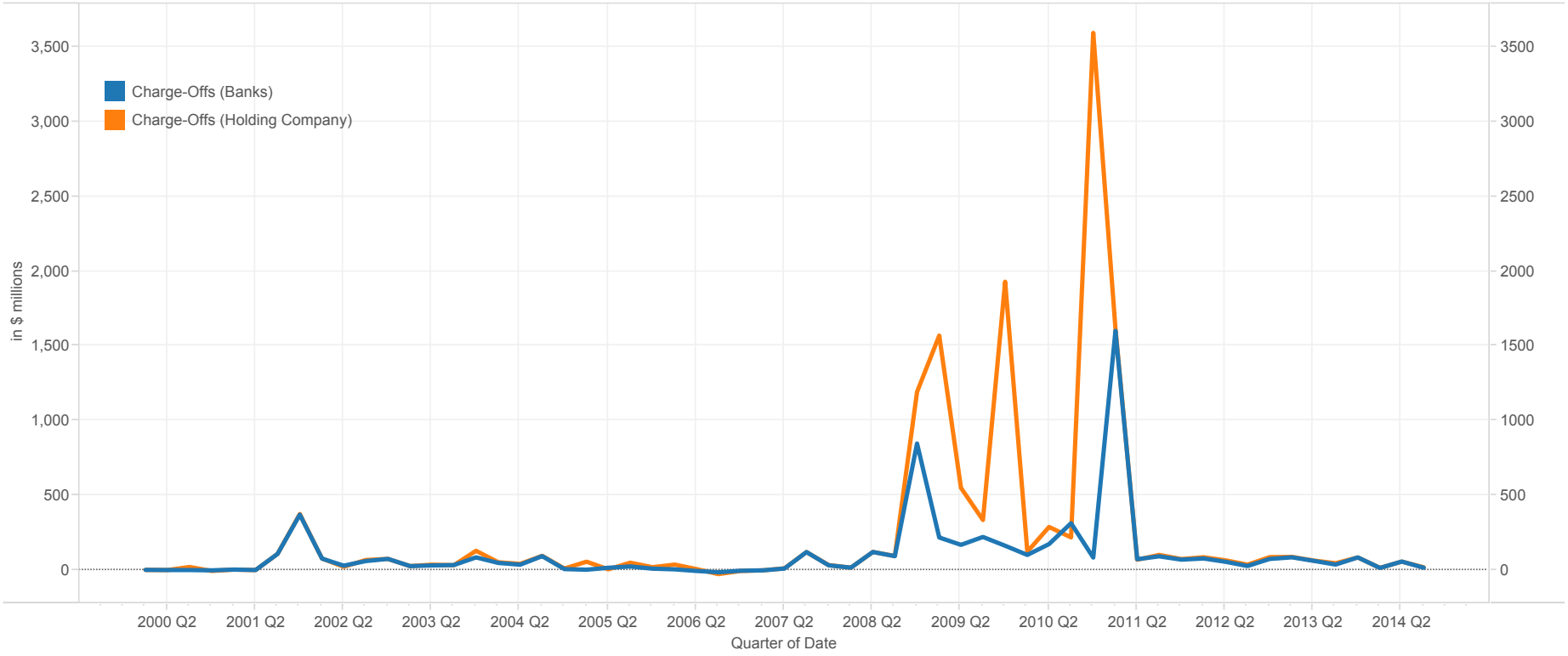
	2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Charge-Offs	76.35	54.34	26.12	73.44	84.28	60.72	35.77	83.45	12.87	55.87	14.55

Note: The figures are for each quarter alone, not year-to-date.
Prior to Q209, RC-R NCCE was used. Q209 onward reflects NCCE from RC-L.
Data Source: call reports

Graph 8

Quarterly Charge-Offs

Insured U.S. Commercial Banks and Savings Associations with Derivatives Compared with Holding Companies



in $ millions

	2000				2001				2002				2003				2004			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Charge-Offs (Banks)	0	-1	-1	-3	2	-1	107	370	76	28	59	74	25	30	32	84	47	35	92	5
Charge-Offs (Holding Company)	0	-1	19	-7	2	-1	107	375	76	21	66	74	25	35	31	128	51	40	94	9

	2005				2006				2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Charge-Offs (Banks)	1	14	23	8	4	-7	-16	-6	-3	9	119	31	15	120	92	847	217	168	221	162
Charge-Offs (Holding Company)	55	4	48	18	35	5	-28	-7	-3	10	119	32	15	120	93	1,192	1,570	549	334	1,931

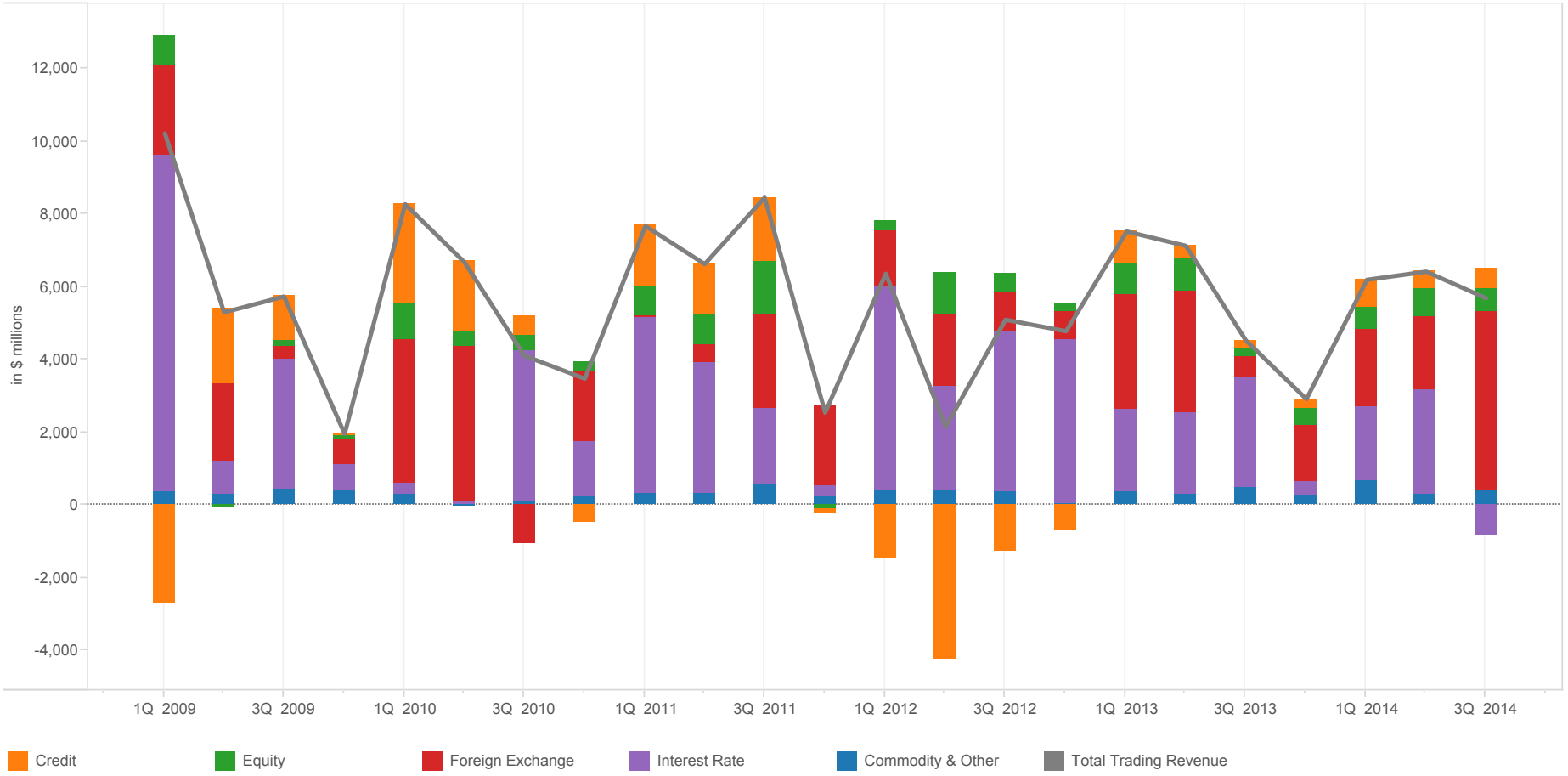
	2010				2011				2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Charge-Offs (Banks)	100	173	313	83	1,601	72	91	69	76	54	26	73	84	61	36	83	13	56	15
Charge-Offs (Holding Company)	122	288	218	3,598	1,617	68	100	73	85	64	35	85	87	63	45	83	14	56	17

