Debt Management Report

2008–2009

Canada

Debt Management Report

2008–2009

Department of Finance Canada   Ministère des Finances Canada

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Table of Contents

Foreword by the Minister of Finance 5

Purpose of This Publication 7

Introduction 9
Highlights 9
Debt Strategy Framework 11

Part I: Context for 2008–2009 Debt Management 13
Financial Market Developments 13
Market Debt Context 14
Budgetary Outcomes 16
Sources and Uses of Borrowing 16
Public Debt Charges and Market Debt Costs 19
Amount of Debt Securities Outstanding in the Canadian Market 21

Part II: Objectives of Debt and Cash Management 23
Raising Funding Efficiently 23
Maintaining a Well-Functioning Government Securities Market 27

Part III: Report on the 2008–2009 Debt Program 29
Domestic Debt Program 29
Cash Management 36
Secondary Market 42
Foreign Currency Debt Programs 47

Annex 1: Completed Treasury Evaluation Reports, 1992–2007 48

Annex 2: Policy Measures Taken Since 1997 to Ensure a Well-Functioning Government Securities Market 49

Annex 3: Glossary 50

Annex 4: Contact Information 53

Reference Tables 54

Foreword by the Minister of Finance

Amid early and tentative signs that Canada is returning to economic growth after a severe recession, it is becoming clear that Canada's Economic Action Plan has played a central role in the turnaround.

The Economic Action Plan is a broad, well-crafted plan that provides a boost to our economy and invests in Canada's future.

A key element of the Economic Action Plan has been to improve access to financing for Canadian consumers and businesses amid the global financial and economic turbulence.

Our Government responded with timely measures under the Extraordinary Financing Framework, including:

- The Insured Mortgage Purchase Program, under which the Government purchased $55 billion of insured residential mortgage pools from Canadian financial institutions in fiscal year 2008–09 to help them continue lending.
- Bank of Canada liquidity provisions, partially financed by government cash balances, to help alleviate funding pressures. This extraordinary liquidity peaked at over $41 billion in December 2008.
- Increased borrowings of Crown corporations, including the Business Development Bank of Canada and Export Development Canada, to support access to credit for Canadian businesses.

Debt securities issued to fund these measures found a ready and diversified investor base thanks to Canada's strong fiscal position, combined with our policy of maintaining a liquid, well-functioning securities market.

Indeed, while our market debt has risen substantially, the federal debt, or the accumulated deficit, increased by only $6 billion in fiscal year 2008–09, as the increase in market debt was largely offset by an associated increase in financial assets such as National Housing Act Mortgage-Backed Securities purchased under the Insured Mortgage Purchase Program.

Canada's net debt-to-GDP (gross domestic product) ratio is the lowest of all Group of Seven (G7) countries, and few other countries can claim to have fiscal and economic fundamentals that are as strong as Canada's.

The Honourable James M. Flaherty, P.C., M.P.
Minister of Finance
Ottawa, December 2009

Purpose of This Publication

This edition of the *Debt Management Report* provides a detailed account of the Government of Canada's borrowing and cash operations for fiscal year April 1, 2008 to March 31, 2009.

It provides a comprehensive report on the environment in which the debt is managed, changes in the debt during the year, and the implementation of planned borrowing operations and initiatives set out in the 2008–09 *Debt Management Strategy*, published in February 2008 as Annex 2 of Budget 2008 (available at www.budget.gc.ca/2008/). Reference tables containing statistics on the operation of debt programs are provided at the end of the report.

The purpose of this publication is to ensure transparency and accountability in Government of Canada funds management activities. Information on the management of Canada's foreign reserves is provided in a separate report, the *Report on the Management of Canada's Official International Reserves*. The *Debt Management Strategy*, the *Debt Management Report* and the *Report on the Management of Canada's Official International Reserves* are tabled annually in Parliament and are available on the Department of Finance website at www.fin.gc.ca.

Federal Debt Management

Management of the federal debt involves two major activities: managing the portion of the debt that is borrowed in financial markets (market debt); and investing part of the proceeds of borrowings in liquid assets until needed for operations. At March 31, 2009, market debt totalled $510.9 billion. This was composed of marketable bonds, treasury bills and cash management bills, retail debt, foreign currency debt and Canada Pension Plan (CPP) bonds. The Government held $47.0 billion of cash on deposit with the Bank of Canada, chartered banks and other financial institutions.

Market Debt	(C$ billions)
Payable in Canadian currency	
Marketable bonds (fixed-rate bonds with maturities up to 30 years and Real Return Bonds with 30-year maturities)	295.2
Treasury bills and cash management bills (zero-coupon securities maturing within 12 months)	192.3
Retail debt (Canada Savings Bonds and Canada Premium Bonds)	12.5
CPP bonds	0.5
Payable in foreign currency	
Marketable bonds and foreign currency notes (fixed-rate bonds, Canada notes and Euro Medium-Term Notes)	1.7
Canada bills (zero-coupon securities maturing within 9 months)	8.7
Total market debt	510.9
Liquid Financial Assets	
Cash on deposit	47.0

Note: Numbers may not add due to rounding.

This document is structured as follows:

- The introduction provides highlights of the debt program for 2008–09, as well as information related to governance and the debt strategy framework.
- Part I describes the environment in which the debt is managed and the composition of market debt.
- Part II reports on the achievement of the two principal objectives of debt management for fiscal year 2008–09: raising funding efficiently and maintaining a well-functioning government securities market.
- Part III provides measures on the outcomes of the domestic debt and foreign debt programs. It also reviews measures of liquidity and efficiency in the secondary market for Government of Canada securities.
- Annex 1 lists treasury evaluations performed since 1992, Annex 2 contains a list of policy measures taken since 1997 to ensure a well-functioning government securities market, Annex 3 contains a glossary of debt management terms and Annex 4 contains contact information.
- Reference tables provide historical information on debt-related activities.

Introduction

Highlights

Financial and Economic Turbulence

Although economic indicators in recent months have provided some encouraging signs of recovery, the global economic context in 2008–09 became increasingly dire as the year progressed. As the financial turmoil intensified and credit markets became severely dislocated in the fall of 2008, the world economy entered a synchronized recession, with economic activity contracting in all G7 countries. The financial market turmoil also caused hardship in emerging economies, which were hit by the disruption of global trade and credit flows.

In Canada, the recession that officially began in the fourth quarter of 2008 has been difficult for businesses and workers. However, strong economic fundamentals, together with the resilience of the financial sector, have allowed the Canadian economy to fare better than many other industrialized countries.

Change in the Debt Management Environment

The financial and economic turbulence led to a changed environment for debt management in 2008–09 compared to prior years. In the decade leading up to 2008–09, a continuing challenge for federal debt managers had been to maintain sufficient issuance to support liquid markets even as federal debt declined. In the 2008–09 fiscal year, as financial requirements increased, the focus of debt management was to increase issuance, while maintaining the overall stability and effective functioning of the market during a period of great economic uncertainty. While government debt issuance increased during this period, both in terms of the amount issued and the frequency of auctions, the government securities market in Canada responded well. Despite greater market volatility, both bond and treasury bill auctions remained well covered and well bid.

Canada's Economic Action Plan

In Budget 2009, the Government introduced Canada's Economic Action Plan, which provided about $40 billion in fiscal stimulus to lessen the impact of the global recession on jobs and output, hasten the recovery and ensure Canada's long-term prosperity.

In addition, Canada's Economic Action Plan provides for up to $200 billion through the Extraordinary Financing Framework (EFF) to ensure the continued stability of the Canadian financial system and improve financing for Canadian households and businesses. The various measures included in the EFF are designed to restore confidence, support financing and encourage lending. The largest component of the EFF is the Insured Mortgage Purchase Program (IMPP), through which the Government has committed to purchase up to $125 billion of insured mortgage pools from lenders, thereby providing them with stable long-term financing.

Federal Debt

In 2008–09, actual borrowings were higher than planned in the 2008–09 *Debt Management Strategy*, published in February 2008 with the budget, mainly due to weaker fiscal conditions and funding requirements related to the EFF. Market debt increased by $116.8 billion, most of which was issued to acquire interest-bearing investments, and the federal debt increased by $6.1 billion.

With a net debt-to-GDP ratio well below the average of other G7 countries, Canada was in a better position than most countries to weather the economic downturn. Entering 2008–09, Canada's solid financial position provided the Government with the necessary flexibility to increase debt issuance to fund elevated financial requirements.

Maintaining a Liquid Government Securities Market

Maintaining a liquid, well-functioning government securities market is an important objective of Canada's debt management strategy. During 2008–09, the Government continued to provide regular and transparent issuance schedules, with a particular focus on the liquidity of key benchmarks. Changes to the bond issuance schedules were communicated through the Bank of Canada's website to ensure transparency. While buyback operations on a cash basis were discontinued in the fourth quarter of 2008–09 due to higher financial requirements, switch buybacks in the longer maturities continued to be used. Finally, there was close communication between the Government and Canada Mortgage and Housing Corporation (CMHC), which administers the IMPP. IMPP operations were coordinated with government bond auctions to provide additional transparency for market participants. Since December 2008, the *Quarterly Bond Schedule* published on the Bank of Canada's website has been released in conjunction with the schedule of IMPP operations on CMHC's website.

Debt Strategy Framework

Debt management activities are conducted in view of key objectives and principles.

Debt Management Objectives

The fundamental objective of debt management is to raise stable and low-cost funding to meet the needs of the Government of Canada.

An associated objective is to maintain a well-functioning market in Government of Canada securities, which helps to keep debt costs low and stable and is generally to the benefit of a wide array of domestic market participants.

Debt Management Principles

In support of these objectives, the design and implementation of the domestic debt program emphasizes the following principles.

Transparency, regularity and liquidity: The design and implementation of the domestic debt program should emphasize transparency, regularity and liquidity to support a well-functioning government securities market. The Government should publish strategies and plans, and consult regularly with market participants to ensure the integrity and attractiveness of the market for dealers and investors.

Prudence: The principle of prudence should guide all debt management activities. This is facilitated by managing the structure of the debt, preserving access to diversified sources of funding and supporting a broad investor base.

Borrowing Authority

Authority to borrow in financial markets is provided by Part IV of the Financial Administration Act, which authorizes the Minister of Finance to issue securities and undertake related activities, including entering into financial contracts and derivatives transactions.

Anticipated borrowing and planned uses of funds are set out in the *Debt Management Strategy*, while actual borrowing and uses of funds compared to those forecast are reported in Table 2 of this publication. Detailed information on outcomes is also provided in the *Public Accounts of Canada*.

Borrowing authority is obtained from the Governor in Council through an Order in Council (OIC). In November 2008, the Governor in Council approved an aggregate borrowing limit of $296 billion for 2008–09, an increase of $90 billion over the original 2008–09 Submission to Council.[1] This intra-year increase in the borrowing ceiling enabled the provision of immediate measures to mitigate the impact of the global financial market disruption. These measures took the form of a commitment to provide long-term funding for financial institutions through the Insured Mortgage Purchase Program and special liquidity measures by the Bank of Canada that required supplementary borrowings. The total amount of cash raised through borrowing activities in 2008–09 was $279 billion.

[1] The OIC for 2008–09 can be viewed on the Privy Council Office website at www.pco-bcp.gc.ca/oic-ddc.asp?lang=eng&Page=secretariats, using reference numbers 2008-0446 and 2008-1738.

Governance

Responsibility for strategic planning and the operational management of market debt and liquid assets, including the foreign exchange reserves, which are collectively termed "funds management", is jointly borne by officials at the Department of Finance and the Bank of Canada. The Bank of Canada acts as fiscal agent for the Minister of Finance in issuing debt, investing funds and conducting other market operations.

The oversight of activity is carried out through the Funds Management Committee (FMC), which comprises senior management from the Department of Finance and the Bank of Canada. The FMC advises the Minister of Finance on policy and strategy, oversees the implementation of approved policy and plans, and reviews performance outcomes.

The FMC is supported by the Risk Committee (RC), whose mandate is to oversee and advise on the risk management policy and to report to the FMC on financial risk positions. The Financial Risk Office at the Bank of Canada provides analytical support to the RC in this role and is responsible for monitoring and regularly reporting on the financial performance and position of certain financial assets and foreign-currency-denominated derivatives, including market, credit, operational, liquidity and legal risks.

For additional details on the governance framework, see the *Funds Management Governance Framework* at www.fin.gc.ca/treas/Goveev/TMGF_1-eng.asp.

Treasury Evaluation Program

In order to inform future decision making and to support transparency and accountability, different aspects of the Government of Canada's treasury activities are reviewed periodically under the treasury evaluation program. The program's purpose is to obtain periodic external assessments of the frameworks and processes used in the management of wholesale and retail market debt, cash and reserves as well as the treasury activities of other entities under the authority of the Minister of Finance.

Reports on the findings of these evaluations and the Government's response to each evaluation are tabled with the House of Commons Standing Committee on Public Accounts by the Minister of Finance. Copies are also sent to the Auditor General of Canada. The reports are posted on the Department of Finance website. See Annex 1 for a list of the treasury evaluations performed since 1992.

Part I: Context for 2008–2009 Debt Management

This section provides an overview of the context within which debt management decisions were taken in 2008–09. It contains a brief description of financial market developments, the resulting impact on the debt program, information on budgetary outcomes, including the sources and uses of borrowing, and an overview of the growth in the Canadian short-term securities and fixed-income markets.

Financial Market Developments

In 2008–09, the global economy went through a synchronized contraction, with severe financial market dislocations and a sharp decline in consumer and business confidence. While the economic slowdown was particularly evident in the United States and other advanced economies, emerging market economies were also affected. Throughout the fiscal year, credit markets remained disrupted and credit conditions generally tight.

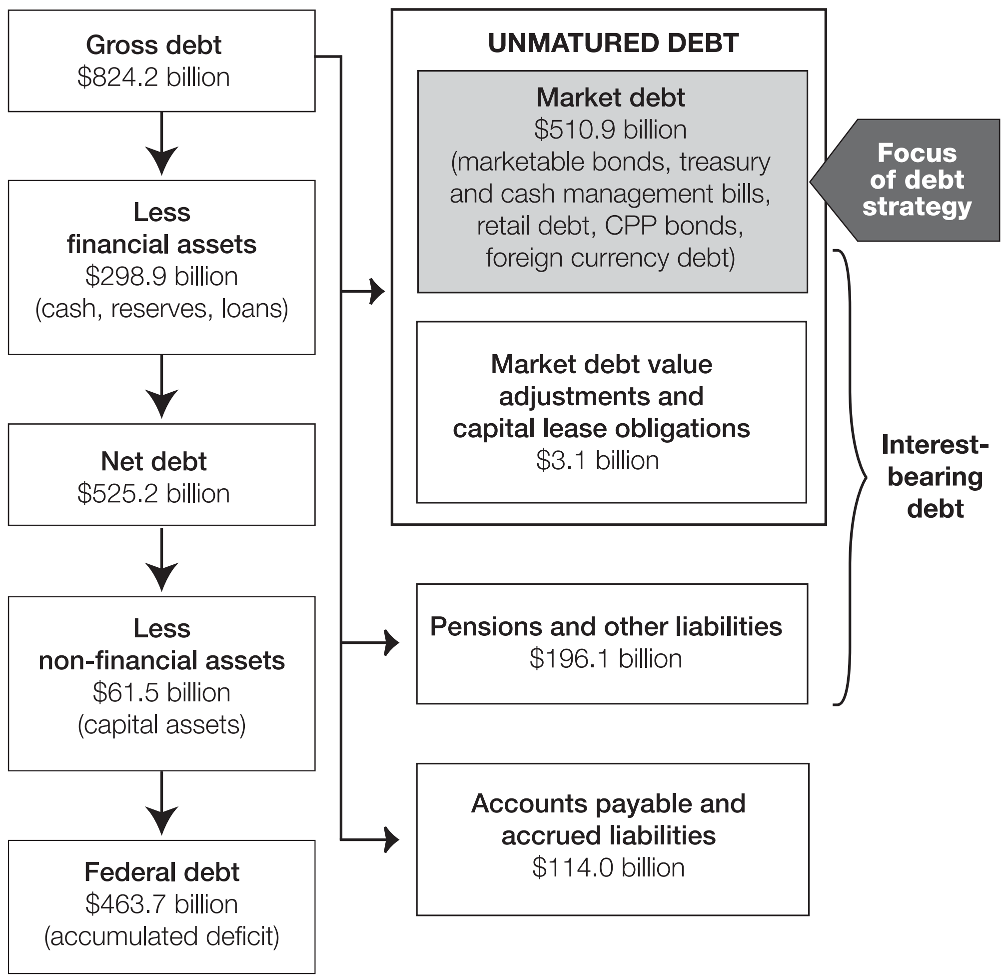
Although Canada entered the downturn from a position of strength, the Canadian economy was significantly affected by ongoing global financial market turbulence and weaker US and global demand. Canada was the only G7 country to record positive growth in both the second and third quarters of 2008. It entered recession in the fourth quarter of 2008, with real GDP contracting by an annualized rate of 3.7 per cent, followed by a contraction of 5.4 per cent in the first quarter of 2009.

On January 27, 2009, the Government introduced Canada's Economic Action Plan. As part of Budget 2009, the Economic Action Plan pledged to provide about $40 billion in fiscal stimulus to the Canadian economy over a two-year period, equivalent to about 2.5 per cent of GDP. Additionally, Budget 2009 included provisions of up to $200 billion through the Extraordinary Financing Framework (EFF) to improve financing for Canadian households and businesses. The EFF, which includes the Insured Mortgage Purchase Program, new flexibilities and resources for financial Crown corporations, the Canadian Secured Credit Facility, extraordinary liquidity provided by the Bank of Canada and other measures, required higher market borrowings in 2008–09 and 2009–10 than prior years. To view Budget 2009, including the 2009–10 *Debt Management Strategy*, which was published as Annex 4 of the budget, visit www.budget.gc.ca/2009/home-accueil-eng.asp.

Market Debt Context

The following diagram illustrates the relationship between market debt and the other components of the federal debt.

Composition of the Federal Debt, at March 31, 2009



Note: Numbers may not add due to rounding.

There are two types of market debt: domestic debt, which is denominated in Canadian dollars, and foreign currency debt.

Funding in Canadian dollars is done through both wholesale and retail channels. Wholesale funding is conducted through issuance of marketable securities, which consist of nominal bonds, Real Return Bonds and treasury bills, including cash management bills. These securities are sold via auction. Retail funding is raised through sales of Canada Savings Bonds and Canada Premium Bonds to Canadian residents.

Foreign reserve assets, which are held in the Exchange Fund Account, are funded by cross-currency swaps of domestic obligations and issuance of foreign currency debt.

A detailed description of Government of Canada market debt instruments is available at www.fin.gc.ca/invest/debt-eng.asp.

While the main focus of the federal debt strategy is on the management of market debt, the Government's level of indebtedness is measured by the federal debt (accumulated deficit). In 2008–09, the federal debt increased by $6.1 billion. However, market debt increased by $116.8 billion, mainly to fund measures under the Extraordinary Financing Framework to support access to financing. This increase in market debt was mostly offset by corresponding financial assets.

Table 1 presents the change in the composition of federal debt during 2008–09.

