



BANK OF CANADA
BANQUE DU CANADA



BANK OF CANADA **PENSION PLAN** ANNUAL REPORT 2017



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

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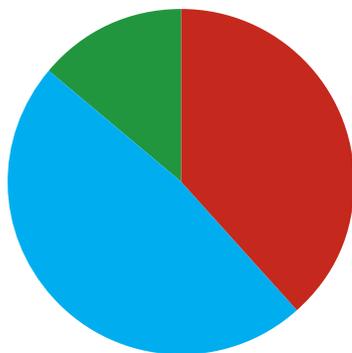
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Your Plan at a glance

- The Bank of Canada Pension Plan (the Plan) had 3,778 members at the end of 2017 (Figure 1).
- Pension payments from the Pension Trust Fund (the Fund) continued to increase, reaching \$49.1 million in 2017 (Figure 2).
- The value of the Fund's net assets increased to \$1,780 million at the end of 2017, from \$1,619 million at the end of 2016 (Figure 3).
- The Fund's rate of return was 11.3 per cent in 2017, in line with our policy benchmark return of 11.4 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 \$478 million (Figure 4) and a funding ratio of 140 per cent as at December 31, 2017.
- 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 \$170 million (Figure 4) and a solvency ratio of 111 per cent as at December 31, 2017.
- The Bank contributed \$25 million to the Fund in 2017.

Figure 1: Membership
(as at December 31, 2017)



- Active: 1,451
- Pensioners (including surviving spouses): 1,811
- Deferred: 516

Figure 2: Payments from the Fund, 2015–17

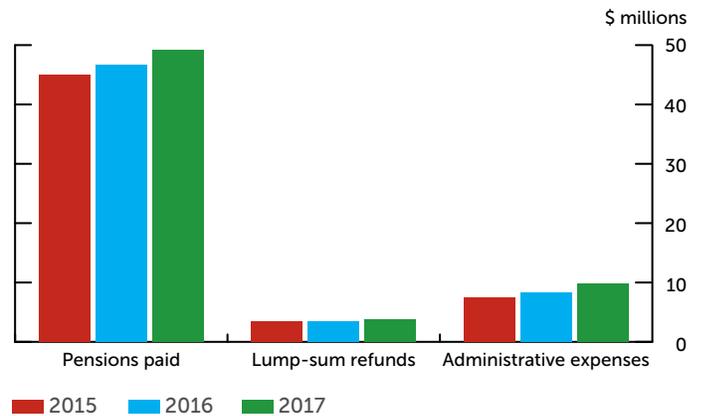


Figure 3: Net Assets of the Fund, 2013–2017
(as at December 31)

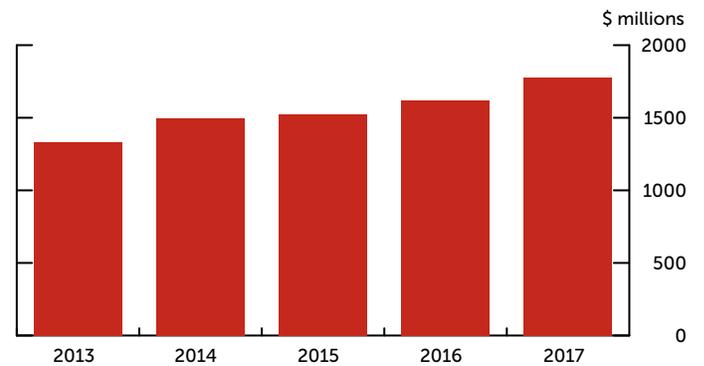
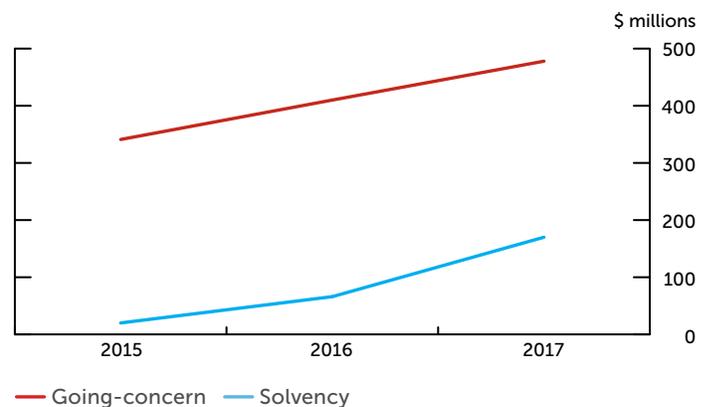


Figure 4: Funding Position, 2015–17
(as at December 31)





Message from the Chair

The benefits offered through our Pension Plan are a significant component of the Bank's total compensation package, and I am pleased to present an overview of its performance in 2017.

