

June 1, 2021

Canada's COVID-19 Emergency Response: Monthly Report to FINA – [BDC / EDC / CMHC / OSFI / Bank of Canada]* **Second Report, June 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)	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.	Ongoing	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.