



Reference: Guideline for Banks (D-SIBs)

June 4, 2019

To: Domestic Systemically Important Banks (D-SIBs)

**Subject: OSFI sets Domestic Stability Buffer level at 2.00%**

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 2.00% 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 2.00% of risk-weighted assets is effective as of October 31, 2019.*

Related materials:

[News Release](#)

[Domestic Stability Buffer Information Sheet](#)

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<sup>1</sup> As of June 2019, 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.



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