



Department of Finance
Canada

Ministère des Finances
Canada

DEBT MANAGEMENT REPORT

2009–2010



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Cette publication est également disponible en français.

Cat. No. : F1-33/2010E-PDF
ISBN 978-1-100-17494-5



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Foreword by the Minister of Finance

Downward pressure on interest rates and strong demand for Canadian market debt supported a stable environment for debt management in 2009–10.

This meant that the Government of Canada spent less on servicing its debt obligations than in the previous year—even as it continued to make substantial but necessary one-time investments to address the effects of the global financial crisis through Canada’s Economic Action Plan.

These Action Plan investments have provided substantial support for Canadian families and businesses. Canada’s remarkable economic performance over the course of 2009–10 underscores the effectiveness of the \$28 billion in targeted economic stimulus measures that have flowed through the Action Plan.

Now, with signs of sustainable growth emerging across a range of indicators, Canada is seen as a model of best practices in sound economic management by our international partners and independent analysts alike. The Government is being recognized not only for its stewardship of the financial sector, but also for its responsible long-term approach to the management of its debt obligations.

Maintaining a liquid, well-functioning government securities market will continue to be an important objective of the Government’s debt management strategy. I invite you to explore the details of the Government’s approach to debt management in this year’s *Debt Management Report*.

The Honourable James M. Flaherty, P.C., M.P.
Minister of Finance
Ottawa, December 2010



Purpose of This Publication

This edition of the *Debt Management Report* provides a detailed account of the Government of Canada's borrowing and debt management activities for fiscal year April 1, 2009 to March 31, 2010.

As required under Part IV (Public Debt) of the *Financial Administration Act*, this publication ensures transparency and accountability regarding these activities. It reports on actual borrowing and uses of funds compared to those forecast in the 2009–10 *Debt Management Strategy*, published in January 2009 as Annex 4 of Budget 2009 (available at www.fin.gc.ca/pub/dms-sgd/index-eng.asp). It also discusses the environment in which the debt was managed, the composition of the debt and changes during the year, strategic policy initiatives and performance outcomes.

The structure and content of this publication has changed from previous years. Part I continues to describe the context for debt management, while Part II reports on the achievement of objectives and principles. As in previous years, Part III reports on the debt program but it has been reorganized by program and type of security. Charts and tables have been redesigned throughout the document to provide further insight into the Government's debt management activities.

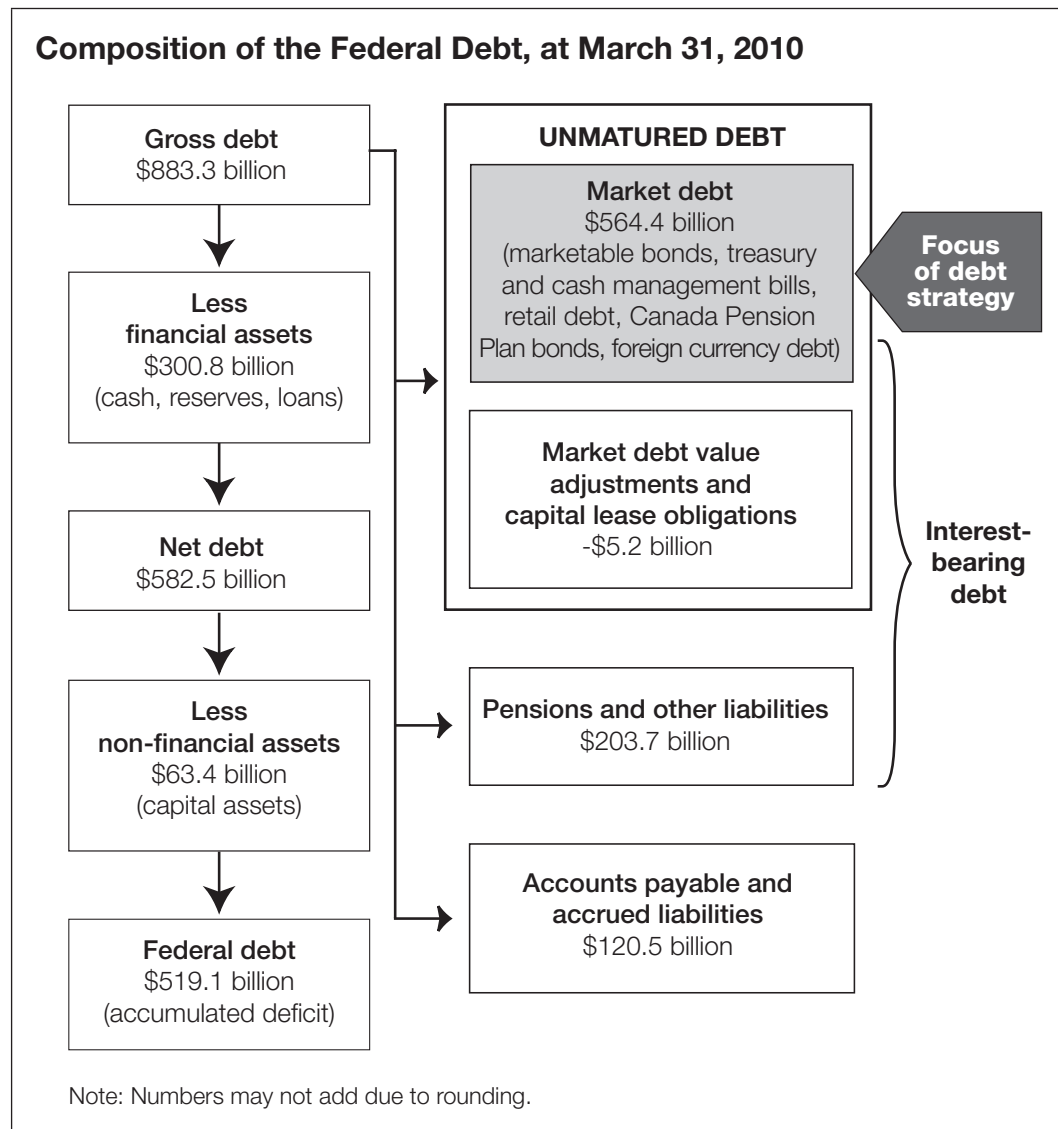
Additional information about the federal debt can be found in the *Public Accounts of Canada*. Information on the management of Canada's foreign reserves is provided in the *Report on the Management of Canada's Official International Reserves*. The *Debt Management Strategy*, the *Debt Management Report* 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.



Introduction

This publication focuses on two major treasury activities: (i) the management of the federal market debt (the portion of the debt that is borrowed in financial markets; and (ii) the investment of cash balances in liquid assets until needed for operations.

At March 31, 2010, market debt totalled \$564.4 billion.





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 held in the Exchange Fund Account are funded by cross-currency swaps of domestic obligations and issuance of foreign currency debt. A report on the management of Canada's official international reserves is available at www.fin.gc.ca/purl/efa-eng.asp.

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

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 can be found at www.fin.gc.ca/access/fininst-eng.asp. See Annex 1 for a list of treasury evaluations performed since 1992.



Highlights of 2009–10

Canada's Economic Action Plan

To lessen the impact of the global recession on domestic jobs and output, Canada's Economic Action Plan, introduced in January 2009 as part of Budget 2009, provided \$28 billion in economic stimulus during fiscal 2009–10. Included in Canada's Economic Action Plan is the Extraordinary Financing Framework (EFF), which provided up to \$200 billion in liquidity measures to ensure stability in the financial system and improve access to funding for households and businesses.

As part of the EFF, the Insured Mortgage Purchase Program (IMPP) provided approximately \$70 billion (out of a potential \$125 billion) in stable long-term financing to mortgage originators through the purchase of insured mortgage pools. The provision of liquidity by the Bank of Canada, partially funded with government cash balances, also played an important role in supporting the well-functioning of the Canadian financial system. The Canadian Secured Credit Facility helped businesses and consumers access financing needed to purchase new vehicles and equipment. These and other measures taken under the EFF did not increase the federal debt (or accumulated deficit) as they were offset by interest-bearing financial assets.

Downward Pressure on Interest Rates

In April 2009, the Bank of Canada announced a conditional commitment to maintain the target for the overnight rate at the effective lower bound of 0.25 per cent until the end of June 2010. The conditional commitment and persistent demand for fixed-income securities helped keep interest rates low across all maturity sectors.

Strong Demand for Market Debt

Net issuance of Government of Canada market debt reached a record high in 2009–10 to meet a financial requirement of \$64 billion, including stimulus measures under the Economic Action Plan. The stock of market debt increased by \$53.5 billion in 2009–10, mainly due to an increase in the stock of marketable bonds of \$73 billion and a decrease in the stock of treasury bills of \$16 billion.

Government securities markets easily accommodated the increased levels of issuance, with all treasury bill and bond auctions remaining well-covered and well-bid. Feedback received from market participants throughout 2009–10 was largely positive, with market participants reporting that liquidity was excellent for government benchmarks and that it had vastly improved for off-the-run bonds compared to the previous year.

Despite the increased issuance, debt charges decreased in 2009–10 as a result of the lower interest rate environment.



Successful Issuance of Global Bonds

The Government of Canada issued two global bonds in 2009–10 after a hiatus of more than a decade. In September 2009, a 5-year US\$3-billion bond was issued and in January 2010, a 10-year €2-billion bond was issued. Both bonds, which were issued through syndication, met with strong demand and achieved attractive pricing for the Government. The funds raised from both deals were used to fund Canada's foreign exchange reserves.

Adjustments to the Debt Program

In 2009–10, a number of changes were made to the debt program to meet funding requirements: a 3-year bond was reintroduced with March and September maturities, additional March and September maturities were added in the 2-year sector, and a December maturity was added in the 5-year sector. In June 2009, it was announced that the bond program would be increased by about 25 per cent from the initial plan to address revised financial requirement projections.

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 2009–10, the Government continued to provide regular and transparent issuance schedules and communicated changes to the bond issuance schedules through the Bank of Canada website in a timely fashion. Buyback operations on a cash basis were not used due to elevated financial requirements, while switch buybacks continued to be used to promote liquidity for off-the-run bonds.

To provide transparency to market participants with respect to IMPP operations, Canada Mortgage and Housing Corporation (CMHC) coordinated the release of the schedule for IMPP operations with the Government's issuance schedule.



Government of Canada Credit Rating Profile

The Government of Canada continued to receive the highest possible ratings, with a stable outlook, on both short- and long-term debt from the five rating agencies that evaluate Canada's debt (see Table 1).

Canada's resilient and diversified economy, sound financial sector, strong public finances and prudent fiscal plan have been consistently highlighted by the rating agencies.

Table 1

Government of Canada Credit Ratings

Rating Agency	Term	Domestic Currency	Foreign Currency	Outlook	Latest Rating Action to Upgrade Canada to AAA
Moody's Investors Service	Long-term	Aaa	Aaa	Stable	May 2002
	Short-term	P-1	P-1		
Standard & Poor's	Long-term	AAA	AAA	Stable	July 2002
	Short-term	A1+	A1+		
Fitch Ratings	Long-term	AAA	AAA	Stable	August 2004
	Short-term	F1+	F1+		
Dominion Bond Rating Service	Long-term	AAA	AAA	Stable	n/a
	Short-term	R-1 (High)	R-1 (High)		
Japan Credit Rating Agency	Long-term	AAA	AAA	Stable	n/a



Part I: 2009–10 Debt Management Context

Financial Market Developments

Global Recovery

In mid 2009–10, the global economy began to stabilize after experiencing the deepest synchronized recession since the 1930s. The global financial crisis that started in late 2008 and lasted through early 2009 led to a pronounced tightening in credit conditions worldwide that negatively impacted global economic activity. Global financial and economic conditions improved considerably in 2009–10 due to the extraordinary policy measures introduced by governments and central banks to support the global financial system and promote economic recovery.

The severe financial market dislocations during the crisis led to historically low interest rates, sharp declines in consumer and business confidence and increased unemployment. Despite the global financial stimulus, credit markets remained cautious throughout the fiscal year due to uncertainty over the prospects for economic recovery and a perceived increase in sovereign risk, particularly in the peripheral European jurisdictions.

Return of Domestic Financial Stability and Economic Growth

Canada's strong financial condition and fiscal position at the onset of the global recession allowed the country to weather the economic downturn relatively well and positioned the Government to respond quickly and forcefully with economic stimulus through Canada's Economic Action Plan.

Canada fared better than all other Group of Seven (G-7) nations during the recession, with output declining 3.4 per cent from peak to trough. Through 2009–10 economic activity in Canada recovered, bringing output almost back to pre-recession levels—the best performance among G-7 nations. In addition, Canada was the only G-7 nation to post a year-over-year increase in employment, recapturing a significant portion of jobs lost as a result of the recession.

Canada's Economic Action Plan

The economic recovery in Canada has been boosted by the Government's ability to deliver stimulus on a scale that is unprecedented in Canadian history. Canada's Economic Action Plan, introduced in January 2009 as part of Budget 2009, provided \$28 billion, or roughly 1.5 per cent of GDP, in federal stimulus during fiscal 2009–10.



Through the (IMPP), the Government purchased approximately \$70 billion in insured mortgage pools from banks and other mortgage lenders, including \$14 billion during 2009–10, before the program ended on March 31, 2010. The IMPP, the Canadian Secured Credit Facility, extraordinary liquidity facilities provided by the Bank of Canada and other Extraordinary Financing Framework measures contributed to the \$64-billion financial requirement and \$20-billion reduction in the Government's cash balances in fiscal 2009–10.

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/. Budget 2010, which includes an update on Canada's Economic Action Plan and the 2010–11 *Debt Management Strategy* (Annex 3), is available at www.budget.gc.ca/2010/.

Budgetary Outcomes

The key budgetary reference point for debt management is the financial source/requirement, which represents net borrowing needs for the year. This measure differs from the budgetary balance (i.e. the surplus or deficit) by the amount of non-budgetary transactions, which can be significant.

The budgetary balance is presented on a full accrual basis of accounting, recording government assets and liabilities when they are received 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 includes 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.

With a budgetary deficit of \$55.6 billion and a requirement of \$8.0 billion from non-budgetary transactions, there was a financial requirement of \$63.6 billion in 2009–10. Market debt increased by \$53.5 billion. Table 2 presents the change in the composition of federal debt during 2009–10. For additional information on the financial position of the Government, see the 2009–10 *Annual Financial Report of the Government of Canada* at www.fin.gc.ca/purl/afr-eng.asp.



