BANK OF CANADA
BANQUE DU CANADA

BANK OF CANADA **PENSION PLAN** ANNUAL REPORT 2015

Canada's Top 100 Employers 2016

The *Pension Plan Annual Report* is available on the Bank of Canada's website at bankofcanada.ca.

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Contents

Your Plan at a Glance

- The Bank of Canada Pension Plan (the Plan) had 3,622 members at the end of 2015 (**Figure 1**).
- Pension payments from the Pension Trust Fund (the Fund) continued to increase, reaching $44.9 million in 2015 (**Figure 2**).
- The value of the Fund's net assets increased to $1,525 million at the end of 2015 from $1,495 million at the end of 2014 (**Figure 3**).
- The Fund's rate of return was 3.0 per cent in 2015, slightly below our benchmark return of 3.3 per cent.
- On a going-concern basis (which assesses the Plan over the long term on the assumption that it will operate indefinitely), the Plan had an actuarial surplus of $341 million (**Figure 4**) and a funding ratio of 130 per cent as at 31 December 2015.
- On a solvency basis (which assesses the Plan on the assumption that it would be terminated on the date of the valuation), the Plan had an actuarial surplus of $20 million (**Figure 4**) and a solvency ratio of 101 per cent as at 31 December 2015.
- The Bank contributed $21 million to the Fund for 2015.

Figure 2: Payments from the Fund 2013–15

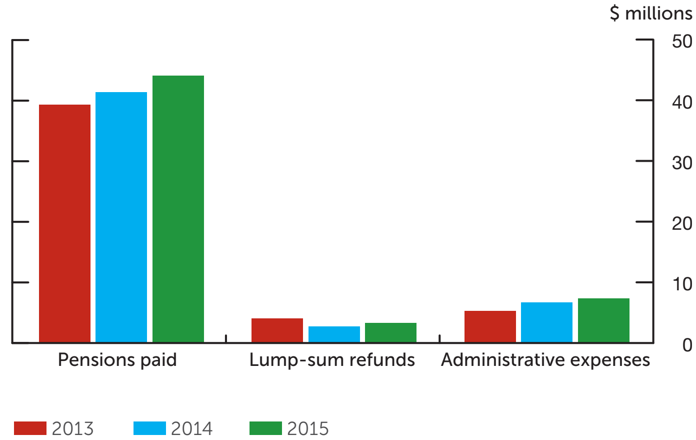


Figure 3: Net Assets of the Fund 2011–2015
(as at 31 December)

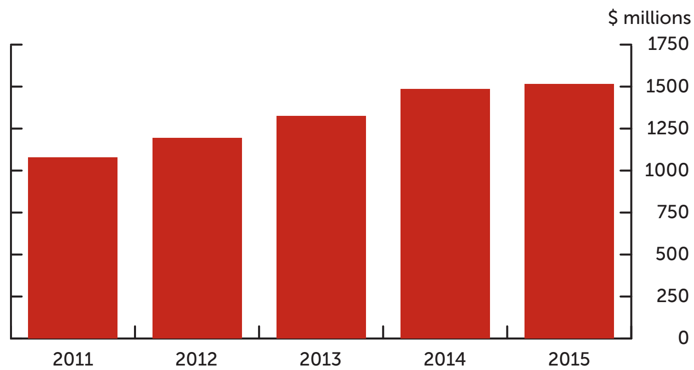


Figure 1: Membership
(as at 31 December 2015)

