

# FEDERAL RESERVE BANK OF NEW YORK

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KENNETH LAMAR  
VICE PRESIDENT

November 26, 2004

To: The Individual Responsible for Preparing the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12)

I am writing to inform you that the proposed revisions to the Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12) were finalized and published in the Federal Register (attached) on November 8, 2004. The effective date is March 31, 2005.

Listed below is a summary of the changes:

1) The reporting threshold was revised as follows:

- The aggregate nonfinancial equity investments threshold was decreased from \$200 million to \$100 million (on an acquisition cost basis) for respondents that file the FR Y-9C.
- The consolidated Tier 1 capital threshold was increased from 5 percent to 10 percent for respondents who file either the FR Y-9C or FR Y-9SP.

2) The question "Has the bank holding company made an effective election to become a financial holding company" was deleted.

3) Schedule A, "Type of Investments" was revised as follows:

- Memorandum item 3, "Impact on net income from items 1, 2, and 3 above" was re-titled as "Pre-tax impact on net income from items 1, 2, and 3 above."
- A new Memorandum item 4, "Investments managed for others" was added.

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- 4) Schedule B, "Type of Security" was revised by adding a Memorandum item 2, "Does the BHC hold any Warrants or similar instruments received in connection with equity investment activity."
- 5) Schedule C, "Type of Entity Within the Banking Organization" was revised as follows:
  - A new Column B, "Net Unrealized Holding Gains Not Recognized as Income" was added.
  - Current Column B, "Carrying Value" was renumbered as Column C.
  - Column C, "Direct Investments in Public Entities," Column D, "Direct Investments in Nonpublic Entities," and Column E, "All Indirect Investments" were deleted.
  - Items 2b, "Edge and agreement corporations" and 2d, "Private Equity subsidiaries" were added.
- 6) A new Schedule D, "Nonfinancial Investment Transactions During the Reporting Period" was added. Column A and B collects acquisition cost and carrying value for all purchases, returns of capital, and net changes in valuation made for all direct investments. Column C and D collects acquisition cost and carrying value for all purchases, returns of capital, and net changes in valuation made for all indirect investments.

The Federal Register notice, the supporting statements, final reporting forms and instructions may be obtained at <http://www.federalreserve.gov/boarddocs/reportforms/review.cfm>.

If you have any questions about these FR Y-12 reporting issues, please contact Sarit Kessel, Senior Reports Analyst of the Regulatory Reports Division, at (212) 720-8213 or Monica Posen, Team Leader of that division, at (212) 720-8239.

Very truly yours,

**\*\* Signed by Kenneth Lamar \*\***

Kenneth P. Lamar  
Vice President  
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Enclosures