

May 1, 2021

Canada's COVID-19 Emergency Response: Monthly Report to FINA – [BDC / EDC / CMHC / OSFI / Bank of Canada]* **First Report, May 1, 2021**

***Pursuant to the Motion adopted April 1, 2021:**

That, in the same spirit as the referral motion of the House following the passage of the COVID-19 Emergency Measures Act (Royal Assent March 25, 2020) and the COVID-19 Emergency Measures Act No. 2 (Royal Assent April 11, 2020), the committee request the following organizations: BDC, EDC, CMHC, OSFI and the Bank of Canada, in both official languages, to provide to members of the Committee a report on the status of liquidity support measures resulting from the programs established in response to the fight against COVID-19 on a monthly basis and in the same format as formerly provided reports.

COVID-19 Economic Response Plan: Office of the Superintendent of Financial Institutions (OSFI)

MEASURE	DESCRIPTION	AVAIL.	STATUS
Other Liquidity Support and Capital Relief			
Capital Relief – Domestic Stability Buffer (DSB)	<p>Adjustment to capital expectations for Canada’s large banks by lowering the level of the Domestic Stability Buffer to 1.00% of risk weighted assets. This action was taken to support banks’ ability to supply credit to the economy (up to approximately \$300B) during an expected period of disruption related to COVID-19 and market conditions. The DSB is a countercyclical measure to allow banks to use capital built up during good times when it may be needed in times of stress.</p>	<p>Ongoing</p>	<p>OSFI updates its guidance on the level of the DSB every 6 months. In June and December 2020, OSFI confirmed the level of the Domestic Stability Buffer would remain at 1.00% of risk weighted assets, in order to support the resilience of the banking system while allowing banks to continue to provide loans to households and businesses.</p>