



Office of the Superintendent of Financial Institutions Canada

Performance Report

For the period ending
March 31, 2002

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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Foreword

In the spring of 2000, the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the Government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Departments and agencies are encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on outcomes - benefits to Canadians and Canadian society - and describes the contribution the organisation has made toward those outcomes. It sets the department’s performance in context and discusses risks and challenges faced by the organisation in delivering its commitments. The report also associates performance with earlier commitments as well as achievements realised in partnership with other governmental and non-governmental organisations. Supporting the need for responsible spending, it links resources to results. Finally, the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments and agencies strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organisation according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:
<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to:

Results-based Management Directorate
Treasury Board of Canada Secretariat
L’Esplanade Laurier
Ottawa, Ontario K1A 0R5

OR to this Internet address: rma-mrr@tbs-sct.gc.ca

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**for the
period ending
March 31, 2002**

The Secretary of State
(International Financial Institutions)

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Section 1: Message from the Minister

The Office of the Superintendent of Financial Institutions (OSFI) exists primarily to safeguard policyholders, depositors and private plan members from undue loss. It advances and administers a regulatory framework that contributes to public confidence without unduly restricting the competitiveness of the regulated entities. OSFI's second function is to provide actuarial and other services to the Government of Canada.

In addition to its regulatory work, OSFI formulates supervisory strategies to respond to key risk factors. It also identifies and assesses the emerging risks created by changing technological and market conditions and takes appropriate action as necessary.

Actuarial and other services to the Government of Canada are not related to OSFI's supervisory mandate. To carry out these responsibilities effectively, a separate operating unit, the Office of the Chief Actuary (OCA), has been created.

Since OSFI's regulatory and supervisory activities are funded entirely by assessments and fees collected from financial institutions and pension plans, any cost increase for these activities would not be borne by taxpayers. However, OSFI is mindful of the financial burden on the regulated entities and is committed to full and open dialogue with its stakeholders concerning the costs and benefits of the Office's work.

Section 2: Strategic Context

2.1 OSFI's Mission

OSFI is the primary regulator of federal financial institutions and pension plans. Our mission is to safeguard policyholders, depositors and pension plan members from undue loss by advancing and administering a regulatory framework that contributes to public confidence in a competitive financial system. We also provide actuarial services and advice to the Government of Canada.

We are committed to being a professional, high-quality and cost-effective organization.

2.2 Mandate and Objectives

To accomplish our mission of safeguarding policyholders, depositors and pension plan members from undue loss, OSFI advances and administers a regulatory framework that provides for the early identification and resolution of compliance or operational issues that could threaten the safety and soundness of financial institutions or affect public confidence in the financial system. At the same time, OSFI's legislative mandate recognizes that the regulatory system must not unduly impede institutions from competing effectively, that board of directors and management are responsible for financial institutions, and that institutions can experience difficulties that can lead to their failure. OSFI's employees are committed to delivering professional, high-quality and cost-effective performance.

OSFI has two objectives that are critical to achieving its mission:

Public Confidence

We contribute to public confidence by enhancing the safety and soundness of the Canadian financial system in a competitive environment. We evaluate system-wide risks and promote the adoption of sound business and financial practices.

Safeguarding from Undue Loss

We identify institution-specific risks and trends and intervene in a timely manner to minimize losses to policyholders, depositors and pension plan members.

2.3 Role and Responsibilities

OSFI was established in 1987 by an Act of Parliament – the *Office of the Superintendent of Financial Institutions Act*. The Office supervises and regulates all banks in Canada, and all federally incorporated or registered trust and loan companies, insurance companies, cooperative credit associations, fraternal benefit societies and pension plans.

OSFI also provides actuarial advice to the Government of Canada and conducts reviews of certain provincially chartered financial institutions established through federal-provincial arrangements or through agency agreements with the Canada Deposit Insurance Corporation (CDIC).

OSFI derives powers from and is responsible for administering the following legislation:

- *Bank Act*
- *Trust and Loan Companies Act*
- *Cooperative Credit Associations Act*
- *Insurance Companies Act*
- *Pension Benefits Standards Act, 1985*
- *Green Shield Canada Act*

These acts set out the rules for the structure and operation of federally regulated financial institutions and the standards for pension plans. Although the various acts address the unique aspects of the sectors each governs, they are designed to be consistent with one another.

OSFI comprises the Supervision, Regulation, Specialist Support and Corporate Services Sectors, as well as the Office of the Chief Actuary. Some 450 people are employed in offices located in Ottawa, Montreal, Toronto and Vancouver.