Table 1
Change in the Composition of Federal Debt, 2008–09

	March 31, 2008	March 31, 2009	Change
		($ billions)	
Payable in Canadian currency			
Marketable bonds	253.5	295.2	41.7
Treasury and cash management bills	116.9	192.3	75.4
Retail debt	13.1	12.5	-0.6
CPP bonds	1.0	0.5	-0.5
Total payable in Canadian currency	384.6	500.5	115.9
Payable in foreign currencies	9.5	10.4	0.9
Total market debt	**394.1**	**510.9**	**116.8**
Market debt value adjustment and capital lease obligations	-3.4	3.1	6.5
Total unmatured debt	**390.7**	**514.0**	**123.3**
Pension and other accounts	191.2	196.1	4.9
Total interest-bearing debt	**581.9**	**710.2**	**128.3**
Accounts payable, accruals and allowances	110.5	114.0	3.5
Gross debt	**692.3**	**824.2**	**131.9**
Total financial assets	-176.0	-298.9	-122.9
Total non-financial assets	-58.6	-61.5	-2.9
Federal debt (accumulated deficit)	457.6	463.7	6.1

Note: Numbers may not add due to rounding.

Budgetary Outcomes

The key budgetary reference point for debt management is the financial source/requirement. This measure is affected not only by the budgetary balance but also by non-budgetary transactions.

The budgetary balance is presented on a full accrual basis of accounting, recording government assets and liabilities when they are receivable or incurred, regardless of when the cash is received or paid. In contrast, the financial source/requirement measures the difference between cash coming into the Government and cash going out. This measure is affected not only by changes in the budgetary balance but also by the cash source/requirement resulting from the Government's investing activities through its acquisition of capital assets and its loans, financial investments and advances, as well as from other activities, including payment of accounts payable and collection of accounts receivable, foreign exchange activities, and the amortization of its tangible capital assets. The difference between the budgetary balance and financial source/requirement is recorded in non-budgetary transactions.

With a budgetary deficit of $5.8 billion and a requirement of $84.3 billion from non-budgetary transactions, there was a financial requirement of $90.1 billion in 2008–09, compared to a financial source of $14.5 billion in 2007–08. For additional information on the financial position of the Government, see the 2008–09 *Annual Financial Report of the Government of Canada* at www.fin.gc.ca/purl/afr-eng.asp.

Sources and Uses of Borrowing

The 2008–09 *Debt Management Strategy* published in February 2008 outlined the action plan for the management of the debt and cash balance for the 2008–09 fiscal year (for more information, see the 2008–09 *Debt Management Strategy* at www.budget.gc.ca/2008/plan/ann2-eng.asp).

In 2008–09, actual borrowings were higher than planned in the 2008–09 *Debt Management Strategy*, with bond issuance $41 billion higher than planned and treasury bills outstanding at March 31, 2009 $52 billion higher than planned.

The additional amount borrowed was primarily used to fund higher financial requirements, including measures under the Extraordinary Financing Framework (specifically the Insured Mortgage Purchase Program) and Bank of Canada liquidity provisions, and to meet the higher-than-expected borrowing needs of three financial Crown corporations.

The Insured Mortgage Purchase Program (IMPP): The IMPP was established on October 10, 2008 to help maintain the availability of longer-term credit in Canada through the purchase of insured mortgage pools (National Housing Act Mortgage-Backed Securities) by Canada Mortgage and Housing Corporation (CMHC). Initially, the size of the program was set at $25 billion and then raised to up to $75 billion. In Budget 2009, the size of the IMPP was increased to up to $125 billion. In 2008–09, $55 billion of insured mortgage pools were purchased under the program. Since debt issued to finance the IMPP is matched by corresponding assets, the IMPP did not lead to an increase in the federal debt (accumulated deficit).

Bank of Canada liquidity provisions: In 2008–09, the Bank of Canada continued to respond to the challenges facing the Canadian financial system by conducting term liquidity operations to alleviate funding pressures. The extraordinary liquidity provided to financial markets by the Bank of Canada peaked at over $41 billion in December 2008 and declined to approximately $35 billion at the end of March 2009. These liquidity operations were partially financed by government cash balances held on deposit at the Bank of Canada. On March 31, 2009, government cash balances at the Bank of Canada totalled $28.6 billion, compared to $4.0 billion on March 31, 2008. Government cash balances held at the Bank of Canada increase the level of government borrowing but do not affect the federal debt (accumulated deficit). For more information on the Bank of Canada's term liquidity operations, see the Bank of Canada website at http://credit.bank-banque-canada.ca/facilities/about.

Increase in borrowings of Crown corporations: As originally announced in Budget 2007, since 2008–09, the Government has fully consolidated the borrowings of three financial Crown corporations—the Business Development Bank of Canada, CMHC and Farm Credit Canada—into the federal debt program.

In 2008–09, loans to Crown corporations, excluding loans to CMHC for IMPP operations, increased by $17 billion, $2 billion higher than projected in the 2008–09 *Debt Management Strategy*. The consolidation of Crown borrowing activity does not affect the federal debt (accumulated deficit), since increased federal borrowing is matched by assets in the form of loans to the Crown corporations.

Table 2 provides details on the planned and actual sources and uses of borrowings for 2008–09.

Table 2
Planned/Actual Sources and Uses of Borrowing, 2008–09[1]

	Planned[2]	Actual	Difference
		($ billions)	
Sources of Borrowings			
Payable in Canadian currency			
Treasury bills	140	192	52
Bonds	34	75	41
Retail debt	2	3	1
Total payable in Canadian currency	176	270	94
Payable in foreign currencies	5	9	4
Total cash raised through borrowing activities	181	279	98
Uses of Borrowings[3]			
Refinancing needs			
Payable in Canadian currency			
Treasury bills	117	117	0
Bonds	35	34	-1
Of which:			
Regular bond buybacks	6	6	0
Cash management bond buybacks	6	9	3
Retail debt	5	3	-2
CPP bonds	1	1	0
Total payable in Canadian currency	158	155	-3
Payable in foreign currencies	8	8	0
Total refinancing needs	166	163	-3
Financial source/requirement			
Budgetary balance	-2	6	8
Non-budgetary transactions			
Pension and other accounts	-4	-5	-1
Non-financial assets	1	3	2
Loans, investments and advances	17	75	58
Of which:			
Loans to Crown corporations (including loans to CHMC for IMPP operations)	15	72	57
Other transactions[4]	3	12	9
Total non-budgetary transactions	18	84	66
Total financial source/requirement	**15**	**90**	**75**
Total uses of borrowings	181	253	72
Other unmatured debt transactions[5]	0	-7	-7
Net increase or decrease (-) in cash	0	33	33

Note: Numbers may not add due to rounding.

[1] Certain categories have been reclassified to conform to the current year's presentation.

[2] Planned numbers are from Budget 2008 and the 2008–09 *Debt Management Strategy*.

[3] A negative sign denotes a financial source.

[4] Primarily includes the conversion of accrual adjustments into cash, such as tax and other account receivables; provincial and territorial tax collection agreements; and tax payables and other liabilities.

[5] Includes cross-currency swap revaluation, unamortized discounts on debt issues and obligations related to capital leases.

Public Debt Charges and Market Debt Costs

Interest-bearing debt includes market debt, which is the focus of the debt management strategy. The cost of interest-bearing debt, or public debt charges, includes market debt costs plus interest expenses on non-market liabilities.[2]

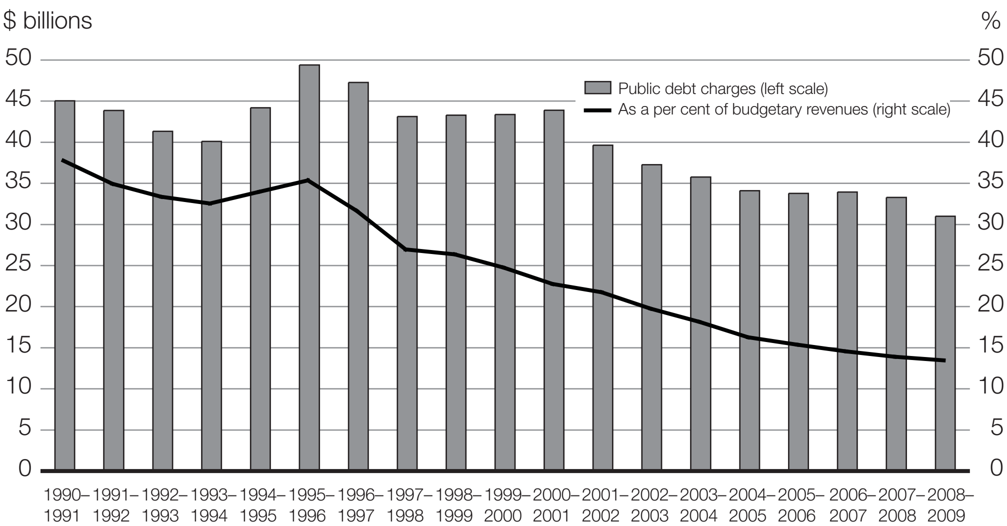
Public Debt Charges

Public debt charges as a percentage of budgetary revenues have been decreasing in recent years, falling from a peak of 37.6 per cent in 1990–91 to 13.3 per cent in 2008–09. In other words, the Government spent about 13 cents of every revenue dollar on interest payments on the interest-bearing debt in 2008–09 (see Chart 1).

In 2008–09, public debt charges declined by $2.3 billion to $31.0 billion as an increase in the stock of interest-bearing debt was more than offset by a decrease in the average effective interest rate on that stock.

Similarly, public debt charges as a percentage of GDP declined to 1.9 per cent in 2008–09 from 2.2 per cent in 2007–08.

Chart 1
Public Debt Charges



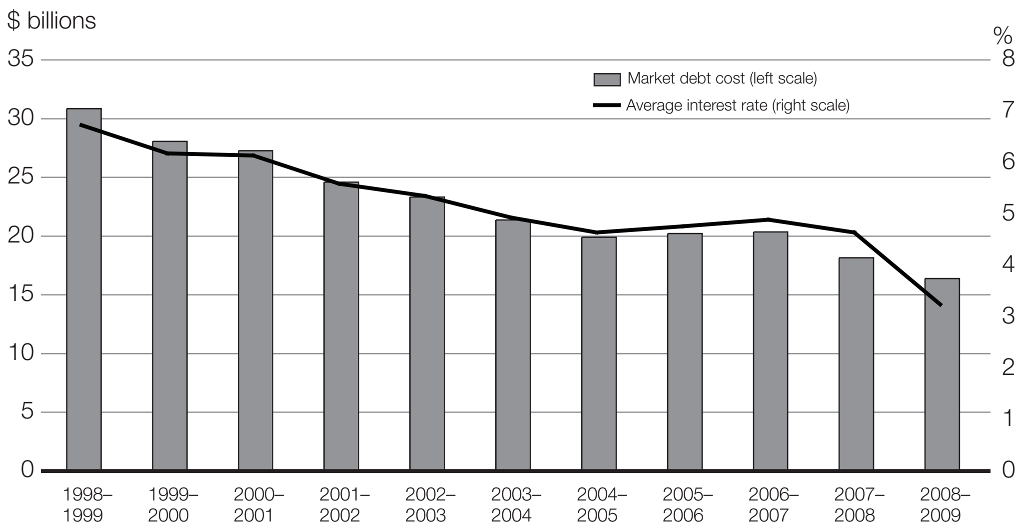
[2] Public debt charges include the interest on unmatured debt and on pensions, other employee and veteran future benefits and other liabilities, the amortization of premiums, discounts and commissions on unmatured debt, and the servicing costs and the costs of issuing new borrowings.

Market Debt Costs

The cost of market debt fell from $18.2 billion in 2007–08 to $16.4 billion in 2008–09 due to a significant reduction in the average rate of interest on outstanding market debt (see Chart 2). In 2008–09, market debt costs represented about 53 per cent of public debt charges compared to 55 per cent the previous year.

The average rate of interest on outstanding market debt was 3.2 per cent in 2008–09, down from 4.6 per cent in 2007–08. This rate, which is a combination of the financing rates on debt issued in the past and the current year, has been falling over the past 10 years, largely as a result of general reductions in market interest rates.

Chart 2
Average Effective Interest Rate on Outstanding Market Debt

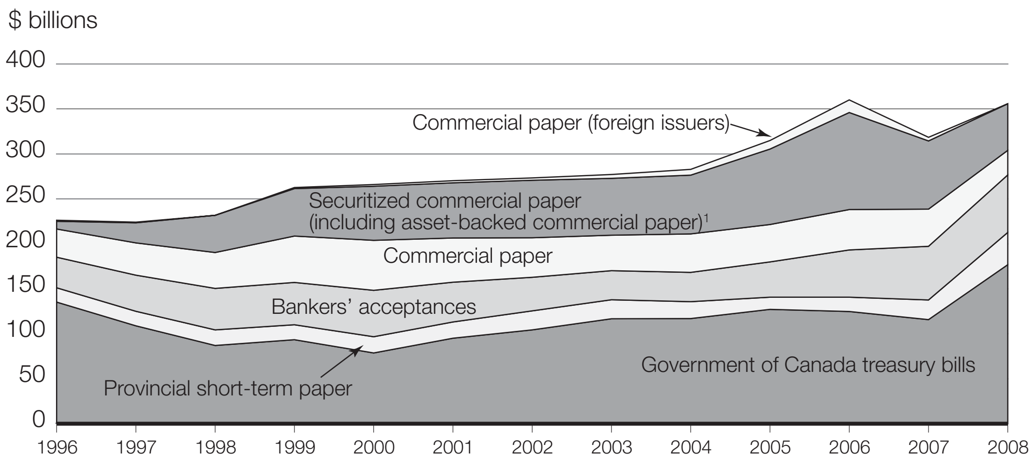


Amount of Debt Securities Outstanding in the Canadian Market

In 2008, the amount of securities outstanding in the Canadian short-term market (money market) increased by about 12 per cent compared to the previous year, primarily due to higher stocks of treasury bills and provincial short-term paper. The amount of commercial paper outstanding continued to decline in 2008 (see Chart 3).

Chart 3

Amount of Domestic Short-Term Securities Outstanding by Issue Type



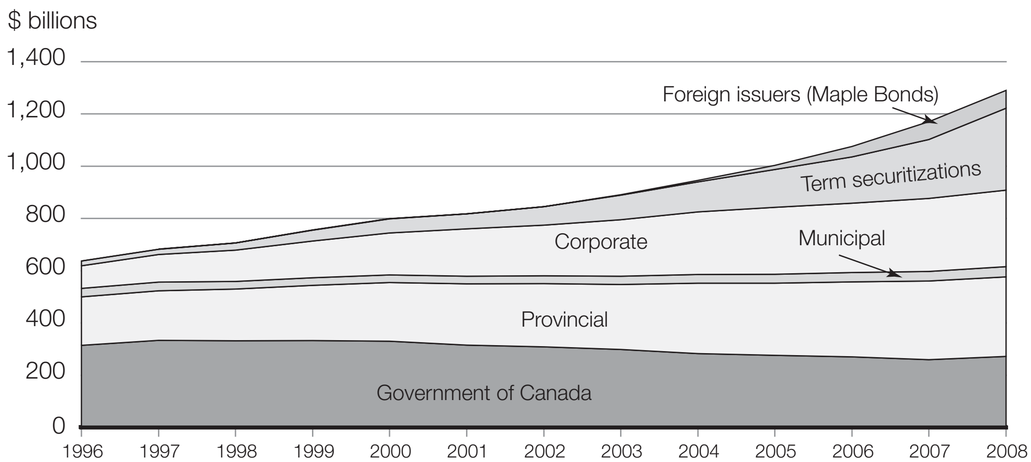
Notes: Municipal short-term issuance since 1996 has been negligible. Figures are as at December 31.

[1] 2007 and 2008 exclude outstandings of approximately $33.7 billion related to affected trusts restructured under the Montreal Proposal.

Source: Bank of Canada, *Banking and Financial Statistics*, Table F2.

During 2008, the size of the Canadian bond market increased by about 10 per cent. All categories within the market expanded, with the exception of Maple Bonds (Canadian-dollar bonds issued in Canada by foreign entities). The share of the Canadian bond market represented by Government of Canada bonds has declined since the mid-1990s. At December 31, 2008, Government of Canada bonds represented 21 per cent of total bonds outstanding, down from almost 50 per cent in 1996 (see Chart 4). In recent years, Canada Mortgage Bonds issued by the Canada Housing Trust and underlying National Housing Act Mortgage-Backed Securities have been the catalyst for growth in the term securitization sector.

Chart 4
Amount of Domestic Bonds Outstanding by Issue Type



Note: Figures are as at December 31.
Source: Bank of Canada, *Banking and Financial Statistics,* Table K8.

Part II: Objectives of Debt and Cash Management

In a year of higher-than-expected debt issuance, raising funding efficiently and maintaining a well-functioning government securities market continued to be the main objectives of the management of debt and cash balances in 2008–09. This section provides information on the achievement of the two objectives.

Raising Funding Efficiently

Achieving the objective of raising funding efficiently involves managing the Government's exposure to changes in interest rates and their impact on borrowing costs. This section highlights the actions taken to manage interest rate risk.

Debt Structure

The Government's interest-bearing debt is made up of short- and long-term debt instruments. As the yield curve is normally upward sloping, there is generally a trade-off between cost and risk in the selection of which length of terms to issue. While borrowing costs for longer-term instruments tend to be higher and remain fixed for a longer period, there is a reduced risk of having to refinance at higher interest rates. In contrast, borrowing costs tend to be lower on average for shorter-term instruments but are fixed for shorter periods, therefore increasing the risk of having to refinance the debt at higher interest rates. Under the debt strategy, striking a balance between fixed-rate (longer-term) and floating-rate (short-term) debt in the market debt structure is a key decision managed over time.

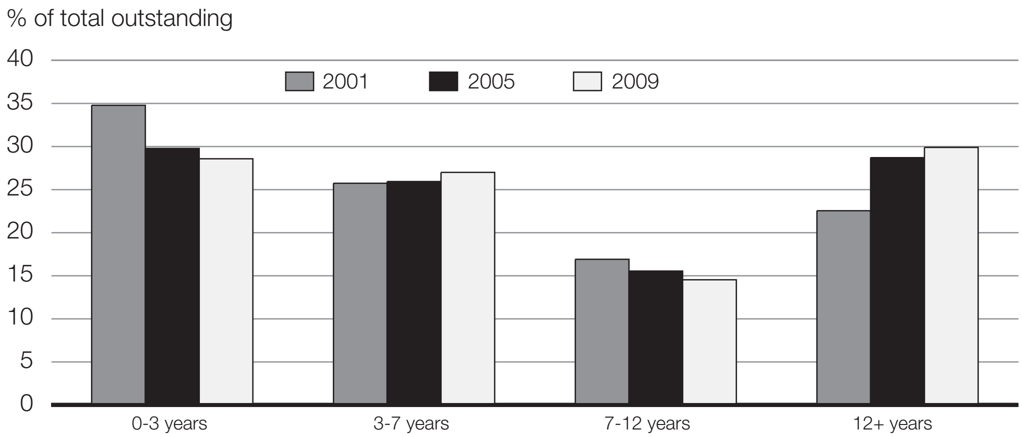
A well-distributed maturity profile ensures a controlled exposure to changes in interest rates over time and provides liquidity across different maturity sectors. In 2008–09, debt issuance continued to emphasize the distribution of borrowing across three treasury bill maturities (3-, 6- and 12-month) and five bond maturities (2-, 5-, 10- and 30-year nominal bonds and a 30-year Real Return Bond).[3]

The maturity profile of outstanding Government of Canada bonds is well distributed across each of the maturity sectors (see Chart 5). The increase in the stock of longer-dated bonds (12+ years) since 2001 reflects increased issuance of both nominal 30-year bonds and Real Return Bonds, as well as an increase in the inflation adjustment for the latter.[4]

[3] An announcement to reintroduce a 3-year nominal bond maturity was made in the 2009–10 *Debt Management Strategy*.