Table 2

Change in the Composition of Federal Debt, 2009–10

	March 31, 2010	March 31, 2009	Change
	(\$ billions)		
Payable in Canadian currency			
Marketable bonds	368.0	295.2	72.8
Treasury and cash management bills	175.9	192.3	-16.4
Retail debt	11.9	12.5	-0.7
Canada Pension Plan bonds	0.5	0.5	0.0
Total payable in Canadian currency	556.1	500.5	55.6
Payable in foreign currencies	8.2	10.4	-2.2
Total market debt	564.4	510.9	53.5
Market debt value adjustment and capital lease obligations	-5.2	3.1	-8.3
Total unmatured debt	559.1	514.0	45.1
Pension and other accounts	203.7	196.1	7.6
Total interest-bearing debt	762.8	710.2	52.6
Accounts payable, accruals and allowances	120.5	114.0	6.5
Gross debt	883.3	824.2	59.1
Total financial assets	-300.8	-299.0	-1.8
Total non-financial assets	-63.4	-61.5	-1.9
Federal debt (accumulated deficit)	519.1	463.7	55.4

Note: Numbers may not add due to rounding.

Sources and Uses of Borrowing

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 3 of this publication.

On March 5, 2009, the Governor in Council approved an aggregate borrowing limit of \$370 billion for 2009–10.¹ Total actual borrowings in 2009–10 were \$288 billion, \$24 billion below the plan set out in the 2009–10 *Debt Management Strategy*, and \$82 billion below the authorized borrowing authority limit. This difference was mainly due to lower-than-anticipated purchases of insured mortgage pools under the IMPP (\$14 billion versus a planned \$45 billion), reflecting improved liquidity conditions in the Canadian financial system.

¹ Approved Orders in Council are available on the Privy Council Office website at www.pco-bcp.gc.ca/oic-ddc.asp?lang=eng&page=secretariats. The reference number for the 2009–10 OIC is 2009–0373.



On June 25, 2009, the public was informed that the bond program would be increased by 25 per cent to \$100 billion following an upward revision to the budgetary deficit forecast from \$34 billion to \$50 billion. In the latter part of 2009–10, the Bank of Canada began to unwind term liquidity facilities which had been used to alleviate funding pressures facing the Canadian financial system. The liquidity operations had been partially financed by government cash balances held on deposit at the Bank of Canada. On March 31, 2010, government cash balances held at the Bank of Canada had declined to \$13.7 billion, compared to \$28.6 billion on March 31, 2009.² 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>.

In 2009–10, loans under the Crown borrowing program to the Business Development Bank of Canada, CMHC and Farm Credit Canada, including loans to CMHC for IMPP operations, were smaller than planned. This mainly reflected lower-than-expected IMPP volumes. Since the inception of the program in 2007–08, the consolidated borrowings of these Crown corporations have grown to account for \$33 billion of the federal market debt.³

Table 3

Planned/Actual Sources and Uses of Borrowing, 2009–10¹

	Planned ²	Actual	Difference
		(\$ billions)	
Sources of borrowings			
Payable in Canadian currency			
Treasury bills	223	176	-47
Bonds	82	102	+20
Retail debt	2	2	0
Total payable in Canadian currency	307	280	-27
Payable in foreign currencies	5	8	3
Total cash raised through borrowing activities	312	288	-24
Uses of borrowings³			
Refinancing needs			
Payable in Canadian currency			
Treasury bills	194	192	-2
Bonds	29	30	1
Of which:			
Regular bond buybacks	2	2	0
Cash management bond buybacks	4	10	6
Retail debt	2	3	1
Canada Pension Plan bonds	0	0	0
Total payable in Canadian currency	225	225	0

² Government cash balances held at the Bank of Canada do not affect the federal debt (accumulated deficit).

³ Activity under the Crown borrowing program 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 3 (cont'd)

Planned/Actual Sources and Uses of Borrowing, 2009–10¹

	Planned ²	Actual	Difference
		(\$ billions)	
Payable in foreign currencies	7	8	1
Total refinancing needs	232	233	1
Financial source/requirement			
Budgetary balance	34	55	21
Non-budgetary transactions			
Pension and other accounts	-3	-8	-5
Non-financial assets	2	3	1
Loans, investments and advances	70	27	-43
Of which:			
Loans to Crown corporations (including loans to CHMC for IMPP operations)	69	26	-43
Other transactions ⁴	-1	-14	-13
Total non-budgetary transactions	68	8	-60
Total financial source/requirement	101	64	-38
Total uses of borrowings	332	296	-60
Other unmatured debt transactions ⁵	0	11	11
Net increase or decrease (-) in cash	-20	-18	-2

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 2009 and the 2009–10 *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.



Part II: Report on Objectives and Principles

Objectives and Principles

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.

In support of these objectives, the design and implementation of the domestic debt program is guided by the key principles of transparency, regularity and liquidity, which support a well-functioning government securities market. Towards this end, the Government publishes strategies and plans, and consults regularly with market participants to ensure the integrity and attractiveness of the market for dealers and investors. The principle of prudence also guides all debt management activities. The structure of the debt is managed conservatively in a cost-risk framework, preserving access to diversified sources of funding and supporting a broad investor base.

Raising Stable Low-Cost Funding

In general, achieving stable low-cost funding involves striking a balance between debt costs and various risks in the debt structure. This selected balance between cost and risk, or the preferred debt structure, is achieved through the deliberate allocation of issuance between various debt instruments.

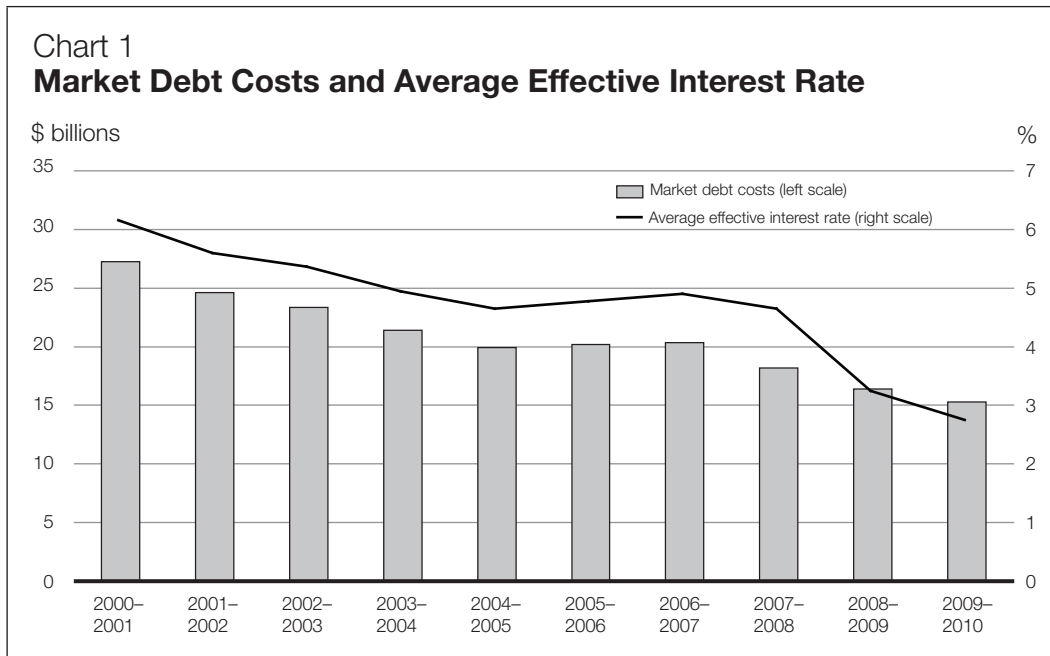
Cost of Market Debt

Market debt costs are the largest component of public debt charges (public debt charges also include interest expenses on non-market liabilities).⁴ The cost of market debt declined from \$16.4 billion in 2008–09 to \$15.3 billion in 2009–10 due to a significant reduction in the average rate of interest on outstanding market debt (see Chart 1). In 2009–10, debt costs on unmatured debt represented about 57 per cent of total public debt charges compared to 60 per cent the previous year.⁵

The average rate of interest on market debt was 2.7 per cent in 2009–10, down from 3.2 per cent in 2008–09. This rate, which is a combination of the financing rates on outstanding debt issued in the past and the current year, has been falling over the past 10 years as a result of declining market interest rates.

⁴ Non-market liabilities include pensions, other employee and veteran future benefits and other liabilities.

⁵ Unmatured debt is almost entirely composed of market debt but also includes amounts for capital leases.

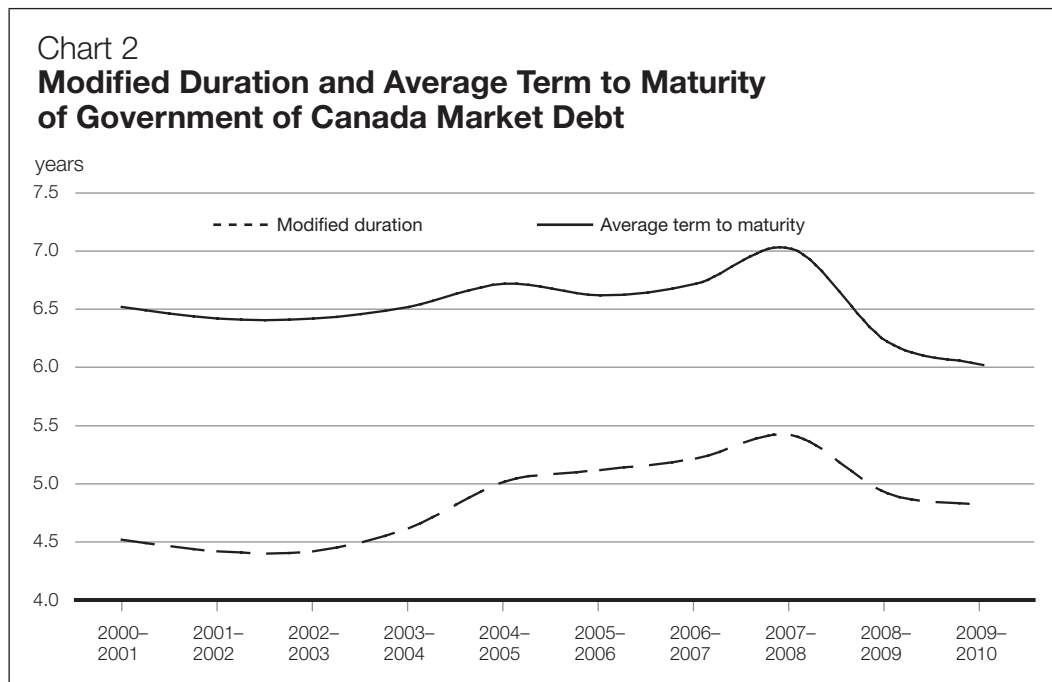


Characteristics of Market Debt Structure

Market 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 a funding mix between shorter- and longer-term borrowings. 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 the debt 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.

A well-distributed maturity profile ensures a controlled exposure to changes in interest rates over time and provides liquidity across different maturity sectors. In 2009–10, the average term to maturity (ATM) of market debt decreased from 6.2 years to 6.0 years, while modified duration decreased from 4.9 years to 4.8 years, as an increase in short-term bond issuance more than offset a reduction in the treasury bill stock (see Chart 2).⁶ The changes in ATM and modified duration from 2007–08 to 2009–10 were mainly due to large fluctuations in the stock of treasury bills relative to bonds in the context of evolving government financial requirements.

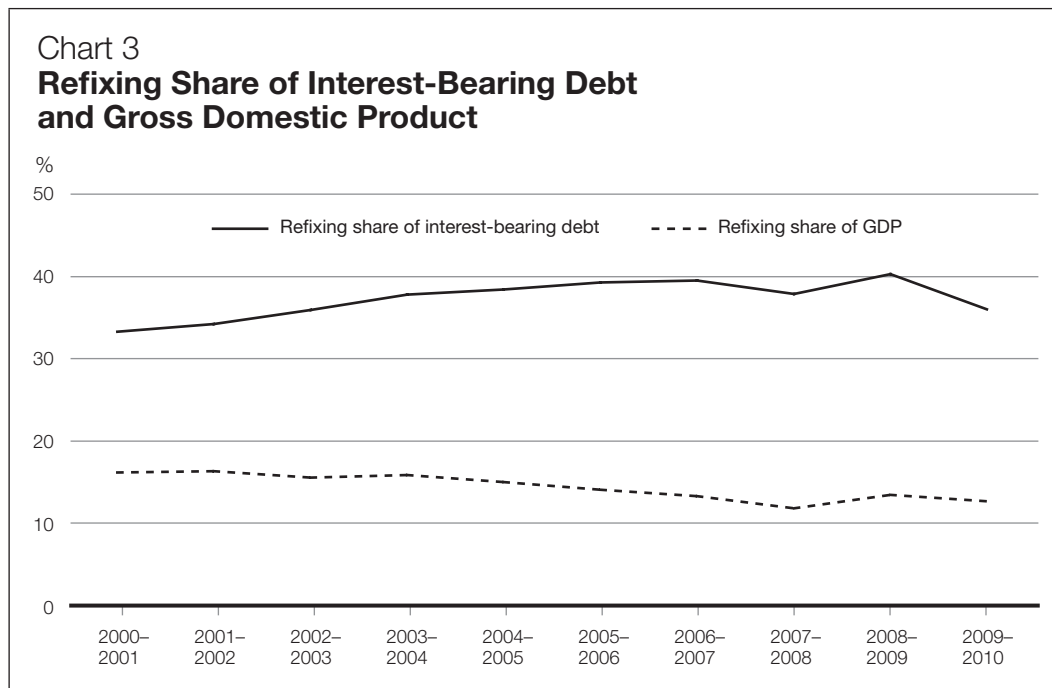
⁶ Modified duration measures the price sensitivity of a security or portfolio of fixed-income securities to changes in yields. Multiplying the modified duration of a security by the change in its yield gives the estimated percentage change in the price of the security. ATM is calculated by multiplying the remaining maturity on each instrument by its weight in the portfolio.



The refixing share of interest-bearing debt measures the proportion of all interest-bearing debt that matures or needs to be repriced within one year.⁷ In 2009–10, the refixing share of interest-bearing debt decreased by 4 percentage points to 36 per cent as a result of the reduction in the stock of treasury bills (see Chart 3).

The refixing share of GDP measures the amount of interest-bearing debt that matures or needs to be repriced within one year relative to nominal GDP for that year. The refixing share of GDP has been steadily declining for much of the last 20 years as a result of a lower debt-to-GDP ratio. In 2009–10, the refixing share of GDP was 12 per cent, down slightly from 2008–09.

⁷ The refixing share is simply a reformulation of the fixed-rate share reported in the past. The fixed-rate share has been replaced by the refixing share to facilitate comparison and to be consistent with the metrics used by other sovereigns.



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, and provides flexibility to meet changing financial requirements. 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 2009–10, the following actions promoted a well-functioning Government of Canada securities market.