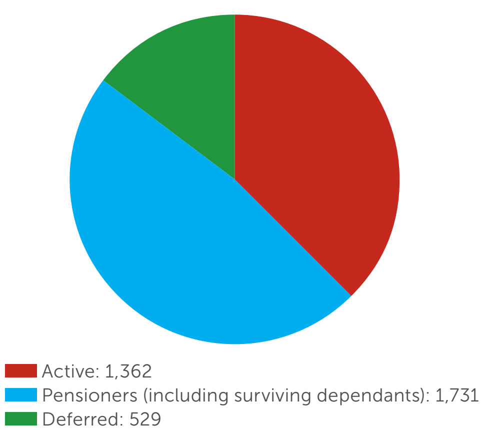
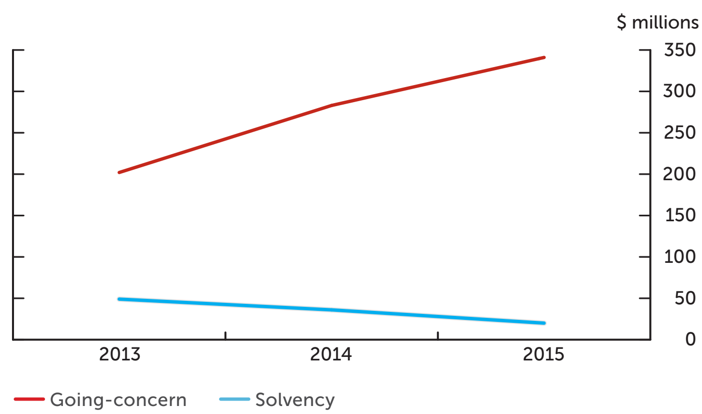


Figure 4: Funding Position 2013–15
(as at 31 December)



Message from the Chair

I am pleased to report on the Bank of Canada's Pension Plan for 2015. Given how important our Plan is to both current and former employees, I welcome this opportunity to present an overview of its performance over the course of the past year.

Although 2015 was no doubt a challenging year for financial markets, the Bank's Pension Plan has demonstrated resilience, performing well over the report period. The Plan remains in a strong position, thanks to sound fund-management practices, our commitment to continuous improvement and, of course, the hard work and dedication of those who manage it on a daily basis. As a result of their stewardship, the Bank continues to be well positioned to meet its obligation to provide a secure retirement for all employees—today and well into the future.

The Plan's Position

Reflecting the slow pace of global economic growth, heightened asset-price volatility and modest returns throughout the year, the Bank's Pension Trust Fund generated an investment return of 3.0 per cent—slightly below our current benchmark of 3.3 per cent. Unsurprisingly, given the investment environment, this is down from last year's return of 12.8 per cent.

The Plan remains fully funded on a going-concern basis, which means there are sufficient assets to fund all pensions accrued or payable. At the end of 2015, the funding ratio was 130 per cent, or 30 per cent above the Plan's liabilities, and there was a surplus of $341 million, compared with a funding ratio of 126 per cent and a surplus of $283 million at the end of 2014.

On a solvency basis (which assumes that the Plan would be terminated on the date of the valuation), the Plan had a surplus of $20 million, compared with $36 million at the end of 2014, and a solvency ratio of 101 per cent, or 1 per cent above the Plan's solvency liabilities, compared with 102 per cent the previous year.

Continuous Improvement

As you may know, the Pension Committee works with external pension experts to examine the Pension Fund's asset allocation in the context of emerging economic, financial and investment trends. We received the results of the most recent study in 2015, and, as you will see in the pages that follow, we have already begun to implement some of the recommendations.

Acknowledgments

I want to recognize the long-standing efforts of Sheila Vokey, who is moving on after having spent more than 10 years contributing as a member of the Pension Committee. Filling her seat is Carmen Vierula, the Bank's Chief Financial Officer. Also joining the committee is Greg Stewart, who sits on the Bank's Board of Directors.

I would also like to take this opportunity to offer a sincere thank you to Colleen Leighton, who stepped down from her position as Chair of the Pension Administration Committee upon her retirement from the Bank in March. Steve Thomas replaces her in that role. Additionally, Stéphane Lavoie joins the Pension Fund Investment Committee as a new member and Darcy Bowman joins the Pension Administration Committee as a member.

Finally, I must acknowledge the contributions made by the Bank's Board members and everyone else who lent their skills and expertise to the management of the Plan over the past year. It has been a pleasure working with you.