[4] The nominal outstanding amount of Real Return Bonds reflects increases in the Consumer Price Index over time through the inflation adjustment. If new issuance is excluded, the nominal outstanding amount of previously issued Real Return Bonds will still increase if there has been positive inflation over the time period.

Chart 5
Maturity Profile of Outstanding Government of Canada Bonds, at March 31



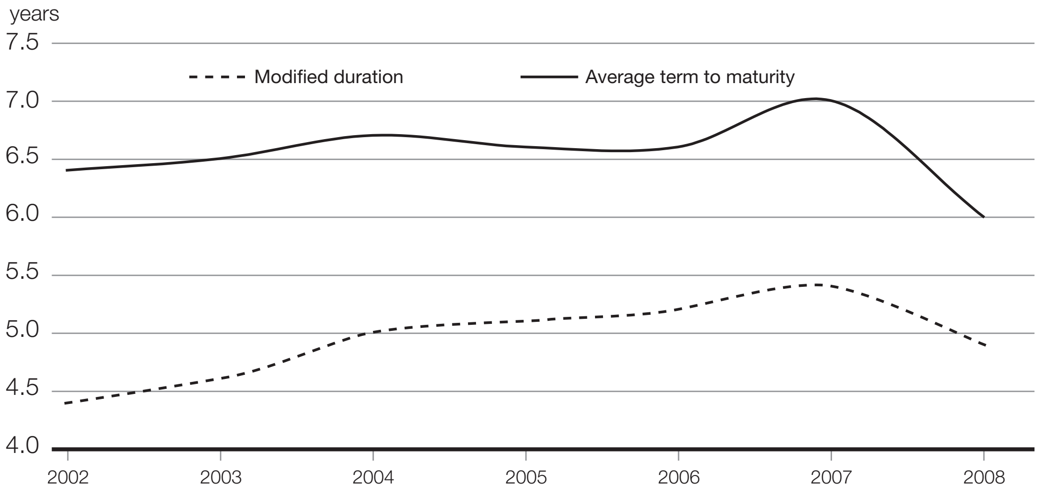
Source: Bank of Canada.

The fixed-rate share measures the proportion of all Government of Canada interest-bearing debt that does not mature or need to be repriced within one year. It is calculated on a net basis by excluding components of the debt that are matched with financial assets of the same term, and which therefore do not represent an exposure to interest rate risk. The federal liabilities netted out from the fixed-rate share calculation include liabilities used to fund the assets in the Exchange Fund Account; debt securities matched with corresponding loans to Crown corporations; Government of Canada debt securities held by the Bank of Canada; matched assets related to the Insured Mortgage Purchase Program; and the debt offset by Receiver General cash and deposit balances.

In 2008–09, the fixed-rate share decreased from 62.6 per cent to 61.0 per cent due to a relative increase in short-term borrowings used to meet elevated funding requirements.

The increase in short-term debt issuance lowered the modified duration and average term to maturity of the debt portfolio. In 2008–09, the modified duration decreased by 0.5 years to 4.9 years, and the average term to maturity decreased by 1 year to 6.0 years (see Chart 6).[5]

Chart 6
Modified Duration and Average Term to Maturity of Government of Canada Market Debt



Note: Figures are as at December 31.
Source: Bank of Canada.

[5] Modified duration measures the price sensitivity of a security or portfolio of fixed-income securities to changes in yields. Multiplying the modified duration of a security by the change in its yield gives the estimated percentage change in the price of the security. The average term to maturity is calculated by multiplying the remaining maturity on each instrument by its weight in the portfolio.

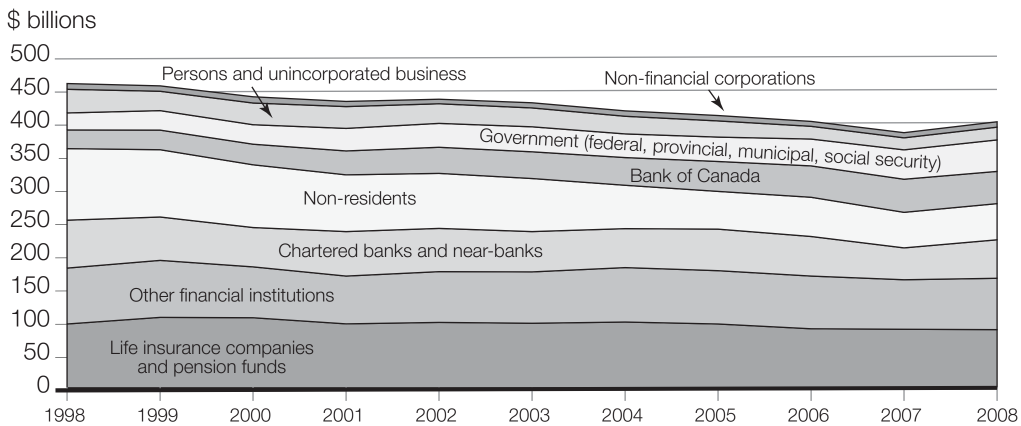
Holdings of Government of Canada Market Debt

A diversified investor base supports an active secondary market for Government of Canada securities, thereby helping to keep funding costs low. Diversification of the investor base is pursued by maintaining a domestic wholesale debt program that is attractive to a wide range of investors, and offering a retail debt program that provides savings products that suit the needs of individual Canadians.

At December 31, 2008, life insurance companies and pension funds accounted for the largest share of holdings of Government of Canada market debt securities, representing 22 per cent. The next largest share was held by other financial institutions, which include investment dealers, mutual funds, and property and casualty insurance companies (19 per cent), followed by non-residents (14 per cent) and chartered banks and near-banks (14 per cent). Taken together, these four sectors held close to 70 per cent of outstanding Government of Canada securities (see Chart 7).

Over the last decade, the share of government marketable securities held by non-residents has shown the most notable decline. In 2008, several groups of investors increased their holdings of Government of Canada securities, with chartered banks and near-banks showing the biggest increase. Additional details on the distribution of Government of Canada market debt are available on the Statistics Canada website at www.statcan.ca/english/nea-cen/index.htm.

Chart 7
Distribution of Holdings of Government of Canada Market Debt



Note: Figures are as at December 31.

Source: Statistics Canada, *National Balance Sheet Accounts*, which is based on data extracted from administrative files and derived from other Statistics Canada surveys.

Maintaining a Well-Functioning Government Securities Market

A well-functioning wholesale market in Government of Canada securities is important as it benefits the Government as a borrower as well as a wide range of market participants. For the Government as a debt issuer, a well-functioning market attracts investors and contributes to keeping funding costs low and stable over time. For market participants, a liquid and transparent secondary market in government debt provides risk-free assets for investment portfolios, a pricing benchmark for other debt issues and derivatives, and a primary tool for hedging interest rate risk.

In 2008–09, the following actions were taken to promote liquidity in Government of Canada securities:

Providing regular and transparent issuance: The practice of pre-announcing quarterly bond auction schedules and the call for tenders has been in place for more than a decade. As in recent years, there were regular auctions for 2-, 5- 10- and 30-year nominal bonds, as well as for 30-year Real Return Bonds. Regular and pre-announced issuance provided certainty for dealers and investors in terms of planning their investment activities and supported participation and competitive bidding at auctions by primary dealers and investors. Due to the increased financial requirements in the 2008–09 fiscal year, more auctions were held. To ensure transparency, all changes to bond issuance schedules were communicated through the Bank of Canada website on a timely basis, and were coordinated with the Insured Mortgage Purchase Program (IMPP) operation schedule published on the Canada Mortgage and Housing Corporation (CMHC) website.

Concentrating on key benchmarks: The 2-, 5-, 10- and 30-year new building benchmark target sizes were unchanged from the previous year (2-year bonds: $7 billion to $10 billion; 5-year bonds: $9 billion to $12 billion; 10-year bonds: $10 billion to $14 billion; and 30-year bonds: $12 billion to $15 billion). In 2008–09, the minimum target sizes for all maturities were reached and due to the increase in borrowing requirements, most non-fungible benchmarks built in 2008–09 exceeded their target ranges (see Part III for the actual amount issued in each maturity).[6]

Using the regular bond buyback program: Against the backdrop of debt paydown in recent years, use of the regular bond buyback program on both a switch and cash basis to repurchase less-liquid off-the-run bonds has helped maintain gross bond issuance and benchmark bond sizes at higher levels than otherwise would have been possible.[7] Despite higher debt issuance in 2008–09, the buyback program continued to play an important role. Operational changes to the buyback program were made to increase the flexibility of the program. Due to the higher financial requirements in 2008–09, buyback operations on a cash basis were scaled back in the last quarter of the fiscal year, while switch buybacks in longer maturities continued to be used (see Part III for more details).

[6] Non-fungible securities do not share the same maturity dates with outstanding bond issues. The benchmark size for bonds that are fungible with existing bonds is deemed attained once the total amount of outstanding bonds for that maturity date exceeds the minimum benchmark size.

[7] Buybacks on a switch basis involve the exchange of less-liquid bonds for liquid benchmark bonds.

Consulting with market participants: Consultations with market participants are held typically once a year in order to obtain their views on the liquidity and efficiency of the Government of Canada securities market. Due to the exceptional circumstances in 2008–09, however, the formal consultations held in November were followed by additional consultations. In the November consultations, market participants' views were requested on certain operational aspects of domestic debt programs, including issuances related to the IMPP. Representatives from CMHC participated in the consultations. The main messages received were that while liquidity in the Canadian fixed-income market had generally declined, Government of Canada bonds and treasury bills had been less adversely affected. Additionally, while welcoming the transparency and coordination between the Government and CMHC, participants offered suggestions on how the bond program could be adjusted on the dates IMPP operations were performed.[8]

Consolidating the borrowings of Crown corporations: The Crown borrowing program, which was officially launched in April 2008, reduced overall borrowing costs for the Business Development Bank of Canada, CMHC and Farm Credit Canada and enhanced the liquidity of the Government of Canada debt program. In 2008–09, loans to Crown corporations, excluding loans to CMHC for IMPP operations, increased by $17 billion.

Supporting broad participation in Government of Canada operations: Active participation in auction and buyback operations by a diverse group of market participants helps achieve the key objective of raising funding efficiently. Initiatives such as lower turnaround times have enhanced the efficiency of the auction and buyback process and encouraged participation by reducing the market risk for participants. Turnaround times have fallen significantly in recent years, from an average of 45 minutes in 1997–98, to an average of under 2 minutes for treasury bill and bond auctions and an average of around 3 minutes for buyback operations in 2008–09.[9]

Supporting government securities distributors (GSDs): To maintain a well-functioning securities distribution system, government securities auctions are monitored to ensure that GSDs abide with the terms and conditions.[10] In October 2008, the minimum bidding requirements for Government of Canada nominal bond, treasury bill and fungible cash management bill auctions were modified to help primary dealers meet their obligations during periods of high volatility. The initiative taken in February 2008 to modify the minimum bidding obligation for Real Return Bonds was also extended after the trial period ended on March 31, 2009. These changes are intended to be temporary and will be amended when necessary.

8 More details on the subjects of discussion and the views expressed during the consultations can be found at www.bankofcanada.ca/en/notices_fmd/index.html.

9 The Bank of Canada targets an average turnaround time of less than 3 minutes for auctions and less than 5 minutes for buyback operations. Maximum turnaround times are 5 minutes for auctions and 10 minutes for buyback operations.

10 The terms and conditions of auctions are available at www.bank-banque-canada.ca/en/markets/markets_auct.html.

Part III: Report on the 2008–2009 Debt Program

Part III reports on the outcomes of the domestic debt and foreign debt programs used to finance market debt. It also reviews measures of liquidity and efficiency in the secondary market for Government of Canada securities.

Details of the domestic debt program and auction results are presented first, followed by details of cash management activities and Receiver General auction results. Part III concludes with an overview of secondary market indicators and a brief description of Canada's foreign currency debt programs.

The outcomes of funds management activities are typically the product of many factors. As a result, measures only serve as useful metrics to help interpret and understand the results and context of funds management initiatives.

Domestic Debt Program

The domestic debt program consists of the issuance of three treasury bill maturities (3-, 6- and 12-month), cash management bills, and five bond maturities (2-, 5-, 10- and 30-year nominal bonds and a 30-year Real Return Bond), a bond buyback program, and two retail debt products (Canada Savings Bonds and Canada Premium Bonds).[11]

As the Government's fiscal agent, the Bank of Canada distributes Government of Canada marketable bills and bonds through auction to GSDs and customers. GSDs that maintain a certain threshold of activity in the primary and secondary market for Government of Canada securities may apply to become primary dealers, which form the core group of distributors for Government of Canada securities.

In 2008–09, treasury bill and bond auctions continued to be well covered and well bid. While the credit market turbulence that began in August 2007 had no major impact on auctions, volatility caused by uncertainties in the market resulted in slightly wider tails and lower coverage ratios at auction.

The secondary market for Government of Canada securities continues to exhibit trading volumes and turnover ratios that compare favourably to those of other countries, despite a decline relative to previous years.

Program Activity

In 2008–09, the amount of money borrowed by the federal government from financial markets exceeded the amount planned in the 2008–09 *Debt Management Strategy*, mainly due to the increased financial requirements stemming from various initiatives taken by the Government to support financial markets (see Part I for details). As a result, bond and treasury bill issuance increased.

[11] An announcement to reintroduce a 3-year nominal bond maturity was made in the 2009–10 *Debt Management Strategy*.

Marketable Bonds

In 2008–09, gross marketable bond issuance was $75.0 billion (including issuance through switch buybacks), about $40.7 billion higher than the $34.3 billion issued in 2007–08. This gross issuance consisted of $72.9 billion in nominal bonds, including $3.0 billion in switch operations, and $2.1 billion in Real Return Bonds (see Table 3). Taking into account gross issuance, buybacks and maturities, the stock of outstanding marketable bonds increased by $41.7 billion during the fiscal year to $295.2 billion at March 31, 2009.

The gross nominal bond issuance of $72.9 billion consisted of $23.2 billion in 2-year bonds, $29.0 billion in 5-year bonds, $15.7 billion in 10-year bonds and $5.1 billion in 30-year bonds. In 2008–09, the amount of nominal bonds outstanding increased by $39.3 billion to $263.5 billion.

The level of outstanding Real Return Bonds increased from $29.4 billion to $31.8 billion at March 31, 2009, as a result of increased issuance ($2.1 billion) and a Consumer Price Index adjustment increase of $0.35 billion for 2008–09.

Table 3
Annual Bond Program Operations

	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08	2008–09
				($ billions)			
Nominal	36.4	33.9	30.8	27.9	27.3	29.5	69.9
Nominal (switch)	5.9	5.5	4.7	4.5	4.5	2.5	3.0
Real Return Bonds	1.4	1.4	1.4	1.5	1.6	2.3	2.1
Total gross issuance	43.7	40.8	36.9	33.9	33.4	34.3	75.0
Cash buyback	-7.1	-5.2	-6.8	-5.3	-5.1	-4.3	-3.2
Switch buyback	-5.0	-5.0	-4.7	-3.3	-4.7	-2.4	-2.7
Total buybacks	-12.1	-10.2	-11.4	-8.6	-9.8	-6.7	-5.9
Net issuance	31.6	30.7	25.5	25.3	23.6	27.6	69.0

Note: Numbers may not add due to rounding.

Source: Bank of Canada.

As a result of actions taken to promote liquidity in Government of Canada securities, there are now fewer small, illiquid high coupon bonds and more large and liquid benchmarks compared to 2003. From 2003 to 2009, the number of individual bonds outstanding was reduced from 58 to 46, while the average size per maturity date increased from $6.0 billion to $8.1 billion (see Table 4).

Table 4
Impact of Debt Management Activities on Profile of Outstanding Bonds

	Nominal Bonds		Real Return Bonds		Total	
	2003	2009	2003	2009	2003	2009
Total bonds outstanding ($ billions)	270.1	263.5	16.2	26.4	286.3	289.9
Average size per maturity date ($ billions)	6.0	8.5	5.4	5.3	6.0	8.1
Number of bonds outstanding	55	41	3	5	58	46
Number of maturity dates	45	31	3	5	48	36
Weighted average coupon rate (%)	6.5	4.6	4.2	3.5	–	–

Sources: Bank of Canada and *Public Accounts of Canada*.

Bond Buyback Program

The objectives of the bond buyback program are to maintain new issuance and enhance market liquidity for Government of Canada bonds. Buyback operations, which are performed on a cash and switch basis, accomplish this objective by helping to increase benchmark sizes in the face of declining borrowing requirements. The program was scaled back in the last quarter of the fiscal year as borrowing requirements increased, with liquidity enhancement being the focus of the remaining (switch) operations.

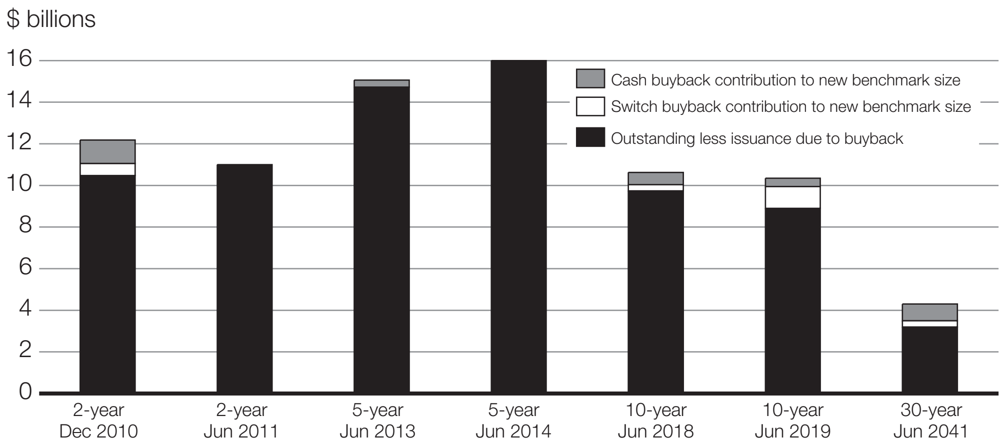
Bond buyback operations on a cash basis involve the purchase of bonds with a remaining term to maturity of 12 months to 25 years. Bond buyback operations on a switch basis involve the exchange, on a duration-neutral basis, of less-liquid bonds with a remaining term to maturity of 12 months to 25 years for liquid benchmark bonds.[12] In 2008–09, operational changes to the buyback program were made to increase the flexibility of the program. In March 2008, the lower bound of the remaining term to maturity for bonds eligible for the bond buyback program was changed from 18 months to 12 months. Furthermore, the bond buyback baskets were expanded to include more issues. In December 2008, the buyback floor threshold below which the Government will not reduce the outstanding amount of bonds maturing on one maturity date was changed from $5 billion to $3 billion.

In light of the higher financial requirements for 2008–09, buyback operations on a cash basis were scaled back, totalling $3.2 billion and consisting of roughly $1.1 billion in the 2-year sector, $0.3 billion in the 5-year sector, $1.0 billion in the 10-year sector and $0.8 billion in the 30-year sector. In 2008–09, bonds repurchased on a switch basis totalled $2.7 billion, $0.3 billion higher than planned.

[12] The amount of new bonds issued through buybacks on a switch basis does not necessarily equal the amount of old bonds bought back through those operations because the exchange is not based on par value, but rather is on a duration-neutral equivalent basis.

In total, bond buyback operations amounted to $5.9 billion in 2008–09. Chart 8 shows the impact that bond buybacks on a cash and switch basis had on benchmark sizes in 2008–09.