Note: The figures are for each quarter alone, not year-to-date.
Data Source: call reports & Y-9

Graph 9

Quarterly Trading Revenue (Cash & Derivative Positions)

Insured U.S. Commercial Banks and Savings Associations



in $ millions

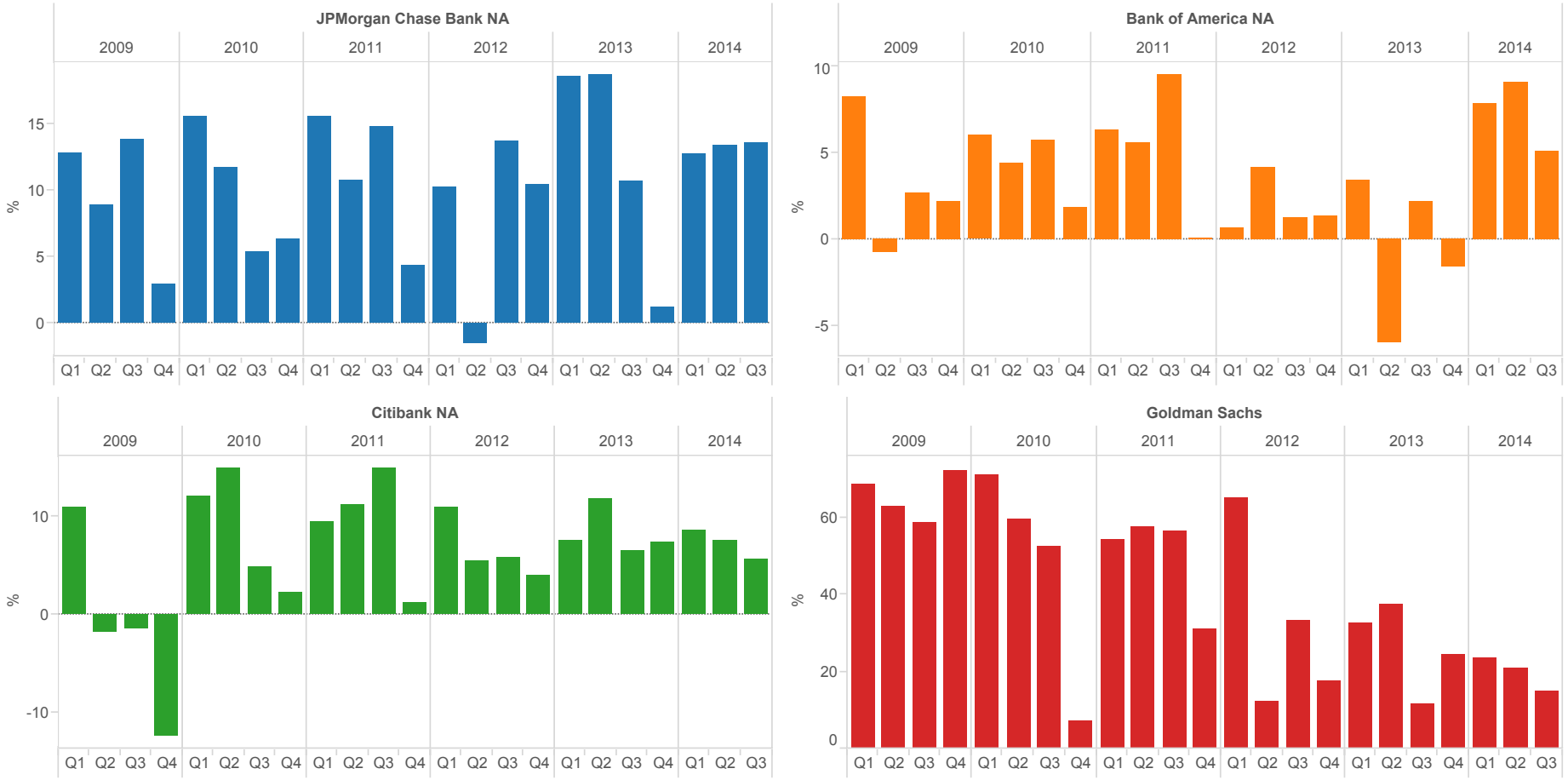
	2009			2010				2011				2012				2013				2014		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Commodity & Other	273	446	389	297	-25	94	258	319	307	558	259	412	390	350	30	364	292	481	265	672	293	411
Credit	2,046	1,204	27	2,727	1,937	515	-472	1,699	1,406	1,764	-102	-1,444	-4,243	-1,242	-713	890	339	222	245	756	488	547
Equity	-87	155	143	979	417	404	301	762	808	1,442	-111	260	1,140	508	187	838	924	233	491	612	726	654
Foreign Exchange	2,132	354	671	3,962	4,274	-1,069	1,903	35	491	2,595	2,235	1,505	1,990	1,020	753	3,185	3,303	588	1,550	2,137	2,026	4,892
Interest Rate	933	3,573	726	304	73	4,161	1,482	4,855	3,611	2,093	257	5,627	2,870	4,457	4,521	2,243	2,268	3,002	360	2,015	2,883	-818
Total Trading Revenue	5,298	5,732	1,957	8,269	6,676	4,106	3,472	7,671	6,624	8,451	2,539	6,359	2,147	5,093	4,778	7,520	7,125	4,527	2,911	6,192	6,416	5,686

*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 reports

Graph 10

Quarterly Trading Revenue as a Percentage of Gross Revenue (Cash & Derivatives Positions)

Top 4 Insured U.S. Commercial Banks and Savings Associations by Derivative Holdings



Trading Revenue to Gross Revenue (%)*

	2009				2010				2011				2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
JPMORGAN CHASE	12.84	8.93	13.82	2.99	15.57	11.74	5.39	6.35	15.64	10.84	14.82	4.33	10.24	-1.48	13.79	10.50	18.65	18.73	10.67	1.24	12.77	13.45	13.61
BANK OF AMERICA	8.24	-0.78	2.66	2.16	5.97	4.44	5.76	1.82	6.34	5.60	9.48	0.07	0.67	4.16	1.28	1.35	3.39	-5.97	2.14	-1.58	7.80	9.11	5.11
Citibank NA	10.81	-1.75	-1.53	-12.40	12.00	14.82	4.84	2.15	9.44	11.11	14.79	1.18	10.95	5.36	5.74	3.94	7.45	11.71	6.39	7.33	8.55	7.47	5.51
Goldman Sachs	68.54	62.83	58.96	72.41	71.25	59.50	52.60	7.04	54.26	57.61	56.57	30.93	65.27	12.48	33.26	17.68	32.65	37.30	11.54	24.45	23.67	20.91	15.09

*The trading revenue figures above are for cash and derivative activities. Revenue figures are quarterly, not year-to-date numbers.

Note: Gross Revenue equals interest income plus non-interest income.

