

Reference: Advisory for Banks/T&L/Life

Our File: P2215-16/6

June 4, 2004

**To: Banks
Federally Regulated Trust and Loan Companies
Federally Incorporated Life Insurance Companies**

**Subject: Moderate Step-ups in Tier 2A Capital and
Automatic Conversion Triggers in Tier 2A-Qualifying Debentures**

This Advisory sets out OSFI's expectations for federally regulated financial institutions with respect to the inclusion of moderate step-ups in Tier 2A-qualifying capital instruments and introduces an additional conversion trigger that is acceptable in a Tier 2A-qualifying debenture. This Advisory comes into effect immediately.

Questions concerning the Advisory should be addressed to Mr. Jeff Miller, Capital Division, at (613) 990-5536, by facsimile at (613) 991-6822 or by e-mail at jeff.miller@osfi-bsif.gc.ca or Ms Judith Roberge, Capital Division, at (613) 990-4412, by facsimile at (613) 991-6822 or by e-mail at judith.roberge@osfi-bsif.gc.ca.

Julie Dickson
Assistant Superintendent
Regulation Sector