

December 16, 2005

Mr. Timothy Geithner
President
Federal Reserve Bank of New York
33 Liberty Street, 10F
New York, NY 10045

Dear Mr. Geithner:

Following the September 15 meeting and our October 4 letter, we are pleased to provide a second commitment to reducing our outstanding credit derivatives confirmations.

We are working to achieve our first target of reducing the number of confirmations outstanding more than 30 days by 30% from our number of confirmations outstanding more than 30 days as of September 30, 2005. We further commit that by April 30, 2006, we will reduce our confirmations outstanding more than 30 days by 50% from our number of confirmations outstanding more than 30 days as of September 30, 2005. As before, one or more major credit events affecting large volumes of contracts could impact our ability to meet this commitment.

In addition to our efforts in addressing confirmation backlogs, we began discussions in November around industry timelines for executing confirmations. We will have further progress to share on this and other issues at our next meeting.

Yours Sincerely from the Senior Managements of:

Bank of America, N.A.
Barclays Capital
Bear, Stearns & Co.
Citigroup
Credit Suisse First Boston
Deutsche Bank AG
Goldman, Sachs & Co.
HSBC Group
JP Morgan Chase
Lehman Brothers
Merrill Lynch & Co.
Morgan Stanley
UBS AG
Wachovia Bank, N.A.