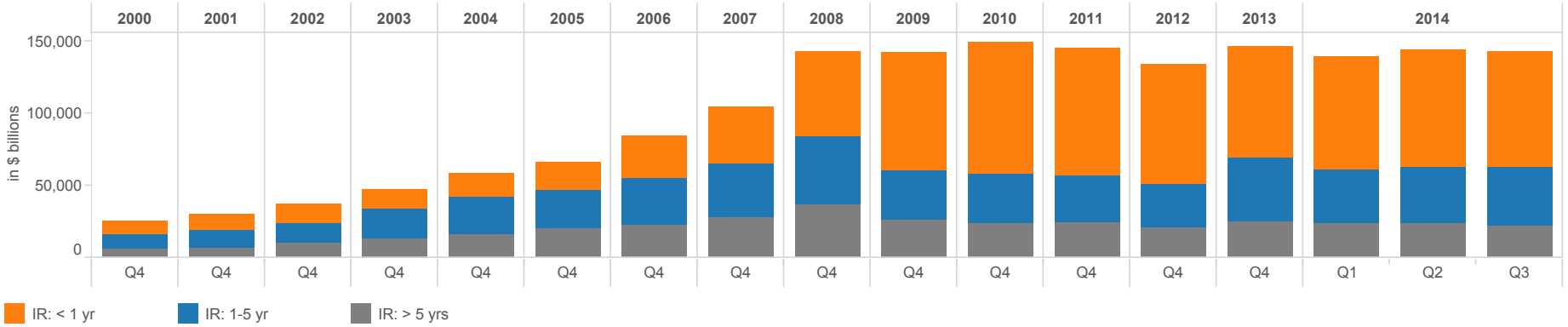
Data Source: call reports

Graph 11

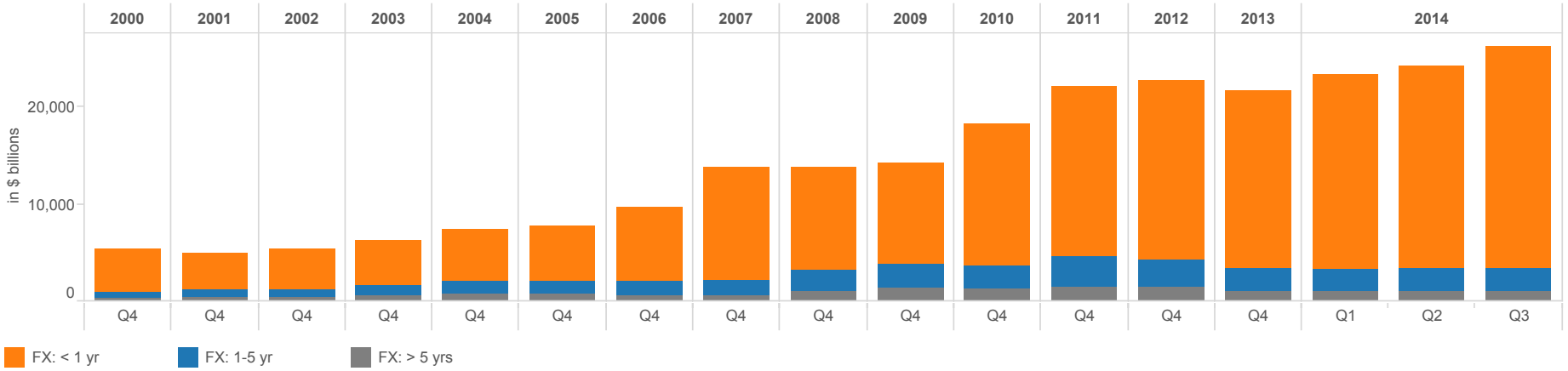
Notional Amounts of Interest Rate and Foreign Exchange Contracts by Maturity

Insured U.S. Commercial Banks and Savings Associations

Interest Rate



Foreign Exchange



in $ billions

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q1	Q2	Q3
IR: < 1 yr	9,708	10,379	12,982	13,581	15,921	18,483	29,552	39,085	58,618	81,236	90,843	87,812	82,948	77,758	77,787	81,212	79,984
IR: 1-5 yr	9,925	11,709	14,328	20,404	25,893	27,683	31,386	37,222	47,456	33,970	33,497	32,750	30,191	44,157	37,365	38,532	40,334
IR: > 5 yrs	5,843	7,451	9,735	13,117	16,492	19,825	23,273	27,724	36,868	26,374	24,307	24,168	21,175	24,628	24,024	24,202	22,393
FX: < 1 yr	4,359	3,785	4,043	4,470	5,349	5,687	7,690	11,592	10,561	10,416	14,467	17,538	18,286	18,290	20,017	20,747	22,803
FX: 1-5 yr	592	661	829	1,114	1,286	1,354	1,416	1,605	2,168	2,449	2,433	3,088	2,883	2,325	2,298	2,420	2,447
FX: > 5 yrs	345	492	431	577	760	687	593	619	1,080	1,346	1,289	1,503	1,480	1,029	974	1,016	1,021

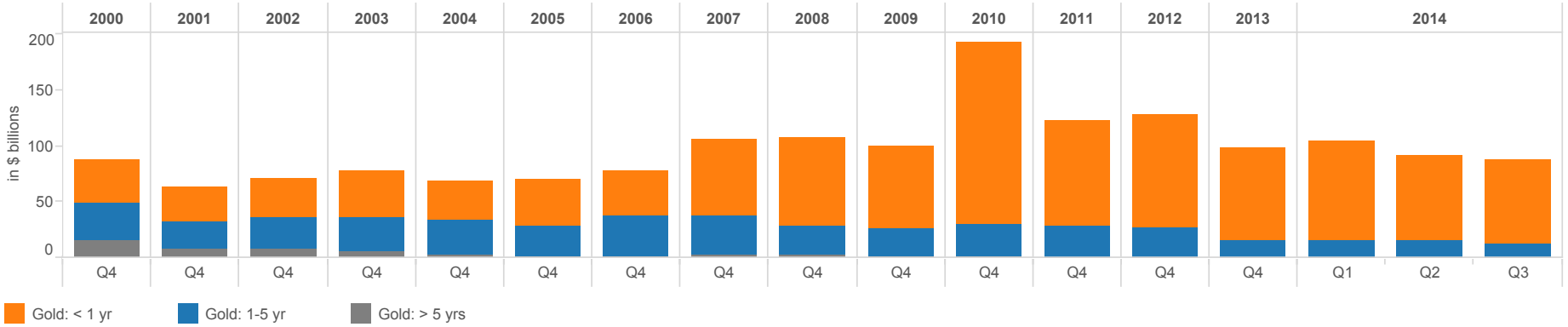
Note: Figures above exclude foreign exchange contracts with an original maturity of 14 days or less, futures contracts, written options, basis swaps, and any other contracts not subject to risk-based capital requirements.
Data Source: call reports

Graph 12

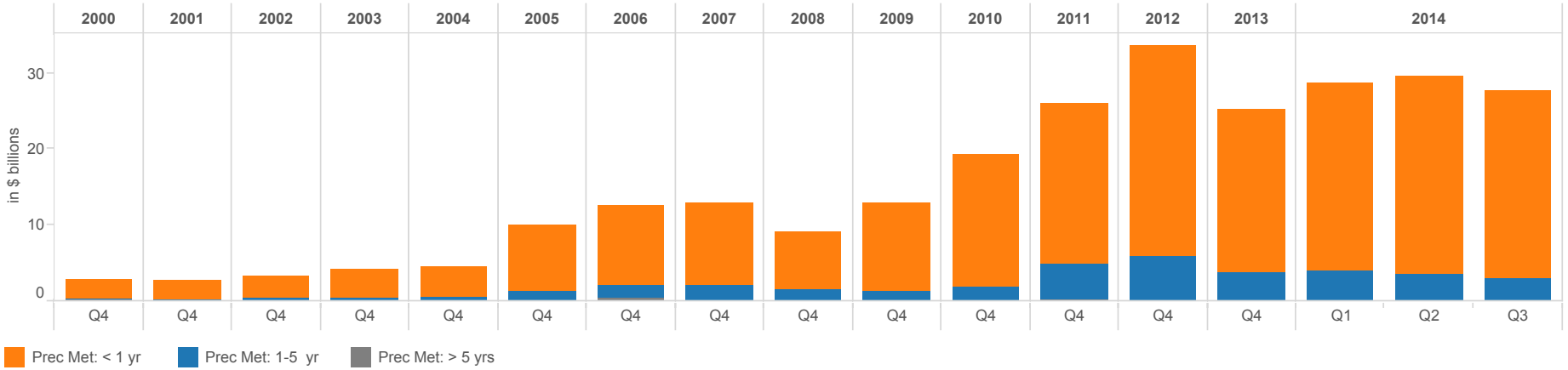
Notional Amounts of Gold and Precious Metals Contracts by Maturity

Insured U.S. Commercial Banks and Savings Associations

Gold



Precious Metals



in $ billions

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q1	Q2	Q3
Gold: < 1 yr	38.7	30.9	35.8	40.2	34.9	41.7	39.8	68.5	78.1	73.8	162.0	94.0	100.5	82.0	89.9	76.9	74.4
Gold: 1-5 yr	33.6	25.6	28.4	31.9	30.9	26.6	36.0	34.1	26.8	24.7	28.9	28.4	27.1	16.1	15.1	15.4	12.8
Gold: > 5 yrs	15.2	7.4	7.5	4.9	2.3	1.4	1.2	3.0	2.0	1.4	1.2	0.6	0.2	0.0	0.0	0.0	0.2
Prec Met: < 1 yr	2.5	2.4	2.7	3.9	4.0	8.6	10.4	10.7	7.5	11.6	17.5	21.1	27.7	21.4	24.5	26.0	24.7
Prec Met: 1-5 yr	0.2	0.2	0.5	0.3	0.5	1.3	1.7	2.1	1.5	1.2	1.9	4.7	5.8	3.8	4.0	3.6	3.0
Prec Met: > 5 yrs	0.2	0.0	0.0	0.0	0.0	0.1	0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0