The Plan continued to perform well. It remains in a strong position, and the Bank continues to be well positioned to meet its obligation to provide a secure retirement for Bank employees.

Sound fund-management practices, our commitment to continuous improvement, and the hard work and dedication of those who manage the Plan have contributed to this success.

The Plan's position

The Bank's Pension Trust Fund generated an annual investment return of 11.3 per cent in 2017—well above the previous year's return of 7.5 per cent and broadly in line with the policy benchmark, which returned 11.4 per cent. Global equity markets performed particularly well in 2017 and were a key contributor to the Fund's overall performance. More information is provided in the "Pension assets and investments" section of this report.

As of the end of 2017, the Plan showed a \$478 million surplus on a going-concern basis, meaning there are more than sufficient assets to fund all pensions accrued or payable. This surplus brought the Plan's funding ratio to 140 per cent, or 40 per cent above the Plan's liabilities. This result compares with a surplus of \$410 million at the end of 2016, which equated to a funding ratio of 135 per cent.

On a solvency basis (which assumes that the Plan would be terminated on the date of the valuation), the Plan had a surplus of \$170 million at the end of 2017, compared with \$66 million at the end of 2016. The Plan had a solvency ratio of 111 per cent, or 11 per cent above the Plan's solvency liabilities, compared with 104 per cent the previous year.

Bank pension contributions

Given the Plan's strong performance in 2017, regulations under the *Income Tax Act* prohibit the Bank from making further contributions to it after June 2018.

Bank contributions to the Plan will resume depending on the results of actuarial valuations in subsequent years.

For more information, see the "Actuarial valuation" section (p. 10).

Acknowledgements

I wish to recognize the valued contributions to the Plan of three people who have moved on from their committee roles.

We said goodbye to Meyer Aaron, who led the Pension Fund team from 2008 to 2012 and continued to serve on the Pension Fund Investment Committee until 2017. Meyer has retired from the Bank, and his role on the Committee has been filled by Alejandro Garcia from the Funds Management and Banking Department.

Two members of the Pension Administration Committee are also moving on. After four years of service to the Committee, Adelle Laniel has been replaced by Maxime Puech from the Financial Services Department; Lucie Gauvin retired this year after seven years of Committee service and has been replaced by Aaron Dolan from Communications.

I want to thank Meyer, Adelle and Lucie for their commitment and hard work over the years and to welcome Alejandro, Maxime and Aaron to their new roles.

Finally, I'd like to acknowledge the continuing contributions of the Bank's Board of Directors and everyone else who contributed their skills and expertise to the management of the Plan over the past year. Your support has been much appreciated.



Carolyn A. 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 the Plan and make decisions related to its administration and the investment of its 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.

Members of the three committees¹



¹ As at May 31, 2018

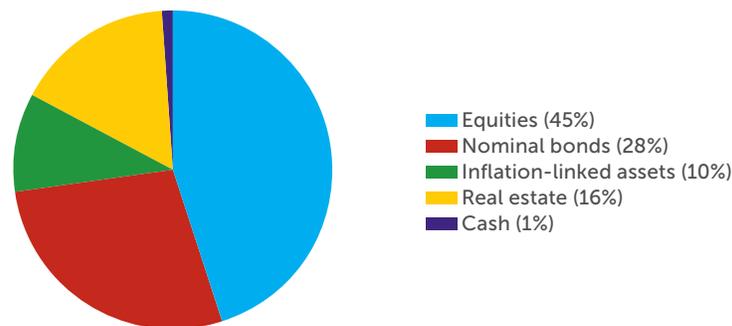
Pension assets and investments

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, 2017^a
 (as at December 31, 2017)



a. Policy allocation midpoints

Asset-liability modelling study

We work with external pension experts to do a comprehensive review—known as an asset-liability modelling (ALM) study—once every three years. This review examines the Fund’s portfolio of assets in light of emerging economic, financial and investment trends. Any recommendations regarding the strategic asset allocation are considered within the context of our broader investment objectives: to keep the risk-return profile of the Fund aligned with the Pension Committee’s level of 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.

