



Reference: Guideline for Banks (D-SIBs)

December 12, 2018

To: Domestic Systemically Important Banks (D-SIBs)

**Subject: OSFI sets Domestic Stability Buffer level at 1.75%**

The purpose of this letter is to inform you that, following its semi-annual review, OSFI has decided to set the level of the Domestic Stability Buffer at 1.75% of total risk-weighted assets, as calculated under the *Capital Adequacy Requirements (CAR) Guideline*.

This reflects OSFI's assessment that, on balance, the identified systemic vulnerabilities remain elevated while economic conditions continue to be accommodative. Specific vulnerabilities covered by the buffer continue to include: (i) Canadian consumer indebtedness; (ii) asset imbalances in the Canadian market; and (iii) Canadian institutional indebtedness.

The Domestic Stability Buffer applies only to those federally regulated financial institutions designated as Domestic Systemically Important Banks (D-SIBs)<sup>1</sup>.

*The new Domestic Stability Buffer level of 1.75% of risk-weighted assets is effective as of April 30, 2019.*

Related materials:

[News Release](#)

[Domestic Stability Buffer Information Sheet](#)

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<sup>1</sup> As of December 2018, the following federally regulated financial institutions are designated as Domestic Systemically Important Banks: *Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, and Toronto-Dominion Bank.*



OSFI  
BSIF

255 Albert Street  
Ottawa, Canada  
K1A 0H2

[www.osfi-bsif.gc.ca](http://www.osfi-bsif.gc.ca)

