



BANK OF CANADA
BANQUE DU CANADA

Pension Plan Annual Report 2025



About the Plan

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, investments and operations. The Plan is also registered with the Canada Revenue Agency in compliance with the *Income Tax Act*, which regulates the maximum contributions payable to, and the maximum permissible defined benefits payable from, a tax-sheltered pension arrangement. Assets are held in trust in the Pension Trust Fund and invested according to the investment strategy.

Under the *Pension Benefits Standards Act* and the terms of the Plan ([by-law 15](#)), the Bank is the Plan administrator.

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

ISSN 1914-5691 (Print)
ISSN 1487-2466 (Online)
© Bank of Canada 2026

Contents

- About the Plan 2
- Message from the Chair 4
- Your Plan at a glance 6
- Pension Plan governance 8
- Pension Fund assets and performance 8
- Actuarial valuation 10
- Pension Plan administration: information for members 12
- Additional information 14
- Contact information 15
- Glossary 15

Message from the Chair



I'm pleased to share the Bank of Canada's *Pension Plan Annual Report*. The Pension Plan remained financially strong at the end of 2025, ensuring our members can enjoy a secure retirement.

Above-benchmark returns

Net investment returns were 7.8% in 2025, above our benchmark of 7.2% and the long-term target of 5.5%. This performance was largely the result of strong returns from our investments in public equities and infrastructure assets.

Contributions to the Plan

The Plan continues to be well positioned to meet its financial obligations to our members and remains strong on both a going-concern and a solvency basis. As required by regulations under the *Income Tax Act*, the Bank did not contribute to the Plan in 2025. Employee contributions did not change.

Funding policy review

As part of our commitment to sound governance, we review the Plan's funding policy every three years. Our 2025 review included discussions with members of the Pension Committee of the Bank's Board of Directors about the risk appetite and approach to risk management. These conversations informed the subsequent asset-liability modelling (ALM) study.

Asset-liability modelling study

We moved the ALM study to 2025 given the changes in the economic and financial markets environments since the previous study in 2022. Conducting the study one year earlier than previously scheduled helps support the Plan's long-term financial strength. Changes to the asset mix resulting from the study will begin in 2026.

Actuarial experience study

We reviewed the demographic assumptions used in the last actuarial valuation to ensure our pension liabilities reflect current reality. Most assumptions continue to be appropriate, with only minor adjustments required. Our most recent actuarial valuation reflects those updated assumptions.

A note of thanks

I would like to acknowledge the work of our employees and committee members who provide their expertise in overseeing, managing and administering our Plan.

The report that follows contains more information about our Plan's activities, investments and financial position.



Carolyn Rogers
Senior Deputy Governor and
Chair of the Pension Committee

Your Plan at a glance

Financial overview 2025



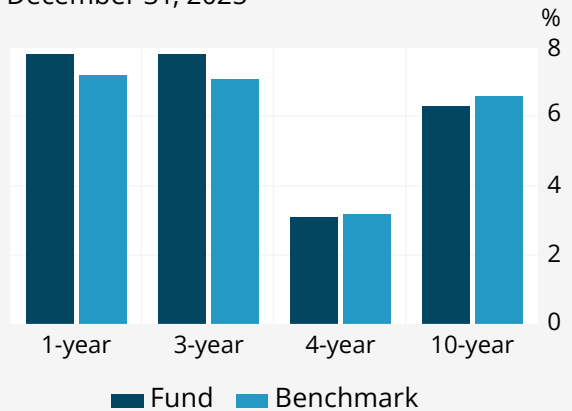
Pension payments from the Fund: **\$70 million**



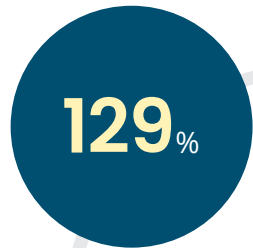
Value of the Fund's assets: **\$2,412 million**

Chart 1: Total Fund rate of return, net of fees

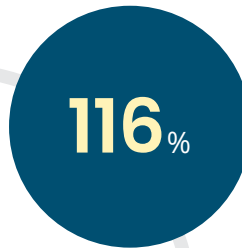
As at December 31, 2025



Note: More information on the Fund's benchmark can be found in the **Performance of the Fund** section. The Fund's long-term target return of 5.5% is a different concept from the Fund's benchmark return. The target represents the Fund's long-term expected return assumption used in actuarial valuations.