OSFI is funded mainly through asset-based, premium-based or membership-based assessments on the financial services industry and a modified user-pay program for selected services. A small portion of OSFI's revenue is derived from the Government of Canada, primarily for actuarial services relating to the Canada Pension Plan, the Old Age Security Plan, the Canada Student Loan Program and various public-sector pension and benefit plans.

Section 3: Performance Accomplishments

3.1 Regulation and Supervision of Financial Institutions and Pension Plans

3.1.1 *New Regulatory Environment in Canada*

In June 2001, Parliament passed Bill C-8, which incorporated changes to the legislation governing federal financial institutions. Among the significant provisions of the bill were initiatives making it easier to establish financial institutions. For example, the bill allows for small banks to be closely held and permits a reduction in the minimum capital required for start up. The bill also enhanced operational flexibility by facilitating bank and insurance holding-company structures and by expanding investment powers. In addition, Bill C-8 streamlined the regulatory approvals process. OSFI fully supported the new legislative package and the public policy objective of increased competitiveness that underlies it. OSFI played a major part in developing the legislation and related regulations.

Aside from changes brought about by the new legislation, OSFI worked to enhance the domestic regulatory environment through revisions to the capital standards for insurance companies and by introducing a general allowances policy for deposit-taking institutions. OSFI also began a review of the role of the appointed actuary in insurance companies to determine whether that function continues to be appropriate in light of industry developments, such as the new focus on enterprise-wide risk management.

During the year under review, we undertook to adapt OSFI's existing approval and supervisory processes to the new legislation. We adjusted our approach to considering applications to recognize the shift in the government's policy direction toward more support for a competitive environment, while not neglecting safety and soundness considerations. There has been some interest expressed in the creation of small banks; OSFI has been dealing with several interested parties. The first application to establish a small bank was finalized in the second quarter of the 2002-03 fiscal year.

In this new environment, we believe it is important to be more transparent about our approach. Therefore, concurrent with the passage of Bill C-8, OSFI posted new incorporation guidelines for banks, trust and loan companies, and insurance companies on the OSFI web site. These guidelines provide comprehensive criteria and instructions to assist potential applicants interested in establishing new financial institutions. We also started to publish the results of selected legislative interpretations that might be of general interest.

Streamlining approvals is an important part of a competitive regulatory regime. OSFI was in a position to implement a fully tested, streamlined approvals process as a result of a pilot project implemented before Bill C-8 was passed. In addition, updated transaction information guides for approvals by the Superintendent were posted on the OSFI web site to provide administrative guidance to applicants. Experience to date with streamlining is very positive, with the majority of approvals being granted within the 30-day timeframe.

3.1.2 Outcomes Achieved – The difference made on behalf of Canadians, lessons learned and adjustments being made

3.1.2.1 Public Confidence - *We contribute to public confidence by enhancing the safety and soundness of the Canadian financial system in a competitive environment. We evaluate system-wide risks and promote the adoption of sound business and financial practices.*

Supervision Activities in Response to the Events of September 11

Our primary focus on September 11 and immediately thereafter was to work with financial institutions, other authorities such as the Bank of Canada and other regulators in Canada and elsewhere, to monitor and take necessary action to promote the stability of the financial system. This work included focusing on clearing and settlement arrangements, trading programs, back-up and contingency plans, and exposures of financial institutions to potential losses.

Financial institutions did an excellent job in reacting to the events of September 11. Although a number of Canadian institutions had operations that were directly affected by the World Trade Center attacks, their contingency plans operated well and there was relatively little disruption.

In addition to working with institutions to conduct an in depth review of the effectiveness of their contingency plans and lessons learned, we reviewed our own contingency arrangements. These, too, worked well, and additional enhancements have been made to improve our effectiveness.

Ongoing activities include assessing any longer-term implications of losses incurred by financial institutions and monitoring risk-sharing arrangements in the insurance industry, including the distribution of catastrophe risk resulting from post-September 11 changes in the insurance market place.

Terrorist Financing

Immediately after September 11 many governments, including Canada's, gave immediate and significant priority to reducing the possibility that the financial system would be used to support further terrorist activities. In this regard, OSFI issued its first advisory on

September 21st, 2001, calling on federally regulated financial institutions to review their records for names of suspected terrorists. On October 2, 2001, the Government of Canada brought into force the United Nations Suppression of Terrorism Regulations (UNSTR). Under UNSTR, Canadian financial institutions are required to search for and freeze the assets of designated terrorists or terrorist groups, and report on those assets to their regulator and law enforcement authorities.