Carolyn Wilkins
Senior Deputy Governor
Chair, Pension Committee

Pension Governance

Under the *Pension Benefits Standards Act* and the terms of the Bank's Pension Plan (By-law 15), the Bank is the Plan administrator. Three committees oversee and make decisions related to the administration of the Plan and the investment of Plan assets. They also monitor investment services and performance. The Pension Committee was established by the Bank's Board of Directors to perform and report on the activities and functions of the Plan administrator. The Pension Committee has created two other committees—the Pension Administration Committee (PAC) and the Pension Fund Investment Committee (PFIC)—to assist it in carrying out its duties.

In 2015, Sheila Vokey left the Pension Committee and was replaced by Carmen Vierula. Greg Stewart also joined the Pension Committee as a new member in 2016.

Members of the three committees[1]

Pension Committee

Carolyn Wilkins, *Senior Deputy Governor (Chair)*
Norman M. Betts, *Bank Director*
Colin Dodds, *Bank Director*
Wes Scott, *Bank Director*
Greg Stewart, *Bank Director*
Timothy Lane, *Deputy Governor*
Jeremy Farr, *General Counsel and Corporate Secretary*
Carmen Vierula, *Chief Financial Officer and Chief Accountant*
Darcy Bowman, *Senior Legal Counsel (Secretary, non-voting)*

Pension Fund Investment Committee

Grahame Johnson
Chief, Funds Management and Banking (Chair)

Meyer Aaron
Funds Management and Banking

Stéphane Lavoie
Funds Management and Banking

Étienne Lessard
Funds Management and Banking

Miville Tremblay
Financial Markets

Jean-Claude Primeau,
Pension Plan Director (non-voting member)

Pension Administration Committee

Steve Thomas
Executive and Legal Services (Chair)

Darcy Bowman
Senior Legal Counsel

Alexis Corbett
Chief, Human Resources

Lucie Gauvin
Communications

Adelle Laniel
Financial Services

Marc Tremblay
Human Resources

Jean-Claude Primeau
Pension Plan Director (non-voting member)

1 As at 31 May 2016

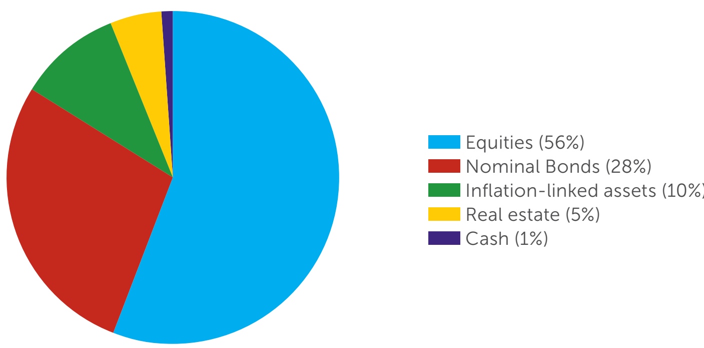
Pension Assets and Investments

Assets

The Fund continues to be invested in a diversified portfolio of equities, nominal bonds, inflation-linked assets, real estate and cash, consistent with its long-term investment principles (**Figure 5**).

The majority of the Fund's assets are invested using external managers chosen for their expertise in specific asset classes and for their investment strategies. Diversification across asset classes and investment styles is a prudent way to achieve the Fund's long-term investment objectives while managing investment risks.

Figure 5: The Five Main Asset Categories in the Fund's Portfolio, 2015[a]
(as at 31 December 2015)



a. Policy allocation midpoints

Asset Liability Modeling study

We work with external pension experts to do a comprehensive review—known as an asset liability modeling study—once every three years. This review examines the Fund's portfolio of assets in light of emerging economic, financial and investment trends, and any recommendations are considered within the context of our broader investment objectives: to keep the risk-return profile of the Trust Fund aligned with the Pension Committee's risk tolerance; to improve the efficiency of the Fund by reducing the overall risk of the portfolio; and to maintain the current level of expected returns.

On the return-seeking assets side, it was decided that we further diversify the allocation by reducing exposure to equities and increasing the exposure to real estate to 20 per cent. With regard to our liability-matching assets, it was decided to reduce exposure to long-term Government of Canada nominal bonds and increase exposure to other high quality bonds that deliver higher returns without introducing a significant increase in risk.