Chart 8
Impact of Regular Buyback Program on Benchmark Sizes, at March 31, 2009

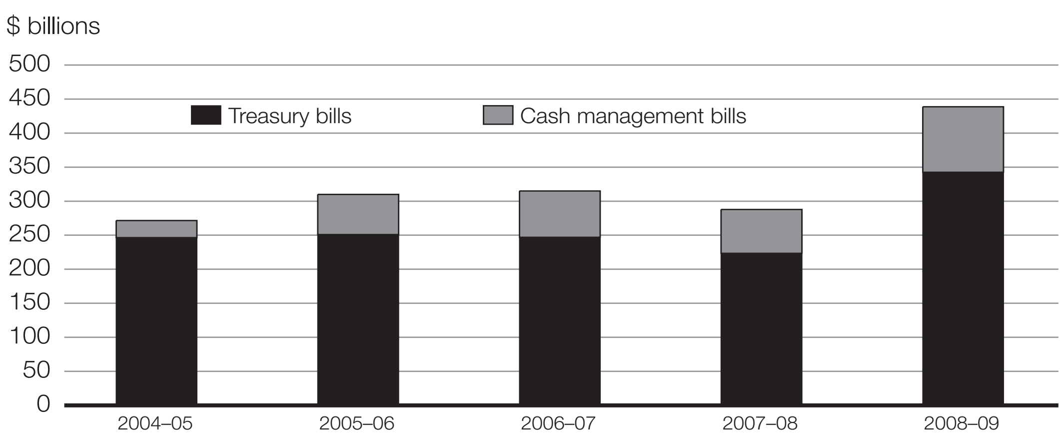


Source: Bank of Canada.

Treasury Bills and Cash Management Bills

The stock of outstanding treasury and cash management bills increased by $75.4 billion during 2008–09 to $192.3 billion at March 31, 2009. Over the fiscal year, $438.8 billion in bills were auctioned, an increase of $150.9 billion from the previous year (see Chart 9). Throughout the year, $96.3 billion in cash management bills were issued for various short-term maturities. More frequent use of these short-term securities, as a cost-effective cash management tool, helped smooth fluctuations in cash balances over the year.

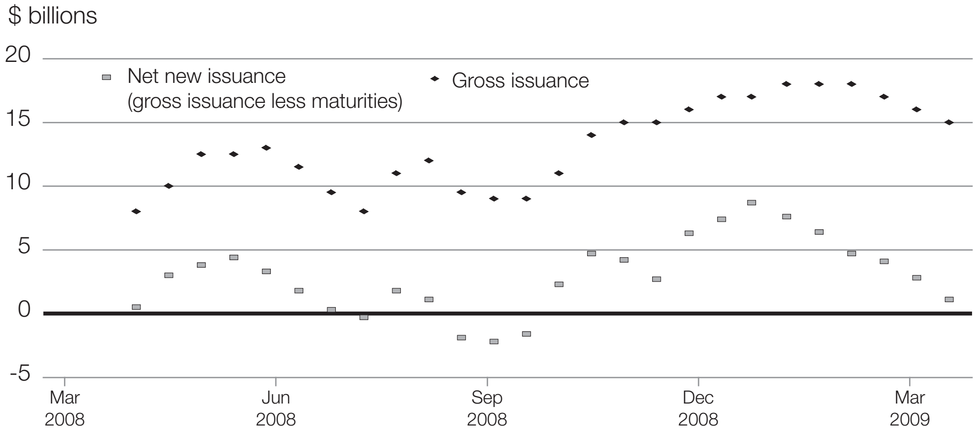
Chart 9
Treasury Bill and Cash Management Bill Program Issuance



Source: Bank of Canada.

Due to the increased reliance on short-term debt to meet funding needs, the fluctuation in the average size of treasury bill issues increased in 2008–09. Net new issuance ranged from -$2.2 billion to +$8.7 billion per operation, with a standard deviation of $2.9 billion (see Chart 10).

Chart 10
Gross and Net Issuance at Treasury Bill Auctions



Source: Bank of Canada.

Retail Debt

The objectives of the retail debt program are to provide Canadians with access to Government of Canada retail savings products; to maintain public awareness of Canada Savings Bonds (CSBs) and Canada Premium Bonds (CPBs); when feasible, to deliver cost-effective funding for the Government; and to look for opportunities to reduce overall program delivery costs.

As in recent years, the Government sold CSBs and CPBs over a six-month period, from early October 2008 to the beginning of April 2009, through two channels: payroll deductions and cash purchases through financial institutions and dealers or directly from the Government. These sales were supported by a television advertising campaign.

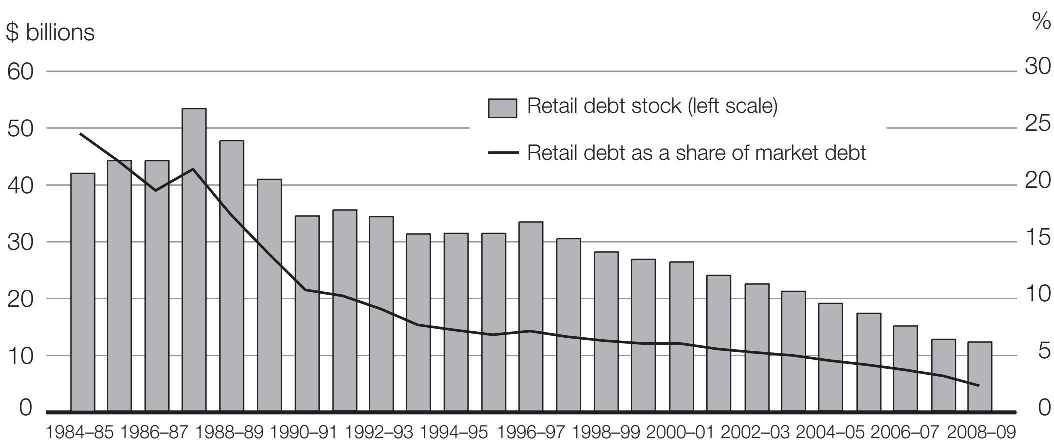
The level of outstanding CSBs and CPBs held by retail investors decreased slightly from $13.1 billion at the start of 2008–09 to $12.5 billion at March 31, 2009 (see Chart 11). Gross sales and redemptions were $2.8 billion and $3.3 billion, respectively, for a net reduction of $0.6 billion in the stock of retail debt (see Table 5 and Reference Table XII). Retail debt also continued to decline as a share of total market debt.

Table 5
Retail Debt Gross Sales and Redemptions, 2008–09

Sales Channel	Gross Sales	Redemptions	Net Change
		($ billions)	
Payroll	1.6	1.4	0.2
Cash	1.2	1.9	-0.7
Total	2.8	3.3	-0.6

Note: Numbers may not add due to rounding.
Source: Bank of Canada.

Chart 11
Evolution of the Retail Debt Stock



Auction Result Indicators for the Domestic Debt Program

The two conventional measures used to gauge auction performance are the auction coverage and tail. These two measures, combined with the yield at issue, describe the quality of an auction in terms of its competitiveness and its impact on the cost of borrowing.

The auction coverage is defined as the total amount of bids received, excluding bids from the Bank of Canada, divided by the amount auctioned. A higher auction coverage level typically reflects strong demand and therefore should result in a lower average auction yield. Under the Terms of Participation in Auctions for Government Securities Distributors covering government auctions, a primary dealer's bids, and bids from its customers, must total a minimum of 50 per cent of its auction limit or 50 per cent of its formula calculation, rounded upward to the nearest percentage point, whichever is lower. In addition, the minimum level of bidding must be at a reasonable price. Assuming that all primary dealers bid at their maximum bidding limit, the coverage ratios for primary dealers would reach at least 2.5 for bill auctions and 2.67 for bond auctions. Similarly, if all primary dealers only bid at their minimum bidding obligation, the coverage ratios would be about 1.25 for bill auctions and 1.34 for bond auctions.

The auction tail represents the number of basis points between the highest yield accepted and the average yield. A small auction tail is preferable as it generally indicates better transparency in the pricing of securities.

Marketable Bonds

Due to higher-than-planned issuance, 22 nominal bond auctions were conducted in 2008–09, compared to 14 in 2007–08. The auction results for the auctions conducted are presented in Table 6.[13] While nominal bond auctions continued to be well covered, increased uncertainty and volatility in financial markets resulted in moderately wider tails and slightly lower coverage ratios at bond auctions.

Table 6
Performance at Bond Auctions

		Nominal				Real Return Bonds
		2-Year	5-Year	10-Year	30-Year	30-Year
Tail (basis points)	2008–09	0.72	1.19	1.33	0.79	n.a.
	4-year average	0.50	0.80	0.67	0.45	n.a.
Coverage (ratio)	2008–09	2.24	2.19	2.25	2.52	2.68
	4-year average	2.40	2.39	2.44	2.56	2.76

Source: Bank of Canada.

Treasury Bills and Cash Management Bills

In 2008–09, there were 26 treasury bill auctions, and the number of cash management bill auctions increased to 34 from 32 in 2007–08. All of the auctions were fully covered. The coverage ratios for treasury bill auctions in 2008–09 were slightly lower than the four-year average, consistent with the trend observed at bond auctions (see Table 7). Volatility in the short-term securities also resulted in wider tails for treasury bill and cash management bill auctions.

Table 7
Performance at Treasury Bill and Cash Management Bill Auctions

		3-Month	6-Month	12-Month	Cash Management Bills
Tail (basis points)	2008–09	1.77	1.54	2.05	4.82
	4-year average	0.99	1.00	1.15	4.41
Coverage (ratio)	2008–09	2.00	2.13	2.05	2.23
	4-year average	2.14	2.18	2.14	2.41

Source: Bank of Canada.

[13] Tails are not calculated for Real Return Bond auctions since successful bidders are allotted bonds at the single-price equivalent of the highest real yield (single-price auction type) of accepted competitive bids (Section 6 of the Standard Terms for Auctions of Government of Canada Real Return Bonds).

Participation at Domestic Debt Auctions

In 2008–09, primary dealers were allotted over 89 per cent of auctioned short-term and nominal debt securities, while other GSDs and customers were allotted under 11 per cent (see Table 8).[14] The 10 most active participants were allotted over 90 per cent of these securities. Primary dealers' share of the Real Return Bond allotments was about 37 per cent, with customers receiving close to the remaining 62 per cent of the allotments.

Table 8

Share of Amount Allotted to Participants by Type of Auction, 2008–09

Participant Type	Cash Management Bills	Treasury Bills	Nominal Bonds	Real Return Bonds
		(%)		
Primary dealers	92.4	89.8	94.2	37.4
Other GSDs	0.0	0.3	0.2	0.4
Customers	7.6	9.9	5.6	62.2
Top 5 participants	67.4	68.7	66.2	52.3
Top 10 participants	92.9	90.7	90.6	73.0

Notes: These numbers exclude securities bought by the Bank of Canada. Numbers may not add due to rounding.

Source: Bank of Canada.

Cash Management

Receiver General (RG) cash balances, the Government of Canada's Canadian-dollar balances, are invested in a prudent cost-effective manner through auctions with private sector financial institutions. Since February 1999, when Canada's electronic funds transfer system—the Large Value Transfer System—was implemented, RG cash balances have been allocated to bidders twice daily through an auction process administered by the Bank of Canada. These auctions serve two main purposes: first, as a treasury management tool, they are the means by which the Government invests its short-term Canadian-dollar cash balances; second, the auctions are used by the Bank of Canada in its monetary policy implementation to neutralize the impact of public sector flows on the financial system.

A portion of the morning auction has been offered on a collateralized basis since September 2002, permitting access to a wider group of potential participants, while ensuring that the Government's credit exposure is effectively mitigated.

The Government's treasury managers use a number of indicators to monitor the performance of cash management activities, including the average level of cash balances, the coverage and tail at RG auctions, the distribution of participants at RG auctions, the effectiveness of the cash management bond buyback program, the cost of carry, and the profile of treasury bill operations.

[14] A customer is a bidder on whose behalf a GSD has been directed to submit a competitive or non-competitive bid for a specified amount of securities at a specific price.

Receiver General Cash Balances

RG cash balances fluctuate widely over the year for a variety of reasons. In 2008–09, there was a significantly increased fluctuation in RG cash balances, with balances reaching a peak of $55 billion and a low of $2 billion. Also, average daily RG cash balances for 2008–09 were $21.2 billion compared to $7.3 billion in 2007–08. This was due to a number of factors, including preparation for large government programs, such as the Insured Mortgage Purchase Program and other initiatives, plus the raising of cash balances at the Bank of Canada to support the Bank's liquidity operations. The Bank of Canada's liquidity operations increase the assets on the Bank's balance sheet and must be offset by either reducing other assets or increasing liabilities. In the case of increasing liabilities, one option is to increase RG cash balances by the Government issuing securities and holding the cash received at the Bank of Canada.

The portion of cash balances at financial institutions tend to be at their highest during the months of March, April, May and November in anticipation of the large flows related to fiscal year-end and to cover large bond coupon and principal outflows on June 1 and December 1. Average daily RG cash balances held at financial institutions in 2008–09 were $8.7 billion, up significantly from 2007–08 (see Table 9). Although frequent use of cash management bills allows cash balances to be built up quickly, resulting in lower average daily balances, average daily cash balances in 2008–09 were much higher, mainly due to the need to set cash aside to fund various government initiatives (see Part I for details).

Table 9
Average Daily Receiver General Cash Balances Held at Financial Institutions

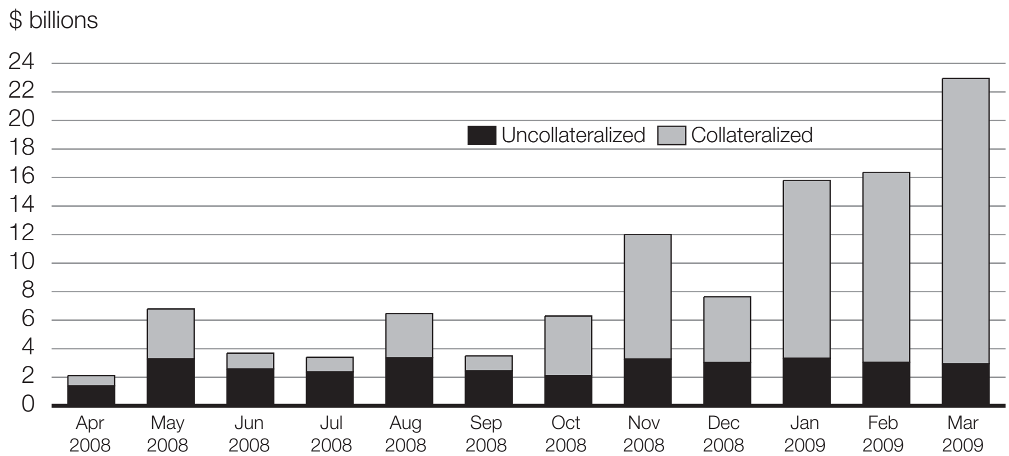
	2005–06	2006–07	2007–08	2008–09
		($ billions)		
Average daily cash balances	5.6	5.7	5.4	8.7

Note: Average daily RG cash balances at the Bank of Canada for 2008–09 were $12.4 billion, compared to $1.9 billion in 2007–08.

Source: Bank of Canada.

Collateral arrangements were introduced in 2002 to mitigate the credit risk related to the deposit of cash balances with counterparties. Participants with approval for uncollateralized bidding limits maximize their uncollateralized lines prior to using their collateralized lines. Generally, at least 20 per cent of the balances are collateralized; however, in months of high balances, the proportion of collateralized balances can exceed 70 per cent (see Chart 12).

Chart 12
Receiver General Auctions of Cash Balances Allocation Between Collateralized and Uncollateralized Tranches
(Average of Daily Balances for Each Month)



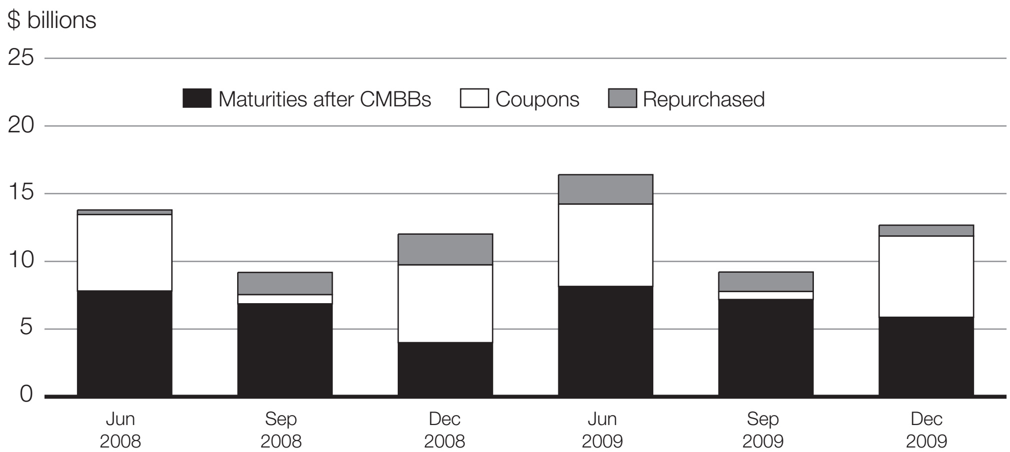
Source: Bank of Canada.

Cash Management Bond Buyback Program

The cash management bond buyback (CMBB) program helps manage cash requirements by reducing the high levels of cash balances needed for key maturity payment dates. The program also helps smooth variations in treasury bill auction sizes over the year.

In 2008–09, the total amount of bonds repurchased through the CMBB program was $8.6 billion, compared to $11.0 billion in 2007–08. The CMBB program in 2007–08 and 2008–09 reduced the size of the 2008 June 1, September 1 and December 1 bond maturities by about 34 per cent, from a total of $28.5 billion outstanding at the beginning of 2007–08 to $18.7 billion outstanding at the end of 2008–09 (see Chart 13).

Chart 13
Impact of CMBB Operations on Large Payments, at March 31, 2009



Notes: June, September and December 2009 maturities continued to be part of the CMBB program in the 2009–10 fiscal year. Coupon payments for September and December 2009 are estimates.

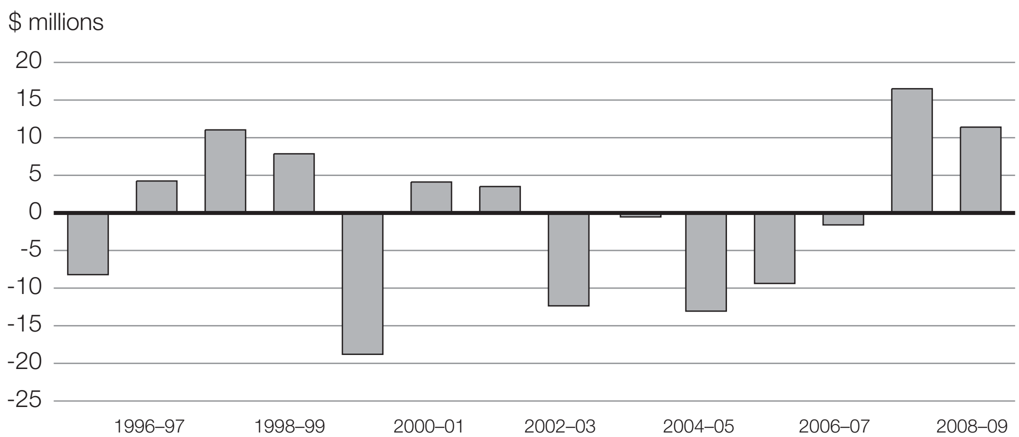
Source: Bank of Canada.

