

FEDERAL RESERVE BANK OF NEW YORK

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KENNETH LAMAR
VICE PRESIDENT

January 12, 2007

To: The Individual Responsible for Preparing the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12) and the Annual Report of Merchant Banking Investments Held for an Extended Period (FR Y-12A)

Subject: FR Y-12 and FR Y-12A Reporting Requirements for December 31, 2006

Enclosed is a copy of the reporting form and instructions for the new mandatory Annual Report of Merchant Banking Investments Held for an Extended Period (FR Y-12A) and the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12) effective December 31, 2006. Though there were no changes to the FR Y-12 report form, the instructions were updated for clarification. The reporting form and instructions are also available on the Federal Reserve Board's web site at <http://www.federalreserve.gov/boarddocs/reportforms>.

On December 29, 2006, the Federal Reserve announced in the *Federal Register* final approval of the new FR Y-12A by the Board of Governors. This notice may also be found on the web site at <http://www.federalreserve.gov/boarddocs/reportforms/review.cfm>.

The FR Y-12A would collect:

- The name and location of the corporate entity within the FHC organization that holds the covered investment
- The date the FHC acquired the covered investment
- The name and location of the company held

- The primary activity of the company held (using the North American Industry Classification System (NAICS) Activity Codes for Commonly Reported Activities wherever possible). FHCs would provide a text description of the primary activity of the company held only if it is unable to identify a five- or six-digit NAICS code corresponding to the activity
- The type of interest held by the FHC (e.g., common stock, convertible bonds)
- The percentage of ownership held by the FHC (both voting and non-voting)
- The FHC's acquisition cost of the covered investment
- The value that the covered investment currently is carried at on the FHC's books
- A brief narrative explanation of the FHC's plan and schedule for disposition of a covered investment

FR Y-12A Reporting Criteria

Data collected on the FR Y-12A would be used by the Federal Reserve to monitor merchant banking investments made by FHCs that are approaching the end of the relevant ten-year or fifteen-year holding period permissible under Regulation Y. FR Y-12A reporting would be triggered two years prior to expiration of the regulatory holding period.

Reports Submission

FHCs that meet the reporting criteria should complete a separate FR Y-12A for each covered investment that it owns, controls, or holds as of December 31, 2006. An original and a copy (one-sided) of each completed FR Y-12A must be returned to this bank by mail or messenger.

The Federal Reserve continues to monitor the timeliness of receipt of the FR Y-12 and FR Y-12A. Earlier submission would aid this Bank in reviewing and processing the reports and is encouraged.

The submission deadline for the FR Y-12A is Thursday, February 15, 2007. Any report received after 5:00 p.m. on February 15 will be considered late unless postmarked by Monday, February 12 or sent by overnight service on Wednesday, February 14.

The submission deadline for the FR Y-12 is Wednesday, February 14, 2007. Any report received after 5:00 p.m. on February 14 will be considered late unless postmarked by Saturday, February 10 or sent by overnight service on Tuesday,

January 12, 2007

February 13.

Submission of initial data via facsimile, even if prior to this deadline does not constitute an official filing. In view of this, please be sure that completed reports are submitted on time to:

Federal Reserve Bank of New York
Statistics Function
Regulatory Reports Division
33 Liberty Street, 4th Floor
New York, NY 10045

Questions regarding these reports should be addressed to Hilda Hyman at (212) 720-2364 or Alex Santana at (212) 720-6357.

Sincerely,

-- Signed by Kenneth Lamar --

Kenneth P. Lamar
Vice President
Financial Reports Department