Investments

The Fund's day-to-day investment activity is overseen by the PFIC, which reports to the Pension Committee quarterly. The PFIC's actions are guided by the Plan's Statement of Investment Policies and Procedures and by the Pension Committee, which establishes the allocation ranges and performance benchmarks for each asset category.

The PFIC also monitors the performance of the Fund's external portfolio managers and leads an annual performance review on behalf of the Pension Committee.

Equities

The Fund invests in Canadian, US, international and emerging-market equities. These holdings are managed by external portfolio managers.

Fixed-Income Securities

Nominal bonds

The nominal bond holdings are invested in a mix of Canadian-issued bonds and debentures. Most of these holdings are managed externally and are designed to closely track the overall risk and return characteristics of the benchmark (FTSE TMX Canada Long Term Overall Bond Index). A small part of the portfolio is administered directly by the Bank to manage the duration of the Fund's fixed-income investments.

Inflation-linked assets

These include inflation-linked bonds (primarily Government of Canada Real Return Bonds) and inflation-linked mortgages guaranteed by the Canada Mortgage and Housing Corporation.

Real Estate

The Fund is currently invested in a range of real estate instruments across different sectors and regions of Canada, managed by external managers. To further diversify the portfolio, investments in real estate in other countries will be included over the next few years.

Cash

The Fund maintains sufficient cash deposits and Government of Canada treasury bills to meet anticipated payment obligations and investment commitments.

Supplementary Trust Fund

The Supplementary Pension Arrangement (SPA) supplements the pensions of employees whose salary level results in pension benefits that are above the maximum prescribed by the Income Tax Act. The provisions of the SPA mirror the Plan, and a separate trust fund, the Supplementary Trust Fund (STF), has been established to support it. STF investments are directed by the Pension Committee and the PFIC.

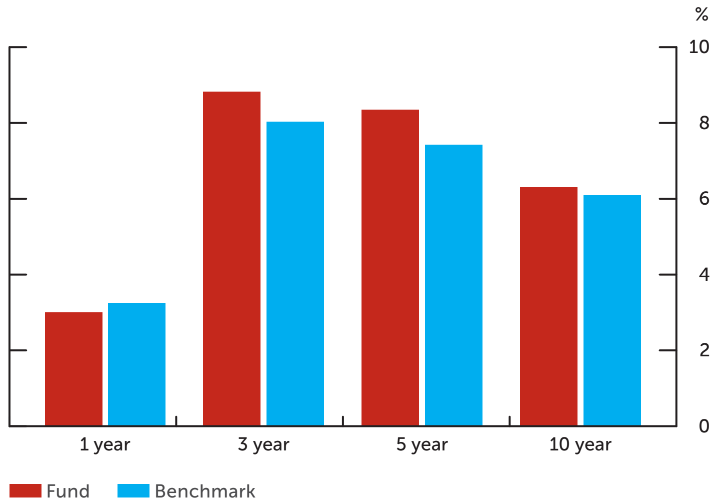
Performance of the Fund

The Fund's 1-year return, ending on 31 December 2015, was 3.0 per cent, slightly below the benchmark return of 3.3 per cent.[2]

The benchmark is based on a mix of indexes, such as the S&P/TSX Composite Index and the Russell 1000 Index, weighted to reflect the asset-mix target of the Fund.

Plan benefits are indexed each year to keep pace with inflation. The current long-term investment objective is to achieve a rate of return of 5.5 per cent, which is equal to the Bank of Canada's 2.0 per cent inflation target plus a real return of 3.5 per cent, after expenses.