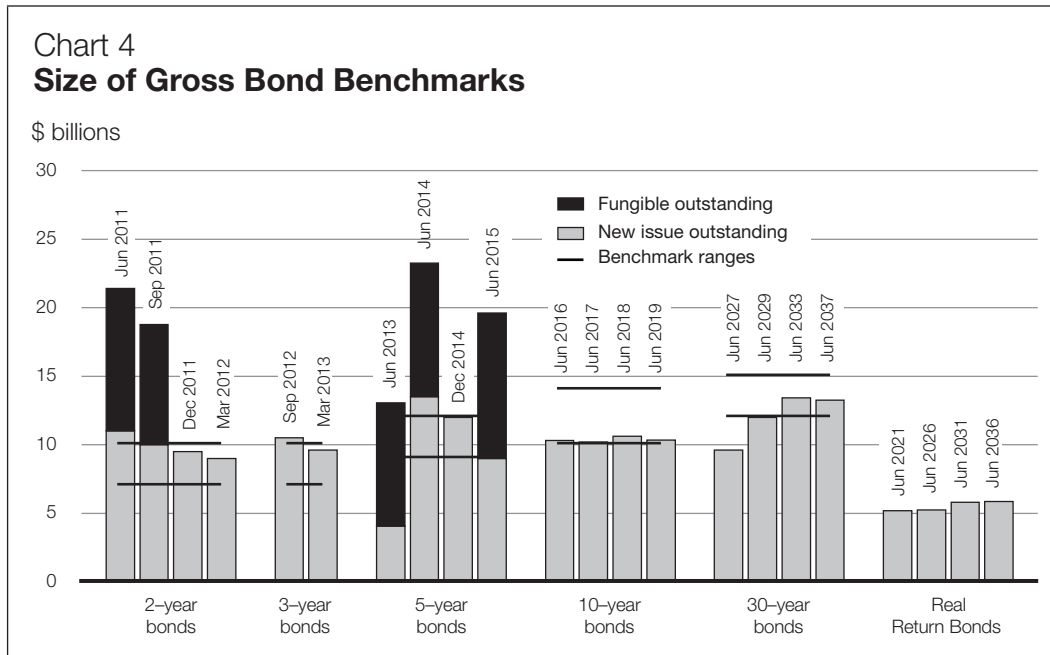
Providing regular and transparent issuance: For over a decade, the practice of pre-announcing quarterly bond auction schedules and the call for tenders has been in place.⁸ There have been regular auctions for 2-, 3-, 5- 10- and 30-year nominal bonds, as well as for 30-year Real Return Bonds. Regular and pre-announced issuance provides certainty for dealers and investors, allowing them to plan their investment activities, and supports participation and competitive bidding at auctions by primary dealers and investors. As in 2008–09, the Government’s heightened financial requirements in fiscal 2009–10 necessitated an elevated number of auctions relative to pre-crisis years. Bond issuance schedules were communicated through the Bank of Canada website on a timely basis, and were coordinated with the IMPP operation schedule published on the CMHC website.

Concentrating on key benchmarks: The 2-, 5-, 10- and 30-year new building benchmark target sizes were maintained (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).

⁸ See www.bankofcanada.ca/cars/bd_auction_schedule.html.



The target benchmark size for the reintroduced 3-year bond mirrored the 2-year benchmark target of \$7 billion to \$10 billion. In 2009–10, all maturities continued to reach or exceed minimum benchmark size targets (see Chart 4).⁹



Using the regular bond buyback program: 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 bonds with a remaining term to maturity of 12 months to 25 years for more liquid benchmark bonds.¹⁰ Due to the elevated financial requirements in fiscal 2009–10, buyback operations on a cash basis¹¹ were halted, while switch buybacks in longer maturities continued to be used to promote liquidity in off-the-run bonds. In total, bond buyback operations amounted to \$2.1 billion in 2009–10, the lowest in over 10 years (see Chart 14).

⁹ 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 exceeds the minimum benchmark size.

¹⁰ 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.

¹¹ This does not include cash management bond buybacks, which are covered later in this document in the section entitled "Cash Management Bond Buyback Program."



Consulting with market participants: Formal consultations with market participants are held at least once a year in order to obtain their views on the design of the bond program and the liquidity and efficiency of the Government of Canada securities market. Due to the exceptional market conditions since 2008–09, the formal consultations were supplemented by additional informal consultations throughout the year. In the formal consultations, the Government received feedback from market participants on the market impacts of higher issuance resulting from measures introduced by the Government and the Bank of Canada to support liquidity in the financial system. The main messages received were that liquidity was excellent for benchmark bonds as a result of increased issuance, the liquidity in long off-the-run bonds had improved significantly due to switch buybacks in the long end, and the market would be able to safely absorb the increased levels of issuance planned for the year.¹²

Supporting broad participation in Government of Canada operations: As the Government’s fiscal agent, the Bank of Canada distributes Government of Canada marketable bills and bonds through auction to government securities distributors (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.

To maintain a well-functioning securities distribution system, government securities auctions are monitored to ensure that GSDs abide by the terms and conditions.¹³

In 2008, minimum bidding requirements for Government of Canada nominal bonds, treasury bills and fungible cash management bills were adjusted to support GSDs during a period of high volatility in interest rates. These temporary measures were terminated in January 2010.

Quick turnaround times enhance the efficiency of the auction and buyback process and encourage participation by reducing the market risk for participants. Turnaround times averaged 1 minute 39 seconds for treasury bill and bond auctions and 2 minutes 23 seconds for buyback operations in 2009–10.¹⁴

¹² More details of the subjects of discussion and views expressed during the consultation can be found at www.bankofcanada.ca/en/notices_fmd/index.html.

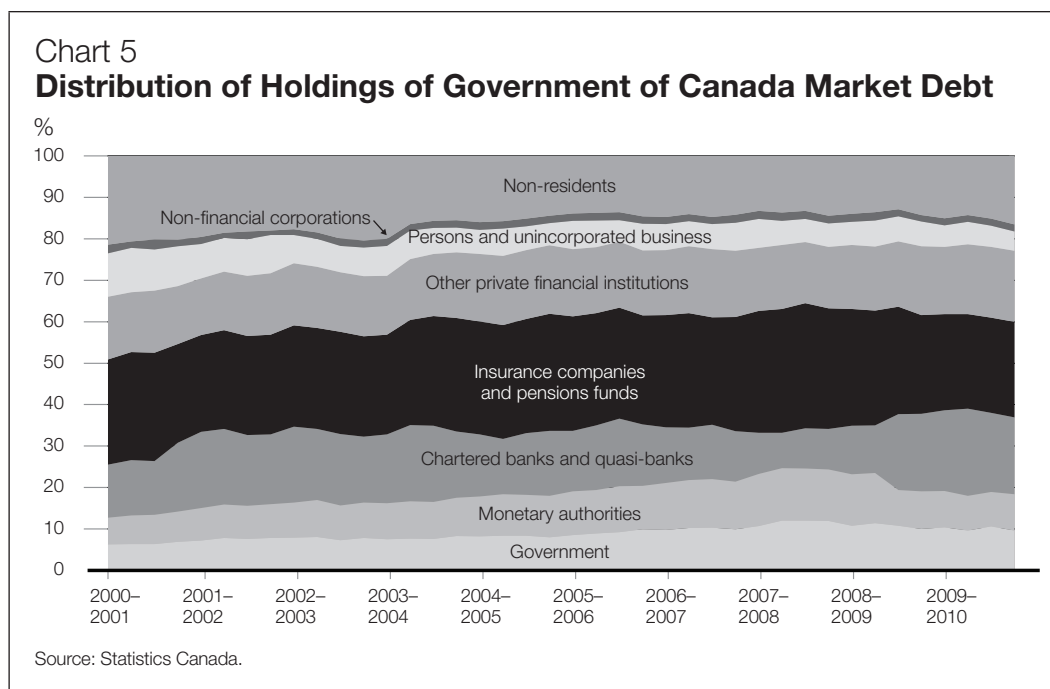
¹³ See www.bankofcanada.ca/en/markets/markets_auct.html.

¹⁴ 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.



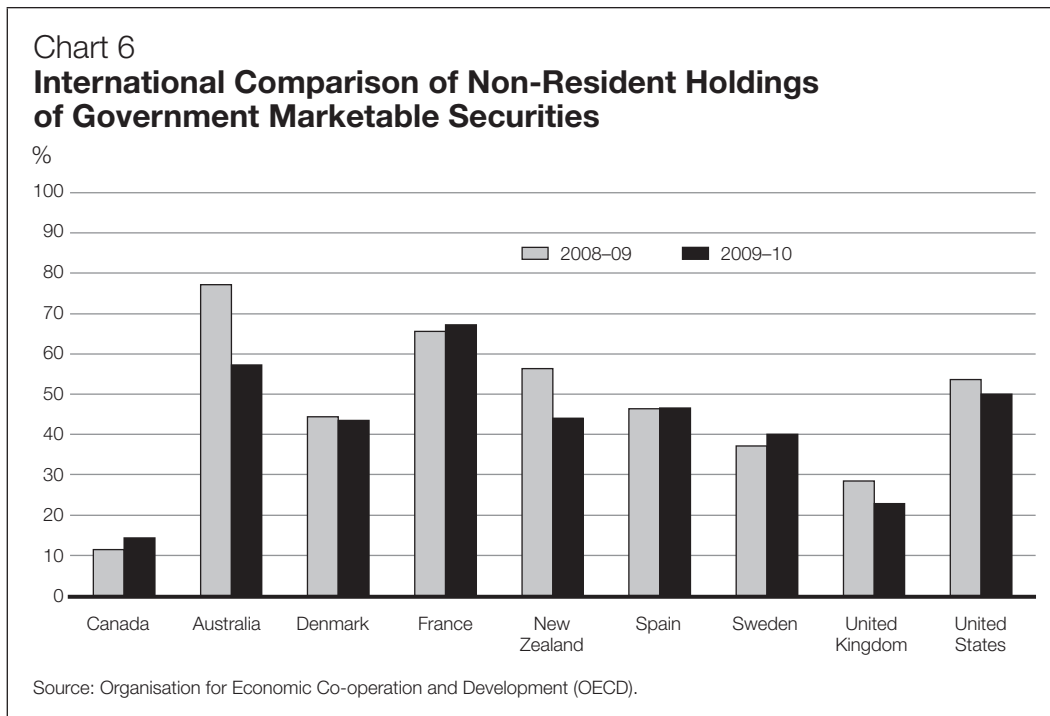
Ensuring a broad investor base in Government of Canada securities: A diversified investor base supports an active secondary market for Government of Canada securities, thereby helping to keep funding costs low. Diversification of the investor base is pursued by maintaining a domestic wholesale debt program 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 March 31, 2010, insurance companies and pension funds accounted for the largest share of holdings of Government of Canada market debt securities, representing 23.0 per cent. The next largest share was held by chartered banks and quasi-banks (18.5 per cent), followed by other private financial institutions (17.1 per cent) and non-residents (16.5 per cent). Taken together, these four sectors held 75 per cent of outstanding Government of Canada securities (see Chart 5).



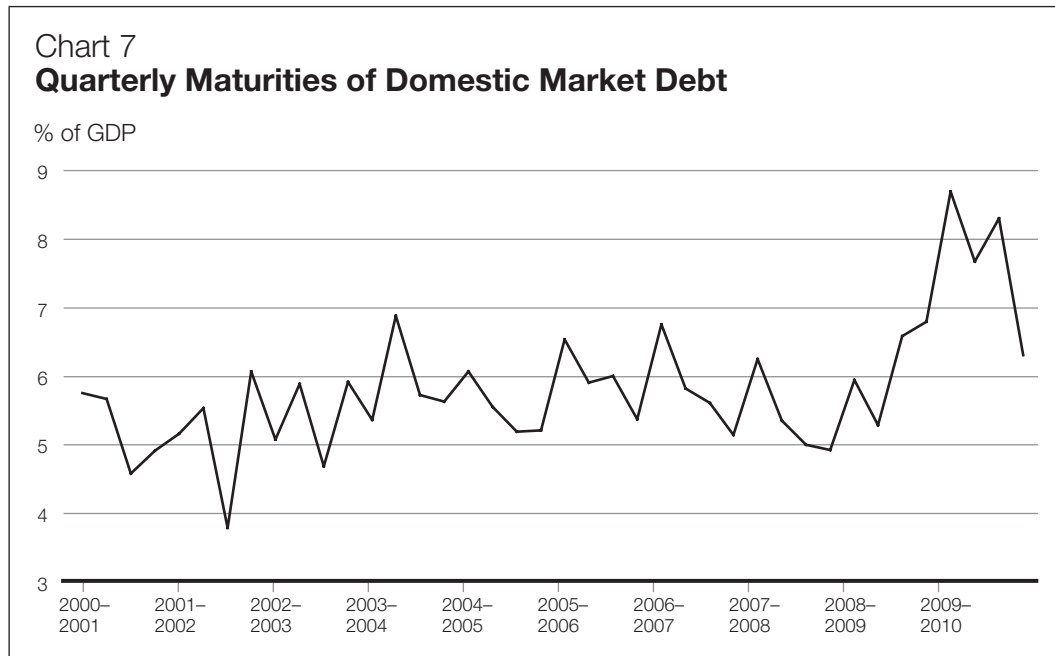


Over the last decade, the share of government marketable securities held by non-residents has shown a notable decline. While renewed foreign investor interest in Canada has resulted in an uptick of non-resident holdings over the past year, the level remains low in comparison with other sovereigns (see Chart 6).

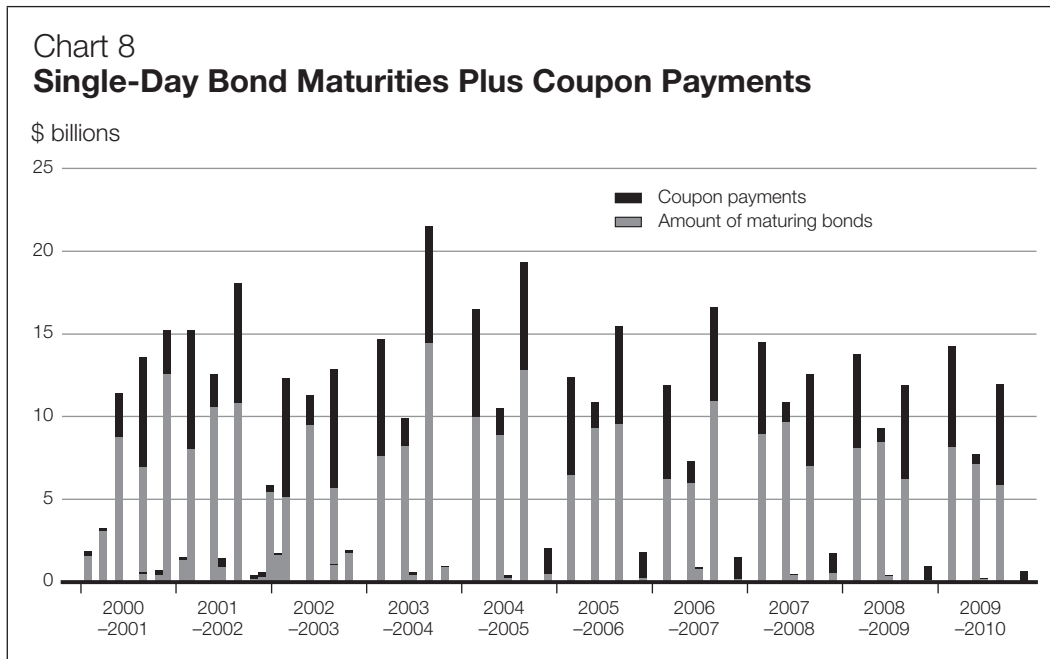


Maintaining debt rollover within acceptable parameters: Prudent management of debt refinancing needs promotes investor confidence and strives to minimize the impact of market volatility or disruptions on the funding program.

