

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.