Figure 6: Total Fund Rate of Return
(as at 31 December 2015)



2 In this report, rates of return are shown net of investment manager fees.

Actuarial Valuation

2015 Financial Status of the Plan

The Bank has conducted annual actuarial valuations since 2008, when a solvency deficit emerged during the financial crisis. The results of the valuation as at 31 December 2015 showed that the going-concern position of the Plan has strengthened, with a funding surplus of $341 million and a funding ratio of 130 per cent. The Plan had a solvency surplus of $20 million, compared with $36 million in 2014, and a solvency ratio of 101 per cent, compared with 102 per cent the previous year (see **Table 1** and **Table 2**).[3]

Table 1: **Going-Concern Basis**
($ millions, as at 31 December)

	2011	2012	2013	2014	2015
Smoothed value of assets	1,067	1,120	1,237	1,358	1,460
Going-concern liabilities	951	1,000	1,035	1,075	1,119
Surplus	116	120	202	283	341
Funding ratio (assets as a percentage of liabilities)	112%	112%	120%	126%	130%

Table 2: **Solvency Basis**
($ millions, as at 31 December)

	2011	2012	2013	2014	2015
Market value of assets	1,082	1,199	1,331	1,491	1,521
Solvency liabilities	1,178	1,272	1,282	1,455	1,501
Surplus (deficit)	(96)	(73)	49	36	20
Solvency ratio (assets as a percentage of liabilities)	92%	94%	104%	102%	101%

3 The Summary Financial Statements show a different amount of surplus because the assets in the Financial Statements are based on the market value rather than the smoothed value.

The solvency valuation is based on the hypothetical (and very unlikely event) of Plan termination. It assumes that, in this case, the Bank would continue administering the Plan and managing Plan assets while honouring existing pension commitments to Plan members. These assets would be invested in an investment-grade fixed-income portfolio, using principles followed by insurance companies when guaranteeing annuity contracts.

The difference between the solvency ratio and the funding ratio reflects the different methodologies used to calculate each ratio's asset values and liabilities. For solvency purposes, assets are measured at market value, while a smoothed value of assets is used for the going-concern valuation.

To calculate liabilities, the solvency valuation uses fixed-income portfolio market rates as at 31 December. In contrast, the going-concern valuation uses a longer-term average interest rate that reflects the investments of the Fund. The market interest rates used in the solvency valuation are currently well below the longer-term average, which largely explains why the solvency liabilities are greater than the going-concern liabilities.

Plan Contributions

The Bank made regular contributions of $21 million in 2015 to cover the current service costs of the Plan. Employees contribute in accordance with the formula set in the Plan's by-laws. The Bank expects that it will pay about $22 million to the Fund next year in regular contributions.

Pension Administration

Administrative Expenses

The expenses charged to the Fund are reviewed carefully to ensure that they are reasonable and that they are charged in accordance with the terms of the Plan and the Pension Trust Fund Expense Policy.

Table 3 shows the Fund's administrative expenses. Total expenses increased in 2015, mainly due to increases in asset-management fees. Administrative costs as a percentage of net Fund assets were 0.49 per cent, which is comparable with other similar plans.

Table 3: **Administrative Expenses**
($ thousands)

	2013	2014	2015
Asset management fees	3,916	4,961	5,492
Pension administration fees	454	484	550
Other administrative expenses	915	1,069	1,133
Initiatives	99	246	334
Total expenses	5,384	6,760	7,508
Net assets as at 31 December	1,334,320	1,494,551	1,524,760
Total expenses as a percentage of net assets	0.40%	0.45%	0.49%

Asset-management fees rose by about $0.5 million. This was primarily due to an increase in the Plan's assets and the appointment of a new US equity fund manager, which is expected to result in better returns for the Fund. Pension administration fees increased somewhat, owing to a higher volume of transactions. Other administrative expenses rose slightly, primarily because of salary adjustments in the positions paid by the Fund. Expenses related to Initiatives increased as a result of several investment-related projects, including an external review of the Fund's asset allocation.

Communications

In addition to this *Annual Report*, the Bank communicates with Plan members through its yearly newsletter, *Pension News*. Both publications are available to all members in print form, and active employees can find electronic versions on the Bank's intranet site, Banque Centrale. In addition, the *Annual Report* and full audited financial statements are posted on the Bank's external website at www.bankofcanada.ca.