Quarterly maturities of domestic market debt as a percentage of GDP is an indicator of the amount of refinancing a government faces relative to the size of the economy. Since 2000–01, quarterly maturities have averaged approximately 6 per cent of GDP (see Chart 7). While this ratio rose from around 6 per cent to 8.5 per cent during the financial crisis due to increased debt issuance, rollover levels have declined back to 6 per cent more recently. According to statistics from OECD countries, Canada’s rollover ratio is consistent with the international sovereign mid-point of approximately 7 per cent of GDP.



The concentration of issuance mainly around the June 1 maturity date in recent years was helpful in maintaining benchmark liquidity in an environment of declining debt issuance. This concentration plus increased issuance on the March 1 and September 1 maturity dates has led to four large single-day bond maturities and coupon payment dates: March 1, June 1, September 1 and December 1 (see Chart 8). In 2009–10, single-day bond maturities plus coupon payments ranged up to \$14.2 billion.

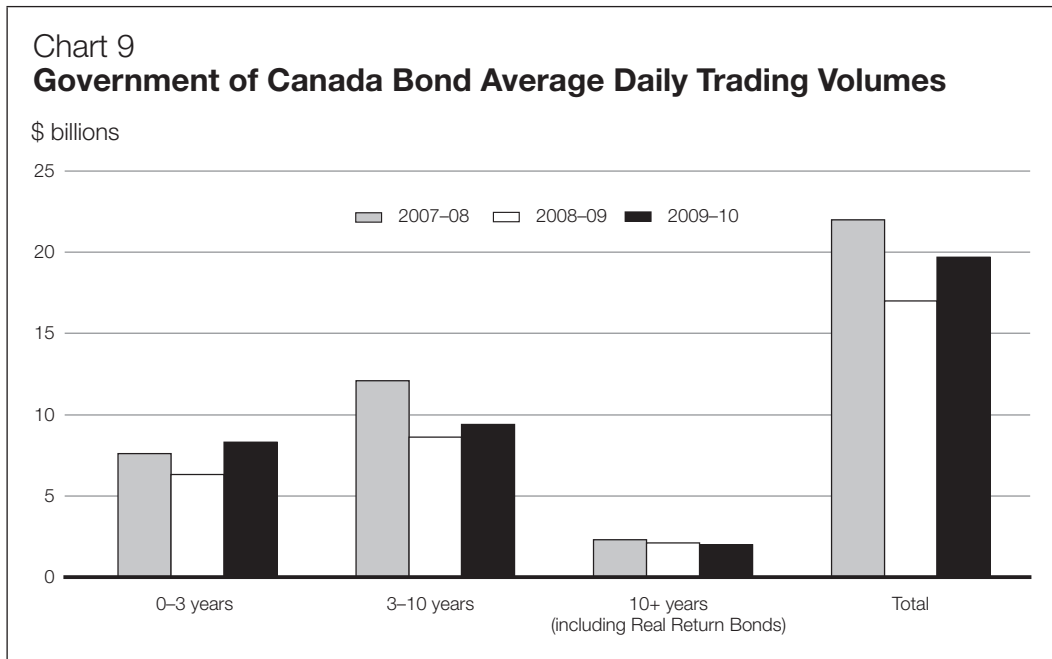


Monitoring secondary market trading in Government of Canada securities: The two conventional measures of liquidity and efficiency in the secondary market for Government of Canada securities are trading volume and turnover ratio.

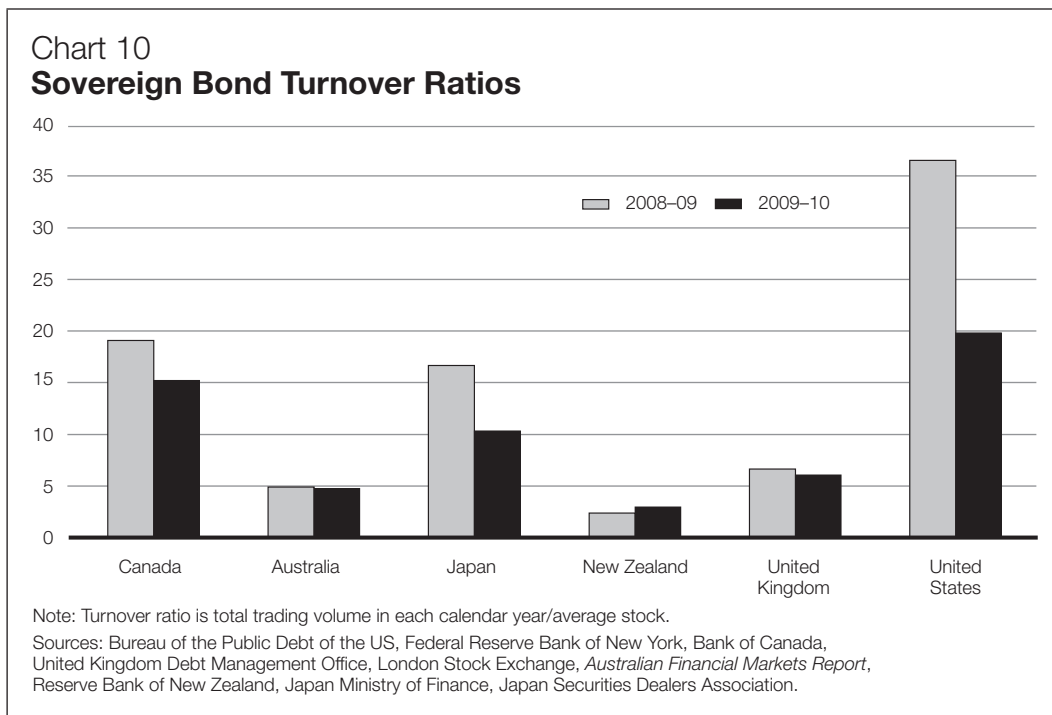
Trading volume represents the amount of securities traded during a specific period (e.g. daily). Large trading volumes typically allow participants to buy or sell in the marketplace without a substantial impact on the price of the securities and in general implies lower bid-offer spreads.

Turnover ratio, which is the ratio of securities traded relative to the amount of securities outstanding, measures 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 average daily volume of transactions in the Government of Canada secondary bond market was \$19.7 billion in 2009–10, up \$2.7 billion from 2008–09. Since 2007–08, average daily bond trading volumes have declined by about 16 per cent (see Chart 9).



With an annual debt stock turnover ratio of 15.2 in 2009–10, the Government of Canada secondary bond market compares favourably with other major sovereign bond markets (see Chart 10). The downward trend in the turnover ratio since 2006 is consistent with the experience of comparable countries.





Part III: Report on the 2009–10 Debt Program

In 2009–10, despite historically elevated issuance levels, both treasury bill and bond auctions continued to perform well. The demand for Government of Canada securities was strong throughout the fiscal year as a result of a flight to quality and Canada’s strong fiscal and economic position.

Domestic Marketable Bonds

Marketable Bond Program

In 2009–10, gross marketable bond issuance was \$102.2 billion (including issuance through switch buybacks), about \$27.2 billion higher than the \$75.0 billion issued in 2008–09 (see Reference Table VI for further details). This gross issuance consisted of \$100 billion in nominal bonds (including switch operations), and \$2.2 billion in Real Return Bonds (see Table 4). Taking into account gross issuance, buybacks and maturities, the stock of outstanding marketable bonds increased by \$73 billion to \$368 billion over the course of the fiscal year.

Table 4

Annual Bond Program Operations

	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10
	(\$ billions)							
Nominal	36.4	33.9	30.8	27.9	27.3	29.5	69.9	97.7
Nominal (switch)	5.9	5.5	4.7	4.5	4.5	2.5	3.0	2.3
Real Return Bonds	1.4	1.4	1.4	1.5	1.6	2.3	2.1	2.2
Total gross issuance	43.7	40.8	36.9	33.9	33.4	34.3	75.0	102.2
Cash buybacks	-7.1	-5.2	-6.8	-5.3	-5.1	-4.3	-3.2	0.0
Switch buybacks	-5.0	-5.0	-4.7	-3.3	-4.7	-2.4	-2.7	-2.1
Total buybacks	-12.1	-10.2	-11.4	-8.6	-9.8	-6.7	-5.9	-2.1
Net issuance	31.6	30.7	25.5	25.3	23.6	27.6	69.0	100.1



Auction Result Indicators for Domestic Bonds

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.

Assuming that all primary dealers bid at their maximum bidding limit, the coverage ratios for primary dealers would reach at least 2.42 for bond auctions.¹⁵ Similarly, if all primary dealers only bid at their minimum bidding obligation, the coverage ratios would be 1.21 for bond auctions.¹⁶

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

In 2009–10, 37 nominal bond auctions were conducted, compared to 22 in 2008–09. Auction results are presented in Table 5.¹⁷ As in previous years, four Real Return Bond auctions were conducted (one per quarter). Bond auctions continued to be well-covered across all sectors and were in line with four-year averages. Decreased volatility resulted in smaller tails for 2-year and 5-year issues, while continued uncertainty regarding the economic and interest rate outlook led to wider tails for 10-year bonds relative to 2008–09. The 3-year bond that was reinstated in 2009–10 had larger tails relative to 2-year and 5-year bonds, reflecting its status as a new benchmark bond.¹⁸

¹⁵ Note that on July 9, 2009 the Bank of Canada announced it would reduce its minimum nominal bond purchase amount at auction from 10 per cent to 5 per cent.

¹⁶ Under the *Terms of Participation in Auctions for Government Securities Distributors* (www.bankofcanada.ca/en/markets/markets_auct.html), 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.

¹⁷ 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 (see Section 6 of *Standard Terms for Auctions of Government of Canada Real Return Bonds* at www.bank-banque-canada.ca/en/auction/terms-rrb110110.pdf).

¹⁸ The reintroduction of the 3-year nominal bond was announced in the 2009–10 *Debt Management Strategy*.



Table 5

Performance at Bond Auctions

		Nominal Bonds					Real Return Bonds
		2-Year	3-Year	5-Year	10-Year	30-Year	30-Year
Tail	2009–10	0.41	1.26	0.56	1.39	0.76	n/a
Tail	4-year average	0.48	1.26 ¹	0.78	0.96	0.59	n/a
Coverage	2009–10	2.52	2.31	2.33	2.20	2.55	2.45
Coverage	4-year average	2.45	2.31 ¹	2.33	2.34	2.55	2.69

¹ Reflects only one year of data since the 3-year bond was reintroduced in 2009–10.

Participation at Domestic Bond Auctions

In 2009–10, primary dealers were allotted over 86 per cent of auctioned nominal debt securities, and customers were allotted 13 per cent (see Table 6).¹⁹ The 10 most active participants were allotted 83 per cent of these securities. Primary dealers’ share of the Real Return Bond allotments was 56 per cent, with customers receiving close to the remaining 43 per cent of the allotments.

Table 6

Share of Amount Allotted to Participants by Type of Auction, 2009–10

Participant Type	Nominal Bonds	Real Return Bonds
	(%)	
Primary dealers	86.6	56.2
Other GSDs	0.3	0.6
Customers	13.2	43.2
Top 5 participants	55.9	56.6
Top 10 participants	82.8	75.3

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

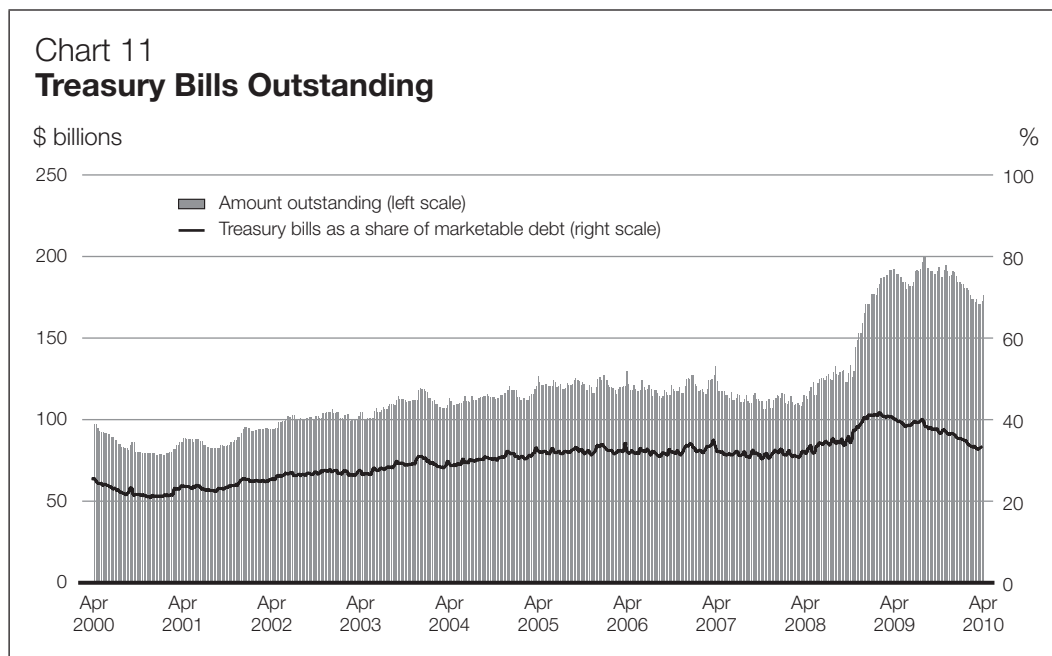
Treasury Bills and Cash Management Bills

Over the fiscal year, \$377.5 billion in 3-month, 6-month and 1-year treasury bills were auctioned, a decrease of \$17 billion from the previous year. In addition, \$63.5 billion in cash management bills were issued for various short-term maturities compared to \$96.3 billion in 2008–09. The number of cash management bill operations also decreased, dropping from 34 to 24 in 2009–10.

¹⁹ 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.



During 2009–10, the combined treasury and cash management bill stock decreased by \$16.4 billion to \$175.9 billion (see Chart 11). The slightly lower short-term issuance in 2009–10 had the effect of reducing the fluctuations in the average size of treasury bill operations. Net new issuance ranged from -\$4.8 billion to +\$4.6 billion per operation, with a standard deviation of \$2.3 billion, versus -\$2.2 billion to +\$8.7 billion per operation in 2008–09, with a standard deviation of \$2.9 billion.



If all primary dealers bid at their maximum bidding limits for treasury bill auctions, the coverage ratios for primary dealers would reach over 2.5. Similarly, if all primary dealers bid at their minimum bidding obligation for bill auctions, the coverage ratios would be 1.13.