The most recent ALM study was conducted in 2015, and we have mostly completed the implementation of the recommendations from that study. These recommendations focused mainly on further diversifying the return-seeking assets by reducing the Plan’s exposure to equities and increasing its exposure to real estate and on enhancing the return of our liability-matching assets while maintaining an appropriate amount of risk. Looking ahead, another ALM study will be conducted in 2018, and the results will be communicated in the 2018 annual report.

Investments

The Fund's day-to-day investment activity is overseen by the PFIC, which makes quarterly reports to the Pension Committee. 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

Nominal bond holdings are invested in a mix of Canadian-issued bonds and debentures, including publicly marketable securities and high-quality private infrastructure loans. Most of these holdings are managed externally. 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 assets 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, the United States and Europe, managed by external managers.

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.

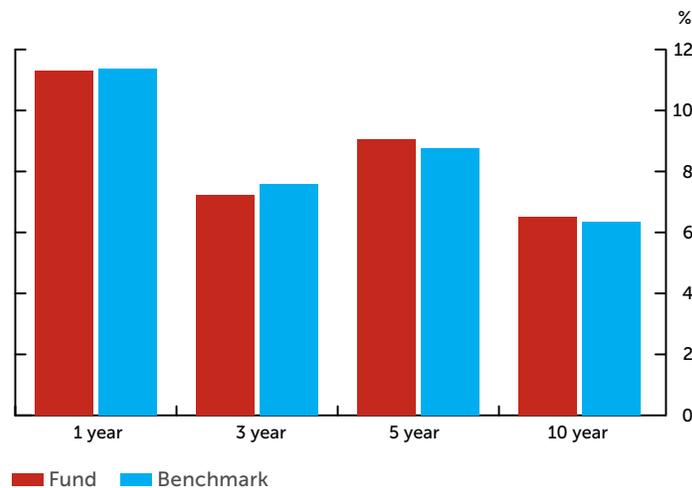
Performance of the Fund

The Fund's one-year return, ending on December 31, 2017, was 11.3 per cent, broadly in line with the benchmark return of 11.4 per cent.² Global equity markets, which performed particularly well over the period, were a key contributor to the overall strong performance of the Fund.

The Fund's overall 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 December 31, 2017)



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

Actuarial valuation

Financial status of the Plan in 2017

The Bank has conducted annual actuarial valuations of the Plan since 2008, when a solvency deficit emerged during the financial crisis. The results of the valuation as at December 31, 2017 showed that the going-concern position of the Plan has strengthened, with a funding surplus of \$478 million and a funding ratio of 140 per cent. The Plan had a solvency surplus of \$170 million, compared with \$66 million in 2016, and a solvency ratio of 111 per cent, compared with 104 per cent the previous year (see **Table 1** and **Table 2**).³

Table 1: Going-concern basis

(\$ millions, as at December 31)

	2013	2014	2015	2016	2017
Smoothed value of assets	1,237	1,358	1,460	1,568	1,688
Going-concern liabilities	1,035	1,075	1,119	1,158	1,210
Surplus	202	283	341	410	478
Funding ratio (assets as a percentage of liabilities)	120%	126%	130%	135%	140%

Table 2: Solvency basis

(\$ millions, as at December 31)

	2013	2014	2015	2016	2017
Market value of assets	1,331	1,491	1,521	1,616	1,775
Solvency liabilities	1,282	1,455	1,501	1,550	1,605
Surplus (deficit) ^a	49	36	20	66	170
Solvency ratio (assets as a percentage of liabilities)	104%	102%	101%	104%	111%

a. Numbers may not add to total because of rounding.

³ The summary financial statements show a different amount of surplus from the actuarial valuation report because the assets in the financial statements are based on the market value rather than on the smoothed value.