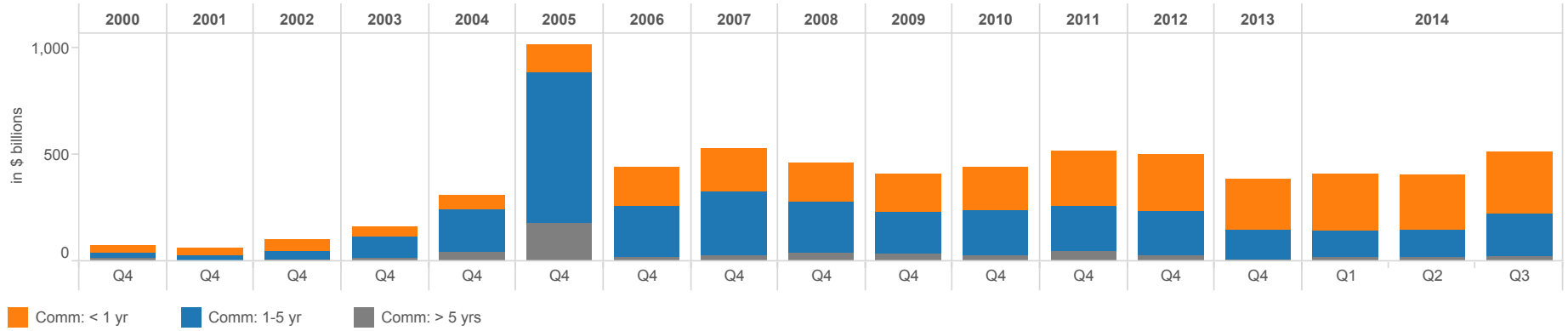
Note: Figures above exclude foreign exchange contracts with an original maturity of 14 days or less, futures contracts, written options, basis swaps, and any other contracts not subject to risk-based capital requirements.
Data Source: call reports

Graph 13

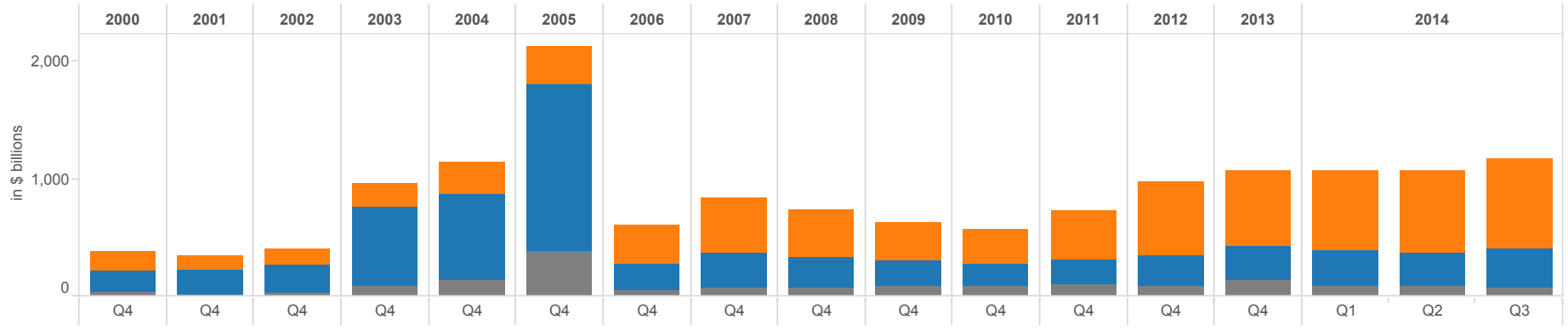
Notional Amounts of Commodity and Equity Contracts by Maturity

Insured U.S. Commercial Banks and Savings Associations

Commodity



Equity



in $ billions

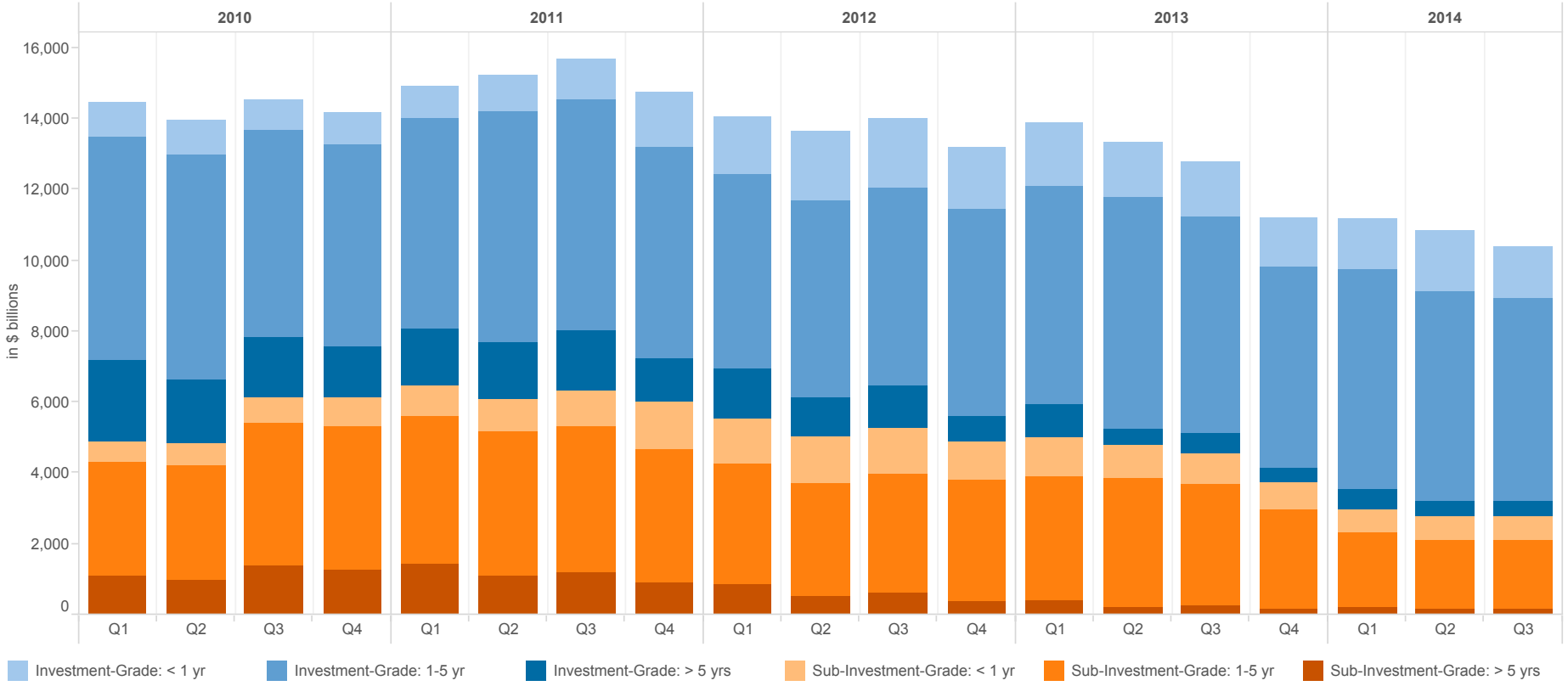
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q1	Q2	Q3
Comm: < 1 yr	36	31	55	43	64	133	185	206	179	176	203	261	261	235	265	258	293
Comm: 1-5 yr	27	25	35	103	205	707	235	297	233	198	209	209	208	144	122	132	202
Comm: > 5 yrs	11	2	9	14	40	175	20	25	43	33	25	46	28	6	19	18	19
Equity: < 1 yr	162	121	127	197	273	321	341	473	409	312	296	427	627	645	674	699	763
Equity: 1-5 yr	180	209	249	674	736	1,428	221	297	256	228	191	210	262	291	305	292	323
Equity: > 5 yrs	38	18	25	84	140	383	45	70	72	82	85	94	82	136	90	81	77

