



# NEWS RELEASE

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Comptroller of the Currency  
Administrator of National Banks

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## **OCC Issues Statement on Bank Holdings of Securities for Hedge Purposes**

WASHINGTON -- The Office of the Comptroller of the Currency issued the following statement today in response to a report issued by Chairman Jim Leach of the House Committee on Banking and Financial Services on bank holdings of securities for hedge purposes:

All of the decisions at issue were carefully considered by the Office of the Comptroller of the Currency from both a legal and a safety and soundness perspective. Not only are they fully consistent with the law, but they reflect the OCC's commitment to assuring the competitiveness of national banks, consistent with safety and soundness principles. Each of these decisions fully respects the traditional wall between banking and commerce and none involve the type of activity authorized as merchant banking under the Gramm-Leach-Bliley Act. The decisions at issue represent a handful of cases taken from decades of OCC precedents.

In those cases in which a formal opinion was not published, either the activity involved unique facts, or the scope of the OCC's opinion was limited and it was not intended that the situations be viewed as precedents of general applicability.

The OCC welcomes the opportunity to provide information about activities permissible for national banks and maintains an extensive and regular program of publication and Internet postings of legal and corporate precedents.

We very much regret any misimpressions that may have developed and we welcome the inquiries Chairman Leach has asked for and the opportunity to respond.

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The OCC charters, regulates and examines approximately 2,200 national banks and 56 federal branches of foreign banks in the U.S., accounting for more than 55 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.