



Reference: Banks/BHC/T&L

April 28, 2008

To: Banks
Bank Holding Companies
Federally Regulated Trust and Loan Companies

Subject: Advisory – Temporary Adjustments to the Assets to Capital Multiple (ACM) for IRB institutions

This Advisory, which applies to banks, federally regulated trust and loan companies and bank holding companies incorporated or formed under Part XV of the *Bank Act*, complements the guidance contained in the Capital Adequacy Requirements (CAR) Guideline A-1, November 2007.

The CAR Guideline A-1 sets out capital adequacy requirements, including an asset to capital multiple (ACM) test. This Advisory addresses temporary changes to the ACM calculation for IRB institutions.

Questions concerning the Advisory should be addressed to Richard Gresser, Capital Division, at (613) 990-7336, by facsimile at (613) 991-6822 or by e-mail at richard.gresser@osfi-bsif.gc.ca.

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