Cost of Carry

A key measure of the cost to the Government of maintaining cash balances is the net return on these cash balances: the difference between the return on government balances auctioned to financial institutions (typically around the overnight rate) and the average yield paid on treasury bills. A normal upward sloping yield curve results in a positive cost of carry, as financial institutions pay rates of interest for government deposits based on an overnight rate that is lower than the rate paid by the Government to borrow funds. Conversely, under an inverted yield curve, short-term deposit rates are higher than the average of 3- to 12-month treasury bill rates, which can result in a net gain for the Government.

In 2008–09, yields on treasury bills continued to remain low and often traded below the overnight rate, resulting in a gain of carrying cash of $11.4 million for the fiscal year, compared to $16.5 million in 2007–08 and a net cost of $1.6 million in 2006–07 (see Chart 14).

Chart 14
Cost (-) or Gain (+) of Carry for Cash Balances



Source: Bank of Canada.

Auction Result Indicators for Receiver General Cash Balances

In 2008–09, coverage for the morning RG auction was lower than the rolling four-year average (see Table 10). Coverage for the afternoon RG auction declined from 2.04 in 2007–08 to 1.97 in 2008–09. Nevertheless, auctions encountered no demand issues and continued to be well covered.

The lower coverage and wider tails for the afternoon auction compared to the morning auction reflect the smaller number of eligible participants for the afternoon auction. In addition, many participants have already completed their daily funding requirements by the afternoon auction.

(For definitions of coverage and tail, see the section entitled "Auction Result Indicators for the Domestic Debt Program".)

Table 10
Performance at Receiver General Auctions

	2008–09	4-Year Average
Morning auctions		
Coverage (ratio)	3.34	3.64
Tail (basis points)	1.12	1.54
Afternoon auctions		
Coverage (ratio)	1.97	2.13
Tail (basis points)	5.21	3.71

Source: Bank of Canada.

Participation at Receiver General Auctions

The top 10 participants in the Large Value Transfer System (LVTS) won about 77 per cent of RG auctions on average in 2008–09, while the non-LVTS participants won 22.5 per cent of the amount allotted (see Table 11).

Table 11
Receiver General Auctions Share of Amount Allotted Between LVTS and Non-LVTS Participants

Participant Type	2005–06	2006–07	2007–08	2008–09
		(%)		
Top 5 LVTS	65.6	63.2	47.8	67.4
Top 5 others	16.8	15.0	26.0	18.6
Top 10 LVTS	79.9	81.2	69.0	77.4
Top 10 others	17.8	17.6	29.8	22.5

Source: Bank of Canada.

Secondary Market

As the economic outlook deteriorated and financial requirements increased in the 2008–09 fiscal year, raising funding efficiently and maintaining a well-functioning government securities market continued to be the main objectives of the management of debt and cash balances (see Part II for details). In an environment where government debt issuance is increasing, the Government is continuing to encourage proper conduct of market participants.

Code of Conduct for the Domestic Debt Market

The liquidity of the domestic debt market is a function of program design and public confidence in its integrity. The Investment Industry Regulatory Organization of Canada Rule 2800, *Code of Conduct for Corporation Dealer Member Firms Trading in Wholesale Domestic Debt Markets,* originally introduced in 1998 by the Investment Dealers Association (a predecessor organization) and updated in 2008, was developed jointly with the Bank of Canada and the Department of Finance, and is the formal code of conduct for dealing practices in wholesale domestic debt markets.

Ongoing vigilance by the Government and the Bank of Canada helps to maintain the integrity of trading in Canadian fixed-income securities, thereby encouraging liquidity and efficiency, promoting public confidence, and supporting the maintenance of active Government of Canada securities trading and lending.

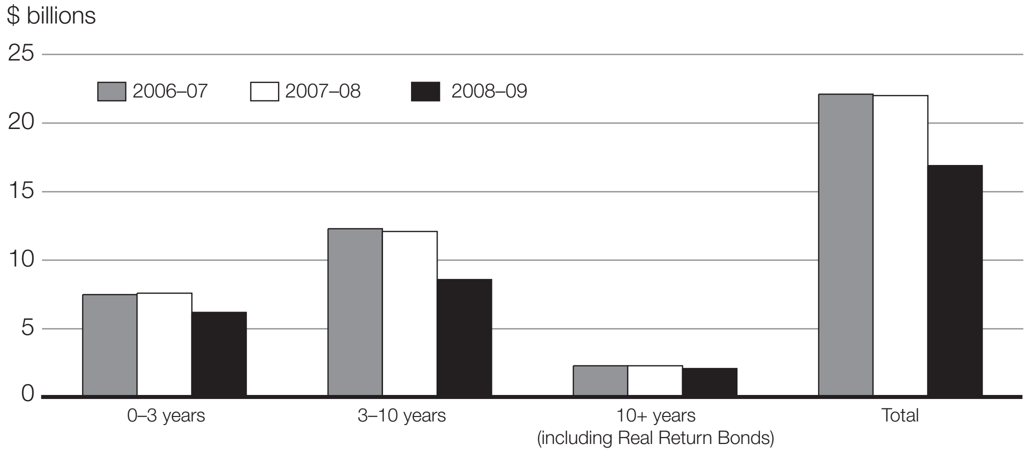
Trading Volume and Turnover Ratio

The two conventional measures of liquidity and efficiency in the secondary market for Government of Canada securities are trading volume and turnover ratio.

Trading volume represents the amount of securities traded per period. Large trading volume typically allows participants to buy or sell in the marketplace without a substantial impact on the price of the securities and in general implies lower bid-offer spreads. Turnover ratio, which is the ratio of securities traded relative to the amount of securities outstanding, is a measure of market depth and efficiency. High turnover implies that a large amount of securities changes hands over a given period of time, a hallmark of a liquid and efficient securities market.

The volume of transactions in the Government of Canada bond market declined to $16.9 billion in 2008–09, down $5.1 billion from 2007–08. Since 2006–07, average daily bond trading volume has declined by about 24 per cent (see Chart 15).

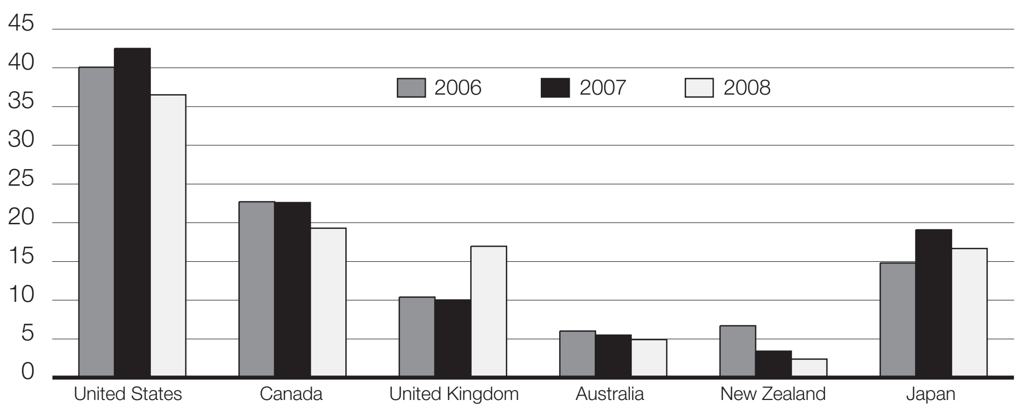
Chart 15
Government of Canada Bond Average Daily Trading Volumes



Source: Bank of Canada.

In 2008 the annual debt stock turnover ratio trended downward, consistent with trends observed in comparable countries except the United Kingdom. With an annual debt stock turnover ratio of 19.3 in 2008, the Government of Canada bond market compares favourably with other major sovereign bond markets (see Chart 16).

Chart 16
Sovereign Bond Turnover Ratios



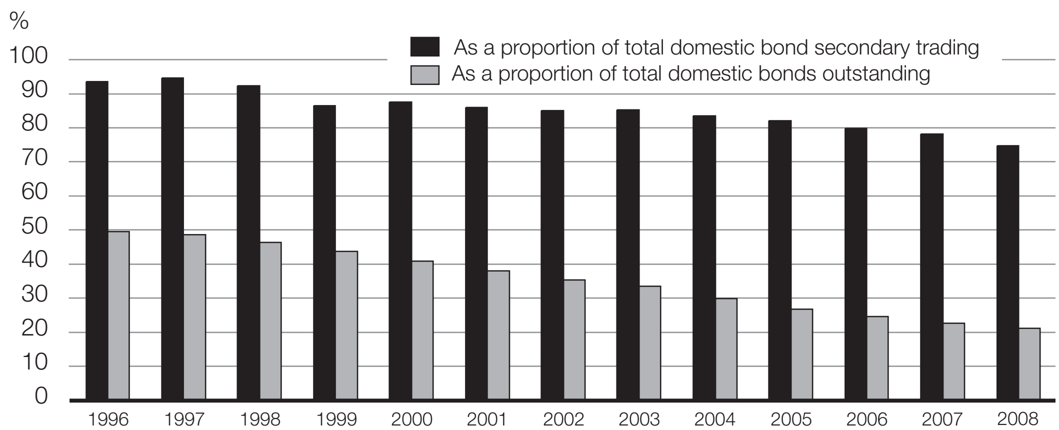
Note: Turnover ratio is total trading volume in each calendar year/average stock.

Sources: Bureau of the Public Debt of the US, Federal Reserve Bank of New York, Bank of Canada, United Kingdom Debt Management Office, London Stock Exchange, *Australian Financial Markets Report*, Reserve Bank of New Zealand, Japan Ministry of Finance, Japan Securities Dealers Association.

Share of Domestic Debt in the Secondary Market

The share of government bonds as a proportion of total domestic bonds outstanding and as a proportion of total domestic trading volume declined slightly in 2008, continuing the trend in recent years. While the share of government bonds as a proportion of total domestic bonds outstanding declined from about 49 per cent in 1996 to about 21 per cent in 2008, government bonds accounted for just under 77 per cent of total domestic bond secondary trading volume in 2008 (see Chart 17).

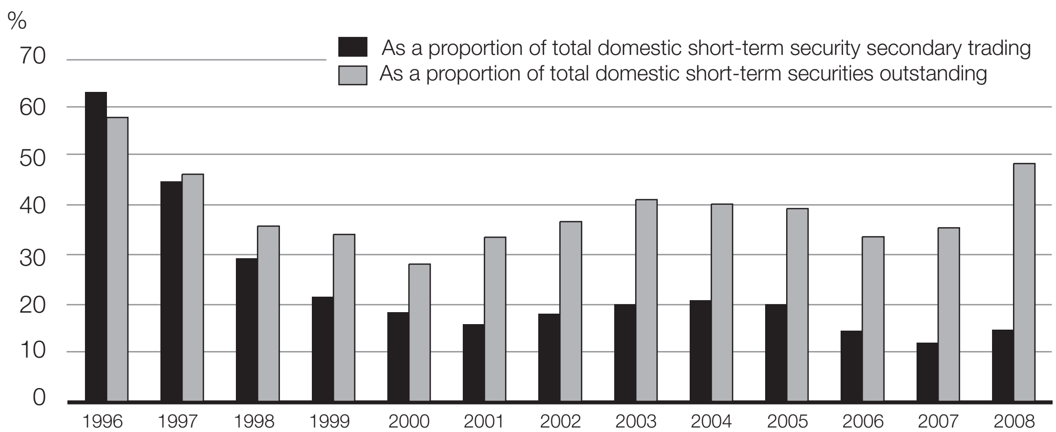
Chart 17
Share of Government of Canada Bonds in the Domestic Market



Note: Figures are as at December 31.
Source: Bank of Canada, *Banking and Financial Statistics,* Tables F12 and K8.

The share of treasury bills as a proportion of total domestic short-term securities outstanding increased from 35 per cent in 2007 to 48 per cent in 2008, while the share of treasury bills as a proportion of total domestic short-term securities trading increased from 12 per cent to 15 per cent. Since 1996, the share of treasury bills as a proportion of total domestic short-term securities outstanding has declined by 9 per cent and the share of treasury bills as a proportion of total domestic short-term securities trading has declined by 48 per cent (see Chart 18).

Chart 18
Share of Government of Canada Treasury Bills in the Domestic Market



Note: Figures are as at December 31.
Source: Bank of Canada, *Banking and Financial Statistics*.

Repo Markets

A repo, or repurchase agreement, is a transaction in which a party sells a security and simultaneously agrees to repurchase it at a given price at a given time in the future. These transactions provide short-term financing or support to dealer inventories and are similar to collateralized loans. The presence of liquid repo markets for Government of Canada treasury bills and nominal bonds complements and enhances the efficiency of the domestic fixed-income securities market.

Government of Canada bond repo markets remained very active in 2008–09, with total average daily trading volume lower at $23.12 billion compared to $27.08 billion in 2007–08. Average daily treasury bill repo market volume increased in 2008–09 to $2.25 billion compared to $1.7 billion in 2007–08.

Secondary Trading by Market Participants

The share of secondary market trading of Government of Canada securities is highly concentrated, with primary dealers accounting for more than 86 per cent of trading activity in 2008–09.[15] The 10 most active participants represented over 96 per cent of trading activity (see Table 12).

Table 12
Secondary Trading: Share by Type of Participant, 2008–09

Participant Type	Treasury Bills	Bonds
	(%)	
Primary dealers	97.6	86.5
Other GSDs	2.4	13.5
Top 5 participants	78.4	68.2
Top 10 participants	99.3	96.4

Source: Bank of Canada.

Interest Rate Futures Market

An active and liquid interest rate futures market contributes to efficient capital markets by providing important trading, pricing and hedging tools, and supporting pricing for Government of Canada securities. In 2008, the volume of futures contracts based on the Government of Canada bond decreased along with volumes of other interest rate derivatives.

The futures contract based on the 10-year Government of Canada bond basket (or the CGB contract)[16] had a trading volume of 7.4 million contracts in calendar year 2008, a 21-per-cent decrease from 2007.

Trading volume of the futures contract based on the 2-year Government of Canada bond (or the CGZ contract),[16] originally launched in 2004 and modified in July 2006, was minimal in 2008.

The futures contract based on the 30-year Government of Canada bond (or the LGB contract),[16] launched in November 2007, had a trading volume of roughly 3,000 contracts for 2008.

[15] Primary dealers trade on behalf of their clients as well as for their own accounts.

[16] CGB, CGZ and LGB are trademark products of the Montréal Exchange.

Foreign Currency Debt Programs

Foreign currency debt is used to fund the foreign exchange reserves, which are held in the Exchange Fund Account (EFA). The *Report on the Management of Canada's Official International Reserves*, available at www.fin.gc.ca/purl/efa-eng.asp, provides information on the objectives, composition and performance of the reserves portfolio.

The market value of the official international reserves increased to US$43.5 billion at March 31, 2009 from US$43.1 billion at March 31, 2008. The change comprised a US$415-million decrease in EFA assets and a US$882-million increase in the International Monetary Fund (IMF) reserve position.

The EFA, which represents the largest component of the official international reserves, is an actively managed portfolio of liquid foreign currency securities and deposits. The other component is the IMF reserve position, which is not actively managed. This position, which represents Canada's investment in the activities of the IMF, fluctuates according to drawdowns and repayments from the IMF.

The EFA is funded by liabilities of the Government of Canada denominated in, or converted to, foreign currencies. Funding requirements are primarily met through an ongoing program of cross-currency swaps of domestic obligations. Total cross-currency swap issuance and maturities during the reporting period were US$6.1 billion and US$2.4 billion, respectively.

In addition to cross-currency swaps of domestic obligations, the EFA is funded by a short-term US-dollar paper program (Canada bills), medium-term note issuance in various markets (Canada notes and Euro Medium-Term Notes) and international bond issues (global bonds), the use of which depends on funding needs and market conditions.

There was no new issuance of Canada notes, Euro Medium-Term Notes or global bonds during the period. Table 13 presents the change in outstanding foreign currency issues. Note that the changes reflect not only issuance and maturities, but also changes in the exchange rates of the euro and yen versus the US dollar (as the foreign currency issues are reported in US dollars).

Table 13
Outstanding Foreign Currency Issues at March 31, 2009

	March 31, 2009	Change From March 31, 2008
	(par value in millions of US dollars)	
Swapped domestic issues	31,450	947
Global bonds	0	-5,729
Canada bills	6,046	4,601
Euro Medium-Term Notes	1,328	-251
Canada notes	0	-502
Total	38,824	-934

Note: Liabilities are stated at the exchange rates prevailing on March 31, 2009.

Annex 1: Completed Treasury Evaluation Reports, 1992–2007

Area	Year
Debt Management Objectives	1992
Debt Structure—Fixed/Floating Mix	1992
Internal Review Process	1992
External Review Process	1992
Benchmarks and Performance Measures	1994
Foreign Currency Borrowing—Canada Bills Program	1994
Developing Well-Functioning Bond and Bill Markets	1994
Liability Portfolio Performance Measurement	1994
Retail Debt Program	1994
Guidelines for Dealing With Auction Difficulties	1995
Foreign Currency Borrowing—Standby Line of Credit and FRN	1995
Treasury Bill Program Design	1995
Real Return Bond Program	1998
Foreign Currency Borrowing Programs	1998
Initiatives to Support a Well-Functioning Wholesale Market	2001
Debt Structure Target/Modelling	2001
Reserves Management Framework	2002
Bond Buybacks	2003
Funds Management Governance Framework[1]	2004
Retail Debt Program[1]	2004
Borrowing Framework of Major Federal Government-Backed Entities[1]	2005
Receiver General Cash Management Program[1]	2006
Exchange Fund Account Evaluation[1]	2006
Risk Management Report[1]	2007

[1] Available at www.fin.gc.ca.

Annex 2: Policy Measures Taken Since 1997 to Ensure a Well-Functioning Government Securities Market

1997: Dropped the 3-year bond benchmark

1998: Moved from weekly to bi-weekly treasury bill auctions

1999: Introduced a cash-based bond buyback program

1999: Introduced standardized benchmarks (fixed maturities and increased size)

1999: Started regular cross-currency-swap–based funding of foreign assets

2001: Introduced a switch-based bond buyback program

2001: Allowed the reconstitution of bonds beyond the size of the original amount issued

2001: Introduced the cash management bond buyback program

2001–2006: Reduced targeted turnaround times to less than 3 minutes for auctions and less than 5 minutes for buyback operations

2004: Advanced the timing of treasury bill auctions from 12:30 p.m. to 10:30 a.m.

2005: Advanced the timing of bond auctions from 12:30 p.m. to 12:00 p.m.

2005: Reduced the timing between bond auctions and cash buybacks to 20 minutes

2006: Dropped one quarterly 2-year auction

2006: Announced the maintenance of benchmark targets through fungibility (common dates)

2007: Consolidated the borrowings of three Crown corporations

2007: Changed the maturity of the 5-year benchmark and dropped one quarterly 5-year auction

Annex 3: Glossary

asset-liability management: An investment decision-making framework that is used to concurrently manage a portfolio of assets and liabilities.

benchmark bond: Specific issue which is typically the most liquid bond within each range of maturities. It is considered by the market to be the standard against which all other bonds issued in that term area are evaluated.

budgetary deficit: The shortfall between government annual revenues and annual budgetary expenses.

buyback on a cash basis: The repurchase of bonds for cash. Used to maintain the size of bond auctions and new issuance.

buyback on a switch basis: The exchange of outstanding bonds for new bonds in the current building benchmark.