Funding ratio on a going-concern basis



Funding ratio on a solvency basis



Surplus on a going-concern basis



Surplus on a solvency basis

Your Plan at a glance

Membership overview 2025



Total membership: **4,441**

1.14 to 1.0
Pensioner to
employee ratio

102
Age of oldest
member

23
Age of youngest
member

1,831

Active members
(41%)

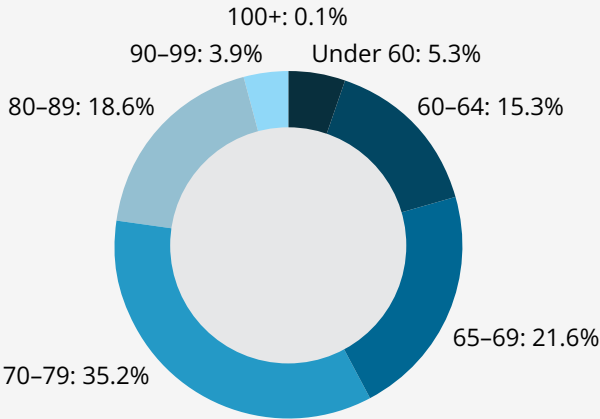
516

Deferred members
(12%)

2,094

Retired members
(47%)

Chart 2: Age of those receiving a pension benefit



Pension Plan governance

The Plan has strong governance structures in place that promote effective decision-making, prudent resource management and regular communication with Plan members, beneficiaries, regulators and other stakeholders. Our oversight, management and administration frameworks ensure that we adequately fund Plan benefits and properly manage risks.



See the Plan's governance documents.

Committees

The Pension Committee, the Pension Administration Committee and the Pension Fund Investment Committee jointly oversee the Plan. The Bank ensures committee members are equipped to fulfill their roles by educating them about the Plan and the statutory and regulatory framework in which it is administered.



See the committees' terms of reference, roles and current members.

Funding and expense policy review

As part of our ongoing commitment to robust governance, we conduct a comprehensive review of our funding and expense policies every three years. This regular review ensures that our policies remain aligned with best practices, current regulatory guidance and any relevant legislative changes.

In September 2025, the Board approved updated funding and expense policies. These updates reinforce our focus on risk management, support effective decision-making and ensure the continued financial health and sustainability of the Plan.

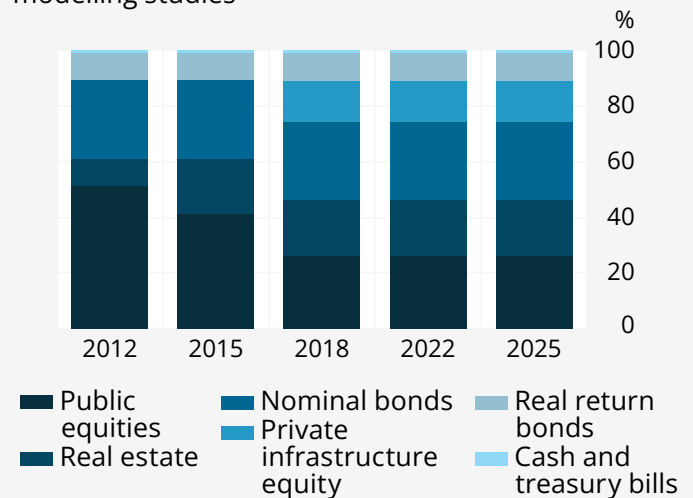
Pension Fund assets and performance

Assets

To achieve our long-term investment goals, the Fund has a diversified portfolio of investments (**Chart 3**). We carefully select asset classes to protect against various risks.

Our portfolio has evolved over time to reduce the impact of market volatility on the Plan. Diversifying asset classes and investment strategies helps preserve the Plan's financial strength.

Chart 3: A history of the Fund's asset mix
Target asset mix emerging from asset-liability modelling studies



Note: The decision to add private infrastructure equity to the Fund's target mix was a result of the asset-liability modelling study in 2018. However, this allocation was fully implemented in 2022.

We continue to consider environmental, social and governance issues when selecting our investment strategies for the long-term health of the Plan. The [Bank of Canada Disclosure of Climate-Related Risks 2025](#) describes how we are integrating climate change considerations into our investment decisions.

External managers invest most of the Fund's assets on our behalf. We select these managers for their expertise in specific asset classes and their investment strategies. We closely monitor their performance and recommend changes to the Pension Committee as required.