In 2009–10, all of the treasury bill and cash management bill auctions were fully covered. Coverage ratios for treasury bill auctions in 2009–10 were in line with the four-year average, consistent with the trend observed at bond auctions (see Table 7). Decreased volatility in the short-term securities and low interest rates also resulted in much smaller tails for treasury bill and cash management bill auctions.

Table 7

Performance at Treasury Bill and Cash Management Bill Auctions

		Treasury Bills			Cash Management Bills
		3-Month	6-Month	12-Month	Bills
Tail	2009–10	0.50	0.51	0.85	1.20
Tail	4-year average	0.96	0.94	1.17	4.36
Coverage	2009–10	2.01	2.38	2.18	2.23
Coverage	4-year average	2.09	2.25	2.17	2.32



Participation at Treasury Bill and Cash Management Bill Auctions

In 2009–10, primary dealers were allotted 86 per cent of auctioned short-term debt securities, while customers were allotted 12 per cent (see Table 8). The 10 most active participants were allotted 88 per cent of these securities.

Table 8

Share of Amount Allotted to Participants by Type of Auction, 2009–10

Participant Type	Cash Management Bills	Treasury Bills
	(%)	
Primary dealers	87.8	86.2
Other GSDs	0.0	1.5
Customers	12.2	12.3
Top 5 participants	74.2	66.9
Top 10 participants	94.1	88.1

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

Foreign Currency Debt

Foreign currency debt is used to fund the official international reserves. The Exchange Fund Account (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 of the official international reserves is the International Monetary Fund (IMF) reserve position, which represents Canada's investment in the activities of the IMF and fluctuates according to drawdowns and repayments from the IMF. 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\$56.7 billion at March 31, 2010 from US\$43.5 billion at March 31, 2009. The change comprised a US\$12.3-billion increase in EFA assets (which included an allocation of 5.2 billion special drawing rights) and a US\$872-million increase in the IMF reserve position.

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\$8.1 billion and US\$3.2 billion, respectively.

In addition to cross-currency swaps of domestic obligations, the EFA can be funded through 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 (see Table 9).



Table 9

Outstanding Foreign Currency Liabilities at March 31, 2010

	March 31, 2010	Change From March 31, 2009
	(par value in millions of US dollars)	
Swapped domestic issues	34,817	3,367
Global bonds	5,701	5,701
Canada bills	2,415	-3,631
Euro medium-term notes	0	-1,328
Canada notes	0	0
Total	42,933	4,109

Note: Liabilities are stated at the exchange rates prevailing on March 31, 2010.

Fiscal 2009–10 marked the first time in more than a decade that Canada issued global bonds (see Table 10). In September 2009, the first issue was a 5-year, US\$3-billion, 2.375 per cent coupon issue. The second issue, in January 2010, was a 10-year, €2-billion, 3.5-per-cent coupon issue. The funds raised were used exclusively to increase Canada's foreign exchange reserves.

Both global bonds were successfully issued through syndicated offerings and met with strong demand from a diverse investor base. The US-dollar offering priced the tightest to US Treasuries of any sovereign since 2005, while the euro issue achieved a tighter spread versus German government bonds than corresponding maturity bonds issued by Euro-area governments such as France, the Netherlands and Finland. The two bonds issued were also five times oversubscribed and have performed well in secondary markets.

Table 10

Amount of Government of Canada Global Bonds Outstanding

Year of Issuance	Market	Amount in Original Currency	Yield (%)	Term to Maturity (Years)	Coupon (%)	Benchmark Interest Rate—Government Bonds	Spread From Benchmark at Issuance (Basis Points)	Spread Over Swap Curve in Relevant Currency on Issuance Date (Basis Points)
2009	Global	US\$3 billion	2.498	5	2.375	USA	23.5	LIBOR ¹ -15
2010	Global	€2 billion	3.571	10	3.5	Germany	19.4	EURIBOR ² +2

¹ London Interbank Offered Rate.

² Euro Interbank Offered Rate.

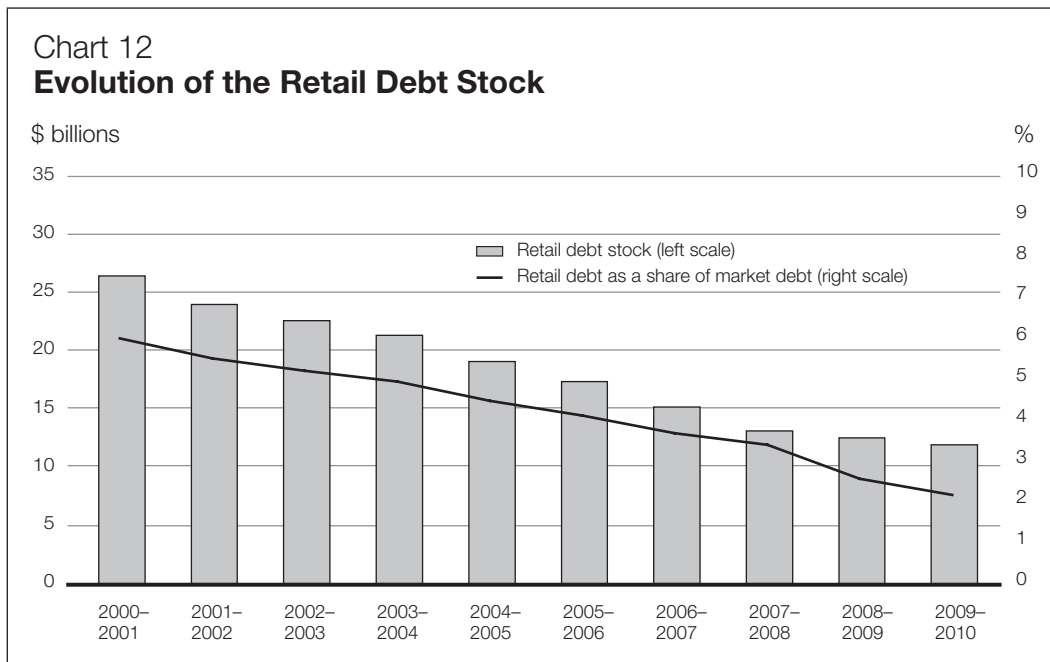


Retail Debt

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) and, when feasible, to deliver cost-effective funding for the Government and 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 2009 to the beginning of April 2010, through two channels: payroll deductions and cash purchases through financial institutions and dealers or directly from the Government. The sales campaign was supported by television advertising. In 2009–10, it was announced that starting in the fall of 2010 the length of the CSB campaign would be reduced from six months to two months.

The level of outstanding CSBs and CPBs held by retail investors decreased slightly from \$12.5 billion at the start of 2009–10 to \$11.9 billion at the end of 2009–10, representing 2.1 per cent of total market debt at March 31, 2010 (see Chart 12).





Gross sales and redemptions were \$2.1 billion and \$2.8 billion, respectively, for a net reduction of \$0.7 billion in the stock of retail debt (see Table 11).

Table 11

Retail Debt Gross Sales and Redemptions, 2009–10

	Gross Sales	Redemptions	Net Change
		(\$ billions)	
Payroll	1.6	1.5	0.1
Cash	0.5	1.3	-0.8
Total	2.1	2.8	-0.7

Cash Management

The Bank of Canada, as fiscal agent for the Government, manages the Receiver General (RG) Consolidated Revenue Fund, from which the balances required for the Government's day-to-day operations are drawn. The core objective of cash management is to ensure that the Government has sufficient cash available at all times to meet its operating requirements.

Twice-daily auctions of RG cash balances, treasury bill auctions, cash management bill auctions and the cash management bond buyback program are used to manage RG cash balances.

Twice-Daily Auctions of Receiver General Cash Balances

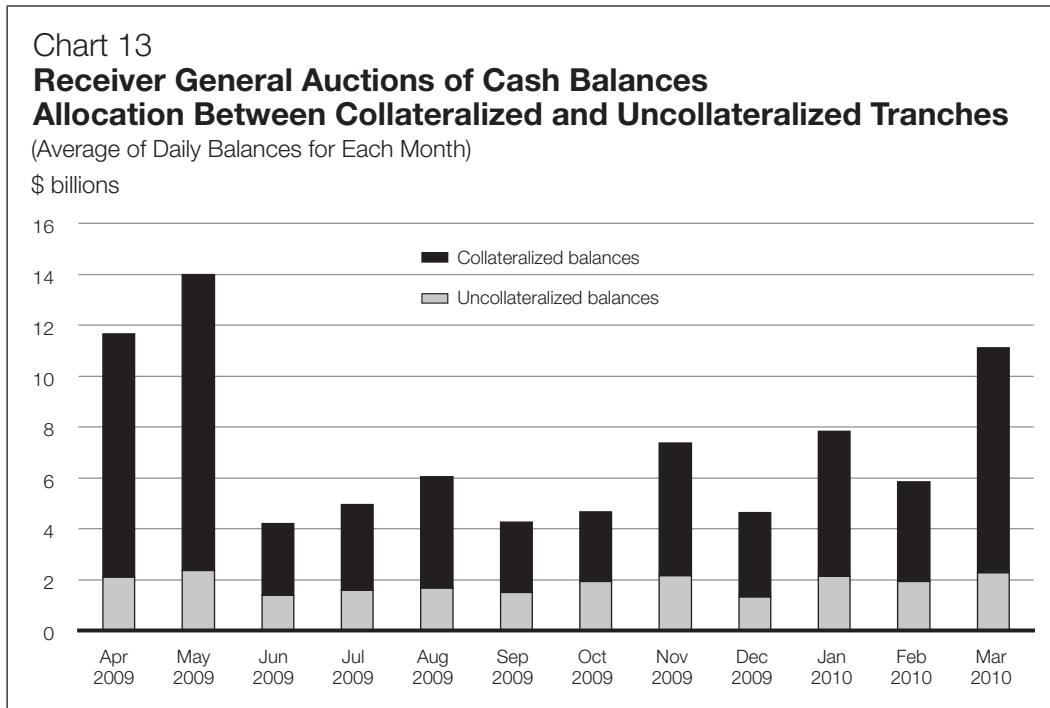
In 2009–10, RG cash balances fluctuated widely, reaching a peak of \$46.1 billion and a low of \$14.8 billion. Average daily RG cash balances for 2009–10 were \$24.6 billion compared to \$21.2 billion in 2008–09. This was due to a number of factors, including preparing for large bond maturities, funding government programs such as the IMPP, and providing support for Bank of Canada liquidity operations.

RG cash balances are invested in a prudent and 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.

The level of cash balances held by financial institutions tends to be at its 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 by financial institutions in 2008–09 were \$7.2 billion, down slightly from \$8.7 billion in 2008–09.



A portion of the morning auction has been offered on a collateralized basis since September 2002, permitting access to a broader group of potential participants, while ensuring that the Government's credit exposure is effectively mitigated. 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 80 per cent (see Chart 13).



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 2009–10, treasury bill yields traded predominantly higher than the overnight rate, resulting in a loss of carrying cash of \$5.7 million for the fiscal year, compared to a gain of \$11.4 million in 2008–09 and \$16.5 million in 2007–08.

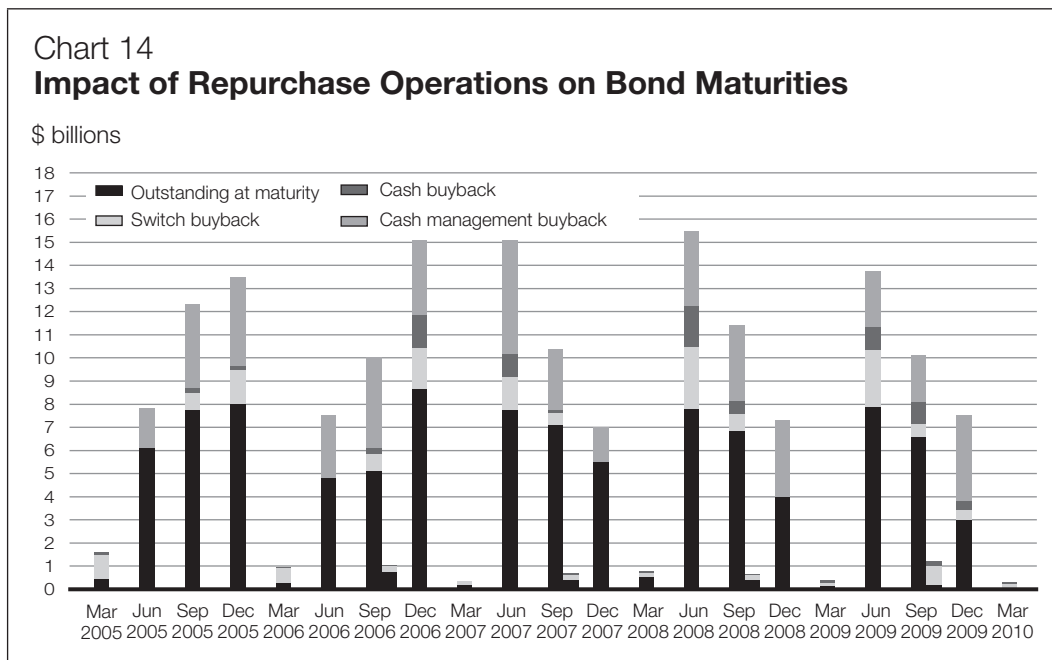


Cash Management Bond Buyback Program

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 2009–10, an adjustment to the buyback program was made to increase the flexibility of the program.²⁰

In 2009–10, the total amount of bonds repurchased through the CMBB program was \$10.3 billion, compared to \$8.6 billion in 2008–09. The CMBB program in 2008–09 and 2009–10 reduced the size of the 2009 June 1, September 1 and December 1 bond maturities by about 32 per cent, from a total of \$25.6 billion outstanding at the beginning of 2008–09 to \$17.5 billion outstanding at the end of 2009–10.

The CMBB program has been the most consistently useful method for reducing maturity sizes (see Chart 14). However, switch and cash repurchase operations have also proven to be valuable tools in recent years. Overall, repurchase operations reduced the size of the 2009 June 1, September 1 and December 1 bond maturities by as much as 35 per cent to 60 per cent.



²⁰ The *Details on Bond Buyback Operations* were amended to allow the inclusion of Government of Canada bonds with terms to maturity of up to 18 months on those dates where the total amount of maturing bonds is greater than \$5 billion (www.bankofcanada.ca/en/notices_fmd/2010/not170610_bondback.pdf).



Annex 1: Completed Treasury Evaluation Reports, 1992–2009

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.

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: Debt Management Policy Measures Taken Since 1997

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. The following lists policy measures that have been taken to ensure a well-functioning Government of Canada securities market.