Canada bill: Promissory note denominated in US dollars, issued for terms of up to 270 days. Canada bills are issued for foreign exchange reserves funding purposes only.

Canada Investment Bond: A non-marketable fixed-term security instrument issued by the Government of Canada.

Canada note: Promissory note usually denominated in US dollars and available in book-entry form. Canada notes can be issued for terms of nine months or longer, and can be issued at a fixed or a floating rate. Canada notes are issued for foreign exchange reserves funding purposes only.

Canada Premium Bond: A non-marketable security instrument issued by the Government of Canada, which is redeemable once a year on the anniversary date or during the 30 days thereafter without penalty.

Canada Savings Bond: A non-marketable security instrument issued by the Government of Canada, which is redeemable on demand by the registered owner(s), and which, after the first three months, pays interest up to the end of the month prior to cashing.

cross-currency swap: An agreement that exchanges one type of obligation for another involving different currencies and the exchange of the principal amounts and interest payments.

electronic trading system: An electronic system that provides real-time information about securities and enables the user to execute financial trades.

Exchange Fund Account (EFA): The objective of the EFA is to aid in the control and protection of the external value of the Canadian dollar. Assets held in the EFA are managed to provide foreign currency liquidity to the Government and to promote orderly conditions for the Canadian dollar in the foreign exchange markets, if required.

financial source/requirement: Measures the difference between the cash inflows and outflows of the Government's Receiver General account. In the case of a financial requirement, it is the amount of new borrowing required from outside lenders to meet financing needs in any given year.

foreign exchange reserves: The foreign currency assets (e.g. interest-earning bonds) held to support the value of the domestic currency. Canada's foreign exchange reserves are held in the Exchange Fund Account.

Government of Canada securities auction: A process used for selling Government of Canada debt securities (mostly marketable bonds and treasury bills) in which issues are sold by public tender to government securities distributors and approved clients.

government securities distributor (GSD): An entity (i.e. an investment dealer or bank) that is authorized to bid at Government of Canada securities auctions and through which the Government distributes Government of Canada treasury bills and marketable bonds.

interest-bearing debt: Consists of unmatured debt, or market debt, and liabilities to internally held accounts such as federal employees' pension plans.

Large Value Transfer System (LVTS): An electronic funds transfer system introduced in February 1999 and operated by the Canadian Payments Association. It facilitates the electronic transfer of Canadian-dollar payments across the country virtually instantaneously.

marketable bond: An interest-bearing certificate of indebtedness issued by the Government of Canada, and having the following characteristics: bought and sold on the open market; payable in Canadian or foreign currency; having a fixed date of maturity; interest payable either in coupon or registered form; face value guaranteed at maturity.

marketable debt: Market debt that is issued by the Government of Canada and sold via public tender or syndication. These issues can be traded between investors while outstanding.

money market: The market in which short-term capital is raised, invested and traded using financial instruments such as treasury bills, bankers' acceptances, commercial paper, and bonds maturing in one year or less.

non-market debt: Consists of the Government's internal debt, which is, for the most part, federal public sector pension liabilities and the Government's current liabilities (such as accounts payable, accrued liabilities, interest payments and payments of matured debt).

overnight rate; overnight financing rate; overnight money market rate; overnight lending rate: An interest rate at which participants with a temporary surplus or shortage of funds are able to lend or borrow until the next business day. It is the shortest term to maturity in the money market.

primary dealer (PD): Member of the core group of government securities distributors that maintains a certain threshold of activity in the market for Government of Canada securities. The primary dealer classification can be attained in either treasury bills or marketable bonds, or both.

primary market: The market in which issues of securities are first offered to the public.

Real Return Bond (RRB): Government of Canada RRBs pay semi-annual interest based upon a real interest rate. Unlike standard fixed-coupon marketable bonds, interest payments on RRBs are adjusted for changes in the Consumer Price Index.

secondary market: A market where existing securities trade after they have been sold to the public in the primary market.

sovereign market: Market for the debt issued by a government.

treasury bill: Short-term obligation sold by public tender. Treasury bills, with terms to maturity of 3, 6 or 12 months, are currently auctioned on a bi-weekly basis.

yield curve: The conceptual or graphic representation of the term structure of interest rates. A “normal” yield curve is upward sloping, with short-term rates lower than long-term rates. An “inverted” yield curve is downward sloping, with short-term rates higher than long-term rates. A “flat” yield curve occurs when short-term rates are the same as long-term rates.

Annex 4: Contact Information

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Reference Tables

I	Gross Public Debt, Outstanding Market Debt and Debt Charges	55
II	Government of Canada Outstanding Market Debt	56
III	Average Weekly Domestic Market Trading in Government of Canada Securities, April 2008 to March 2009	57
IV	Fiscal 2008–09 Treasury Bill Program	58
V	Fiscal 2008–09 Treasury Bill Auction Results	60
VI	Issuance of Government of Canada Domestic Bonds	62
VII	Fiscal 2008–09 Domestic Bond Program	63
VIII	Fiscal 2008–09 Domestic Bond Auction Results	64
IX	Outstanding Government of Canada Domestic Bonds as at March 31, 2009	65
X	Government of Canada Cross-Currency Swaps Outstanding as at March 31, 2009	67
XI	Fiscal 2008–09 Bond Buyback Program Operations	69
XII	Retail Debt Sales, Redemptions and Stock Outstanding	72
XIII	Crown Corporation Borrowings as at March 31	73

Reference Table I

Gross Public Debt, Outstanding Market Debt and Debt Charges

Fiscal year	Market debt	Market debt value adjustment	Accounts payable and accrued liabilities	Pension and other liabilities	Gross debt	Financial assets	Net debt	Non-financial assets	Accumulated deficit	Gross public debt charges	Fixed-rate portion of interest-bearing debt[1]
	($ billions)									(%)	
	+	+	+	=	-	=	-	=			
1985–86	201.2	-0.4	39.4	79.1	319.4	70.1	249.2	21.4	227.8	27.7	51.9
1986–87	228.6	-0.4	42.1	84.7	355.0	73.2	281.8	24.2	257.7	28.7	50.9
1987–88	250.8	-0.9	47.2	90.9	388.0	75.0	313.0	26.3	286.7	31.2	51.2
1988–89	276.3	-2.2	50.2	97.1	421.4	77.9	343.6	29.0	314.6	35.5	49.6
1989–90	294.6	-2.9	53.2	104.5	449.3	74.5	374.8	31.0	343.8	41.2	49.9
1990–91	323.9	-3.2	54.9	112.1	487.7	76.6	411.1	33.4	377.7	45.0	50.4
1991–92	351.9	-2.2	56.1	118.5	524.2	78.5	445.7	35.8	410.0	43.9	50.7
1992–93	382.7	-3.0	58.4	125.1	563.2	76.0	487.2	38.2	449.0	41.3	50.4
1993–94	414.0	-1.8	63.7	131.4	607.3	79.3	527.9	40.4	487.5	40.1	53.3
1994–95	441.0	-3.4	71.3	139.8	648.7	81.2	567.5	43.3	524.2	44.2	55.1
1995–96	469.5	-1.7	74.9	148.5	691.3	92.7	598.6	44.4	554.2	49.4	56.9
1996–97	476.9	0.3	75.9	156.3	709.4	100.4	609.0	46.1	562.9	47.3	61.7
1997–98	466.8	1.4	81.7	160.9	710.8	103.6	607.2	47.2	559.9	43.1	63.7
1998–99	457.7	2.6	83.7	168.2	712.2	109.3	602.9	48.7	554.1	43.3	64.5
1999–00	454.2	-0.2	83.9	175.8	713.6	123.5	590.1	50.2	539.9	43.4	66.5
2000–01	444.9	1.3	88.5	179.0	713.6	141.9	571.7	51.7	520.0	43.9	67.8
2001–02	440.9	0.9	83.2	177.9	703.0	137.7	565.3	53.4	511.9	39.7	67.4
2002–03	438.6	-1.1	83.2	178.3	699.0	139.5	559.6	54.2	505.3	37.3	65.8
2003–04	436.5	-2.5	85.2	180.9	700.1	149.1	551.0	54.8	496.2	35.8	63.8
2004–05	431.8	-4.3	97.7	179.8	705.0	155.4	549.6	54.9	494.7	34.1	63.1
2005–06	427.3	-6.1	101.4	179.9	702.5	165.6	536.9	55.4	481.5	33.8	62.5
2006–07	418.8	-4.7	106.5	185.1	705.8	181.9	523.9	56.6	467.3	33.9	60.8
2007–08	394.1	-3.4	110.5	191.2	692.3	176.0	516.3	58.6	457.6	33.3	62.6
2008–09	510.9	3.1	114.0	196.1	824.2	298.9	525.2	61.5	463.7	31.0	61.0

[1] Calculation methodology may vary slightly from year to year. The definition of interest-bearing debt changed slightly in 2002–03 to reflect the adoption of the full accrual basis of accounting.

During 2007–08, improvements were made to the calculation of the fixed-rate share of the debt to more appropriately reflect the Government's exposure to interest rate risk. The fixed-rate share of the debt is adjusted by excluding components of the debt that are matched with financial assets of the same term and therefore do not represent an exposure to interest rate risk. The federal liabilities netted out from the fixed-rate share calculation include liabilities funding the assets in the Exchange Fund Account; debt securities matched with corresponding loans to Crown corporations; Government of Canada debt held by the Bank of Canada; and the debt offset by Receiver General cash and deposit balances. The fixed-rate share from 2006–07 onwards has been adjusted to reflect this new methodology.

Reference Table II

Government of Canada Outstanding Market Debt

Fiscal year	Payable in Canadian dollars: Treasury bills	Marketable bonds	Retail debt	CPP bonds	Total	Payable in foreign currencies: Canada bills	Marketable bonds	Canada notes	Euro Medium-Term Notes	Standby drawings	Term loans	Total	Less: Government's own holdings[1]	Total market debt	Average interest rate
								($ billions)							(%)
1985–86	62.0	81.1	44.2	0.4	187.7	0.0	9.3	0.0	0.0	2.2	2.2	13.8	-0.3	201.2	10.7
1986–87	77.0	94.4	44.3	1.8	217.5	1.0	8.9	0.0	0.0	0.0	2.0	12.0	-0.9	228.6	9.3
1987–88	81.1	103.9	53.3	2.5	240.8	1.0	7.9	0.0	0.0	0.0	2.3	11.3	-1.2	250.8	9.6
1988–89	102.7	115.7	47.8	3.0	269.2	1.1	6.3	0.0	0.0	0.0	0.9	8.3	-1.2	276.3	10.8
1989–90	118.6	127.7	40.9	3.1	290.2	1.4	4.3	0.0	0.0	0.0	0.0	5.7	-1.3	294.6	11.2
1990–91	139.2	143.6	34.4	3.5	320.7	1.0	3.6	0.0	0.0	0.0	0.0	4.5	-1.3	323.9	10.7
1991–92	152.3	158.1	35.6	3.5	349.5	0.0	3.4	0.0	0.0	0.0	0.0	3.4	-1.0	351.9	8.9
1992–93	162.1	178.5	34.4	3.5	378.4	2.6	2.8	0.0	0.0	0.0	0.0	5.4	-1.1	382.7	7.9
1993–94	166.0	203.4	31.3	3.5	404.3	5.6	5.0	0.0	0.0	0.0	0.0	10.7	-1.0	414.0	6.8
1994–95	164.5	225.7	31.4	3.5	425.1	9.0	7.9	0.0	0.0	0.0	0.0	16.9	-1.0	441.0	8.0
1995–96	166.1	252.8	31.4	3.5	453.8	7.0	9.5	0.3	0.0	0.0	0.0	16.8	-1.0	469.5	7.3
1996–97	135.4	282.6	33.5	3.5	454.9	8.4	12.5	2.1	0.0	0.0	0.0	23.0	-1.1	476.9	6.7
1997–98	112.3	294.6	30.5	3.5	440.8	9.4	14.6	1.7	1.5	0.0	0.0	27.2	-1.2	466.8	6.6
1998–99	97.0	295.8	28.2	4.1	425.0	10.2	19.7	1.3	4.9	0.0	0.0	36.0	-3.3	457.7	6.7
1999–00	99.9	294.4	26.9	3.6	424.7	6.0	21.4	1.1	4.1	0.0	0.0	32.6	-3.1	454.2	6.2
2000–01	88.7	295.5	26.4	3.5	414.1	7.2	21.2	1.6	3.7	0.0	0.0	33.7	-2.9	444.9	6.1
2001–02	94.2	294.9	24.0	3.4	416.5	3.4	19.8	1.2	3.2	0.0	0.0	27.5	-3.1	440.9	5.6
2002–03	104.6	289.2	22.6	3.4	419.8	2.6	14.5	1.2	3.3	0.0	0.0	21.6	-2.7	438.6	5.3
2003–04	113.4	279.0	21.3	3.4	417.1	3.4	13.2	1.3	3.0	0.0	0.0	20.8	-1.5	436.5	4.9
2004–05	127.2	266.7	19.1	3.4	416.3	3.9	9.9	1.1	1.7	0.0	0.0	16.5	-1.1	431.8	4.6
2005–06	131.6	261.9	17.3	3.1	413.9	4.7	7.6	0.5	1.5	0.0	0.0	14.3	-1.0	427.3	4.7
2006–07	134.1	257.9	15.2	1.7	408.9	1.8	6.7	0.5	1.6	0.0	0.0	10.6	-0.7	418.9	4.9
2007–08	117.0	253.8	13.1	1.0	384.9	1.5	6.1	0.5	1.6	0.0	0.0	9.7	-0.5	394.1	4.6
2008–09	192.5	295.3	12.5	0.5	500.8	8.7	0.3	0.0	1.7	0.0	0.0	10.6	-0.6	510.9	3.2

[1] Because certain comparative figures have been restated to reflect the presentation method used in recent years, the numbers in this reference table may differ from numbers in other sections of the 2008–09 *Debt Management Report*. In the reference table, "Government's holdings—consolidation adjustment" is presented separately but in the rest of the report the amount is incorporated into the figures. For more information, please consult Table 6.1 and Table 6.14 of the *Public Accounts of Canada 2009*.

Source: *Public Accounts of Canada*.

Reference Table III

Average Weekly Domestic Market Trading in Government of Canada Securities, April 2008 to March 2009

		Marketable bonds					
	Treasury bills	3 years and under	3 to 10 years	Over 10 years	Real Return Bonds	Total marketable bonds	Total
				($ millions)			
April 2008	21,556	34,809	48,368	12,066	428	95,671	117,227
May 2008	21,517	33,065	45,943	10,290	518	89,816	111,333
June 2008	24,429	34,983	60,294	10,518	412	106,207	130,636
July 2008	23,224	26,826	38,319	9,567	337	75,049	98,273
August 2008	21,255	28,122	31,846	6,446	423	66,837	88,092
September 2008	25,521	41,781	52,507	8,943	618	103,849	129,370
October 2008	33,147	31,059	46,627	9,193	441	87,320	120,467
November 2008	33,838	33,225	46,273	10,209	382	90,089	123,927
December 2008	32,240	23,223	29,843	7,694	606	61,366	93,606
January 2009	38,126	27,695	37,635	8,957	259	74,546	112,672
February 2009	37,982	27,565	44,885	10,250	279	82,979	120,961
March 2009	31,928	34,005	35,498	15,455	409	85,367	117,295

Source: Bank of Canada.

Reference Table IV
Fiscal 2008–09 Treasury Bill Program

Settlement date	Maturing					New issues					Net increment			Average tender yields			
	CMB[1]	3 mo	6 mo	12 mo	Total	CMB[1]	3 mo	6 mo	12 mo	Total	Total	Cumulative	O/S[2]	CMB[1]	3 mo	6 mo	12 mo
	($ millions)													(%)			
Apr. 1, 2008	2,700				2,700					0	-2,700	-2,700	114,300				
Apr. 3, 2008	2,500	4,100	3,400		10,000		4,400	1,800	1,800	8,000	-2,000	-4,700	112,300		1.98	2.43	2.65
Apr. 4, 2008	1,800				1,800					0	-1,800	-6,500	110,500				
Apr. 7, 2008					0	2,000				2,000	2,000	-4,500	112,500	2.49			
Apr. 10, 2008					0	2,000				2,000	2,000	-2,500	114,500	3.17			
Apr.16, 2008					0	3,000				3,000	3,000	500	117,500	3.39			
Apr. 17, 2008	2,500	3,800		3,200	9,500		5,600	2,200	2,200	10,000	500	1,000	118,000		2.49	2.59	2.77
Apr. 18, 2008					0	1,800				1,800	1,800	2,800	119,800	3.28			
Apr. 28, 2008					0	3,200				3,200	3,200	6,000	123,000	3.12			
May 1, 2008	2,000	4,100	4,600		10,700		7,100	2,700	2,700	12,500	1,800	7,800	124,800		2.70	2.72	2.81
May 2, 2008	3,800				3,800					0	-3,800	4,000	121,000				
May 5, 2008	3,000				3,000					0	-3,000	1,000	118,000				
May 6, 2008	3,200				3,200					0	-3,200	-2,200	114,800				
May 15, 2008		4,700		3,400	8,100		7,100	2,700	2,700	12,500	4,400	2,200	119,200		2.71	2.69	2.73
May 21, 2008					0	3,000				3,000	3,000	5,200	122,200	2.68			
May 28, 2008					0	2,800				2,800	2,800	8,000	125,000	2.99			
May 29, 2008		5,300	4,400		9,700		7,400	2,800	2,800	13,000	3,300	11,300	128,300		2.73	2.75	2.87
June 4, 2008	2,800				2,800					0	-2,800	8,500	125,500				
June 12, 2008	3,000	5,600		4,100	12,700		6,500	2,500	2,500	11,500	-1,200	7,300	124,300		2.83	3.09	3.30
June 20, 2008					0	2,500				2,500	2,500	9,800	126,800	2.78			
June 26, 2008		5,900	3,300		9,200	2,500	5,300	2,100	2,100	12,000	2,800	12,600	129,600	2.66	2.69	3.01	3.25
June 30, 2008					0	1,000				1,000	1,000	13,600	130,600	2.68			
July 2, 2008	2,500				2,500					0	-2,500	11,100	128,100				
July 4, 2008	3,500				3,500					0	-3,500	7,600	124,600				
July 10, 2008		4,400		3,900	8,300		4,400	1,800	1,800	8,000	-300	7,300	124,300		2.43	2.92	3.13
July 18, 2008					0	2,300				2,300	2,300	9,600	126,600	2.71			
July 23, 2008					0	2,000				2,000	2,000	11,600	128,600	2.68			
July 24, 2008		5,600	3,600		9,200		6,200	2,400	2,400	11,000	1,800	13,400	130,400		2.42	2.84	3.08
July 29, 2008					0	2,100				2,100	2,100	15,500	132,500	2.70			
Aug. 1, 2008	2,300				2,300					0	-2,300	13,200	130,200				
Aug. 5, 2008	2,100				2,100					0	-2,100	11,100	128,100				
Aug. 7, 2008	2,000	7,100		3,800	12,900		6,800	2,600	2,600	12,000	-900	10,200	127,200		2.47	2.74	2.86
Aug. 20, 2008					0	2,000				2,000	2,000	12,200	129,200	2.35			
Aug. 21, 2008		7,100	4,300		11,400		5,300	2,100	2,100	9,500	-1,900	10,300	127,300		2.52	2.67	2.67
Aug. 25, 2008					0	2,000				2,000	2,000	12,300	129,300	2.87			
Aug. 28, 2008					0	1,300				1,300	1,300	13,600	130,600	2.85			
Sept. 4, 2008	2,000	7,400		3,800	13,200		5,000	2,000	2,000	9,000	-4,200	9,400	126,400		2.41	2.66	2.66