OSFI played a major role in advising financial institutions of their obligations under the United Nations resolutions and Canadian regulations. In addition to aggregating monthly reports on frozen assets from federally regulated financial institutions, OSFI agreed to co-ordinate the aggregation of similar information from provincial authorities and self-regulatory organizations. As a result of this action, federal authorities are able to monitor the extent of terrorist funds identified in Canada.

While implementing the new regulations, OSFI worked closely with various Government of Canada agencies and departments on collaborative efforts such as the timely publication of terrorist names. We have issued regular communiqués on changes made to the lists of terrorists to help Canadian financial institutions meet their reporting obligations. These were published through fax transmissions and on OSFI's web site.

We also took steps to augment our resources and refine our methodology to assess institutions' compliance with terrorist financing and anti-money laundering requirements.

Anti-Money Laundering Efforts

Money laundering continues to receive increasing attention as nations attempt to deal with organized crime and terrorism.

In 2001, significant changes were made to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, Canada's anti-money laundering legislation. In addition, the Bank for International Settlements and the International Association of Insurance Supervisors issued international standards for customer due diligence in the fight against money laundering. In response to these initiatives, OSFI issued revised guidance on money laundering in 2002.

It is clear that money laundering and terrorist financing pose risks to the reputation of financial institutions, both individually and collectively. Damage to a financial institution's reputation, if severe enough, can result in financial loss. We are putting a formal program in place to assess federally regulated financial institutions' compliance with their reporting obligations, as well as their adherence to customer due diligence standards.

Co-operation among government agencies involved in terrorist financing and anti-money laundering efforts is essential. Although OSFI does not act as an intermediary between

regulated financial institutions and law enforcement agencies, we are ready to assist where we can. To this end, we continue to hold discussions with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), the agency responsible for administering the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

International Environment

Part of our changing environment is the increased role of international organizations in setting rules and guidance for financial institutions and in promoting international financial stability. OSFI continued to devote considerable resources to international supervisory policy development and rule setting in 2001, as these areas grew in importance. OSFI participates most actively in those areas judged to be of greatest importance to Canadian financial institutions, where we in Canada can lever off rules developed internationally or where we have particular expertise to share.

The Basel Committee on Banking Supervision (BCBS) is the prime body bringing together supervisors and regulators of international banks from G-10 countries. It has taken a leadership role over a number of years in rule setting. The BCBS has focused its recent efforts on developing a new capital adequacy accord. This agreement will modernize the current 1987 accord and will relate capital requirements more appropriately to the risks assumed by institutions. The BCBS expects the new capital accord to be finalized in 2003 and implemented fully in 2006.

These developments are highly desirable. OSFI supports the work of the BCBS as a member of the main committee and through participation in a number of subcommittees that make recommendations on different aspects of the proposed accord. OSFI also chairs the newly created BCBS Accord Implementation Group, whose purpose is to provide supervisors in G-10 and other countries with the ability to share information, thereby promoting consistency in their approaches to implementation.

We undertook considerable work during the year with representatives of the Canadian banking industry to help us understand the effect of the BCBS proposals and assess industry readiness. We were also active in developing revised proposals for capital requirements in such areas as securitization, operational risk, equity exposures, small business and credit card lending. Because of the importance of implementing the Accord OSFI set up a group charged with effecting implementation. The planning phase of this project has begun.

The International Association of Insurance Supervisors (IAIS) has also been evolving as a standard-setter for life and general insurance supervision. Over the year, the IAIS adopted papers on capital adequacy and solvency, reinsurance, exchange of information, anti-money laundering, and disclosure. OSFI plays an important role in the work of the IAIS, participating as a member of the Executive and Technical Committees, the

Accounting, Investment and Solvency (chair) Subcommittees, the Working Group on the Future and Financing Structure, and the Task Force for the Revision of the Insurance Core Principles. OSFI also follows the progress of other industry and regulatory groups and comments regularly on their draft papers.

The demand from emerging market economies for assistance in financial regulation and supervision is rising. In 2001, OSFI decided to make a more focused effort to assist selected emerging market economies to enhance their supervisory systems. This commitment, consistent with the Government of Canada's priorities and those of other countries, represents a practical and effective means of contributing to international financial stability. In early 2002, OSFI's International Advisory Group became fully operational. The Group, which receives funding through the Canadian International Development Agency, provides technical assistance in the areas of bank and insurance company supervision and regulation to supervisors in the Caribbean, Asia and Latin America.