Measure	Year
Dropped the 3-year bond benchmark	1997
Moved from weekly to bi-weekly treasury bill auctions	1998
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	1999
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
Reduced targeted turnaround times for auctions and buyback operations	2001
Advanced the timing of treasury bill auctions from 12:30 p.m. to 10:30 a.m.	2004
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	2005
Dropped one quarterly 2-year auction	2006
Announced the maintenance of benchmark targets through fungibility (common dates)	2006
Consolidated the borrowings of three Crown corporations	2007
Changed the maturity of the 5-year benchmark and dropped one quarterly 5-year auction	2007
Reintroduced the 3-year bond benchmark	2009



Annex 3: Glossary

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

average term to maturity: The weighted average time until all securities in the debt portfolio mature.

benchmark bond: A bond that is considered by the market to be the standard against which all other bonds in that term area are evaluated against. It is typically a bond issued by a sovereign, since sovereign debt is usually the most creditworthy within a domestic market. Usually, it is the most liquid bond within each range of maturities.

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.

duration: Measures the price sensitivity or exposure of a portfolio to fluctuations in interest rates.

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 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.

fixed-rate share of interest-bearing debt: Proportion of interest-bearing debt that does not mature or need to be repriced within one year (i.e. the inverse of the refixing share of interest-bearing debt).

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: An investment dealer or bank that is authorized to bid at Government of Canada 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: 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: 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.

refixing share of GDP: Proportion of interest-bearing debt that matures or needs to be repriced within one year relative to nominal GDP for that year.

refixing share of interest-bearing debt: Proportion of interest-bearing debt that matures or needs to be repriced within one year (i.e. the inverse of the fixed-rate share of interest-bearing debt).

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
- II Government of Canada Outstanding Market Debt
- III Fiscal 2009–10 Treasury Bill Program
- IV Fiscal 2009–10 Treasury Bill Auction Results
- V Issuance of Government of Canada Domestic Bonds
- VI Fiscal 2009–10 Domestic Bond Program
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- VIII Outstanding Government of Canada Domestic Bonds as at March 31, 2010
- IX Government of Canada Cross-Currency Swaps Outstanding as at March 31, 2010
- X Fiscal 2009–10 Bond Buyback Program Operations
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Reference Table I

Gross Public Debt, Outstanding Market Debt and Debt Charges

Fiscal year	Market debt	Market debt adjustments	Accounts			Gross debt	Financial assets	Net debt	Non-financial assets	Accumulated deficit	Gross public debt charges	Fixed-rate portion of interest-bearing debt ^{1,2}	
			payable and accrued liabilities	Pension and other liabilities	liabilities								
	+	+	+	=	+	=	-	=	=	=		(%)	
													(\$ 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		
2009-10	564.4	-5.3	120.5	203.7	883.3	300.8	582.5	63.4	519.1	29.4	61.7		

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.

² 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					Total
	Treasury bills	Marketable bonds	Retail debt	Canada Pension Plan bonds		
			(\$ billions)			
1985–86	62.0	81.1	44.2	0.4	187.7	
1986–87	77.0	94.4	44.3	1.8	217.5	
1987–88	81.1	103.9	53.3	2.5	240.8	
1988–89	102.7	115.7	47.8	3.0	269.2	
1989–90	118.6	127.7	40.9	3.1	290.2	
1990–91	139.2	143.6	34.4	3.5	320.7	
1991–92	152.3	158.1	35.6	3.5	349.5	
1992–93	162.1	178.5	34.4	3.5	378.4	
1993–94	166.0	203.4	31.3	3.5	404.3	
1994–95	164.5	225.7	31.4	3.5	425.1	
1995–96	166.1	252.8	31.4	3.5	453.8	
1996–97	135.4	282.6	33.5	3.5	454.9	
1997–98	112.3	294.6	30.5	3.5	440.8	
1998–99	97.0	295.8	28.2	4.1	425.0	
1999–00	99.9	294.4	26.9	3.6	424.7	
2000–01	88.7	295.5	26.4	3.5	414.1	
2001–02	94.2	294.9	24.0	3.4	416.5	
2002–03	104.6	289.2	22.6	3.4	419.8	
2003–04	113.4	279.0	21.3	3.4	417.1	
2004–05	127.2	266.7	19.1	3.4	416.3	
2005–06	131.6	261.9	17.3	3.1	413.9	
2006–07	134.1	257.9	15.2	1.7	408.9	
2007–08	117.0	253.8	13.1	1.0	384.9	
2008–09	192.5	295.3	12.5	0.5	500.8	
2009–10	175.9	367.9	11.8	0.5	556.1	



Reference Table II (cont'd)

Government of Canada Outstanding Market Debt

Fiscal year	Payable in foreign currencies						Total
	Canada bills	Marketable bonds	Canada notes	Euro medium-term notes	Standby drawings	Term loans	
				(\$ billions)			
1985-86	0.0	9.3	0.0	0.0	2.2	2.2	13.8
1986-87	1.0	8.9	0.0	0.0	0.0	2.0	12.0
1987-88	1.0	7.9	0.0	0.0	0.0	2.3	11.3
1988-89	1.1	6.3	0.0	0.0	0.0	0.9	8.3
1989-90	1.4	4.3	0.0	0.0	0.0	0.0	5.7
1990-91	1.0	3.6	0.0	0.0	0.0	0.0	4.5
1991-92	0.0	3.4	0.0	0.0	0.0	0.0	3.4
1992-93	2.6	2.8	0.0	0.0	0.0	0.0	5.4
1993-94	5.6	5.0	0.0	0.0	0.0	0.0	10.7
1994-95	9.0	7.9	0.0	0.0	0.0	0.0	16.9
1995-96	7.0	9.5	0.3	0.0	0.0	0.0	16.8
1996-97	8.4	12.5	2.1	0.0	0.0	0.0	23.0
1997-98	9.4	14.6	1.7	1.5	0.0	0.0	27.2
1998-99	10.2	19.7	1.3	4.9	0.0	0.0	36.0
1999-00	6.0	21.4	1.1	4.1	0.0	0.0	32.6
2000-01	7.2	21.2	1.6	3.7	0.0	0.0	33.7
2001-02	3.4	19.8	1.2	3.2	0.0	0.0	27.5
2002-03	2.6	14.5	1.2	3.3	0.0	0.0	21.6
2003-04	3.4	13.2	1.3	3.0	0.0	0.0	20.8
2004-05	3.9	9.9	1.1	1.7	0.0	0.0	16.5
2005-06	4.7	7.6	0.5	1.5	0.0	0.0	14.3
2006-07	1.8	6.7	0.5	1.6	0.0	0.0	10.6
2007-08	1.5	6.1	0.5	1.6	0.0	0.0	9.7
2008-09	8.7	0.3	0.0	1.7	0.0	0.0	10.6
2009-10	2.5	5.8	0.0	0.0	0.0	0.0	8.2



Reference Table II (cont'd)

Government of Canada Outstanding Market Debt

Fiscal year	Total market debt			Total market debt	Average interest rate
	Total payable in Canadian dollars	Total payable in foreign currencies	Less: government's own holdings ¹		
			(\$ billions)		(%)
1985–86	187.7	13.8	-0.3	201.2	10.7
1986–87	217.5	12.0	-0.9	228.6	9.3
1987–88	240.8	11.3	-1.2	250.8	9.6
1988–89	269.2	8.3	-1.2	276.3	10.8
1989–90	290.2	5.7	-1.3	294.6	11.2
1990–91	320.7	4.5	-1.3	323.9	10.7
1991–92	349.5	3.4	-1.0	351.9	8.9
1992–93	378.4	5.4	-1.1	382.7	7.9
1993–94	404.3	10.7	-1.0	414.0	6.8
1994–95	425.1	16.9	-1.0	441.0	8.0
1995–96	453.8	16.8	-1.0	469.5	7.3
1996–97	454.9	23.0	-1.1	476.9	6.7
1997–98	440.8	27.2	-1.2	466.8	6.6
1998–99	425.0	36.0	-3.3	457.7	6.7
1999–00	424.7	32.6	-3.1	454.2	6.2
2000–01	414.1	33.7	-2.9	444.9	6.1
2001–02	416.5	27.5	-3.1	440.9	5.6
2002–03	419.8	21.6	-2.7	438.6	5.3
2003–04	417.1	20.8	-1.5	436.5	4.9
2004–05	416.3	16.5	-1.1	431.8	4.6
2005–06	413.9	14.3	-1.0	427.3	4.7
2006–07	408.9	10.6	-0.7	418.9	4.9
2007–08	384.9	9.7	-0.5	394.1	4.6
2008–09	500.8	10.6	-0.6	510.9	3.2
2009–10	556.1	8.2	-0.1	564.4	2.7

¹ Because certain comparative figures have been restated to reflect the presentation method used in recent years, the numbers presented in this reference table can differ from numbers presented in other sections of the 2009–10 *Debt Management Report*. In the reference table, "Government's Holding – 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 2010*.



Reference Table III

Fiscal 2009–10 Treasury Bill Program

Settlement date	Maturing					New issues				
	CMB ¹	3 mo	6 mo	12 mo	Total	CMB ¹	3 mo	6 mo	12 mo	Total
	(\$ millions)									
April 2, 2009	4,000	9,800	5,400		19,200		9,200	3,400	3,400	16,000
April 16, 2009	4,000	10,400		4,900	19,300		9,800	3,600	3,600	17,000
April 30, 2009		10,400	6,400		16,800		8,000	3,000	3,000	14,000
May 14, 2009		10,400		5,500	15,900		6,800	2,600	2,600	12,000
May 22, 2009					0	3,000				3,000
May 28, 2009		9,800	7,000		16,800		7,400	2,800	2,800	13,000
May 29, 2009					0	2,500				2,500
June 11, 2009	3,000	9,200		4,600	16,800	3,000	9,200	3,400	3,400	19,000
June 18, 2009					0	3,300				3,300
June 22, 2009					0	3,500				3,500
June 25, 2009	2,500	8,600	7,400		18,500		10,100	3,700	3,700	17,500
June 29, 2009					0	1,500				1,500
July 3, 2009	1,500				1,500	4,000				4,000
July 6, 2009	3,300				3,300					0
July 9, 2009	3,000	9,200		4,200	16,400		10,400	3,800	3,800	18,000
July 16, 2009					0	4,000				4,000
July 23, 2009		9,800	7,600		17,400	2,000	10,400	3,800	3,800	20,000
July 29, 2009					0	1,500				1,500
August 6, 2009	9,500	8,000		4,700	22,200		9,200	3,400	3,400	16,000
August 10, 2009	1,500				1,500					0
August 20, 2009	4,000	6,800	7,000		17,800		7,400	2,800	2,800	13,000
August 26, 2009					0	3,000				3,000
September 3, 2009	3,000	7,400		4,000	14,400		7,400	2,800	2,800	13,000
September 17, 2009		9,200	6,600		15,800		8,000	3,000	3,000	14,000
September 21, 2009					0	3,000				3,000
September 28, 2009					0	2,500				2,500
October 1, 2009		10,100		5,400	15,500		8,600	3,200	3,200	15,000
October 5, 2009	3,000				3,000					0
October 7, 2009	2,500				2,500					0
October 15, 2009		10,400	6,600		17,000		9,200	3,400	3,400	16,000
October 19, 2009					0	3,000				3,000
October 21, 2009					0	2,700				2,700
October 28, 2009					0	2,500				2,500
October 29, 2009		10,400		6,400	16,800		9,200	3,400	3,400	16,000
November 3, 2009	3,000				3,000					0
November 5, 2009	2,700				2,700					0



Reference Table III (cont'd)

Fiscal 2009–10 Treasury Bill Program

Settlement date	Maturing				New issues					
	CMB ¹	3 mo	6 mo	12 mo	Total	CMB ¹	3 mo	6 mo	12 mo	Total
	(\$ millions)									
November 12, 2009	2,500	9,200	5,400		17,100		9,200	3,400	3,400	16,000
November 18, 2009					0	2,000				2,000
November 25, 2009					0	2,000				2,000
November 26, 2009		7,400		7,000	14,400		7,700	2,900	2,900	13,500
December 4, 2009	2,000				2,000					0
December 10, 2009	2,000	7,400	7,100		16,500		7,400	2,800	2,800	13,000
December 24, 2009		8,000		7,400	15,400		8,000	3,000	3,000	14,000
January 7, 2010		8,600	7,600		16,200		8,000	3,000	3,000	14,000
January 21, 2010		9,200		7,600	16,800		6,800	2,600	2,600	12,000
January 22, 2010					0	3,500				3,500
February 2, 2010	3,500				3,500					0
February 4, 2010		9,200	6,200		15,400		7,400	2,800	2,800	13,000
February 18, 2010		9,200		7,000	16,200		6,800	2,600	2,600	12,000
February 24, 2010					0	2,500				2,500
February 26, 2010					0	2,000				2,000
March 4, 2010	2,500	7,700	5,800		16,000		7,100	2,700	2,700	12,500
March 18, 2010		7,400		6,600	14,000		7,400	2,800	2,800	13,000
March 22, 2010					0	3,000				3,000
March 26, 2010					0	1,900				1,900
March 31, 2010					0	1,600				1,600
Total	63,000	233,200	86,100	75,300	457,600	63,500	216,100	80,700	80,700	441,000

¹ Cash management bill.