Reference Table IV *(cont'd)*
Fiscal 2008–09 Treasury Bill Program

Settlement date	Maturing					New issues					Net increment			Average tender yields			
	CMB[1]	3 mo	6 mo	12 mo	Total	CMB[1]	3 mo	6 mo	12 mo	Total	Total	Cumulative	O/S[2]	CMB[1]	3 mo	6 mo	12 mo
	($ millions)													(%)			
Sept. 5, 2008	2,000				2,000					0	-2,000	7,400	124,400				
Sept. 10, 2008	1,300				1,300					0	-1,300	6,100	123,100				
Sept. 18, 2008		6,500	4,100		10,600	3,000	5,000	2,000	2,000	12,000	1,400	7,500	124,500	1.36	2.16	2.36	2.41
Sept. 19, 2008					0	2,000				2,000	2,000	9,500	126,500	2.24			
Sept. 22, 2008					0	2,000				2,000	2,000	11,500	128,500	2.62			
Sept. 25, 2008					0	2,000				2,000	2,000	13,500	130,500	2.33			
Sept. 26, 2008					0	2,800				2,800	2,800	16,300	133,300	2.36			
Oct. 2, 2008	7,000	5,300		3,400	15,700		6,200	2,400	2,400	11,000	-4,700	11,600	128,600		1.88	2.36	2.66
Oct. 6, 2008	2,800				2,800					0	-2,800	8,800	125,800				
Oct. 15, 2008					0	4,000				4,000	4,000	12,800	129,800	2.29			
Oct. 16, 2008	2,000	4,400	4,900		11,300		8,000	3,000	3,000	14,000	2,700	15,500	132,500		1.64	2.00	2.06
Oct. 17, 2008					0	4,000				4,000	4,000	19,500	136,500	1.83			
Oct. 20, 2008					0	4,000				4,000	4,000	23,500	140,500	2.05			
Oct. 22, 2008					0	4,000				4,000	4,000	27,500	144,500	2.23			
Oct. 23, 2008					0	4,000				4,000	4,000	31,500	148,500	2.24			
Oct. 30, 2008		6,200		4,600	10,800		8,600	3,200	3,200	15,000	4,200	35,700	152,700		2.21	2.21	2.24
Nov. 13, 2008	4,000	6,800	5,500		16,300	4,000	8,600	3,200	3,200	19,000	2,700	38,400	155,400	1.96	1.91	1.89	1.89
Nov. 19, 2008					0	4,000				4,000	4,000	42,400	159,400	2.04			
Nov. 20, 2008					0	3,500				3,500	3,500	45,900	162,900	1.93			
Nov. 24, 2008					0	2,500				2,500	2,500	48,400	165,400	2.07			
Nov. 27, 2008	4,000	5,300		4,400	13,700		9,200	3,400	3,400	16,000	2,300	50,700	167,700		1.84	1.72	1.71
Nov. 28, 2008					0	3,000				3,000	3,000	53,700	170,700	1.75			
Dec. 11, 2008	7,500	5,000	4,600		17,100		9,800	3,600	3,600	17,000	-100	53,600	170,600		1.30	1.31	1.33
Dec. 18, 2008	2,500				2,500					0	-2,500	51,100	168,100				
Dec. 19, 2008					0	4,000				4,000	4,000	55,100	172,100	0.86			
Dec. 24, 2008	4,000	5,000		3,300	12,300		9,800	3,600	3,600	17,000	4,700	59,800	176,800		0.95	0.98	0.98
Jan. 8, 2009	8,000	6,200	4,200		18,400		10,400	3,800	3,800	18,000	-400	59,400	176,400		0.94	0.93	0.97
Jan. 21, 2009					0	4,000				4,000	4,000	63,400	180,400	0.90			
Jan. 22, 2009	4,000	8,000		3,600	15,600		10,400	3,800	3,800	18,000	2,400	65,800	182,800		0.93	0.91	0.96
Jan. 29, 2009					0	4,000				4,000	4,000	69,800	186,800	0.84			
Feb. 5, 2009	4,000	8,600	4,700		17,300		10,400	3,800	3,800	18,000	700	70,500	187,500		0.90	0.92	1.03
Feb. 19, 2009	3,000	8,600		4,300	15,900		9,800	3,600	3,600	17,000	1,100	71,600	188,600		0.80	0.82	0.88
Mar. 5, 2009		9,200	4,000		13,200		9,200	3,400	3,400	16,000	2,800	74,400	191,400		0.53	0.62	0.73
Mar. 19, 2009		9,800		4,100	13,900		8,600	3,200	3,200	15,000	1,100	75,500	192,500		0.46	0.56	0.68
Total	**97,800**	**160,000**	**55,600**	**49,900**	**363,300**	**96,300**	**195,100**	**73,700**	**73,700**	**438,800**	**75,500**						

[1] Cash management bill.
[2] Oustanding
Source: Bank of Canada

Reference Table V
Fiscal 2008–09 Treasury Bill Auction Results

Auction date	Term	Issue amount	Average price	Average yield	Bid coverage	Tail	Auction date	Term	Issue amount	Average price	Average yield	Bid coverage	Tail
	(months)	($ millions)	($)	(%)		(basis points)		(months)	($ millions)	($)	(%)		(basis points)
Apr. 1, 2008	12	1,800	97.521	2.651	2.112	2.9	June 30, 2008	NF	1,000	99.971	2.682	2.993	16.8
Apr. 1, 2008	3	4,400	99.472	1.977	2.023	2.2	July 8, 2008	12	1,800	96.968	3.135	2.485	0.9
Apr. 1, 2008	6	1,800	98.895	2.427	2.166	1.3	July 8, 2008	3	4,400	99.351	2.432	2.373	0.6
Apr. 7, 2008	CMB [1]	2,000	99.837	2.490	1.730	6.0	July 8, 2008	6	1,800	98.564	2.921	2.544	0.5
Apr. 10, 2008	NF [2]	2,000	99.809	3.169	2.418	8.1	July 17, 2008	NF	2,300	99.896	2.707	2.354	13.3
Apr. 15, 2008	12	2,200	97.316	2.766	2.298	1.2	July 22, 2008	12	2,400	97.135	3.076	2.120	0.8
Apr. 15, 2008	3	5,600	99.335	2.493	1.973	1.9	July 22, 2008	3	6,200	99.355	2.417	2.073	1.4
Apr. 15, 2008	6	2,200	98.723	2.594	1.963	2.6	July 22, 2008	6	2,400	98.710	2.839	2.294	1.1
Apr. 16, 2008	NF	3,000	99.824	3.389	3.076	1.1	July 23, 2008	CMB	2,000	99.890	2.678	1.815	3.2
Apr. 18, 2008	NF	1,800	99.874	3.279	4.309	4.1	July 28, 2008	NF	2,100	99.948	2.697	1.904	24.3
Apr. 28, 2008	NF	3,200	99.932	3.117	1.398	8.2	Aug. 5, 2008	12	2,600	97.230	2.857	1.953	1.3
Apr. 29, 2008	12	2,700	97.376	2.810	2.154	1.9	Aug. 5, 2008	3	6,800	99.341	2.471	1.848	1.9
Apr. 29, 2008	3	7,100	99.280	2.702	1.927	3.3	Aug. 5, 2008	6	2,600	98.654	2.737	1.890	1.3
Apr. 29, 2008	6	2,700	98.764	2.720	2.289	1.4	Aug. 19, 2008	12	2,100	97.505	2.669	2.113	1.0
May 13, 2008	12	2,700	97.354	2.725	2.223	1.0	Aug. 19, 2008	3	5,300	99.328	2.518	2.386	0.7
May 13, 2008	3	7,100	99.278	2.708	2.177	1.0	Aug. 19, 2008	6	2,100	98.788	2.665	2.010	1.8
May 13, 2008	6	2,700	98.677	2.689	1.912	1.6	Aug. 20, 2008	CMB	2,000	99.903	2.354	1.988	3.4
May 21, 2008	CMB	3,000	99.839	2.677	2.110	3.3	Aug. 25, 2008	NF	2,000	99.913	2.873	2.053	6.7
May 27, 2008	12	2,800	97.323	2.868	2.096	3.1	Aug. 28, 2008	NF	1,300	99.899	2.846	4.515	3.4
May 27, 2008	3	7,400	99.273	2.727	2.318	1.0	Sept. 2, 2008	12	2,000	97.415	2.661	2.300	0.9
May 27, 2008	6	2,800	98.750	2.751	2.011	1.9	Sept. 2, 2008	3	5,000	99.358	2.408	2.143	1.1
May 28, 2008	NF	2,800	99.943	2.994	2.445	1.8	Sept. 2, 2008	6	2,000	98.691	2.661	2.233	0.9
June 10, 2008	12	2,500	96.815	3.299	1.897	2.6	Sept. 16, 2008	12	2,000	97.745	2.406	2.268	2.4
June 10, 2008	3	6,500	99.247	2.827	2.047	1.6	Sept. 16, 2008	3	5,000	99.429	2.161	2.612	1.3
June 10, 2008	6	2,500	98.483	3.089	2.167	2.1	Sept. 16, 2008	6	2,000	98.927	2.356	2.440	2.8
June 20, 2008	NF	2,500	99.909	2.783	3.224	3.7	Sept. 18, 2008	CMB	3,000	99.948	1.359	1.694	10.1
June 25, 2008	12	2,100	96.975	3.253	2.299	1.2	Sept. 19, 2008	CMB	2,000	99.835	2.236	1.883	5.4
June 25, 2008	3	5,300	99.283	2.691	2.308	0.6	Sept. 22, 2008	CMB	2,000	99.928	2.620	1.969	4.7
June 25, 2008	6	2,100	98.634	3.010	2.184	1.8	Sept. 25, 2008	CMB	2,000	99.955	2.329	2.019	2.1
June 26, 2008	NF	2,500	99.942	2.659	2.708	2.1	Sept. 26, 2008	NF	2,800	99.935	2.359	2.361	14.1

Reference Table V *(cont'd)*
Fiscal 2008–09 Treasury Bill Auction Results

Auction date	Term	Issue amount	Average price	Average yield	Bid coverage	Tail	Auction date	Term	Issue amount	Average price	Average yield	Bid coverage	Tail
	(months)	($ millions)	($)	(%)		(basis points)		(months)	($ millions)	($)	(%)		(basis points)
Sept. 30, 2008	12	2,400	97.420	2.656	1.742	2.4	Dec. 18, 2008	CMB	4,000	99.953	0.859	1.849	6.9
Sept. 30, 2008	3	6,200	99.499	1.877	1.911	4.3	Dec. 23, 2008	12	3,600	99.031	0.978	1.768	3.9
Sept. 30, 2008	6	2,400	98.839	2.356	1.610	4.0	Dec. 23, 2008	3	9,800	99.744	0.945	1.751	3.2
Oct. 14, 2008	12	3,000	98.062	2.061	1.770	2.9	Dec. 23, 2008	6	3,600	99.513	0.977	1.821	2.2
Oct. 14, 2008	3	8,000	99.561	1.644	1.660	5.4	Jan. 6, 2009	12	3,800	99.079	0.969	1.745	4.1
Oct. 14, 2008	6	3,000	99.088	2.000	1.855	4.0	Jan. 6, 2009	3	10,400	99.748	0.942	1.766	1.5
Oct. 15, 2008	CMB	4,000	99.644	2.287	1.822	3.3	Jan. 6, 2009	6	3,800	99.573	0.932	1.927	1.8
Oct. 17, 2008	CMB	4,000	99.795	1.833	2.139	4.7	Jan. 20, 2009	12	3,800	99.054	0.958	1.842	2.2
Oct. 20, 2008	CMB	4,000	99.865	2.053	2.413	2.9	Jan. 20, 2009	3	10,400	99.752	0.927	1.876	1.3
Oct. 22, 2008	CMB	4,000	99.616	2.232	2.089	1.8	Jan. 20, 2009	6	3,800	99.548	0.910	2.275	1.0
Oct. 23, 2008	CMB	4,000	99.530	2.237	2.160	1.8	Jan. 21, 2009	CMB	4,000	99.826	0.897	1.989	1.2
Oct. 28, 2008	12	3,200	97.811	2.244	1.862	3.6	Jan. 28, 2009	CMB	4,000	99.822	0.844	2.083	1.5
Oct. 28, 2008	3	8,600	99.409	2.215	1.887	3.2	Feb. 3, 2009	12	3,800	99.019	1.033	2.080	1.5
Oct. 28, 2008	6	3,200	98.908	2.214	2.174	1.1	Feb. 3, 2009	3	10,400	99.758	0.902	1.811	1.3
Nov. 12, 2008	12	3,200	98.218	1.892	2.097	2.8	Feb. 3, 2009	6	3,800	99.580	0.916	2.394	1.2
Nov. 12, 2008	3	8,600	99.489	1.914	1.817	3.5	Feb. 17, 2009	12	3,600	99.126	0.884	2.322	1.5
Nov. 12, 2008	6	3,200	99.135	1.895	1.808	1.5	Feb. 17, 2009	3	9,800	99.785	0.801	2.271	0.6
Nov. 13, 2008	CMB	4,000	99.626	1.958	1.917	3.1	Feb. 17, 2009	6	3,600	99.594	0.817	2.112	0.6
Nov. 19, 2008	CMB	4,000	99.565	2.045	2.724	1.5	Mar. 3, 2009	12	3,400	99.303	0.732	2.125	0.6
Nov. 20, 2008	CMB	3,500	99.889	1.928	1.879	4.3	Mar. 3, 2009	3	9,200	99.858	0.531	1.963	0.6
Nov. 24, 2008	NF	2,500	99.864	2.072	1.977	4.8	Mar. 3, 2009	6	3,400	99.713	0.625	2.328	0.3
Nov. 25, 2008	12	3,400	98.327	1.706	2.005	2.4	Mar. 17, 2009	12	3,200	99.331	0.675	2.142	0.5
Nov. 25, 2008	3	9,200	99.510	1.835	1.885	1.5	Mar. 17, 2009	3	8,600	99.877	0.458	2.206	0.5
Nov. 25, 2008	6	3,400	99.152	1.716	1.853	1.9	Mar. 17, 2009	6	3,200	99.720	0.564	2.785	0.4
Nov. 28, 2008	CMB	3,000	99.605	1.746	2.481	1.1	Mar. 31, 2009	12	3,400	99.404	0.625	2.263	1.0
Dec. 9, 2008	12	3,600	98.738	1.333	1.861	2.7	Mar. 31, 2009	3	9,200	99.888	0.416	2.087	0.4
Dec. 9, 2008	3	9,800	99.651	1.303	1.886	1.5	Mar. 31, 2009	6	3,400	99.765	0.511	2.561	0.8
Dec. 9, 2008	6	3,600	99.400	1.311	2.112	0.9	**Total**		**454,800**				

Notes: Coverage is defined as the ratio of total bids at auction to the amount auctioned. Tail is defined as the high accepted yield minus the average yield.

[1] Cash management bill.

[2] Non-fungible cash management bill.

Source: Bank of Canada.

Reference Table VI

Issuance of Government of Canada Domestic Bonds

	Gross issuance								Buybacks			Net
	Nominal[1]						RRB	Total	Cash	Switch	Total	issuance
Fiscal year	2-year	3-year	5-year	10-year	30-year	Total	30-year					
						($ billions)						
1995–96	11.1	5.1	17.0	10.5	5.0	48.7	1.0	49.7				49.7
1996–97	12.0	11.1	13.3	11.8	5.8	54.0	1.7	55.7				55.7
1997–98	14.0		9.9	9.3	5.0	38.2	1.7	39.9				39.9
1998–99	14.0		9.8	9.2	3.3	36.3	1.6	37.9				37.9
1999–00	14.2		14.0	12.9	3.7	44.8	1.3	46.0	-2.7	0.0	-2.7	43.3
2000–01	14.1		10.5	10.1	3.8	38.5	1.4	39.9	-2.8	0.0	-2.8	37.1
2001–02	14.0		10.0	9.9	6.3	40.2	1.4	41.6	-5.3	-0.4	-5.6	35.9
2002–03	13.9		11.0	12.6	4.8	42.3	1.4	43.7	-7.1	-5.0	-12.1	31.6
2003–04	13.0		10.7	11.5	4.2	39.4	1.4	40.8	-5.2	-5.0	-10.2	30.7
2004–05	12.0		9.6	10.6	3.3	35.5	1.4	36.9	-6.8	-4.7	-11.4	25.5
2005–06	10.0		9.2	10.0	3.2	32.4	1.5	33.9	-5.3	-3.3	-8.6	25.3
2006–07	10.3		7.8	10.4	3.3	31.8	1.6	33.4	-5.1	-4.7	-9.8	23.6
2007–08	11.7		6.3	10.7	3.4	32.0	2.3	34.3	-4.3	-2.4	-6.7	27.6
2008–09	23.2		29.0	15.7	5.1	72.9	2.1	75.0	-3.2	-2.7	-6.0	69.0

[1] Including nominal issuance through switch buyback operations.

Reference Table VII
Fiscal 2008–09 Domestic Bond Program

Offering date	Delivery date	Maturity date	Maturing	Gross	Bond repurchase	Net
				($ millions)		
Fixed-coupon bonds						
April 16, 2008	April 21, 2008	June 1, 2018		2,500	283	2,217
May 7, 2008	May 12, 2008	June 1, 2013		2,000	300	1,700
May 21, 2008	May 23, 2008	December 1, 2010		3,500	400	3,100
	June 2, 2008	*	7,815			-7,815
June 4, 2008	June 9, 2008	June 1, 2041		1,400	300	1,100
June 18, 2008	June 23, 2008	June 1, 2018		300	181	119
July 9, 2008	July 14, 2008	June 1, 2018		2,500	300	2,200
July 30, 2008	August 5, 2008	June 1, 2013		2,000	35	1,965
August 20, 2008	August 22, 2008	December 1, 2010		3,600	400	3,200
	September 2, 2008	*	6,863			-6,863
September 10, 2008	September 15, 2008	June 1, 2041		300	323	-23
September 17, 2008	September 19, 2008	December 1, 2010		400	536	-136
	October 1, 2008	*	396			-396
October 1, 2008	October 6, 2008	June 1, 2019		2,500	400	2,100
October 16, 2008	October 21, 2008	June 1, 2014		3,000		3,000
October 23, 2008	October 28, 2008	June 1, 2013		4,500		4,500
November 5, 2008	November 10, 2008	June 1, 2019		300	156	144
November 12, 2008	November 17, 2008	June 1, 2013		4,500		4,500
November 19, 2008	November 21, 2008	December 1, 2010		4,500	324	4,176
	December 1, 2008	*	4,000			-4,000
December 10, 2008	December 15, 2008	June 1, 2041		1,300	500	800
December 17, 2008	December 19, 2008	December 1, 2010		184	133	51
January 7, 2009	January 12, 2009	June 1, 2037		750	968	-218
January 14, 2009	January 19, 2009	June 1, 2014		5,000		5,000
January 23, 2009	January 27, 2009	June 1, 2011		4,500		4,500
February 4, 2009	February 9, 2009	June 1, 2019		3,300		3,300
February 9, 2009	February 12, 2009	June 1, 2014		5,500		5,500
February 20, 2009	February 24, 2009	June 1, 2011		4,000		4,000
February 25, 2009	March 2, 2009	June 1, 2019		3,500		3,500
	March 2, 2009	*	140			-140
March 5, 2009	March 10, 2009	June 1, 2019		750	416	334
March 11, 2009	March 16, 2009	June 1, 2014		2,500		2,500
March 18, 2009	March 23, 2009	June 1, 2041		1,300		1,300
March 24, 2009	March 26, 2009	June 1, 2011		2,500		2,500
Real Return Bonds						
May 28, 2008	June 2, 2008	December 1, 2041		600		600
August 27, 2008	September 2, 2008	December 1, 2041		500		500
December 3, 2008	December 8, 2008	December 1, 2041		600		600
March 4, 2009	March 9, 2009	December 1, 2041		400		400
Total			**19,213**	**74,984**	**5,955**	**49,816**

* Maturing date.