Active employees can find additional information about the Plan on Banque Centrale, including how to estimate the pension they will receive when they retire from the Bank. All Plan members can contact the Bank of Canada Benefits and Pension Administration Centre (Morneau Shepell) if they have questions. See page 22 for contact information.

Pensioner Information Audit

The Bank continued its information audit in 2015, sending forms to another sample group of pensioners asking them to confirm their name and contact information. This important exercise is part of the due diligence required for the rigorous management of the Plan's assets.

A different sample group will be contacted for this audit every year. The process, which is designed to be as simple as possible, is consistent with the practices of other Crown agencies.

Definitions of Some Common Pension Plan Terms

Actuarial valuation
An actuarial valuation estimates, at a point in time, the total value of the benefits expected to be paid to members compared with the assets available to meet this obligation. Its purpose is to measure the funding status of the Plan. This can be done in two different ways:

> *Going-concern basis*
> The going-concern, or funding, basis assumes that the Plan will continue to operate indefinitely. Assumptions are based on a long-term perspective that takes into account such factors as salary increases and rates of interest, inflation, retirement and mortality.
>
> *Solvency basis*
> The solvency basis assumes that the Plan was terminated at the date of the valuation. This means that there is no need to project future salary increases or changes in membership. The assumptions used to calculate the solvency position, such as the interest rate used to estimate liabilities, must meet the requirements of the *Pension Benefits Standards Act* and the standards of the Canadian Institute of Actuaries.

Discount rate
The discount rate is the rate used to discount future liabilities of a defined-benefit pension plan to calculate the present value of the liabilities, often for the purpose of comparing them with the value of the plan's assets.

Funding ratio
The funding ratio, which is applied in a going-concern valuation, is defined as the smoothed value of assets divided by the going-concern actuarial liabilities.

Smoothed value of assets
The smoothed value of assets is used for the going-concern valuation, while the market value is used for the solvency valuation and in financial statements. Smoothing spreads the impact of investment losses or gains from any single year over a longer period of time, which makes contributions to the plan more stable.

Solvency deficiency
Under pension legislation, the solvency deficiency is the amount that is used to calculate the required annual solvency special payments. The deficiency in any specific year is based on the average solvency position of the past three years. The Bank's special payments spread the deficiency amount over five years.

Solvency deficit
The solvency deficit is the amount by which solvency liabilities exceed the market value of assets at a point in time.

Solvency ratio
The solvency ratio is the market value of assets divided by the solvency liabilities.

Solvency surplus
The solvency surplus is the amount by which the market value of assets exceeds the solvency liabilities at a point in time.

Summary Financial Statements

As at 31 December 2015

FINANCIAL REPORTING RESPONSIBILITY

The Bank of Canada (the Bank) is the sponsor and administrator of the Bank of Canada Pension Plan (the Plan) and has established and maintains a trust fund for the Plan. The Bank's Board of Directors has established a Pension Committee and has delegated to it the responsibility for carrying out the Bank's duties as administrator of the Plan.

The accompanying financial statements of the Plan have been prepared by the Bank's management in accordance with Canadian accounting standards for pension plans and contain certain items that reflect estimates and the judgment of management. The integrity and reliability of the data in these financial statements are management's responsibility. Management is also responsible for ensuring that all information in the annual report is consistent with the financial statements.

In support of its responsibility for the integrity and reliability of these financial statements and for the accounting system from which they are derived, management has developed and maintains a system of internal controls to provide reasonable assurance that transactions are properly authorized and recorded, that financial information is reliable, that the assets are safeguarded and liabilities recognized, and that the operations are carried out effectively.

The Pension Committee is responsible for overseeing management of the Plan, and the Bank's Board of Directors has overall responsibility for approving the financial statements. The Pension Committee meets with management and with the external auditor to review the scope of the audit, to review their findings, and to confirm that their responsibilities have been properly discharged. In addition, Mercer (Canada) Limited, a firm of consulting actuaries, conducts a formal actuarial valuation of the Plan annually, as required under the Pension Benefits Standards Act.

