November 17, 2004


I am writing to inform you that the Federal Reserve has published for comment a proposal to extend for three years, with revisions the Consolidated Financial Statements for Bank Holding Companies (FR Y-9C), Parent Company Only Financial Statements of Large Bank Holding Companies (FR Y-9LP), Parent Company Only Financial Statements for Small Bank Holding Companies (FR Y-9SP), Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies (FR Y-11), and Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314) in the Federal Register on October 25, 2004. The proposed implementation date is March 31, 2005.

This notice includes a proposal to postpone for one year the accelerated filing deadline for quarterly reporting for top-tier BHC’s to 35 days until the June 2006 reporting date. The 35-day filing deadline would be effective for each quarter thereafter, except for the December reporting date, which would remain at 45 days. In addition, the FR Y-9LP filing deadline will be changed to be consistent with the FR Y-9C filing deadline, effective as of the March 31, 2005 report date. Listed below is a summary of the proposed FR Y-9C changes for March 2005 and FR Y-9SP changes for June 30, 2005:

**FR Y-9C**
**Schedule HC - Balance Sheet**

- A new item, “Subordinated notes payable to trusts issuing trust preferred securities” (item 19.b) was added to the
Information on subordinated notes payable to trusts issuing trust preferred securities (TPS) would no longer be included in “Other liabilities” (item 20). In addition, TPS would no longer be reported in Schedule HC-R, memoranda item 3.d, “Other cumulative preferred stock eligible for inclusion in Tier 1 capital (e.g., trust preferred securities) (included in Schedule HC, item 20 or 22”).

- A new memoranda item to collect the name and address of the BHC’s external auditing firm and the name and e-mail address of the engagement partner was added. This information would initially be collected in the March 31, 2005 report, and then annually as of December 31.

Schedule HC-M – Memoranda

The following report changes have been made related to merchant banking activity. These changes should be viewed in context of the changes made to the FR Y-12:

- Two new items were added, “Has the bank holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period?” (item 19.a) and “Does the bank holding company manage any nonfinancial equity investments for the benefits of others?” (item 19.b).

- Deleted, “Has the bank holding company made an effective election to become a financial holding company?” (item 18).

- Revised, “Do your aggregate nonfinancial equity investments equal or exceed the lesser of $200 million (on an acquisition cost basis) or 5 percent of the BHC’s consolidated Tier 1 capital as of the report date?” (item 17) to decrease the aggregate nonfinancial equity investments threshold from $200 million to $100 million and increase the consolidated Tier 1 capital threshold from 5 percent to 10 percent.

- Revised, “Does the bank holding company hold, directly or indirectly, an Edge corporation, Agreement corporation or Small Business Investment Company (SBIC) subsidiary or hold equities under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act?” (item 19) to clarify the legal authority by restating the question as “Does the bank holding company hold, either directly or indirectly through a subsidiary or affiliate, any nonfinancial equity investments (see instructions for definition) within a Small Business
Investment Company SBIC) structure, or under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act, or pursuant to the merchant banking authority of section 4(k)4(H) of the Bank Holding Company Act, or pursuant to the investment authority granted by Regulation K?” This item would be renumbered as item 17.

FR Y-9SP
Schedule SC – Balance Sheet

• A new memoranda item to collect the name and address of the BHC’s external auditing firm and the name and e-mail address of the engagement partner was added. This information would initially be collected in the June 30, 2005 report and then annually as of December 31.

Schedule SC-M Memoranda

The following report changes have been made related to merchant banking activity. These changes should be viewed in context of the changes made to the FR Y-12:

• Three new items were added, “Has the bank holding company sold or otherwise liquidated its holding of any nonfinancial equity investment since the previous reporting period?” (item 20.a), “Does the bank holding company manage any nonfinancial equity investments for the benefit of others?” (item 20.b), and “Amount of nonvoting equity capital, including related surplus (included in balance sheet items 16.a, 16.b, 16.c, and 16.d)” (item 4).

• Deleted, “Has the bank holding company made an effective election to become a financial holding company?” (item 19).

• Revised, “Do your aggregate nonfinancial equity investments equal or exceed (on an acquisition cost basis) 5 percent of the BHC’s total capital as of the report date?” (item 18) to increase the total capital threshold from 5 percent to 10 percent”.

• Revised, “Does the bank holding company hold, directly or indirectly, an Edge corporation, Agreement corporation or Small Business Investment Company (SBIC) subsidiary or hold equities under section 4(c)(6) or 4(c)(7) of the Bank Holding Company Act?” (item 20) to clarify the legal authority by restating the question as “Does the bank holding company hold,
Proposed Instructions Changes to FR Y-11 and FR 2314

The FR Y-11 and FR 2314 reporting instructions are proposed to be revised for the reporting of balances due from related organizations. The revisions are due to the inconsistent reporting of unconsolidated subsidiaries. The revisions to the FR Y-11 and FR 2314 would be effective as of the March 31, 2005 report date. Below is a summary of the changes to the reporting instructions:

Schedule BS - Balance Sheet

- The instructions for “All other assets” (item 7) will be revised to exclude investments in unconsolidated subsidiaries and associated companies and clarify that only investment in nonrelated companies should be included in this item.

- The instructions for “Balances due from related organizations” (item 9) will be revised to include the amount of subsidiary’s investments in unconsolidated subsidiaries and associated companies and the balances due from the subsidiaries of the reporting nonbank subsidiary.

Schedule BS-M - Memoranda

- The instructions for “Investments in other companies” (item 4) will be revised to indicate that the amount of the subsidiary’s investment in the stock of unconsolidated subsidiaries included in balance sheet, item 9, should be reported in this item.

- The instructions for “Balances due from other related nonbank subsidiaries of the bank holding company, gross” (item 8.c) will be revised to indicate that the balances due from the subsidiaries of the reporting nonbank subsidiary should be included in this item.
The final Federal Register notice, the supporting documents, draft forms and instructions may be obtained at http://www.federalreserve.gov/boarddocs/reportforms/review.cfm

If you have any questions, please contact Alex Santana, Team Leader of the Regulatory Reports Division at (212) 720-6357 or Gloria Scott, Senior Reports Analyst at (212) 720-7348.

Very truly yours,

** Signed by Kenneth Lamar **

Vice President
Statistics Function