Source: Bank of Canada.

Reference Table VIII

Fiscal 2008–09 Domestic Bond Auction Results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail
	(years)		(%)	($ millions)	($)	(%)		(basis points)
Apr. 16, 2008	10	June 1, 2018	4.25	2,500	104.087	3.760	2.47	0.4
May 7, 2008	5	June 1, 2013	3.50	2,000	100.952	3.294	2.78	0.4
May 21, 2008	2	Dec. 1, 2010	2.75	3,500	99.409	2.995	2.54	0.7
May 28, 2008	30	Dec. 1, 2041	2.00*	600	110.671	1.588	3.03	
June 4, 2008	30	June 1, 2041	4.00	1,400	98.130	4.104	2.48	0.4
July 9, 2008	10	June 1, 2018	4.25	2,500	103.901	3.773	2.41	0.5
July 30, 2008	5	June 1, 2013	3.50	2,000	100.544	3.376	2.65	0.3
Aug. 20, 2008	2	Dec. 1, 2010	2.75	3,600	99.866	2.810	2.48	0.3
Aug. 27, 2008	30	Dec. 1, 2041	2.00*	500	112.770	1.510	2.79	
Oct. 1, 2008	10	June 1, 2019	3.75	2,500	99.508	3.807	2.18	2.1
Oct. 16, 2008	5	June 1, 2014	3.00	3,000	98.800	3.236	2.18	1.3
Oct. 23, 2008	5	June 1, 2013	3.50	4,500	103.139	2.767	2.13	1.6
Nov. 12, 2008	5	June 1, 2013	3.50	4,500	103.382	2.703	2.07	1.2
Nov. 19, 2008	2	Dec. 1, 2010	2.75	4,500	101.576	1.953	1.97	1.2
Dec. 3, 2008	30	Dec. 1, 2041	2.00*	600	83.421	2.770	2.44	
Dec. 10, 2008	30	June 1, 2041	4.00	1,300	104.843	3.741	2.59	0.6
Jan. 14, 2009	5	June 1, 2014	3.00	5,000	106.342	1.756	2.15	0.7
Jan. 23, 2009	2	June 1, 2011	1.25	4,500	99.697	1.382	2.26	0.7
Feb. 4, 2009	10	June 1, 2019	3.75	3,300	103.494	3.346	2.08	2.2
Feb. 9, 2009	5	June 1, 2014	3.00	5,500	104.280	2.141	1.95	2.1
Feb. 20, 2009	2	June 1, 2011	1.25	4,000	99.731	1.371	2.13	0.7
Feb. 25, 2009	10	June 1, 2019	3.75	3,500	105.209	3.151	2.19	1.3
Mar. 4, 2009	30	Dec. 1, 2041	2.00*	400	94.230	2.250	2.35	
Mar. 11, 2009	5	June 1, 2014	3.00	2,500	105.289	1.928	2.28	0.6
Mar. 18, 2009	30	June 1, 2041	4.00	1,300	106.967	3.631	2.51	1.4
Mar. 24, 2009	2	June 1, 2011	1.25	2,500	100.187	1.163	2.07	0.6
Total				**72,000**				

Note: Coverage is defined as the ratio of total bids at auction to the amount auctioned. Tail is defined as the high accepted yield minus the average yield. Does not include nominal issuance resulting from switch buyback operations.

* Real Return Bonds.

Source: Bank of Canada.

Reference Table IX

Outstanding Government of Canada Domestic Bonds as at March 31, 2009

Maturity date	Amount	Coupon rate	Inflation adjustment	Outstanding amount
	($ millions)	(%)	($ millions)	($ millions)
Fixed-coupon bonds				
June 1, 2009	1,889	3.75		
June 1, 2009	5,722	5.50		
June 1, 2009	536	11.00		
September 1, 2009	7,181	4.25		
October 1, 2009	208	10.75		
December 1, 2009	5,874	4.25		
March 1, 2010	80	9.75		
June 1, 2010	3,700	3.75		
June 1, 2010	5,127	5.50		
June 1, 2010	2,225	9.50		
September 1, 2010	7,395	4.00		
October 1, 2010	97	8.75		
December 1, 2010	12,184	2.75		
March 1, 2011	464	9.00		
June 1, 2011	11,000	1.25		
June 1, 2011	9,802	6.00		
June 1, 2011	606	8.50		
September 1, 2011	8,767	3.75		
June 1, 2012	6,799	3.75		
June 1, 2012	10,357	5.25		
June 1, 2013	15,064	3.50		
June 1, 2013	8,997	5.25		
March 15, 2014	710	10.25		
June 1, 2014	16,000	3.00		
June 1, 2014	9,754	5.00		
June 1, 2015	10,143	4.50		
June 1, 2015	457	11.25		
June 1, 2016	10,157	4.00		
June 1, 2017	10,343	4.00		

Reference Table IX *(cont'd)*
Outstanding Government of Canada Domestic Bonds as at March 31, 2009

Maturity date	Amount	Coupon rate	Inflation adjustment	Outstanding amount
	($ millions)	(%)	($ millions)	($ millions)
June 1, 2018	10,623	4.25		
June 1, 2019	10,350	3.75		
March 15, 2021	663	10.50		
June 1, 2021	353	9.75		
June 1, 2022	237	9.25		
June 1, 2023	4,449	8.00		
June 1, 2025	4,219	9.00		
June 1, 2027	6,471	8.00		
June 1, 2029	12,805	5.75		
June 1, 2033	13,410	5.75		
June 1, 2037	13,999	5.00		
June 1, 2041	4,300	4.00		
Total	**263,517**			
Real Return Bonds				
December 1, 2021	5,175	4.25	1,865	7,040
December 1, 2026	5,250	4.25	1,505	6,755
December 1, 2031	5,800	4.00	1,373	7,173
December 1, 2036	5,850	3.00	569	6,419
December 1, 2041	4,350	2.00	70	4,420
Total	**26,425**		**5,382**	**31,807**

Note: Outstanding bond amounts reported in this table are in accordance from Bank of Canada reports, which may vary slightly from Government of Canada amounts due to differences in classification methods.

Source: Bank of Canada.

Reference Table X

Government of Canada Cross-Currency Swaps Outstanding as at March 31, 2009

	Swaps of domestic obligations			Swaps of foreign obligations	
Maturity date	USD	EUR	JPY	USD	Total
			(CAD$ millions)		
June 1, 2009	637	876			1,513
October 1, 2009	492	1,418			1,910
March 1, 2010		459			459
June 1, 2010	63	1,452	102		1,617
October 1, 2010	63	901			964
March 1, 2011	410				410
June 1, 2011	946	868			1,814
September 1, 2011		642			642
November 20, 2011		167			167
April 20, 2012		167			167
June 1, 2012	1,860	1,377			3,237
November 20, 2012		58			58
January 20, 2013		125			125
April 19, 2013		209			209
June 1, 2013	1,419	1,176			2,595
July 19, 2013		100			100
July 20, 2013		334			334
March 15, 2014	1,041				1,041
June 1, 2014	1,987	1,694			3,680
September 20, 2014		334			334
April 20, 2015		250			250
June 1, 2015	2,743	993			3,736
July 20, 2015	95	250			345
August 20, 2015		125			125
October 20, 2015	126				126
February 20, 2016	95				95
March 20, 2016		334			334
April 20, 2016	158	83			241
May 20, 2016	95				95
June 1, 2016	568	1,969			2,537
July 20, 2016		542			542
September 20, 2016	252	125			377
October 20, 2016	95	83			178

Reference Table X *(cont'd)*
Government of Canada Cross-Currency Swaps Outstanding as at March 31, 2009

	Swaps of domestic obligations			Swaps of foreign obligations	
Maturity date	USD	EUR	JPY	USD	Total
			(CAD$ millions)		
November 20, 2016	505				505
January 20, 2017	95				95
February 20, 2017	284				284
March 20, 2017	158				158
April 20, 2017	126	167			293
May 20, 2017	946				946
June 1, 2017	1,261	334			1,595
July 20, 2017	63	634			697
August 20, 2017	158	334			491
September 20, 2017	189	209			398
October 3, 2017	96				96
October 20, 2017	63				63
January 20, 2018	221	501			721
March 20, 2018	631				631
April 20, 2018	820	83			903
May 20, 2018	568				568
June 20, 2018	568				568
July 20, 2018	189				189
August 20, 2018	252				252
October 20, 2018	126				126
Total	**20,460**	**19,374**	**102**		**39,936**

Notes: Foreign currency swaps converted to Canadian dollars as of March 31, 2009. Numbers may not add due to rounding.

Reference Table XI

Fiscal 2008–09 Bond Buyback Program Operations

Buyback date	Maturity date	Coupon rate	Amount
		(%)	($ millions)
Buybacks on a cash basis			
April 16, 2008	March 15, 2021	10.50	4
	June 1, 2021	9.75	10
	June 1, 2022	9.25	60
	June 1, 2023	8.00	40
	June 1, 2027	8.00	73
	June 1, 2029	5.75	96
	Total		**283**
May 7, 2008	March 1, 2011	9.00	6
	June 1, 2011	6.00	135
	September 1, 2011	3.75	160
	Total		**300**
May 21, 2008	September 1, 2009	4.25	100
	October 1, 2009	10.75	8
	December 1, 2009	4.25	292
	Total		**400**
June 4, 2008	June 1, 2021	9.75	9
	June 1, 2022	9.25	50
	June 1, 2023	8.00	157
	June 1, 2027	8.00	60
	June 1, 2029	5.75	25
	Total		**300**
July 9, 2008	June 1, 2015	4.50	97
	June 1, 2015	11.25	25
	June 1, 2023	8.00	168
	June 1, 2029	5.75	10
	Total		**300**
July 30, 2008	March 15, 2014	10.25	10
	June 1, 2014	5.00	25
	Total		**35**
August 20, 2008	October 1, 2009	10.75	6
	December 1, 2009	4.25	134
	March 1, 2010	9.75	3
	March 1, 2011	9.00	10
	June 1, 2011	6.00	72
	September 1, 2011	3.75	150
	June 1, 2012	3.75	25
	Total		**400**
October 1, 2008	June 1, 2016	4.00	130
	March 15, 2021	10.50	50
	June 1, 2021	9.75	21
	June 1, 2022	9.25	19
	June 1, 2027	8.00	128
	June 1, 2029	5.75	52
	Total		**400**
November 19, 2008	September 1, 2010	4.00	233
	October 1, 2010	8.75	18
	March 1, 2011	9.00	3
	September 1, 2011	3.75	71
	Total		**324**
December 10, 2008	June 1, 2021	9.75	25
	June 1, 2022	9.25	10
	June 1, 2027	8.00	382
	June 1, 2029	5.75	83
	Total		**500**
Total buybacks on a cash basis			**3,243**

Reference Table XI *(cont'd)*
Fiscal 2008–09 Bond Buyback Program Operations

Buyback date	Maturity date	Coupon rate	Amount
		(%)	($ millions)
Buybacks on a switch basis			
June 18, 2008	March 15, 2014	10.25	14
	June 1, 2021	9.75	7
	June 1, 2022	9.25	15
	June 1, 2023	8.00	104
	June 1, 2029	5.75	41
	Total		**181**
September 10, 2008	March 15, 2021	10.50	1
	June 1, 2021	9.75	4
	June 1, 2022	9.25	26
	June 1, 2027	8.00	292
	Total		**323**
September 17, 2008	December 1, 2009	4.25	400
	June 1, 2011	6.00	86
	September 1, 2011	3.75	50
	Total		**536**
November 5, 2008	June 1, 2027	8.00	156
	Total		**156**
December 17, 2008	March 1, 2010	9.75	1
	October 1, 2010	8.75	1
	March 1, 2011	9.00	1
	September 1, 2011	3.75	130
	Total		**133**
January 7, 2009	June 1, 2022	9.25	6
	June 1, 2023	8.00	526
	June 1, 2025	9.00	436
	Total		**968**
March 5, 2009	June 1, 2016	4.00	13
	June 1, 2022	9.25	13
	June 1, 2023	8.00	25
	June 1, 2025	9.00	345
	June 1, 2029	5.75	21
	Total		**416**
Total buybacks on a switch basis			**2,713**

Buyback date	Maturity date	Coupon rate	Amount
		(%)	($ millions)
Cash management bond buybacks			
April 1, 2008	June 1, 2008	3.75	105
	June 1, 2008	6.00	86
	June 1, 2008	10.00	46
	September 1, 2008	4.25	163
	December 1, 2008	4.25	800
	Total		**1,200**
April 15, 2008	September 1, 2008	4.25	495
	Total		**495**
April 29, 2008	June 1, 2008	3.75	6
	Total		**6**
May 13, 2008	June 1, 2008	3.75	25
	June 1, 2008	10.00	68
	Total		**93**
June 10, 2008	December 1, 2008	4.25	175
	June 1, 2009	3.75	50
	June 1, 2009	5.50	90
	Total		**315**
June 25, 2008	September 1, 2008	4.25	103
	December 1, 2008	4.25	341
	June 1, 2009	11.00	2
	Total		**446**
July 8, 2008	June 1, 2009	3.75	20
	Total		**20**
July 22, 2008	September 1, 2008	4.25	785
	December 1, 2008	4.25	215
	Total		**1,000**
August 5, 2008	September 1, 2008	4.25	96
	December 1, 2008	4.25	395
	Total		**491**
September 2, 2008	June 1, 2009	3.75	275
	June 1, 2009	5.50	25
	Total		**300**

Reference Table XI *(cont'd)*
Fiscal 2008–09 Bond Buyback Program Operations

Buyback date	Maturity date	Coupon rate	Amount
		(%)	($ millions)
September 16, 2008	June 1, 2009	3.75	366
	June 1, 2009	5.50	290
	September 1, 2009	4.25	75
	Total		**731**
September 30, 2008	June 1, 2009	3.75	200
	September 1, 2009	4.25	800
	Total		**1,000**
October 14, 2008	June 1, 2009	3.75	469
	June 1, 2009	5.50	48
	September 1, 2009	4.25	50
	Total		**567**
November 12, 2008	December 1, 2008	4.25	346
	June 1, 2009	3.75	154
	Total		**500**
December 9, 2008	December 1, 2009	4.25	250
	Total		**250**
January 20, 2009	September 1, 2009	4.25	90
	Total		**90**
February 3, 2009	June 1, 2009	11.00	100
	December 1, 2009	4.25	400
	Total		**500**
February 17, 2009	September 1, 2009	4.25	250
	December 1, 2009	4.25	150
	Total		**400**
March 3, 2009	June 1, 2009	3.75	77
	September 1, 2009	4.25	140
	Total		**217**
March 17, 2009	September 1, 2009	4.25	24
	Total		**24**
Total cash management bond buybacks			**8,645**

Source: Bank of Canada.

Reference Table XII
Retail Debt Sales, Redemptions and Stock Outstanding

Fiscal year	Gross sales	Redemptions	Net change	Outstanding at fiscal year end
		($ billions)		
1983–84	11.6	-5.9	5.7	38.4
1984–85	12.7	-9.0	3.8	42.2
1985–86	15.1	-12.7	2.4	44.6
1986–87	9.2	-9.2	0.0	44.6
1987–88	17.5	-8.5	8.9	53.5
1988–89	15.0	-20.4	-5.5	48.1
1989–90	9.3	-16.2	-6.8	41.2
1990–91	6.7	-13.2	-6.5	34.7
1991–92	9.6	-8.4	1.2	35.9
1992–93	9.2	-10.4	-1.2	34.7
1993–94	5.4	-8.5	-3.1	31.6
1994–95	7.5	-7.6	-0.1	31.5
1995–96	4.6	-4.6	0.0	31.5
1996–97	5.7	-3.7	2.1	33.6
1997–98	5.0	-7.7	-2.8	30.8
1998–99	4.8	-7.0	-2.2	28.6
1999–00	2.7	-4.2	-1.5	27.1
2000–01	3.2	-3.7	-0.5	26.6
2001–02	2.7	-5.0	-2.3	24.3
2002–03	3.5	-4.9	-1.4	22.9
2003–04	2.9	-4.2	-1.4	21.5
2004–05	2.0	-4.2	-2.3	19.2
2005–06	1.9	-3.6	-1.8	17.5
2006–07	1.8	-4.1	-2.3	15.2
2007–08	1.9	-4.0	-2.1	13.1
2008–09	2.8	-3.3	-0.6	12.5

Note: Figures are in accordance with Bank of Canada audited reports, which may vary from the *Public Accounts of Canada* due to differences in classification.

Source: Bank of Canada.

Reference Table XIII

Crown Corporation Borrowings as at March 31

Borrowings from the market	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
						($ millions)					
Export Development Canada	12,967	16,888	18,406	20,481	20,375	17,178	16,191	13,730	15,533	16,743	26,925
Canadian Wheat Board[1]	6,786	542	425	397	378	12	6	0	0	0	
Business Development Bank of Canada	4,223	4,723	5,102	5,726	6,263	7,302	7,432	7,898	8,256	8,025	2,354
Farm Credit Canada	4,317	5,083	5,695	7,096	8,082	9,209	10,181	11,133	12,182	9,624	3,949
Canada Mortagage and Housing Corporation	10,633	10,801	11,672	11,372	11,091	10,441	9,573	8,953	9,071	8,907	6,153
Canada Housing Trust[2]							57,518	77,840	96,547	127,566	160,664
Petro-Canada Ltd.	471	338	0	0	0	0	0	0	0	0	0
Canada Ports Corporation	79	69	0	0	0	0	0	0	0	0	0
Canada Post Corporation	n/a	150	56	63	114	108	71	64	61	58	93
Other	222	46	44	40	39	45	36	79	132	119	279
Total	**39,698**	**38,640**	**41,400**	**45,175**	**46,342**	**44,295**	**101,008**	**119,697**	**141,782**	**171,042**	**200,417**

[1] Effective December 31, 1998, the Canadian Wheat Board ceased to be an agent of Her Majesty and a Crown corporation under the Financial Administration Act.

[2] The Canada Housing Trust has been included in the government reporting entity effective April 1, 2005 as a result of the application of a new accounting standard.

Borrowings from the Consolidated Revenue Fund[1]	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
						($ millions)					
Business Development Bank of Canada	0	0	0	0	0	0	0	0	0	995	7,288
Canada Mortagage and Housing Corporation	6,298	6,152	5,925	5,696	5,476	5,255	5,062	4,860	4,805	4,450	62,166
Canada Deposit Insurance Corporation	0	0	0	0	0	0	0	0	0	0	0
Farm Credit Canada	1,041	805	578	0	0	0	0	0	0	3,827	11,486
Other	121	77	84	104	38	62	61	127	97	133	139
Total	**7,460**	**7,034**	**6,587**	**5,800**	**5,514**	**5,317**	**5,123**	**4,987**	**4,902**	**9,405**	**81,079**

Note: Figures do not include “allowance for valuation.”

[1] Figures have been adjusted to include accrued interest.

Source: *Public Accounts of Canada.*