Asset allocation

We regularly conduct asset-liability modelling (ALM) studies to guide our investment strategy and ensure the long-term sustainability of the Plan (**Table 1**). The last ALM study was completed in 2022. Since then, there have been shifts in the economic landscape, financial markets, investment risks and expectations for returns. For these reasons, and given the Plan's strong financial position, the ALM study planned for 2026 was moved up to 2025. Conducting the study a year earlier than planned gave us an opportunity to explore potential de-risking strategies and further strengthen the Plan's resilience.

Based on the study's findings, the Pension Fund Investment Committee (PFIC) made recommendations that were approved by the Pension Committee and subsequently by the Board of Directors. The approved recommendations will be implemented throughout 2026 and into 2027, if needed.

Table 1: Asset mix and returns (before fees) by asset class

Assets	Year-end 2025	Return (%)	
	Actual asset mix (%)	1-year	10-year
Return-seeking			
Canadian equity	12	38.6	13.7
Global equity	18	17.8	11.7
Private infrastructure equity	16	7.7	n/a*
Real estate	16	3.9	5.1
Liability-matching			
Nominal bonds	27	-1.0	1.8
Real return bonds	10	-1.1	1.6
Cash	1	2.7	2.0
Total	100	8.1	6.6

* Private infrastructure equity was added to our portfolio of assets in 2022.

Performance of the Fund

The Fund's overall benchmark, against which we compare our rate of return, is based on a mix of indexes such as the [S&P/TSX Composite Index](#) and the [MSCI World Index](#) (**Chart 4**). These indexes are weighted to align with the Fund's target asset mix.

The net return of 7.8% this year was above the benchmark of 7.2% and well over the 2025 investment target of 5.5%. This target equals the Bank's 2% inflation target plus a real return of 3.5% after investment expenses.

Like last year, the Fund's gains this year came, in part, from the solid performance of our public equities and our infrastructure assets. The fundamentals for commercial real estate remain strong, except for the office sector. However, market movements led to a rise in long-term interest rates, which has reduced the value of bonds in our portfolio. This generated downward pressure on bond returns over the 1- and 10-year periods.

Actuarial valuation

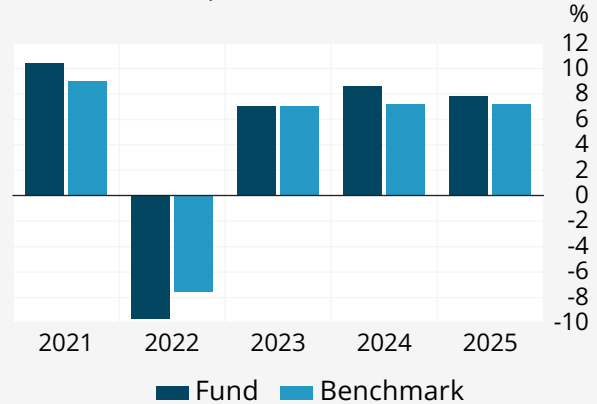
The [actuarial valuation](#) compares the total value of benefits expected to be paid to Plan members with the assets available to meet this obligation. The valuation's purpose is to measure the funding status of the Plan and set the level of Bank contributions. This is done in two ways:

- The [going-concern](#) valuation indicates the long-term financial strength of the Plan, assuming it will continue to operate indefinitely.
- The [solvency](#) valuation is based on the hypothetical event of Plan termination.

The Bank conducts actuarial valuations each year, as required by regulation. The result of the 2025 valuation showed that the going-concern and solvency positions of the Plan have remained strong as at December 31 (**Chart 5** and **Chart 6**).

Chart 4: Total Fund rate of return, net of fees

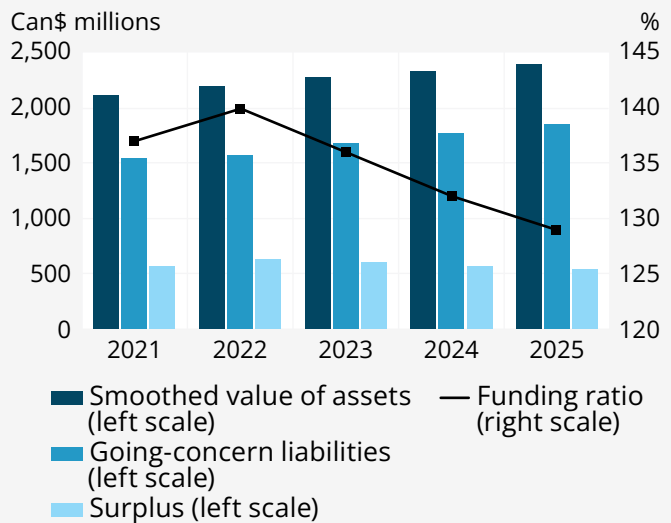
As at December 31, 2025



Note: The *Benchmark* composition has changed over time to reflect changes to our target asset mix as represented in the Internal Investment Guidelines or our Statement of Investment Policies and Procedures.