Deloitte LLP, the Plan's external auditor, appointed by the Pension Committee, has conducted an independent examination of the financial statements in accordance with Canadian generally accepted auditing standards, performing such tests and procedures as it considers necessary to express an opinion in its report to the Bank of Canada Board of Directors. The external auditor has full, unrestricted access to the Pension Committee to discuss its audit and related findings.

Carolyn Wilkins
Senior Deputy Governor of the Bank of Canada, and Chair, Pension Committee

Carmen Vierula, CPA, CA
Chief Financial Officer and Chief Accountant, and Member, Pension Committee

Ottawa, Canada
16 June 2016

ACTUARY'S OPINION

Mercer (Canada) Limited was retained by the Bank of Canada to perform an actuarial valuation of the going-concern assets and pension obligation of the Bank of Canada Pension Plan (the "Plan") as of 31 December 2015, for inclusion in the Plan's financial statements.

The objective of the financial statements is to fairly present the financial position of the Plan as of 31 December 2015 on a going-concern basis, in accordance with Section 4600 of the Chartered Professional Accountants of Canada Handbook ("Section 4600 of the CPA Canada Handbook"). The assumptions used to estimate the pension obligation of the Plan are the same as those used for the Plan's funding valuation. While the actuarial assumptions used to estimate the pension obligation for the Plan's financial statements represent the Bank of Canada's best estimate of future events, and while in our opinion these assumptions are reasonable for the purposes of these statements, the Plan's future experience will inevitably differ, perhaps significantly, from the actuarial assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations, and will affect the financial position of the Plan at that time, as well as the contributions required to fund it.

As part of our valuation, we examined the Plan's recent experience relative to the economic and non-economic assumptions and presented our findings to management. In addition, we provided the Bank of Canada with other relevant information used to develop its long-term assumptions.

Our assessment of the Plan's going-concern assets and pension obligation was based on:

- the results of our 1 January 2016 actuarial valuation of the Plan's going-concern liabilities for funding purposes,
- pension fund data provided by the Bank of Canada as of 31 December 2015,
- methods prescribed under Section 4600 of the CPA Canada Handbook for pension plan financial statements, and
- assumptions about future events that have been developed by the Bank of Canada and Mercer (Canada) Limited.

We have tested the membership and pension fund data for reasonableness and consistency, and we believe it to be sufficient and reliable for the purposes of the valuation. Our valuation has also been performed in accordance with the requirements of the Canadian Institute of Actuaries. Our opinions have been given and our valuation performed in accordance with accepted actuarial practice.

J. Legault
Fellow of the Canadian Institute of Actuaries
Fellow of the Society of Actuaries

S. Crabtree
Fellow of the Canadian Institute of Actuaries
Fellow of the Society of Actuaries

Mercer (Canada) Limited

Ottawa
19 May 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of the Bank of Canada Board of Directors

We have audited the accompanying financial statements of the Bank of Canada Pension Plan, which comprise the statement of financial position as at 31 December 2015, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank of Canada Pension Plan as at 31 December 2015, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
16 June 2016

Statement of Financial Position

		31 December 2015		As at 31 December 2014
Assets				
Investments (note 4)	$	**1,524,740,960**	$	1,495,013,205
Accrued investment income		**906,485**		537,490
		1,525,647,445		1,495,550,695
Liabilities				
Accounts payable and accrued liabilities		**887,426**		999,495
Net Assets Available For Benefits		**1,524,760,019**		1,494,551,200
Pension obligations (note 6)		**1,118,963,000**		1,074,912,000
Pension Plan Surplus (note 9)	$	**405,797,019**	$	419,639,200

On behalf of the Pension Committee and the Board of Directors of the Bank of Canada

Carolyn Wilkins
Senior Deputy Governor of the Bank of Canada, and Chair, Pension Committee

Carmen Vierula, CPA, CA
Chief Financial Officer and Chief Accountant, and Member, Pension Committee