Reference Table III (cont'd)

Fiscal 2009–10 Treasury Bill Program

Settlement date	Net increment					Average tender yields			
	Total maturing	Total new issues	Total	Cumulative	O/S ²	CMB ¹	3 mo	6 mo	12 mo
	(\$ millions)					(%)			
April 2, 2009	19,200	16,000	-3,200	-3,200	189,300		0.42	0.51	0.63
April 16, 2009	19,300	17,000	-2,300	-5,500	187,000		0.42	0.52	0.67
April 30, 2009	16,800	14,000	-2,800	-8,300	184,200		0.25	0.35	0.46
May 14, 2009	15,900	12,000	-3,900	-12,200	180,300		0.20	0.32	0.46
May 22, 2009	0	3,000	3,000	-9,200	183,300	0.19			
May 28, 2009	16,800	13,000	-3,800	-13,000	179,500		0.20	0.31	0.48
May 29, 2009	0	2,500	2,500	-10,500	182,000	0.21			
June 11, 2009	16,800	19,000	2,200	-8,300	184,200	0.23	0.23	0.38	0.60
June 18, 2009	0	3,300	3,300	-5,000	187,500	0.24			
June 22, 2009	0	3,500	3,500	-1,500	191,000	0.24			
June 25, 2009	18,500	17,500	-1,000	-2,500	190,000		0.24	0.37	0.58
June 29, 2009	0	1,500	1,500	-1,000	191,500	0.18			
July 3, 2009	1,500	4,000	2,500	1,500	194,000	0.22			
July 6, 2009	3,300	0	-3,300	-1,800	190,700				
July 9, 2009	16,400	18,000	1,600	-200	192,300		0.24	0.35	0.56
July 16, 2009	0	4,000	4,000	3,800	196,300	0.22			
July 23, 2009	17,400	20,000	2,600	6,400	198,900	0.25	0.24	0.35	0.60
July 29, 2009	0	1,500	1,500	7,900	200,400	0.23			
August 6, 2009	22,200	16,000	-6,200	1,700	194,200		0.25	0.35	0.65
August 10, 2009	1,500	0	-1,500	200	192,700				
August 20, 2009	17,800	13,000	-4,800	-4,600	187,900		0.24	0.34	0.58
August 26, 2009	0	3,000	3,000	-1,600	190,900	0.20			
September 3, 2009	14,400	13,000	-1,400	-3,000	189,500		0.23	0.34	0.57
September 17, 2009	15,800	14,000	-1,800	-4,800	187,700		0.23	0.31	0.53
September 21, 2009	0	3,000	3,000	-1,800	190,700	0.22			
September 28, 2009	0	2,500	2,500	700	193,200	0.23			
October 1, 2009	15,500	15,000	-500	200	192,700		0.22	0.33	0.58
October 5, 2009	3,000	0	-3,000	-2,800	189,700				
October 7, 2009	2,500	0	-2,500	-5,300	187,200				
October 15, 2009	17,000	16,000	-1,000	-6,300	186,200		0.23	0.34	0.67
October 19, 2009	0	3,000	3,000	-3,300	189,200	0.23			
October 21, 2009	0	2,700	2,700	-600	191,900	0.24			
October 28, 2009	0	2,500	2,500	1,900	194,400	0.22			
October 29, 2009	16,800	16,000	-800	1,100	193,600		0.23	0.33	0.64
November 3, 2009	3,000	0	-3,000	-1,900	190,600				
November 5, 2009	2,700	0	-2,700	-4,600	187,900				



Reference Table III (cont'd)

Fiscal 2009–10 Treasury Bill Program

Settlement date	Net increment					Average tender yields			
	Total maturing	Total new issues	Total	Cumulative	O/S ²	CMB ¹	3 mo	6 mo	12 mo
	(\$ millions)					(%)			
November 12, 2009	17,100	16,000	-1,100	-5,700	186,800		0.23	0.31	0.54
November 18, 2009	0	2,000	2,000	-3,700	188,800	0.20			
November 25, 2009	0	2,000	2,000	-1,700	190,800	0.19			
November 26, 2009	14,400	13,500	-900	-2,600	189,900		0.23	0.30	0.52
December 4, 2009	2,000	0	-2,000	-4,600	187,900				
December 10, 2009	16,500	13,000	-3,500	-8,100	184,400		0.22	0.30	0.55
December 24, 2009	15,400	14,000	-1,400	-9,500	183,000		0.20	0.30	0.65
January 7, 2010	16,200	14,000	-2,200	-11,700	180,800		0.20	0.29	0.69
January 21, 2010	16,800	12,000	-4,800	-16,500	176,000		0.18	0.28	0.65
January 22, 2010	0	3,500	3,500	-13,000	179,500	0.18			
February 2, 2010	3,500	0	-3,500	-16,500	176,000				
February 4, 2010	15,400	13,000	-2,400	-18,900	173,600		0.18	0.26	0.54
February 18, 2010	16,200	12,000	-4,200	-23,100	169,400		0.17	0.28	0.63
February 24, 2010	0	2,500	2,500	-20,600	171,900	0.18			
February 26, 2010	0	2,000	2,000	-18,600	173,900	0.18			
March 4, 2010	16,000	12,500	-3,500	-22,100	170,400		0.19	0.29	0.65
March 18, 2010	14,000	13,000	-1,000	-23,100	169,400		0.23	0.35	0.77
March 22, 2010	0	3,000	3,000	-20,100	172,400	0.23			
March 26, 2010	0	1,900	1,900	-18,200	174,300	0.25			
March 31, 2010	0	1,600	1,600	-16,600	175,900	0.24			
Total	457,600	441,000	-16,600						

¹ Cash management bill.² Outstanding.

Source : Bank of Canada



Reference Table IV

Fiscal 2009–10 Treasury Bill Auction Results

Auction date	Term	Issue amount	Average price	Average yield	Bid coverage	Tail
	(months)	(\$ millions)	(\$)	(%)		(basis points)
April 14, 2009	12	3,600	99.334	0.672	2.049	1.0
April 14, 2009	3	9,800	99.887	0.420	2.126	0.4
April 14, 2009	6	3,600	99.741	0.521	2.387	0.3
April 28, 2009	12	3,000	99.556	0.465	2.391	0.5
April 28, 2009	3	8,000	99.934	0.247	2.207	0.7
April 28, 2009	6	3,000	99.837	0.354	2.867	0.3
May 12, 2009	12	2,600	99.546	0.457	2.020	0.6
May 12, 2009	3	6,800	99.947	0.197	2.087	0.5
May 12, 2009	6	2,600	99.842	0.317	2.390	0.2
May 21, 2009	CM ¹	3,000	99.990	0.186	1.937	1.4
May 26, 2009	12	2,800	99.545	0.477	1.858	0.7
May 26, 2009	3	7,400	99.947	0.197	1.877	0.4
May 26, 2009	6	2,800	99.856	0.314	2.283	0.5
May 29, 2009	CM	2,500	99.985	0.205	2.002	1.5
June 9, 2009	12	3,400	99.408	0.597	1.697	1.8
June 9, 2009	3	9,200	99.938	0.232	2.054	0.2
June 9, 2009	6	3,400	99.811	0.379	2.023	0.5
June 11, 2009	CM	3,000	99.983	0.225	1.937	0.5
June 18, 2009	NF ²	3,300	99.988	0.242	2.251	0.8
June 22, 2009	CM	3,500	99.970	0.241	2.038	0.9
June 23, 2009	12	3,700	99.450	0.577	1.966	1.1
June 23, 2009	3	10,100	99.935	0.243	1.859	0.7
June 23, 2009	6	3,700	99.830	0.369	2.056	0.5
June 29, 2009	NF	1,500	99.998	0.181	3.409	0.5
July 3, 2009	CM	4,000	99.970	0.225	2.042	1.3
July 7, 2009	12	3,800	99.442	0.563	1.883	1.4
July 7, 2009	3	10,400	99.935	0.244	1.866	0.5
July 7, 2009	6	3,800	99.828	0.346	2.361	0.9
July 16, 2009	CM	4,000	99.987	0.222	2.193	0.8
July 21, 2009	12	3,800	99.428	0.600	2.190	0.9
July 21, 2009	3	10,400	99.935	0.241	1.810	0.5
July 21, 2009	6	3,800	99.840	0.348	2.340	0.6
July 23, 2009	CM	2,000	99.991	0.245	2.446	0.4
July 29, 2009	NF	1,500	99.992	0.230	2.859	1.2
August 4, 2009	12	3,400	99.356	0.650	1.852	1.2
August 4, 2009	3	9,200	99.932	0.255	1.851	0.8
August 4, 2009	6	3,400	99.827	0.348	2.095	0.9



Reference Table IV (cont'd)

Fiscal 2009–10 Treasury Bill Auction Results

Auction date	Term	Issue amount	Average price	Average yield	Bid coverage	Tail
	(months)	(\$ millions)	(\$)	(%)		(basis points)
August 18, 2009	12	2,800	99.446	0.581	1.983	0.4
August 18, 2009	3	7,400	99.936	0.238	2.039	0.5
August 18, 2009	6	2,800	99.845	0.338	2.554	0.5
August 26, 2009	CM	3,000	99.996	0.200	1.668	3.0
September 1, 2009	12	2,800	99.431	0.574	1.906	1.1
September 1, 2009	3	7,400	99.937	0.234	2.069	0.9
September 1, 2009	6	2,800	99.831	0.339	2.497	0.6
September 15, 2009	12	3,000	99.491	0.534	2.534	1.0
September 15, 2009	3	8,000	99.939	0.227	2.026	0.5
September 15, 2009	6	3,000	99.855	0.315	2.278	0.8
September 21, 2009	NF	3,000	99.992	0.219	2.732	0.6
September 28, 2009	NF	2,500	99.994	0.226	1.681	2.4
September 29, 2009	12	3,200	99.425	0.580	1.979	1.7
September 29, 2009	3	8,600	99.940	0.222	1.930	0.8
September 29, 2009	6	3,200	99.834	0.333	2.176	0.2
October 13, 2009	12	3,400	99.358	0.674	2.003	1.0
October 13, 2009	3	9,200	99.938	0.230	1.896	0.8
October 13, 2009	6	3,400	99.844	0.340	2.290	0.5
October 19, 2009	NF	3,000	99.991	0.231	2.143	1.3
October 21, 2009	NF	2,700	99.990	0.244	2.382	0.5
October 27, 2009	12	3,400	99.362	0.644	2.560	0.6
October 27, 2009	3	9,200	99.938	0.232	1.970	0.8
October 27, 2009	6	3,400	99.836	0.330	2.307	0.4
October 28, 2009	CM	2,500	99.991	0.219	2.194	1.3
November 10, 2009	12	3,400	99.481	0.544	2.426	1.1
November 10, 2009	3	9,200	99.939	0.229	1.997	0.5
November 10, 2009	6	3,400	99.858	0.308	2.458	0.7
November 18, 2009	NF	2,000	99.991	0.204	3.687	1.1
November 24, 2009	12	2,900	99.488	0.516	2.078	0.4
November 24, 2009	3	7,700	99.939	0.228	2.021	0.2
November 24, 2009	6	2,900	99.850	0.302	2.859	0.3
November 25, 2009	CM	2,000	99.992	0.185	2.319	1.0
December 8, 2009	12	2,800	99.477	0.548	2.089	0.6
December 8, 2009	3	7,400	99.941	0.221	1.963	0.3
December 8, 2009	6	2,800	99.863	0.299	2.570	0.3
December 22, 2009	12	3,000	99.352	0.654	1.953	0.8
December 22, 2009	3	8,000	99.946	0.202	1.997	0.6



Reference Table IV (cont'd)

Fiscal 2009–10 Treasury Bill Auction Results

Auction date	Term	Issue amount	Average price	Average yield	Bid coverage	Tail
	(months)	(\$ millions)	(\$)	(%)		(basis points)
December 22, 2009	6	3,000	99.851	0.300	2.167	0.4
January 5, 2010	12	3,000	99.339	0.694	2.318	0.5
January 5, 2010	3	8,000	99.946	0.203	2.022	0.2
January 5, 2010	6	3,000	99.867	0.292	2.334	0.3
January 19, 2010	12	2,600	99.357	0.649	3.029	0.1
January 19, 2010	3	6,800	99.952	0.179	2.176	0.4
January 19, 2010	6	2,600	99.859	0.283	2.906	0.1
January 22, 2010	NF	3,500	99.995	0.176	2.577	1.3
February 2, 2010	12	2,800	99.484	0.541	2.547	0.6
February 2, 2010	3	7,400	99.953	0.175	2.081	0.3
February 2, 2010	6	2,800	99.878	0.265	2.892	0.3
February 16, 2010	12	2,600	99.377	0.629	2.919	0.4
February 16, 2010	3	6,800	99.954	0.170	2.186	0.3
February 16, 2010	6	2,600	99.863	0.276	2.437	0.6
February 24, 2010	CM	2,500	99.996	0.180	1.909	2.7
February 26, 2010	CM	2,000	99.983	0.181	1.913	0.9
March 2, 2010	12	2,700	99.385	0.645	2.226	0.5
March 2, 2010	3	7,100	99.950	0.188	2.133	0.2
March 2, 2010	6	2,700	99.865	0.294	2.654	0.4
March 16, 2010	12	2,800	99.241	0.767	2.234	0.3
March 16, 2010	3	7,400	99.939	0.229	2.072	0.4
March 16, 2010	6	2,800	99.824	0.354	2.097	0.5
March 22, 2010	NF	3,000	99.991	0.228	1.822	1.9
March 26, 2010	NF	1,900	99.992	0.247	2.439	0.3
March 30, 2010	12	3,000	99.101	0.946	2.271	0.9
March 30, 2010	3	8,000	99.922	0.289	2.099	0.4
March 30, 2010	6	3,000	99.786	0.466	1.954	1.4
March 31, 2010	NF	1,600	99.994	0.245	2.287	0.4
Total		439,000				

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 V

Issuance of Government of Canada Domestic Bonds

Fiscal year	Gross issuance							Buybacks			Net issuance	
	Nominal ¹						RRB	Total	Cash	Switch		Total
	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
2008–08	23.2		29.0	15.7	5.1	72.9	2.1	75.0	-3.2	-2.7	-6.0	69.0
2009–10	31.5	20.1	24.0	17.4	7.0	100.0	2.2	102.2	0.0	-2.1	-2.1	100.1

¹ Including nominal issuance through switch buyback operations.



Reference Table VI

Fiscal 2009–10 Domestic Bond Program

Offering date	Delivery date	Maturity date	Maturing	Gross	Bond repurchase	Net
Fixed-coupon bonds				(\$ millions)		
April 8, 2009	April 14, 2009	June 1, 2019		600	320	280
April 15, 2009	April 20, 2009	December 1, 2014		3,000		3,000
May 6, 2009	May 8, 2009	September 1, 2011		3,500		3,500
May 13, 2009	May 19, 2009	June 1, 2041		1,400		1,400
May 20, 2009	May 25, 2009	December 1, 2014		3,000		3,000
May 27, 2009	June 1, 2009	September 1, 2012		3,500		3,500
	June 1, 2009	*	7,890			-7,890
June 10, 2009	June 15, 2009	June 1, 2019		3,500		3,500
June 17, 2009	June 19, 2009	September 1, 2011		3,500		3,500
July 8, 2009	July 13, 2009	September 1, 2012		3,500		3,500
July 9, 2009	July 14, 2009	June 1, 2041		700	846	-146
July 15, 2009	July 20, 2009	December 1, 2014		3,000		3,000
July 28, 2009	July 30, 2009	September 1, 2011		3,000		3,000
July 30, 2009	August 5, 2009	June 1, 2041		1,500		1,500
August 5, 2009	August 10, 2009	September 1, 2012		3,500		3,500
August 13, 2009	August 18, 2009	June 1, 2019		3,200		3,200
August 19, 2009	August 21, 2009	December 1, 2011		3,000		3,000
August 24, 2009	August 27, 2009	December 1, 2014		3,000		3,000
	September 1, 2009	*	6,597			-6,597
September 2, 2009	September 8, 2009	June 1, 2020		3,000		3,000
September 16, 2009	September 18, 2009	December 1, 2011		3,000		3,000
September 24, 2009	September 29, 2009	December 1, 2014		3,000		3,000
	October 1, 2009	*	208			-208
October 7, 2009	October 9, 2009	December 1, 2011		3,500		3,500
October 8, 2009	October 14, 2009	June 1, 2020		600	360	240
October 15, 2009	October 20, 2009	June 1, 2041		1,500		1,500
November 5, 2009	November 10, 2009	June 1, 2020		3,500		3,500
November 12, 2009	November 16, 2009	March 1, 2012		3,000		3,000
November 18, 2009	November 23, 2009	June 1, 2015		3,000		3,000
	December 1, 2009	*	3,000			-3,000
December 9, 2009	December 14, 2009	March 1, 2013		3,200		3,200
December 17, 2009	December 21, 2009	March 1, 2012		3,000		3,000
January 13, 2010	January 18, 2010	June 1, 2015		3,000		3,000
January 27, 2010	January 29, 2010	March 1, 2012		3,000		3,000
February 3, 2010	February 8, 2010	June 1, 2020		3,000		3,000
February 10, 2010	February 12, 2010	March 1, 2013		3,200		3,200