Chart 5: Going-concern position

As at December 31, 2025



Note: *Funding ratio* is the smoothed value of assets as a percentage of liabilities.

The *Income Tax Act* prohibits employer contributions when the going-concern ratio is greater than 125%, except where they are required by the *Pension Benefits Standards Act*. As a result, the Bank did not contribute to the Plan in 2025.

The resumption of Bank contributions will depend on the results of future actuarial valuations. Employee contributions do not change.

Actuarial experience study

We conduct an [actuarial experience study](#) every three years to ensure the assumptions used in the actuarial valuation reflect the Plan’s experience.

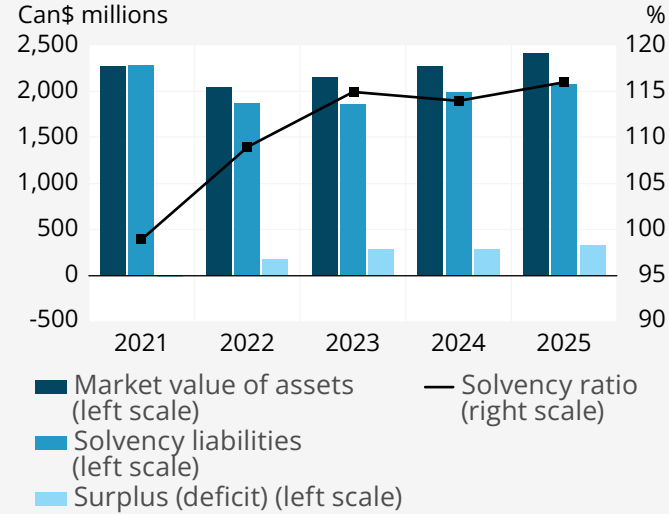
Ensuring these assumptions remain accurate is important to the Plan and its members. The assumptions are used to forecast future benefit payments, which directly affects required contributions today. If the assumptions differ from actual experience, gains or losses can arise that affect funding and contributions.

In 2025, we analyzed five years of Plan data and compared the results with relevant industry data, updating our assumptions to improve accuracy of future projections. This analysis included reviewing economic factors, salary progression, retirement ages and whether members have a spouse at retirement.

Overall, the study confirmed that most assumptions remain appropriate, with only minor adjustments required, providing continued confidence in the Plan’s funding and supporting its long-term sustainability for all members.

Chart 6: Solvency position

As at December 31, 2025



Note: Solvency ratio is the market value of assets as a percentage of liabilities.

Supplementary Pension Arrangement valuation

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. The Pension Committee and the Pension Fund Investment Committee direct STF investments.

The Bank conducts actuarial valuations of the SPA every three years. The results for most recent valuation are as at December 31, 2025. Given the Plan’s funded status, the Bank will continue to contribute its share of the current-service costs, which is in line with the SPA funding policy.

Pension Plan administration: Information for members

Member services

TELUS Health provides pension administration services for Plan members. These services include preparing individual annual pension statements and options packages. TELUS Health also performs calculations for employees who leave the Bank, want to buy back prior Bank service or wish to transfer their pension from a previous employer.

We work with TELUS Health to continuously improve the services they provide to you, and we welcome your feedback.

Member services by the numbers

7,341 Logins to the pension projection tool for pension estimates

6,218 Logins to the communication centre to access personal pension documents*

1,430 Pension-related transactions completed for members

175 Buy-back calculations

* Includes personal annual statements for active employees and pensioners, as well as tax documents and pay statements for pensioners.

Your pension and benefits documents are just a few clicks away

Your annual statements, benefits guides and more are available at selectioncentrale.ca. The options you see there depend on whether you are an active employee or a pensioner.

Active employees

- Access your annual pension statements and the pension projection tool from the “Financial Security & Retirement” tab.
- Find pension forms and documents, information about the Plan and other resources in the “Recommended for Me” section.