3.1.2.2 Safeguard from Undue Loss - *We identify institution-specific risks and trends and intervene in a timely manner to minimize losses to policyholders, depositors and pension plan members.*

In August 1999, OSFI implemented a new Supervisory Framework to assess the safety and soundness of federally regulated financial institutions, and to enhance our ability to intervene on a timely basis where OSFI considers an institution's practices to be imprudent or unsafe, or in contravention of legislative and regulatory requirements.

OSFI's approach to supervision is risk based, focusing on activities that are likely to affect an institution's risk profile in a material way. OSFI expects financial institutions to have adequate risk management practices and controls in place to mitigate risks taken on by the institution. The supervisory process assesses the effectiveness of the institution's corporate governance and oversight processes in mitigating risks and, where possible, uses the work of the institution's independent oversight functions to enhance the efficiency of the supervisory process.

In 2002, OSFI introduced Assessment Criteria to guide supervisory judgements in assessing the safety and soundness of institutions. The Assessment Criteria were developed with input from the supervised industries through their industry associations, as well as from information gathered through a review of corporate governance and control practices at some 40 institutions of different types and sizes in Canada.

Beginning with the 2002-03 supervisory cycle, OSFI will be providing institutions with their Composite Risk Rating, which represents OSFI's assessment of the overall level of

risk in the institution. This rating considers the risks inherent in the institution's activities, the effectiveness of its risk mitigation, and the quality and adequacy of its capital and earnings.

The Composite Risk Rating is based primarily on findings and observations from OSFI's on-site reviews of an institution's operations, and from ongoing monitoring activities. Assessment Criteria will not only provide guidance to supervisors in their work but will also assist institutions in understanding the basis of the assessment and the significance of the rating.

The Assessment Criteria, combined with the ratings, will bring increased standardization and transparency to the risk assessment process, thereby improving the consistency and comparability of our assessments across different institutions and industry sectors. The Framework and the Assessment Criteria together provide a leading-edge supervisory process that we will continue to be enhanced and refined.

The Composite Risk Rating will be provided to management and boards of directors of financial institutions. To avoid misinterpretation or inappropriate use of the ratings, institutions will be required to keep their rating confidential, pursuant to the Supervisory Information Regulations.

We devoted significant attention during the year to enhancing our monitoring processes by introducing new analytical tools and bringing a more disciplined approach to the process. The increased monitoring efforts allow OSFI to focus more quickly on emerging issues and to intervene more effectively in higher-risk situations. OSFI is also better able to determine the implications of significant events, such as economic downturns, volatile capital markets and political or other events such as those that occurred on September 11, 2001.

As part of the normal supervisory response to deteriorating market conditions, OSFI devoted more supervisory resources during the year on reviewing credit quality and the adequacy of credit risk management processes. We also reviewed the effect of risk transfer through mechanisms such as special purpose entities and credit derivatives. As well, we monitored the integration activities resulting from a number of significant acquisitions during the year, and assessed the effects of weak operating results in the property and casualty insurance industry.

During the year, pursuant to OSFI's mandate to intervene early in troubled situations, we took control of one financial institution, Reliance Insurance Company, a branch of a foreign property and casualty insurer. OSFI had previously taken other supervisory actions to minimize losses to the policyholders of Reliance.

Similarly, it was necessary for the Superintendent to take control of Alta Surety Company, a small closely held fidelity and surety insurance company. Alta Surety was in

run-off at the time control was taken in order to protect the remaining policyholders and creditors of the company. The company was placed in liquidation in July 2001.

Failures in Corporate America

The issues raised by the failure of Enron Corporation and other high-profile companies in the United States are of interest to regulators around the globe. Although Enron was not a regulated financial institution and, therefore, not subject to a comprehensive regulatory and supervisory regime, its problems have led to a closer analysis of certain financial practices and the quality of corporate governance and auditing practices.

During the year, and prior to the Enron disclosures, OSFI completed a multi-year review of Special Purpose Entities (SPEs) used in asset securitization. As part of its follow-up activities, OSFI undertook inquiries to determine whether any issues similar to those at Enron could be identified at regulated financial institutions. Our inquiries indicated that these vehicles were being used appropriately and that adequate controls were in place regarding their creation and ongoing monitoring.