The solvency valuation is based on the hypothetical (and very unlikely) event of Plan termination. It assumes, in this case, that 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 a discount rate based on fixed-income portfolio market rates as at December 31, 2017. 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 \$25 million in 2017 to cover the current service costs of the Plan; employees contribute in accordance with the formula set out in the Plan's by-laws.

In 2018, the Bank made about \$14 million in contributions to the Fund, ending in June when the actuarial valuation report was filed with regulators. Regulations under the *Income Tax Act* prohibited the Bank from making contributions to the Plan after that, due to its strong funding position, as discussed in the Message from the Chair.

Employer contributions are prohibited if a plan's going-concern funding ratio exceeds 125 per cent and the solvency ratio exceeds 105 per cent; at the end of 2017 the Bank's ratios were 140 per cent and 111 per cent respectively.

The strong position of the Plan results mainly from the effects of special contributions of \$125 million made from 2009 to 2014, when the Plan had a solvency deficit, and superior investment returns in the past several years.

Bank contributions to the Plan will resume depending on the results of actuarial valuations in subsequent years.

Pension administration

Administrative expenses

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

Table 3 shows the Fund's administrative expenses. Total expenses increased in 2017, primarily driven by an increase in asset-management fees of \$1.4 million. These increased fees reflect the growth in the Plan's assets and changes of fund managers, who are expected to make the portfolio more efficient.

Table 3: Administrative expenses

(\$ thousands)

	2015	2016	2017
Asset-management fees	5,492	6,219	7,609
Pension administration fees	550	588	704
Other administrative expenses	1,133	1,150	1,299
Initiatives	334	300	196
<i>Total expenses</i>	7,508	8,257	9,809
Net assets as at December 31	1,524,760	1,619,295	1,780,000
Total expenses (as a percentage of net assets)	0.49%	0.51%	0.55%

As of 2017, the Pension Trust Fund Expense Policy was updated following a regular governance review. This resulted in all consumption taxes attributable to the Fund being charged to it rather than to the Bank, beginning on January 1, 2017. These taxes totalled approximately \$590,000 for the year.⁴

Pension administration fees increased due to a higher volume of transactions. Expenses related to initiatives decreased because of lower expenditures on investment-related projects.

Total administrative costs as a percentage of net Fund assets were 0.55 per cent, which is comparable with the costs for similar plans.

⁴ Consumption taxes are allocated proportionately against all lines reported for 2017 in Table 3 to the extent that each element is subject to these taxes.

Communications

In addition to this annual report, the Bank communicates with Plan members through its annual newsletter, *Pension News*. Print versions of both publications are available to all members; 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 are entitled to receive annual pension statements. Since June 2017, pensioners and deferred members also receive annual statements.

Active employees can find additional information about the Plan on Banque Centrale. They can also use a tool on the Selection Centrale website 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 2017, sending forms to another sample group of pensioners and 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 given point in time, the total value of the benefits expected to be paid to members compared with the assets available to meet this obligation. The purpose of the valuation 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 accounts for 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 employed 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 interest rate used to discount the 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, 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 the Plan's 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

December 31, 2017

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 summary financial statements are derived from the audited financial statements of the Plan (the financial statements), prepared by the Bank's management in accordance with Canadian accounting standards for pension plans, as at December 31, 2017 and for the year then ended. The financial statements contain certain items that reflect estimates and the judgment of management. The integrity and reliability of the data in the financial statements are management's responsibility. Management is also responsible for ensuring that all information in the Plan's Annual Report is consistent with the financial statements.

In support of its responsibility for the integrity and reliability of the 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 and summary 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 as to the integrity of the Plan's financial reporting and the adequacy of internal control systems.



Carolyn A. Wilkins,
Senior Deputy Governor, and
Chair, Pension Committee



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

Ottawa, Canada
June 14, 2018

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 obligations of the Bank of Canada Pension Plan (the Plan) as of December 31, 2017, 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 December 31, 2017 on a going-concern basis, in accordance with Section 4600 *Pension Plans* (Section 4600) of the Chartered Professional Accountants of Canada (CPA Canada) Handbook. The assumptions used to estimate the pension obligations of the Plan are the same as those used for the Plan's funding valuation. While the actuarial assumptions used to estimate the pension obligations 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 obligations was based on:

- the results of our January 1, 2018 actuarial valuation of the Plan's going-concern liabilities for funding purposes,
- pension fund data provided by the Bank of Canada as of December 31, 2017,
- 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. J. Ramonat
Fellow of the Canadian Institute of Actuaries
Fellow of the Society of Actuaries

Mercer (Canada) Limited

Ottawa, Canada
May 17, 2018

Report of the Independent Auditor on the Summary Financial Statements

To the Members of the Bank of Canada Board of Directors

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2017, the summary statement of changes in net assets available for benefits, and the summary statement of changes in pension obligations for the year then ended, are derived from the audited financial statements of the Bank of Canada Pension Plan for the year ended December 31, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated June 14, 2018.

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for pension plans. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Bank of Canada Pension Plan.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the established criteria stipulating that the summary financial statements are derived from the complete set of financial statements of the Bank of Canada Pension Plan and that they meet the recognition and measurement principles of Canadian accounting standards for pension plans.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *"Engagements to Report on Summary Financial Statements."*

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of the Bank of Canada Pension Plan for the year ended December 31, 2017 are a fair summary of those financial statements, in accordance with the established criteria stipulating that the summary financial statements are derived from the complete set of financial statements of the Bank of Canada Pension Plan and that they meet the recognition and measurement principles of Canadian accounting standards for pension plans.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Canada
June 14, 2018

Summary statement of financial position

As at December 31 (in Canadian dollars)

	2017	2016
Assets		
Investments	1,780,565,207	1,619,589,832
Accrued investment income	694,051	760,889
	1,781,259,258	1,620,350,721
Liabilities		
Accounts payable and accrued liabilities	1,726,789	1,056,182
	1,779,532,469	1,619,294,539
Net assets available for benefits		
	1,210,049,000	1,157,783,000
Pension obligations		
Pension plan surplus	569,483,469	461,511,539

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



Carolyn A. Wilkins,
Senior Deputy Governor, and Chair, Pension
Committee



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



Colin Dodds,
Member, Board of Directors, and
Member, Pension Committee

Summary statement of changes in net assets available for benefits

For the year ended December 31 (in Canadian dollars)

	2017	2016
Increase in assets		
Investment income	74,253,507	83,798,791
Current-year change in fair value of investments	112,299,448	35,806,703
	186,552,955	119,605,494
Employer contributions		
Current service	24,895,059	23,167,478
Employee contributions		
Current service	8,146,058	7,655,847
Past service	1,149,707	840,520
Transfers from other plans	2,131,983	1,661,541
Total contributions	36,322,807	33,325,386
Total increase in assets	222,875,762	152,930,880
Decrease in assets		
Retirement benefit payments	44,882,317	42,555,113
Termination benefit payments	3,691,472	3,538,161
Disability benefit payments	107,356	105,843
Death benefit payments	4,147,738	3,940,733
Administrative expenses	9,808,949	8,256,510
Total decrease in assets	62,637,832	58,396,360
Net increase in net assets available for benefits	160,237,930	94,534,520
Net assets available for benefits, beginning of year	1,619,294,539	1,524,760,019
Net assets available for benefits, end of year	1,779,532,469	1,619,294,539

Summary statement of changes in pension obligations

For the year ended December 31 (in Canadian dollars)

	2017	2016
Increase in pension obligations		
Benefits earned	36,322,807	33,325,386
Interest cost	63,224,148	61,718,000
Experience loss	5,547,928	-
Loss on change of assumptions	-	1,721,000
	105,094,883	96,764,386
Decrease in pension obligations		
Retirement benefit payments	44,882,317	42,555,113
Termination benefit payments	3,691,472	3,538,161
Disability benefit payments	107,356	105,843
Death benefit payments	4,147,738	3,940,733
Experience gain	-	7,804,536
	52,828,883	57,944,386
Net increase in pension obligations	52,266,000	38,820,000
Pension obligations, beginning of year	1,157,783,000	1,118,963,000
Pension obligations, end of year	1,210,049,000	1,157,783,000

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, 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
bank-banque-canada@morneaushepell.com

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

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

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

HR Centre

Bank of Canada
10th Floor, East Tower
234 Wellington Street
Ottawa, Ontario K1A 0G9
hrcentre@bankofcanada.ca

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

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