Letter

Title	OSFI maintains the level of the Domestic Stability Buffer at 3.5% - Letter (December 2025)
Category	Capital Adequacy Requirements
Date	December 18, 2025
Sector	Banks

To: Domestic Systemically Important Banks (D-SIBs)[1]

OSFI has decided to maintain the level of the Domestic Stability Buffer (DSB) at 3.5% of total risk-weighted assets as calculated under the Capital Adequacy Requirements (CAR) Guideline. The current DSB level came into effect on November 1, 2023. We expect D-SIBs to continue to target a Common Equity Tier 1 ratio of at least 11.5% of total risk-weighted assets.

The decision to maintain the DSB at 3.5% reflects our current assessment that systemic vulnerabilities have stabilized although remain elevated, while near-term risks are still low but continuing to rise amid global trade uncertainty. OSFI continues to expect D-SIBs to exercise heightened prudence in their capital management practices.

OSFI remains committed to reviewing the DSB regularly to ensure that it contributes to the safety and soundness of Canada's financial system while supporting public confidence. We continue to monitor the uncertainty in the risk environment, and we stand ready to adjust the DSB as conditions warrant.

Footnotes

1 The following federally regulated financial institutions are designated as D-SIBs: Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, and Toronto-Dominion Bank.