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.
Data Source: call reports

Graph 14

Notional Amounts of Credit Derivative Contracts by Credit Quality and Maturity

Insured U.S. Commercial Banks and Savings Associations



in $ billions

	2010				2011				2012				2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Investment-Grade: < 1 yr	986	970	871	856	905	1,002	1,119	1,559	1,607	1,921	1,943	1,757	1,790	1,550	1,548	1,384	1,414	1,707	1,478
Investment-Grade: 1-5 yr	6,286	6,372	5,850	5,731	5,928	6,564	6,508	5,963	5,519	5,567	5,580	5,832	6,168	6,536	6,127	5,661	6,227	5,909	5,722
Investment-Grade: > 5 yrs	2,310	1,803	1,681	1,446	1,614	1,586	1,699	1,220	1,386	1,104	1,200	736	948	455	552	409	577	448	433
Total Investment-Grade	9,581	9,145	8,402	8,033	8,447	9,151	9,326	8,742	8,513	8,592	8,723	8,326	8,906	8,541	8,228	7,455	8,218	8,064	7,633
Sub-Investment-Grade: < 1 yr	574	585	750	791	833	939	1,024	1,335	1,290	1,353	1,303	1,040	1,090	933	879	765	619	642	671
Sub-Investment-Grade: 1-5 yr	3,195	3,263	3,998	4,073	4,217	4,056	4,131	3,797	3,413	3,139	3,349	3,473	3,491	3,656	3,424	2,792	2,127	1,965	1,948
Sub-Investment-Grade: > 5 yrs	1,101	968	1,400	1,254	1,403	1,083	1,180	885	835	541	623	352	414	197	262	179	200	160	157
Total Sub-Investment Grade	4,870	4,816	6,148	6,118	6,453	6,078	6,336	6,017	5,538	5,032	5,275	4,865	4,995	4,786	4,565	3,736	2,946	2,767	2,775

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.
Notional amounts as reported in Schedules RC-L and RC-R of Call reports.
Data Source: call reports

TABLE 1

NOTIONAL AMOUNT OF DERIVATIVE CONTRACTS
TOP 25 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

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	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	$887,546	$1,052,013	$6,841,018	$49,015,132	$9,723,897	$2,735,372	$1,787,021
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	1,362,401	1,768,751	13,827,376	33,880,080	9,809,665	4,659,562	848,109
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	1,498,075	1,575,722	4,556,717	34,295,054	6,541,190	228,191	14,458
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	1,893,022	164,571	9,276,913	21,156,305	2,641,716	2,372,633	605,902
5	WELLS FARGO BANK NA	SD	1,482,815	5,145,161	225,389	144,324	810,830	3,407,970	522,393	34,255	10,155
6	HSBC BANK USA NATIONAL ASSN	VA	168,428	4,993,889	131,370	35,970	811,733	3,276,861	387,691	350,263	79,880
7	MORGAN STANLEY BANK NA	UT	116,771	2,710,172	113,452	58,806	429,820	1,419,682	685,549	2,863	79,999
8	BANK OF NEW YORK MELLON	NY	304,867	1,346,498	58,723	3,805	481,584	634,298	168,088	0	81,793
9	STATE STREET BANK&TRUST CO	MA	270,372	1,294,407	6,408	0	1,252,287	5,876	29,645	191	55,644
10	PNC BANK NATIONAL ASSN	DE	324,117	346,349	45,724	18,625	21,525	234,016	20,844	5,615	1,059
11	NORTHERN TRUST CO	IL	110,796	258,872	0	0	240,762	17,675	434	0	23,811
12	SUNTRUST BANK	GA	182,555	226,926	20,549	13,709	10,817	120,802	57,104	3,946	236
13	TD BANK NATIONAL ASSN	DE	224,996	155,641	0	0	16,069	138,376	624	572	12
14	U S BANK NATIONAL ASSN	OH	387,034	126,119	3,074	3,150	41,628	63,253	11,063	3,951	1,601
15	REGIONS BANK	AL	118,290	82,159	2,760	0	16,310	58,515	3,434	1,140	122
16	MUFG UNION BANK NA	CA	110,320	71,155	3,708	0	3,739	53,001	10,696	10	477
17	BRANCH BANKING&TRUST CO	NC	182,901	68,392	1,393	0	8,081	51,076	7,842	0	44
18	FIFTH THIRD BANK	OH	131,826	63,038	567	0	8,756	40,961	11,061	1,693	452
19	KEYBANK NATIONAL ASSN	OH	87,398	59,966	7,712	0	6,039	39,726	5,867	623	739
20	CAPITAL ONE NATIONAL ASSN	VA	247,492	50,794	0	0	1,306	48,273	22	1,193	5
21	CITIZENS BANK NATIONAL ASSN	RI	101,843	35,889	0	0	8,522	24,036	2,005	1,326	213
22	BOKF NATIONAL ASSN	OK	28,881	33,417	399	298	28,155	2,794	1,771	0	38
23	HUNTINGTON NATIONAL BANK	OH	64,107	28,702	6	0	2,000	25,109	602	985	5
24	BMO HARRIS BANK NA	IL	98,481	26,548	0	0	4,478	19,775	1,345	951	311
25	COMERICA BANK	TX	68,803	22,820	0	0	1,934	16,586	3,546	754	230
TOP 25 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			$9,835,856	$238,909,835	$6,262,277	$4,839,743	$38,708,399	$148,045,234	$30,648,094	$10,406,088	$3,592,316
OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			3,873,767	437,492	12,825	837	75,145	283,412	62,990	2,284	627
TOTAL COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			13,709,623	239,347,327	6,275,102	4,840,581	38,783,544	148,328,645	30,711,083	10,408,372	3,592,944

Note: Credit derivatives have been included in the sum of total derivatives. Credit derivatives have been included as an "over the counter" category, although the Call Report does not differentiate by market currently.
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 reports, schedule RC-L

TABLE 2

NOTIONAL AMOUNT OF DERIVATIVE CONTRACTS
TOP 25 HOLDING COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

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	$2,527,005	$65,504,143	$1,399,219	$1,870,867	$14,176,323	$33,616,624	$9,783,191	$4,657,919	$842,229
2	CITIGROUP INC.	NY	1,882,849	64,810,159	1,378,466	4,207,249	7,697,831	39,777,025	9,370,923	2,378,665	1,748,075
3	GOLDMAN SACHS GROUP, INC., THE	NY	868,995	58,204,853	1,898,708	3,076,233	6,731,427	34,951,141	8,864,371	2,682,973	310,486
4	BANK OF AMERICA CORPORATION	NC	2,126,138	56,950,418	2,700,804	960,598	12,464,876	33,295,253	5,028,577	2,500,310	536,469
5	MORGAN STANLEY	NY	814,511	43,910,113	1,764,062	2,863,824	5,200,318	25,660,703	6,308,422	2,112,784	120,546
6	WELLS FARGO & COMPANY	CA	1,636,855	5,082,558	235,140	154,543	830,259	3,311,458	519,103	32,055	10,154
7	HSBC NORTH AMERICA HOLDINGS INC.	NY	280,272	5,000,916	139,933	36,120	818,642	3,262,070	393,887	350,263	79,877
8	BANK OF NEW YORK MELLON CORPORATION, THE	NY	386,296	1,367,187	62,989	6,106	514,288	615,762	168,042	0	81,784
9	STATE STREET CORPORATION	MA	274,815	1,297,601	7,048	1	1,253,073	7,635	29,645	200	55,644
10	PNC FINANCIAL SERVICES GROUP, INC., THE	PA	334,602	341,752	52,100	18,325	16,830	225,173	23,710	5,615	1,059
11	GENERAL ELECTRIC CAPITAL CORPORATION	CT	514,345	315,275	0	0	136,725	169,349	5,015	4,187	2,537
12	NORTHERN TRUST CORPORATION	IL	111,154	258,122	0	0	240,762	16,925	434	0	23,811
13	SUNTRUST BANKS, INC.	GA	186,861	226,295	20,779	13,709	10,817	119,802	57,104	4,085	236
14	TD BANK US HOLDING COMPANY	NJ	242,225	166,838	0	0	23,022	142,620	624	572	12
15	U.S. BANCORP	MN	391,284	130,421	3,074	3,150	43,073	66,510	11,063	3,551	1,601
16	ALLY FINANCIAL INC.	MI	149,195	105,552	12,253	30,001	680	33,871	28,747	0	0
17	CAPITAL ONE FINANCIAL CORPORATION	VA	300,444	81,446	0	6	8,586	71,640	22	1,193	5
18	REGIONS FINANCIAL CORPORATION	AL	119,302	81,409	2,760	0	16,310	57,765	3,434	1,140	122
19	MUFG AMERICAS HOLDINGS CORPORATION	NY	110,882	71,155	3,708	0	3,739	53,001	10,696	10	477
20	FIFTH THIRD BANCORP	OH	134,188	64,743	567	0	8,756	42,666	11,061	1,693	452
21	BB&T CORPORATION	NC	187,022	63,440	1,393	0	8,081	46,124	7,842	0	44
22	KEYCORP	OH	89,884	63,278	7,712	0	6,039	42,198	6,712	618	739
23	AMERICAN EXPRESS COMPANY	NY	153,862	46,169	0	0	27,918	18,245	6	0	12,058
24	SANTANDER HOLDINGS USA, INC.	MA	113,538	45,907	0	0	644	28,917	16,089	257	24
25	CITIZENS FINANCIAL GROUP, INC.	RI	131,521	44,442	0	0	8,740	31,258	2,694	1,751	213
TOP 25 HOLDING COMPANIES WITH DERIVATIVES			$14,068,045	$304,234,193	$9,690,713	$13,240,731	$50,247,759	$175,663,735	$40,651,413	$14,739,841	$3,828,653