Colin Dodds
Member, Board of Directors of the Bank of Canada, and Member, Pension Committee

The full set of financial statements, including notes, is available online at
http://www.bankofcanada.ca/about/corporate-governance/pension-plan/ or by request

Statement of Changes in Net Assets Available for Benefits

	For the year ended 31 December 2015	31 December 2014
Increase in Assets		
Investment income (note 4)	**$ 87,496,733**	$ 92,431,998
Current-year change in fair value of investments (note 4)	**(35,445,642)**	82,752,341
	52,051,091	175,184,339
Employer contributions		
Current service (note 9)	**21,377,018**	20,738,534
Special payment for pension plan deficit (note 9)	**-**	4,872,000
Employee contributions		
Current service	**7,217,470**	6,867,069
Past service	**976,647**	942,240
Transfers from other plans	**4,443,068**	3,315,315
	34,014,203	36,735,158
	86,065,294	211,919,497
Decrease in Assets		
Retirement benefit payments	**40,974,027**	38,254,655
Termination benefit payments	**3,375,331**	2,171,674
Disability benefit payments	**104,577**	102,641
Death benefit payments	**3,894,703**	4,399,043
Administrative expenses (note 7)	**7,507,837**	6,760,242
	55,856,475	51,688,255
Increase in Net Assets Available for Benefits	**30,208,819**	160,231,242
Net Assets Available For Benefits, Beginning of Year	**1,494,551,200**	1,334,319,958
Net Assets Available For Benefits, End of Year	**$ 1,524,760,019**	$ 1,494,551,200

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http://www.bankofcanada.ca/about/corporate-governance/pension-plan/ or by request

Statement of Changes in Pension Obligations

		For the year ended
	31 December 2015	**31 December 2014**
Increase in Pension Obligations		
Benefits earned	**$ 34,014,203**	$ 31,863,158
Interest cost	**58,726,000**	56,568,000
Experience loss	**2,537,435**	-
	95,277,638	88,431,158
Decrease in Pension Obligations		
Retirement benefit payments	**40,974,027**	38,254,655
Termination benefit payments	**3,375,331**	2,171,674
Disability benefit payments	**104,577**	102,641
Death benefit payments	**3,894,703**	4,399,043
Experience gain	**-**	2,421,145
Gain on change of assumptions	**2,878,000**	1,210,000
	51,226,638	48,559,158
Net Increase in Pension Obligations	**44,051,000**	39,872,000
Pension Obligations, Beginning of Year	**1,074,912,000**	1,035,040,000
Pension Obligations, End of Year	**$1,118,963,000**	$1,074,912,000

The full set of financial statements, including notes, is available online at
http://www.bankofcanada.ca/about/corporate-governance/pension-plan/ or by request

Additional Information

The Bank of Canada Pension Plan is registered with the Office of the Superintendent of Financial Institutions for the purposes of the Pension Benefits Standards Act, which regulates the Plan's design, funding, investment policy and operations. The Plan is also registered with the Canada Revenue Agency for the purposes of the Income Tax Act (Canada), which regulates the maximum contributions payable to, and the maximum permissible defined benefits payable from, a tax-sheltered pension arrangement.

For pension or post-retirement questions and requests, contact the Bank of Canada Benefits and Pension Administration Centre:

The Bank of Canada Benefits and Pension Administration Centre

Morneau Shepell Inc.
1060 Robert-Bourassa Blvd.
Suite 900
Montréal, Quebec
H3B 4V3

08:00 to 18:00 (Eastern Time)
Monday to Friday

Active employees: **1-888-903-3308**
Retirees: **1-888-588-6111**

bank-banque-canada@morneaushepell.com

For payroll questions or customer service concerns, contact the HR Centre:

HR Centre

Bank of Canada
3rd Floor
234 Laurier Avenue West
Ottawa, Ontario
K1A 0G9

10:00 to 16:00 (Eastern Time)
Monday to Friday

7766 (internal), **613-782-7766** (Ottawa)
or **1-866-404-7766** (toll-free)

hrcentre@bankofcanada.ca