Letter

Title	OSFI lowers the level of the Domestic Stability Buffer to 3.0%, range to 0-3%
Category	Capital Adequacy Requirements
Date	June 19, 2026
Sector	Banks

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

OSFI has decided to lower the level of the Domestic Stability Buffer (DSB) to 3.0% of total risk-weighted assets as calculated under the Capital Adequacy Requirements (CAR) Guideline. This is the first change to the DSB since June 2023. In addition, OSFI is reducing the DSB range from 0-4% to 0-3%. These changes are to take effect as of today.

OSFI has lowered both the DSB level and range to provide Canada's largest banks with greater flexibility and capacity to deploy capital in order to support the Canadian economy's adaptation to shifting dynamics in technology, trade, and geopolitics. In calibrating and adjusting the DSB, OSFI considers both the resilience benefits of additional capital, and the broader impact on the financial system's ability to support economic adjustment and adaptation. On that basis we judge that 3.0% maximum range preserves a substantial buffer while giving banks more room to support responsible lending and investment.

We will continue to monitor vulnerabilities and risks in the environment and, consistent with our risk-based, proactive approach, stand ready to further 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.