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: Prior to the first quarter of 2005, total derivatives included spot foreign exchange. Beginning in that quarter, spot foreign exchange has been reported separately.
Note: Numbers may not add due to rounding.
Data source: Consolidated Financial Statements for Bank Holding Companies, FR Y- 9, schedule HC-L

TABLE 3

DISTRIBUTION OF DERIVATIVE CONTRACTS
TOP 25 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

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	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	2.8	97.2	80.2	14.6	1.3	3.9
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	4.8	95.2	75.5	14.5	2.9	7.1
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	6.3	93.7	95.0	4.4	0.1	0.5
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	5.5	94.5	75.7	16.9	1.0	6.3
5	WELLS FARGO BANK NA	SD	1,482,815	5,145,161	7.2	92.8	89.0	5.6	4.7	0.7
6	HSBC BANK USA NATIONAL ASSN	VA	168,428	4,993,889	3.4	96.6	68.1	23.2	1.7	7.0
7	MORGAN STANLEY BANK NA	UT	116,771	2,710,172	6.4	93.6	6.2	93.7	0.0	0.1
8	BANK OF NEW YORK MELLON	NY	304,867	1,346,498	4.6	95.4	62.4	36.6	1.0	0.0
9	STATE STREET BANK&TRUST CO	MA	270,372	1,294,407	0.5	99.5	0.8	97.3	1.9	0.0
10	PNC BANK NATIONAL ASSN	DE	324,117	346,349	18.6	81.4	93.8	4.2	0.4	1.6
11	NORTHERN TRUST CO	IL	110,796	258,872	0.0	100.0	4.0	96.0	0.0	0.0
12	SUNTRUST BANK	GA	182,555	226,926	15.1	84.9	74.2	2.2	21.8	1.7
13	TD BANK NATIONAL ASSN	DE	224,996	155,641	0.0	100.0	87.5	12.1	0.0	0.4
14	U S BANK NATIONAL ASSN	OH	387,034	126,119	4.9	95.1	71.1	25.5	0.3	3.1
15	REGIONS BANK	AL	118,290	82,159	3.4	96.6	96.7	1.3	0.6	1.4
16	MUFG UNION BANK NA	CA	110,320	71,155	5.2	94.8	79.3	7.8	13.0	0.0
17	BRANCH BANKING&TRUST CO	NC	182,901	68,392	2.0	98.0	99.2	0.8	0.0	0.0
18	FIFTH THIRD BANK	OH	131,826	63,038	0.9	99.1	60.8	28.5	8.0	2.7
19	KEYBANK NATIONAL ASSN	OH	87,398	59,966	12.9	87.1	89.3	8.1	1.6	1.0
20	CAPITAL ONE NATIONAL ASSN	VA	247,492	50,794	0.0	100.0	97.2	0.4	0.0	2.3
21	CITIZENS BANK NATIONAL ASSN	RI	101,843	35,889	0.0	100.0	74.4	21.9	0.0	3.7
22	BOKF NATIONAL ASSN	OK	28,881	33,417	2.1	97.9	91.4	2.0	6.6	0.0
23	HUNTINGTON NATIONAL BANK	OH	64,107	28,702	0.0	100.0	89.3	5.0	2.2	3.4
24	BMO HARRIS BANK NA	IL	98,481	26,548	0.0	100.0	73.9	16.0	6.5	3.6
25	COMERICA BANK	TX	68,803	22,820	0.0	100.0	64.2	9.8	22.7	3.3
TOP 25 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			$9,835,856	$238,909,835	$11,102,021	$227,807,814	$190,511,059	$34,356,921	$3,635,767	$10,406,088
OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			3,873,767	437,492	13,663	423,830	383,308	43,388	8,513	2,284
TOTAL FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			13,709,623	239,347,327	11,115,683	228,231,644	190,894,367	34,400,309	3,644,279	10,408,372
				(%)	(%)	(%)	(%)	(%)	(%)	(%)
TOP 25 COMMERCIAL BANKS, SAs & TCs: % OF TOTAL COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES				99.8	4.6	95.2	79.6	14.4	1.5	4.3
OTHER COMMERCIAL BANKS, SAs & TCs: % OF TOTAL COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES				0.2	0.0	0.2	0.2	0.0	0.0	0.0
TOTAL FOR COMMERCIAL BANKS, SAs & TCs: % OF TOTAL COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES				100.0	4.6	95.4	79.8	14.4	1.5	4.3

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.
Note: "Foreign Exchange" does not include spot fx.

Note: "Other" is defined as the sum of commodity and equity contracts.
Note: Numbers may not add due to rounding.
Data source: call reports, schedule RC-L

TABLE 4

CREDIT EQUIVALENT EXPOSURES
TOP 25 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	TOTAL RISK-BASED CAPITAL	BILATERALLY NETTED CURRENT CREDIT EXPOSURE	POTENTIAL FUTURE EXPOSURE	TOTAL CREDIT EXPOSURE FROM ALL CONTRACTS	(%) TOTAL CREDIT EXPOSURE TO CAPITAL
1	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	$136,430	$66,277	$192,536	$258,813	190
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	160,622	135,103	154,410	289,513	180
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	23,071	11,507	112,933	124,440	539
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	140,610	44,114	105,715	149,829	107
5	WELLS FARGO BANK NA	SD	1,482,815	5,145,161	144,670	12,019	15,620	27,639	19
6	HSBC BANK USA NATIONAL ASSN	VA	168,428	4,993,889	22,616	9,979	31,375	41,354	183
7	MORGAN STANLEY BANK NA	UT	116,771	2,710,172	13,604	3,320	10,018	13,338	98
8	BANK OF NEW YORK MELLON	NY	304,867	1,346,498	16,117	6,325	5,316	11,641	72
9	STATE STREET BANK&TRUST CO	MA	270,372	1,294,407	16,070	9,479	7,630	17,109	106
10	PNC BANK NATIONAL ASSN	DE	324,117	346,349	37,801	2,532	1,825	4,357	12
11	NORTHERN TRUST CO	IL	110,796	258,872	8,209	2,766	1,650	4,416	54
12	SUNTRUST BANK	GA	182,555	226,926	19,439	1,206	2,072	3,277	17
13	TD BANK NATIONAL ASSN	DE	224,996	155,641	18,044	2,459	1,618	4,078	23
14	U S BANK NATIONAL ASSN	OH	387,034	126,119	39,550	1,204	196	1,400	4
15	REGIONS BANK	AL	118,290	82,159	14,290	393	213	605	4
16	MUFG UNION BANK NA	CA	110,320	71,155	13,557	877	505	1,382	10
17	BRANCH BANKING&TRUST CO	NC	182,901	68,392	18,620	818	519	1,337	7
18	FIFTH THIRD BANK	OH	131,826	63,038	14,804	1,158	902	2,060	14
19	KEYBANK NATIONAL ASSN	OH	87,398	59,966	10,895	506	166	672	6
20	CAPITAL ONE NATIONAL ASSN	VA	247,492	50,794	22,715	377	357	734	3
21	CITIZENS BANK NATIONAL ASSN	RI	101,843	35,889	12,436	572	323	895	7
22	BOKF NATIONAL ASSN	OK	28,881	33,417	2,454	95	143	238	10
23	HUNTINGTON NATIONAL BANK	OH	64,107	28,702	6,783	291	235	526	8
24	BMO HARRIS BANK NA	IL	98,481	26,548	11,331	246	294	540	5
25	COMERICA BANK	TX	68,803	22,820	8,126	288	551	839	10
	TOP 25 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		$9,835,856	$238,909,835	$932,866	$313,911	$647,120	$961,031	103
	OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		3,873,767	437,492	431,397	4,200	3,002	7,203	2
	TOTAL AMOUNT FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		13,709,623	239,347,327	1,364,263	318,111	650,122	968,234	71