We are continuing to refine a draft guideline on corporate governance for financial institutions, which will now draw on best practices that are emerging both domestically and internationally as a response from regulatory and self-regulatory bodies to Enron and similar situations. The guideline will not duplicate existing guidance from other sources, but will set out OSFI's expectations for the behaviour of boards of regulated financial institutions in areas such as oversight of risks and risk management and audit committee relations with auditors and actuaries.

Finally, given the reliance-based framework under which financial institutions operate and the importance of continued public confidence in financial statements, OSFI, along with representatives of the Canadian Securities Administrators and other interested parties, announced the creation of a new Canadian Public Accountability Board to oversee auditors of public companies in Canada. These initiatives, announced in August 2002, will subject auditing firms to more frequent and rigorous inspection.

OSFI's work with the actuarial profession to create an independent, effective peer review system also reached a satisfactory conclusion. The Canadian Institute of Actuaries is expected formally to adopt a standard of practice on peer review by the end of 2002. OSFI has announced that, under this standard, it will require peer review of all required reports prepared by Appointed Actuaries of federally regulated insurance companies. Reviews will begin in 2002 with companies having the option to have reviews performed on a three-year cycle.

3.2 Provision of Actuarial and Other Services to the Government of Canada

3.2.1 Context and Background

OSFI's core business is the regulation and supervision of financial institutions and pensions plans. However, it also provides actuarial advice to the Government of Canada for various pension plans and social programs. This function is carried out by the Office of the Chief Actuary (OCA).

The OCA has responsibilities different from those of the other sectors within OSFI. Rather than fulfilling a regulatory or supervisory function, the OCA provides actuarial services for a variety of programs. These programs include the Canada Pension Plan, Old Age Security, and pension and benefits plans for the Federal Public Service, the Canadian Forces, the Royal Canadian Mounted Police, federal judges and Members of Parliament. In 2001, OCA also assumed responsibility for the actuarial review of the Canada Student Loans Program.

In addition to preparing statutory actuarial reports on the financial status of the plans, the OCA provides the relevant government departments with actuarial advice on the design, funding and administration of these plans. OCA clients include Human Resources Development Canada, Finance, Treasury Board, Public Works and Government Services, National Defence, the RCMP and Justice Canada.

3.2.2 Outcomes Achieved – The difference made on behalf of Canadians, lessons learned and adjustments being made

The 18th Actuarial Report on the Canada Pension Plan (CPP) was tabled in Parliament in December 2001, confirming the long-term viability and financial sustainability of the CPP. This Report confirms that the 9.9 per cent combined employer-employee contribution rate, which will be reached in 2003, is expected to be sufficient to sustain the Plan indefinitely as larger numbers of Canadians reach retirement age. In March 2002, a panel of three experienced, independent actuaries completed a formal review of the 18th CPP report. OCA will work actively on the recommendations flowing from this review.

The Canadian Institute of Chartered Accountants now requires each government to recognize a liability and an expense in its financial statements for post-employment benefits that vest or accumulate as its employees render their services. OCA has prepared actuarial reports for the Government of Canada to estimate the liabilities for these benefits under the new rules.

During the year, the OCA completed the first actuarial report on the Canada Student Loans Program as well as actuarial reports on a number of other government or

government-sponsored pension plans. It also provided ongoing advice and support to the Public Sector Pension Investment Board and the Pension Advisory Committees of the Public Service, the Canadian Forces and the RCMP, each of which provides advice to their ministers on the design, administration and funding of their respective plans.

Section 4: Financial Tables

Financial Table 1: Summary of Voted Appropriations

A. Authorities for 2001-02

Financial Requirements by Authority (thousand of dollars)

		2001-02 Planned Spending	2001-02 Total Authorities	2001-02 Actual
Vote	Program Name			
	Office of the Superintendent of Financial Institutions			
40	Program Expenditures	1,660	2,017	2,621
	Total Department	1,660	2,017	2,621

Financial Table 2: Comparison of Total Planned Spending to Actual Spending

Departmental Planned versus Actual Spending by Business Line (thousands of dollars)