Pensioners

- Access your annual pension statements, tax slips, pay statements and benefits guides from the “Financial Security & Retirement” tab.
 - From there, go to “My documents” and select the document you want to view or download. (If you are unable to view the document, please click “unable to view your document” for assistance.)

- Select “Tax slips” to view all your tax documents since 2023.
 - Choose “Pay statements” to see all monthly pay statements since January 2024 or the date you retired, whichever is more recent.
- Access your benefits information under the “Health & Well-being” tab.
- From there, go to “My Plans” then the “Recommended for Me” section. Here you will see information guides for the version of the Plan and à la carte Benefits Program in which you are enrolled. To close the window, click the arrow icon found in the top right corner of the page.

Annual pension statement

This document provides important details about your pension. Annual pension statements are available online by mid-June every year and are mailed to each member’s home address, as required by legislation. **Check your statement to ensure it is accurate and contact TELUS Health if you have questions.**

Maintaining accurate records

Keeping our records up to date is an essential component of administering the Plan and ensures we are making pension payments to the right person at the right time. Every year, we contact about one-third of pensioners who have been retired for more than 10 years to verify their personal information. The most recent round of letters was mailed in May 2025, followed by a reminder in September 2025. Thank you to everyone who responded.

Administrative expenses

We carefully review each expense charged to the Fund to ensure it is reasonable and meets the terms of the Plan and the Pension Trust Fund Expense Policy (**Table 2**). As part of this work, we compare our expenses against those of peer organizations. A review of the policy in 2025 confirmed it remains consistent with industry best practices.

Table 2: Pension Trust Fund expenses

As at December 31, in thousands of Canadian dollars

	2023	2024	2025
Investment management fees	12,220	13,358	13,577
Pension administration fees	941	1,231	1,443
Audit and actuarial fees	225	158	201
Other administrative fees	1,680	1,699	1,995
Tax expense (recoveries)	298	260	265
Net expenses	15,364	16,706	17,481
Net assets as at December 31	2,152,497	2,278,081	2,411,715
Total expenses as a percentage of net assets	0.71%	0.73%	0.72%

Additional information

Communications

In addition to the *Pension Plan Annual Report* and *Pension News*, we share information with Plan members in various ways:

- **Bank of Canada website**, bankofcanada.ca (*all members*): Find the Bank of Canada Pension Plan governance documents and annual reports.
- **Banque Centrale** (*active employees*): Learn about the Plan and find links to other important information.
- **Electronic newsletter** (*pensioners and deferred members*): Get non-confidential Plan information in a subscription-based email newsletter. A personalized unique ID is required to subscribe. Join the more than 1,100 members who have already signed up by contacting the Bank's [HR Centre](#) to register.
- **Your annual pension statement** (*all members*): See the Plan's financial position as at December 31 and get an at-a-glance view of your personal pension information, including the name of your spouse or beneficiary on record.
- **Your pay statements** (*pensioners*): View your monthly pay statements on Selection Centrale (available after your payment is deposited in your bank account).
- **Your tax documents** (*pensioners*): Download your tax documents on Selection Centrale in late February.

Contact information

Find out where to go for help, who can answer your questions and how to update your personal information.

Active members

Pension or benefits inquiries:

Contact [TELUS Health](#).

Payroll or client service issues:

Use [ServiceNow](#) via your work computer.

Address updates:

Use [PASSePORT](#) via your work computer.

Pensioners

Personal, contact and banking information updates:

Contact [TELUS Health](#) or visit www.selectioncentrale.ca (under “Financial security and retirement”).

Pension or benefits inquiries:

Contact [TELUS Health](#).

Client service issues:

Contact the Bank’s [HR Centre](#).

Members with deferred pensions

Pension inquiries:

Contact [TELUS Health](#).


Payroll or client service issues; address updates:

Contact the Bank’s [HR Centre](#).

Glossary

For definitions of key terms used throughout this report, visit www.bankofcanada.ca/pension-plan.


The Bank’s HR Centre

 613-782-7766 or 1-866-404-7766
(Monday–Friday, 10:00–16:00 ET)

 hrcentre@bankofcanada.ca

TELUS Health

 www.selectioncentrale.ca

 1-888-588-6111
(Monday–Friday, 8:00–18:00 ET)

 bank-banque-canada@telushealth.com*

* If you want to be able to send non-confidential questions by email, TELUS Health will validate your personal email address every 12 months.