Commercial banks also hold on-balance sheet assets in volumes that are multiples of bank capital. For example:

EXPOSURES FROM OTHER ASSETS ALL COMMERCIAL BANKS & SAVINGS ASSOCIATIONS	EXPOSURE TO RISK BASED CAPITAL
1-4 FAMILY MORTGAGES	150%
C&I LOANS	107%
SECURITIES NOT IN TRADING ACCOUNT	203%

Note: Total credit exposure is defined as the credit equivalent amount from derivative contracts (RC-R line 54), which is the sum of netted current credit exposure and PFE.
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: Numbers may not add due to rounding.
Data source: call reports, Schedule RC-R.

TABLE 5

NOTIONAL AMOUNTS OF DERIVATIVE CONTRACTS HELD FOR TRADING
TOP 4 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	TOTAL HELD FOR TRADING & MTM	% HELD FOR TRADING & MTM	TOTAL NOT FOR TRADING MTM	% NOT FOR TRADING MTM
1	CITIBANK NATIONAL ASSN	SD	$1,377,620	$67,519,606	$67,422,272	99.9	$97,334	0.1
2	JPMORGAN CHASE BANK NA	OH	2,008,808	60,648,273	60,016,666	99.0	631,607	1.0
3	GOLDMAN SACHS BANK USA	NY	111,758	48,466,758	48,447,462	100.0	19,296	0.0
4	BANK OF AMERICA NA	NC	1,524,575	35,132,527	33,380,141	95.0	1,752,386	5.0
TOP 4 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			$5,022,761	$211,767,164	$209,266,541	98.8	$2,500,623	1.2
OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			8,686,862	17,171,791	15,940,281	92.8	1,231,510	7.2
TOTAL AMOUNT FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			13,709,623	228,938,955	225,206,822	98.4	3,732,133	1.6

Note: Currently, the Call Report does not differentiate between traded and not-traded credit derivatives. Credit derivatives have been excluded from the sum of total derivatives here.
Note: Numbers may not add due to rounding.
Data source: call reports, schedule RC-L

TABLE 6

GROSS FAIR VALUES OF DERIVATIVE CONTRACTS
TOP 4 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

					TRADING		NOT FOR TRADING		CREDIT DERIVATIVES	
RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	GROSS POSITIVE FAIR VALUE*	GROSS NEGATIVE FAIR VALUE**	GROSS POSITIVE FAIR VALUE*	GROSS NEGATIVE FAIR VALUE**	GROSS POSITIVE FAIR VALUE*	GROSS NEGATIVE FAIR VALUE**
1	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	$737,115	$731,622	$1,311	$1,646	$45,319	$45,217
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	1,098,343	1,074,119	8,069	5,167	74,057	73,041
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	785,153	742,642	302	48	4,478	6,076
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	415,259	416,863	37,330	40,687	39,303	34,364
TOP 4 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			$5,022,761	$221,762,922	$3,035,870	$2,965,246	$47,012	$47,548	$163,157	$158,698
OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			8,686,862	17,584,405	219,171	216,122	13,690	8,806	5,747	5,855
TOTAL AMOUNT FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			13,709,623	239,347,327	3,255,041	3,181,368	60,702	56,354	168,904	164,553

Note: Currently, the Call Report does not differentiate between traded and non-traded credit derivatives. Credit derivatives have been included in the sum of total derivatives here. Numbers may not sum due to rounding.
*Market value of contracts that have a positive fair value as of the end of the quarter.
**Market value of contracts that have a negative fair value as of the end of the quarter.
Data source: call reports, schedule RC-L

TABLE 7

TRADING REVENUES FROM CASH INSTRUMENTS AND DERIVATIVES
TOP 4 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS
NOTE: REVENUE FIGURES ARE FOR THE QUARTER (NOT YEAR-TO-DATE)

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	TRADING REV FROM CREDIT POSITIONS
1	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	$905	$315	$609	($37)	$44	($26)
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	2,676	912	435	588	291	450
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	134	(2,793)	2,835	0	0	92
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	786	228	329	119	47	63
TOP 4 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			$5,022,761	$221,762,922	$4,501	($1,338)	$4,208	$670	$382	$579
OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			8,686,862	17,584,405	1,185	520	684	(16)	29	(32)
TOTAL AMOUNT FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			13,709,623	239,347,327	5,686	(818)	4,892	654	411	547

Note: Effective in the first quarter of 2007, trading revenues from credit exposures are reported separately, along with the four other types of exposures. The total derivatives column includes credit exposures.
Note: Trading revenue is defined here as "trading revenue from cash instruments and off balance sheet derivative instruments."
Note: Numbers may not sum due to rounding.
Data source: call reports, schedule RI

TABLE 8

NOTIONAL AMOUNTS OF DERIVATIVE CONTRACTS BY CONTRACT TYPE & MATURITY
TOP 4 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	INT RATE MATURITY < 1 YR	INT RATE MATURITY 1 - 5 YRS	INT RATE MATURITY > 5 YRS	INT RATE ALL MATURITIES	FOREIGN EXCH MATURITY < 1 YR	FOREIGN EXCH MATURITY 1 - 5 YRS	FOREIGN EXCH MATURITY > 5 YRS	FOREIGN EXCH ALL MATURITIES
1	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	$29,929,042	$14,101,577	$4,970,715	$49,001,334	$7,611,753	$465,830	$135,039	$8,212,622
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	29,974,545	6,620,448	4,516,016	41,111,009	7,142,691	642,539	324,130	8,109,360
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	15,716,771	14,038,624	9,400,444	39,155,839	473,765	244,052	171,746	889,563
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	2,975,575	2,776,401	1,781,458	7,533,434	3,166,032	688,527	287,549	4,142,108
	TOP 4 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		$5,022,761	$221,762,922	$78,595,933	$37,537,050	$20,668,633	$136,801,616	$18,394,241	$2,040,948	$918,464	$21,353,653
	OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		8,686,862	17,584,405	1,388,542	2,797,317	1,724,714	5,910,573	4,409,249	405,788	102,682	4,917,720
	TOTAL AMOUNT FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		13,709,623	239,347,327	79,984,475	40,334,367	22,393,347	142,712,189	22,803,490	2,446,736	1,021,146	26,271,373

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

TABLE 9

NOTIONAL AMOUNTS OF DERIVATIVE CONTRACTS BY CONTRACT TYPE & MATURITY
TOP 4 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	GOLD MATURITY < 1 YR	GOLD MATURITY 1 - 5 YRS	GOLD MATURITY > 5 YRS	GOLD ALL MATURITIES	PREC METALS MATURITY < 1 YR	PREC METALS MATURITY 1 - 5 YRS	PREC METALS MATURITY > 5 YRS	PREC METALS ALL MATURITIES
1	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	$9,157	$456	$0	$9,613	$3,246	$569	$0	$3,815
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	40,059	11,188	60	51,307	13,825	1,482	3	15,310
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	0	5	0	5	10	0	0	10
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	0	0	0	0	0	0	0	0
TOP 4 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			$5,022,761	$221,762,922	$49,216	$11,649	$60	$60,925	$17,081	$2,051	$3	$19,135
OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			8,686,862	17,584,405	25,187	1,160	126	26,473	7,586	934	0	8,520
TOTAL FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			13,709,623	239,347,327	74,403	12,809	186	87,398	24,667	2,985	3	27,655

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

TABLE 10

NOTIONAL AMOUNTS OF DERIVATIVE CONTRACTS BY CONTRACT TYPE & MATURITY
TOP 4 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