Business Lines	FTEs	Operating	Capital	Voted Grants & Contri- butions	Subtotal: Gross Voted Expendi- tures	Statu- tory Grants & Contri- butions	Total Gross Expendi- tures	Less: Revenue Credited to the Vote	Total Net Expenditures
Supervision of Financial Institutions and Pension Plans									
Planned Spending	417	55,252	0	0	55,252	0	55,252	55,252	0
<i>(Total Authorities)</i>	0	55,252	0	0	55,252	0	55,252	55,252	0
(Actuals)	408	60,621	1,704	0	62,325	0	62,325	60,621	1,704
Actuarial and other services to the Government of Canada									
Planned Spending	26	2,929	0	0	2,929	0	2,929	1,269	1,660
<i>(Total Authorities)</i>	0	2,017	0	0	2,017	0	2,017	1,100	917
(Actuals)	23	3,722	0	0	3,722	0	3,722	2,805	917
Total									0
Planned Spending	443	58,181	0	0	58,181	0	58,181	56,521	1,660
<i>(Total Authorities)</i>	0	57,269	0	0	57,269	0	57,269	56,352	917
(Actuals)	431	64,343	1,704	0	66,047	0	66,047	63,426	2,621
Cost of Services Provided by Other Departments									
Planned Spending									0
<i>(Total Authorities)</i>									0
(Actuals)									80
Net Cost of the Program									
Planned Spending									1,660
<i>(Total Authorities)</i>									917
(Actuals)									2,701

Financial Table 3: Historical Comparison of Total Planned Spending to Actual Spending

Departmental Planned versus Actual Spending by Business Line (thousands of dollars)					
Business Lines	1999-00	2000-01	2001-02		
	Actual	Actual	Planned Spending	Total Authorities	Actual
Supervision of Financial Institutions and private pension plans	6,329	(11,734)	0	0	1,704
Actuarial and other services to the Government of Canada	1,597	1,793	1,660	917	917
Total	7,926	(9,941)	1,660	917	2,621

Financial Table 4: Revenues

Revenues Credited to the Vote by Business Line (thousands of dollars)					
Business Lines	1999-00	2000-01	2001-02		
	Actual	Actual	Planned Spending	Total Authorities	Actual
Supervision of financial institutions and private pension plans	46,584	62,668	55,252	55,252	60,621
Actuarial and other services to the Government of Canada	1,180	1,146	1,269	1,100	2,805
Total Revenues Credited to the Vote	47,764	63,814	56,521	56,352	63,426

Financial Table 5: Capital Spending by Business Line

Capital Spending by Business Line (\$ thousands)					
Business Line	Actual 1999-00	Actual 2000-01	Planned Spending 2001-02	Total Authorities 2001-02	Actual 2001-02
Supervision of financial institutions and private pension plans	575	1,853	0	0	1,704
Actuarial and other Services to the Government of Canada	15	56	0	0	0
Total	590	1,909	0	0	1,704

Financial Table 6: Contingent Liabilities

Contingent Liabilities (\$ thousands)		
List of Contingent Liabilities	<u>Amount of Contingent Liability</u>	
	March 31, 2001	March 31, 2002
Loans	—	—
Claims and Pending and Threatened Litigation		
Litigation	510	-
Total	510	-

Section 5: Other Information

Contacts for Further Information and Departmental Web Sites

Name	Title	Address	Phone	Fax
Supervision of Financial Institutions and Pension Plans				
Nick Le Pan	Superintendent of Financial Institutions	255 Albert Street, Ottawa, Ontario K1A 0H2	(613) 990-7500	(613) 993-6782
Donna Pasteris	Assistant Superintendent	255 Albert Street, Ottawa, Ontario K1A 0H2	(613) 990-7491	(613) 993-6782
Julie Dickson	Assistant Superintendent	255 Albert Street, Ottawa, Ontario K1A 0H2	(613) 990-3667	(613) 993-6782
Michael Hafeman	Assistant Superintendent	255 Albert Street, Ottawa, Ontario K1A 0H2	(613) 990-7805	(613) 993-6782
John Doran	Assistant Superintendent	255 Albert Street, Ottawa, Ontario K1A 0H2	(613) 993-4096	(613) 993-6782
Actuarial and Other Services to the Government of Canada				
Jean-Claude Ménard	Chief Actuary	255 Albert Street, Ottawa, Ontario K1A 0H2	(613) 990-7577	(613) 990-9900
Web site: http://www.osfi-bsif.gc.ca				

Legislation and Associated Regulations Administered by the Minister of Finance

Bank Act S.C. 1991, c.46

Cooperative Credit Associations Act S.C. 1991, c.48

Insurance Companies Act S.C. 1991, c.47

Office of the Superintendent of Financial Institutions Act R.S. c. 18 (2nd Supp.), Part I

Pension Benefits Standards Act, 1985 R.S. c. 32 (2nd Supp)

Trust and Loan Companies Act S.C. 1991, c. 45

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