



News Release

For Immediate Release

Superintendent formally designates Canadian D-SIBs and sets minimum loss absorbing capacity requirements

OTTAWA – August 21, 2018 – Office of the Superintendent of Financial Institutions Canada

As part of the implementation of the statutory Bail-in Regime and OSFI's *Total Loss Absorbing Capacity* (TLAC) guideline, the *Bank Act* was amended on June 21, 2016 to give responsibility for the designation of domestic systemically important banks (D-SIBs) to the Superintendent of Financial Institutions. Today the Superintendent issued orders to Canada's six largest banks, legally designating them as D-SIBs. This formalizes OSFI's identification of these banks as D-SIBs in March 2013.

Under the *Bank Act* amendments, the Superintendent is also responsible for setting D-SIBs' minimum TLAC. Accordingly, the Superintendent has issued orders to each D-SIB, setting the minimum risk-based TLAC ratio at 21.5% of risk-weighted assets and the minimum TLAC leverage ratio at 6.75%.

The Government of Canada has developed a comprehensive risk management framework for D-SIBs. The recent Bail-in Regime and TLAC requirements were the final components of the framework to be implemented. In the unlikely event of a failure, the framework would allow a bank to be recapitalized and to remain open and operating without requiring public funds or threatening financial stability.

Quick Facts

- The six designated D-SIBs are the Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada and Toronto-Dominion Bank.
- The recent designation of the Royal Bank of Canada (RBC) as a G-SIB by the Financial Stability Board does not affect the application of the Bail-in Regime to RBC or its designation as a Canadian D-SIB.

Associated Links

- Department of Finance Canada news release: [Government of Canada Adopts Regulations to Support a Sound and Resilient Financial System](#)
- OSFI news release: [OSFI releases final guideline on total loss absorbing capacity for Canada's domestic systemically important banks](#)



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About OSFI

The [Office of the Superintendent of Financial Institutions](#) (OSFI) is an independent agency of the Government of Canada, established in 1987, to protect depositors, policyholders, financial institution creditors and pension plan members, while allowing financial institutions to compete and take reasonable risks.

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