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	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	$127,776	$76,278	$6,289	$210,343	$166,308	$74,152	$29,399	$269,859
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	119,900	88,208	9,926	218,034	319,063	136,697	25,314	481,074
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	9,605	812	0	10,417	18,893	6,416	4,960	30,269
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	19,925	3,048	0	22,973	208,094	52,242	3,408	263,744
TOP 4 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			$5,022,761	$221,762,922	$277,206	$168,346	$16,215	$461,767	$712,358	$269,507	$63,081	$1,044,946
OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			8,686,862	17,584,405	15,395	33,857	2,703	51,955	51,112	53,503	14,403	119,018
TOTAL FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			13,709,623	239,347,327	292,601	202,203	18,918	513,722	763,470	323,010	77,484	1,163,964

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

TABLE 11

NOTIONAL AMOUNTS OF CREDIT DERIVATIVE CONTRACTS BY CONTRACT TYPE & MATURITY
TOP 4 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

						CREDIT DERIVATIVES INVESTMENT GRADE				CREDIT DERIVATIVES SUB-INVESTMENT GRADE			
RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	TOTAL CREDIT DERIVATIVES	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	CITIBANK NATIONAL ASSN	SD	$1,377,620	$70,254,978	$2,735,372	$374,727	$1,550,571	$140,064	$2,065,362	$164,851	$465,387	$39,772	$670,010
2	JPMORGAN CHASE BANK NA	OH	2,008,808	65,307,835	4,659,562	692,772	2,524,468	197,569	3,414,809	299,077	890,938	54,738	1,244,753
3	GOLDMAN SACHS BANK USA	NY	111,758	48,694,949	228,191	23,164	88,342	12,794	124,300	32,456	66,074	5,361	103,891
4	BANK OF AMERICA NA	NC	1,524,575	37,505,160	2,372,633	350,175	1,432,156	68,030	1,850,361	116,262	362,707	43,303	522,272
TOP 4 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			$5,022,761	$221,762,922	$9,995,758	$1,440,838	$5,595,537	$418,457	$7,454,832	$612,646	$1,785,106	$143,174	$2,540,926
OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			8,686,862	17,584,405	412,614	37,414	126,825	14,251	178,490	57,875	162,401	13,847	234,124
TOTAL AMOUNT FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES			13,709,623	239,347,327	10,408,372	1,478,252	5,722,362	432,708	7,633,322	670,521	1,947,507	157,021	2,775,050

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

TABLE 12

DISTRIBUTION OF CREDIT DERIVATIVE CONTRACTS HELD FOR TRADING
TOP 25 COMMERCIAL BANKS, SAVINGS ASSOCIATIONS AND TRUST COMPANIES IN DERIVATIVES
SEPTEMBER 30, 2014, $ MILLIONS

					TOTAL CREDIT DERIVATIVES		BOUGHT				SOLD			
RANK	BANK NAME	STATE	TOTAL ASSETS	TOTAL DERIVATIVES	TOTAL CREDIT DERVATIVES	BOUGHT	SOLD	CREDIT DEFAULT SWAPS	TOTAL RETURN SWAPS	CREDIT OPTIONS	OTHER CREDIT DERIVATIVES	CREDIT DEFAULT SWAPS	TOTAL RETURN SWAPS	CREDIT OPTIONS	OTHER CREDIT DERIVATIVES
1	CITIBANK NATIONAL ASSN	SD	$1,377,620	$67,519,606	$2,735,372	$1,387,486	$1,347,886	$1,304,738	$29,383	$53,365	$0	$1,277,968	$14,544	$55,374	$0
2	JPMORGAN CHASE BANK NA	OH	2,008,808	60,648,273	4,659,562	2,352,113	2,307,449	2,297,349	15,503	34,738	4,523	2,263,734	4,308	39,407	0
3	GOLDMAN SACHS BANK USA	NY	111,758	48,466,758	228,191	123,637	104,554	119,500	2,458	1,521	158	101,666	2,339	549	0
4	BANK OF AMERICA NA	NC	1,524,575	35,132,527	2,372,633	1,196,212	1,176,421	1,161,625	10,994	23,593	0	1,131,279	15,688	29,454	0
5	WELLS FARGO BANK NA	SD	1,482,815	5,110,906	34,255	18,887	15,368	8,666	0	0	10,221	7,810	77	428	7,053
6	HSBC BANK USA NATIONAL ASSN	VA	168,428	4,643,626	350,263	173,806	176,457	169,776	4,030	0	0	168,673	7,784	0	0
7	MORGAN STANLEY BANK NA	UT	116,771	2,707,309	2,863	2,803	60	2,803	0	0	0	60	0	0	0
8	BANK OF NEW YORK MELLON	NY	304,867	1,346,498	0	0	0	0	0	0	0	0	0	0	0
9	STATE STREET BANK&TRUST CO	MA	270,372	1,294,215	191	191	0	0	0	0	191	0	0	0	0
10	PNC BANK NATIONAL ASSN	DE	324,117	340,734	5,615	2,752	2,863	110	0	0	2,642	0	0	0	2,863
11	NORTHERN TRUST CO	IL	110,796	258,872	0	0	0	0	0	0	0	0	0	0	0
12	SUNTRUST BANK	GA	182,555	222,981	3,946	2,196	1,749	448	1,745	0	4	0	1,745	0	4
13	TD BANK NATIONAL ASSN	DE	224,996	155,069	572	567	5	567	0	0	0	5	0	0	0
14	U S BANK NATIONAL ASSN	OH	387,034	122,169	3,951	1,518	2,433	455	0	0	1,063	400	0	0	2,033
15	REGIONS BANK	AL	118,290	81,019	1,140	132	1,008	0	0	0	132	0	0	0	1,008
16	MUFG UNION BANK NA	CA	110,320	71,145	10	10	0	10	0	0	0	0	0	0	0
17	BRANCH BANKING&TRUST CO	NC	182,901	68,392	0	0	0	0	0	0	0	0	0	0	0
18	FIFTH THIRD BANK	OH	131,826	61,345	1,693	456	1,237	0	0	0	456	0	0	0	1,237
19	KEYBANK NATIONAL ASSN	OH	87,398	59,343	623	514	109	514	0	0	0	16	93	0	0
20	CAPITAL ONE NATIONAL ASSN	VA	247,492	49,601	1,193	406	788	0	0	0	406	0	0	0	788
21	CITIZENS BANK NATIONAL ASSN	RI	101,843	34,563	1,326	0	1,326	0	0	0	0	0	0	0	1,326
22	BOKF NATIONAL ASSN	OK	28,881	33,417	0	0	0	0	0	0	0	0	0	0	0
23	HUNTINGTON NATIONAL BANK	OH	64,107	27,717	985	567	418	0	0	0	567	0	0	0	418
24	BMO HARRIS BANK NA	IL	98,481	25,597	951	951	0	39	912	0	0	0	0	0	0
25	COMERICA BANK	TX	68,803	22,066	754	228	527	0	0	0	228	0	0	0	527
	TOP 25 COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		$9,835,856	$228,503,747	$10,406,088	$5,265,431	$5,140,657	$5,066,599	$65,025	$113,217	$20,590	$4,951,611	$46,578	$125,212	$17,256
	OTHER COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		3,873,767	435,208	2,284	1,066	1,218	253	21	0	791	50	2	3	1,164
	TOTAL AMOUNT FOR COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES		13,709,623	228,938,955	10,408,372	5,266,497	5,141,875	5,066,853	65,045	113,217	21,382	4,951,661	46,580	125,215	18,420
					(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
	TOP 25 COMMERCIAL BANKS, SAs & TCs: % OF TOTAL COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES				100.0	50.6	49.4	48.7	0.6	1.1	0.2	47.6	0.4	1.2	0.2
	OTHER COMMERCIAL BANKS, SAs & TCs: % OF TOTAL COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TOTAL AMOUNT FOR COMMERCIAL BANKS, SAs & TCs: % OF TOTAL COMMERCIAL BANKS, SAs & TCs WITH DERIVATIVES				100.0	50.6	49.4	48.7	0.6	1.1	0.2	47.6	0.4	1.2	0.2

Note: Credit derivatives have been excluded from the sum of total derivatives here.
Note: Numbers may not add due to rounding.
Data source: call reports, schedule RC-L