Reference Table VI (cont'd)

Fiscal 2009–10 Domestic Bond Program

Offering date	Delivery date	Maturity date	Maturing	Gross	Bond repurchase	Net
Fixed-coupon bonds			(\$ millions)			
February 17, 2010	February 22, 2010	June 1, 2041		1,500		1,500
	March 1, 2010	*	80			-80
March 3, 2010	March 8, 2010	June 1, 2015		3,000		3,000
March 10, 2010	March 12, 2010	June 1, 2012		3,000		3,000
March 17, 2010	March 22, 2010	June 1, 2041		400	533	-133
March 24, 2010	March 26, 2010	March 1, 2013		3,200		3,200
Real Return Bonds						
May 28, 2009	June 2, 2009	December 1, 2041		600		600
August 26, 2009	August 31, 2009	December 1, 2041		500		500
December 2, 2009	December 7, 2009	December 1, 2041		700		700
February 24, 2010	March 1, 2010	December 1, 2041		400		400
Totals for fiscal year			17,774	102,200	2,059	82,367

* Maturing Date



Reference Table VII

Fiscal 2009–10 Domestic Bond Auction Results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail
	(years)		(%)	(\$ millions)	(\$)	(\$)		(basis points)
April 15, 2009	5	December 1, 2014	2.00	3,000	99.753	2.047	2.29	1.0
May 6, 2009	2	September 1, 2011	1.00	3,500	99.561	1.193	2.52	0.2
May 13, 2009	30	June 1, 2041	4.00	1,400	101.598	3.912	2.46	0.6
May 20, 2009	5	December 1, 2014	2.00	3,000	98.198	2.350	2.09	0.4
May 27, 2009	3	September 1, 2012	2.00	3,500	99.989	2.004	2.05	3.6
May 28, 2009	30	December 1, 2041	2.00*	600	94.259	2.250	2.42	
June 10, 2009	10	June 1, 2019	3.75	3,500	100.944	3.636	1.89	1.8
June 17, 2009	2	September 1, 2011	1.00	3,500	98.879	1.520	2.24	0.8
July 8, 2009	3	September 1, 2012	2.00	3,500	99.943	2.019	2.27	0.8
July 15, 2009	5	December 1, 2014	2.00	3,000	96.407	2.724	2.24	0.6
July 28, 2009	2	September 1, 2011	1.00	3,000	99.002	1.487	2.54	0.6
July 30, 2009	30	June 1, 2041	4.00	1,500	98.017	4.112	2.67	1.2
August 5, 2009	3	September 1, 2012	2.00	3,500	99.590	2.139	2.24	0.9
August 13, 2009	10	June 1, 2019	3.75	3,200	101.828	3.527	2.06	2.2
August 19, 2009	2	December 1, 2011	1.25	3,000	99.449	1.497	2.04	1.1
August 24, 2009	5	December 1, 2014	2.00	3,000	96.428	2.733	2.29	0.6
August 26, 2009	30	December 1, 2041	2.00*	500	103.754	1.845	2.54	
September 2, 2009	10	June 1, 2020	3.50	3,000	99.658	3.539	2.10	2.0
September 16, 2009	2	December 1, 2011	1.25	3,000	99.465	1.498	2.61	0.5
September 24, 2009	5	December 1, 2014	2.00	3,000	96.801	2.666	2.33	0.5
October 7, 2009	2	December 1, 2011	1.25	3,500	99.638	1.422	2.51	0.2
October 15, 2009	30	June 1, 2041	4.00	1,500	99.711	4.016	2.40	0.8
November 5, 2009	10	June 1, 2020	3.50	3,500	98.266	3.700	2.34	0.8
November 12, 2009	2	March 1, 2012	1.50	3,000	99.759	1.608	2.46	0.1
November 18, 2009	5	June 1, 2015	2.50	3,000	98.819	2.732	2.26	0.4
December 2, 2009	30	December 1, 2041	2.00*	700	112.393	1.510	2.54	
December 9, 2009	3	March 1, 2013	1.75	3,200	99.421	1.937	2.38	1.2
December 17, 2009	2	March 1, 2012	1.50	3,000	100.058	1.473	2.78	0.1
January 13, 2010	5	June 1, 2015	2.50	3,000	98.405	2.822	2.46	0.2
January 27, 2010	2	March 1, 2012	1.50	3,000	100.408	1.301	2.59	0.3
February 3, 2010	10	June 1, 2020	3.50	3,000	99.337	3.577	2.64	0.2
February 10, 2010	3	March 1, 2013	1.75	3,200	99.632	1.875	2.67	0.6



Reference Table VII (cont'd)

Fiscal 2009–10 Domestic Bond Auction Results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail
	(years)		(%)	(\$ millions)	(\$)	(\$)		(basis points)
February 17, 2010	30	June 1, 2041	4.00	1,500	98.554	4.082	2.65	0.4
February 24, 2010	30	December 1, 2041	2.00*	400	110.507	1.578	2.24	
March 3, 2010	5	June 1, 2015	2.50	3,000	98.811	2.745	2.65	0.7
March 10, 2010	2	June 1, 2012	1.50	3,000	99.512	1.725	2.97	0.2
March 24, 2010	3	March 1, 2013	1.75	3,200	98.759	2.189	2.30	0.4
Total				99,900				

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. Does not include nominal issuance resulting from switch buyback operations.

* Real Return Bond.

Source: Bank of Canada.



Reference Table VIII

Outstanding Government of Canada Domestic Bonds as at March 31, 2010

Maturity date	Amount	Coupon rate	Inflation adjustment	Outstanding amount
	(\$ millions)	(%)	(\$ millions)	(\$ millions)
Fixed-coupon bonds				
June 1, 2010	2,927	3.75		
June 1, 2010	4,634	5.50		
June 1, 2010	2,170	9.50		
September 1, 2010	5,853	4.00		
October 1, 2010	97	8.75		
December 1, 2010	9,888	2.75		
March 1, 2011	464	9.00		
June 1, 2011	9,645	1.25		
June 1, 2011	9,693	6.00		
June 1, 2011	606	8.50		
September 1, 2011	10,000	1.00		
September 1, 2011	8,767	3.75		
December 1, 2011	9,500	1.25		
March 1, 2012	9,000	1.50		
June 1, 2012	3,000	1.50		
June 1, 2012	6,799	3.75		
June 1, 2012	10,357	5.25		
September 1, 2012	10,500	2.00		
March 1, 2013	9,600	1.75		
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		
December 1, 2014	15,000	2.00		
June 1, 2015	9,000	2.50		
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		
June 1, 2018	10,623	4.25		
June 1, 2019	17,650	3.75		
June 1, 2020	10,100	3.50		
March 15, 2021	567	10.50		
June 1, 2021	286	9.75		
June 1, 2022	206	9.25		



Reference Table VIII (cont'd)

Outstanding Government of Canada Domestic Bonds as at March 31, 2010

Maturity date	Amount	Coupon rate	Inflation adjustment	Outstanding amount
	(\$ millions)	(%)	(\$ millions)	(\$ millions)
Fixed-coupon bonds				
June 1, 2023	3,757	8.00		
June 1, 2025	3,075	9.00		
June 1, 2027	6,441	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	11,300	4.00		
Total	333,344			
Real Return Bonds				
December 1, 2021	5,175	4.25	1,994	7,169
December 1, 2026	5,250	4.25	1,630	6,880
December 1, 2031	5,800	4.00	1,505	7,305
December 1, 2036	5,850	3.00	687	6,537
December 1, 2041	6,550	2.00	228	6,778
Total	28,625		6,044	34,669

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

Source: Bank of Canada.



Reference Table IX

Government of Canada Cross-Currency Swaps Outstanding as at March 31, 2010

Maturity date	Swaps of domestic obligations			Swaps of foreign obligations	
	USD	EUR	JPY	USD	Total
			(CAD\$ millions)		
2010	102	87	1,935		2,123
2011	1,092	0	1,379		2,471
2012	2,772	54	1,317		4,144
2013	1,143	109	1,598		2,850
2014	2,438	54	1,667		4,159
2015	2,387	0	1,331		3,718
2016	1,422	0	2,579		4,001
2017	2,769	0	1,379		4,148
2018	3,352	0	1,509		4,861
2019	1,793	0	1,372		3,165
2020	1,843	0	0		1,843
Total	21,113	304	16,066		37,483

Notes: Foreign currency swaps converted to Canadian dollars as of March 31, 2010. Numbers may not add due to rounding. In addition, a USD 75 million foreign exchange swap was outstanding as at March 31, 2010.



Reference Table X

Fiscal 2009–10 Bond Buyback Program Operations

Buyback date	Maturity date	Coupon rate	Amount
		(%)	(\$ millions)
Buyback on a switch basis			
April 8, 2009	June 1, 2022	9.25	2
	June 1, 2025	9.00	317
	Total		320
July 9, 2009	June 1, 2023	8.00	300
	June 1, 2025	9.00	546
	Total		846
October 8, 2009	March 15, 2021	10.50	2
	June 1, 2021	9.75	6
	June 1, 2022	9.25	25
	June 1, 2023	8.00	146
	June 1, 2025	9.00	150
	June 1, 2027	8.00	30
	Total		360
March 17, 2010	March 15, 2021	10.50	94
	June 1, 2021	9.75	60
	June 1, 2022	9.25	4
	June 1, 2023	8.00	246
	June 1, 2025	9.00	130
	Total		533
Grand total			2,059
Cash management bond buyback			
March 31, 2009	December 1, 2009	4.25	500
	Total		500
April 14, 2009	June 1, 2009	3.75	125
	June 1, 2009	5.50	75
	December 1, 2009	4.25	300
	Total		500
April 28, 2009	June 1, 2009	3.75	25
	September 1, 2009	4.25	117
	December 1, 2009	4.25	858
	Total		1,000



Reference Table X (cont'd)

Fiscal 2009-10 Bond Buyback Program Operations

Buyback date	Maturity date	Coupon rate	Amount
		(%)	(\$ millions)
Cash management bond buyback			
May 12, 2009	June 1, 2009	3.75	15
	June 1, 2009	5.50	17
	September 1, 2009	4.25	71
	Total		103
June 9, 2009	September 1, 2009	4.25	41
	June 1, 2010	3.75	459
	Total		500
June 23, 2009	September 1, 2009	4.25	147
	December 1, 2009	4.25	328
	June 1, 2010	9.50	25
	Total		500
July 7, 2009	September 1, 2009	4.25	2
	December 1, 2009	4.25	139
	June 1, 2010	3.75	115
	June 1, 2010	5.50	47
	June 1, 2010	9.50	16
	Total		319
July 21, 2009	June 1, 2010	5.50	25
	Total		25
August 4, 2009	September 1, 2009	4.25	207
	December 1, 2009	4.25	136
	Total		343
September 1, 2009			0
September 15, 2009	December 1, 2009	4.25	500
	Total		500
September 29, 2009	December 1, 2009	4.25	113
	June 1, 2010	3.75	25
	June 1, 2010	5.50	20
	September 1, 2010	4.00	150
	Total		308
October 13, 2009	June 1, 2010	3.75	4
	June 1, 2010	5.50	10
	June 1, 2010	9.50	7
	September 1, 2010	4.00	450
	Total		471
October 27, 2009	June 1, 2010	5.50	37
	September 1, 2010	4.00	463
	Total		500



Reference Table X (cont'd)

Fiscal 2009-10 Bond Buyback Program Operations

Buyback date	Maturity date	Coupon rate	Amount
		(%)	(\$ millions)
Cash Management bond buyback			
November 10, 2009	December 1, 2010	2.75	12
	Total		12
December 8, 2009	December 1, 2010	2.75	500
	Total		500
December 22, 2009	June 1, 2010	5.50	8
	June 1, 2010	9.50	3
	December 1, 2010	2.75	11
	Total		22
January 5, 2010	June 1, 2010	3.75	130
	June 1, 2010	5.50	161
	June 1, 2010	9.50	3
	June 1, 2011	6.00	34
	Total		328
January 19, 2010	June 1, 2010	3.75	10
	September 1, 2010	4.00	250
	December 1, 2010	2.75	506
	June 1, 2011	1.25	184
	June 1, 2011	6.00	50
	Total		1,000
February 2, 2010	June 1, 2010	3.75	30
	June 1, 2010	5.50	86
	December 1, 2010	2.75	250
	June 1, 2011	1.25	125
	Total		491
February 16, 2010	June 1, 2010	5.50	100
	September 1, 2010	4.00	50
	December 1, 2010	2.75	700
	June 1, 2011	1.25	150
	Total		1,000
March 2, 2010	September 1, 2010	4.00	79
	June 1, 2011	1.25	896
	June 1, 2011	6.00	25
	Total		1,000
March 16, 2010	September 1, 2010	4.00	100
	December 1, 2010	2.75	317
	Total		417
Grand total			10,338



Reference Table XI

Crown Corporation Borrowings as at March 31, 2010

Borrowings from the market	2002	2003	2004	2005	2006	2007	2008	2009	2010
	(\$ millions)								
Export Development Canada	20,481	20,375	17,178	16,191	13,730	15,533	16,743	26,925	23,001
Canadian Wheat Board ¹	397	378	12	6	0	0	0		0
Business Development Bank of Canada	5,726	6,263	7,302	7,432	7,898	8,256	8,025	2,354	1,488
Farm Credit Canada	7,096	8,082	9,209	10,181	11,133	12,182	9,624	3,949	1,765
Canada Mortgage and Housing Corporation	11,372	11,091	10,441	9,573	8,953	9,071	8,907	6,153	4,421
Canada Housing Trust ²				57,518	77,840	96,547	127,566	160,664	180,440
Petro-Canada Ltd.	0	0	0	0	0	0	0	0	0
Canada Ports Corporation	0	0	0	0	0	0	0	0	0
Canada Post Corporation	63	114	108	71	64	61	58	93	90
Other	40	39	45	36	79	132	119	279	248
Total	45,175	46,342	44,295	101,008	119,697	141,782	171,042	200,417	211,453

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 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.

Government's loans and advances in enterprise

Crown Corporations	2003	2004	2005	2006	2007	2008	2009	2010
Business Development Bank of Canada	0		0	0	0	1,000	7,284	12,245
Canada Mortgage and Housing Corporation	5,408	5,189	4,999	4,799	4,651	4,393	61,863	72,262
Canada Deposit Insurance Corporation	0	0	0	0	0			
Farm Credit Canada	0	0	0	0	0	3,840	11,450	15,931
Other	38	66	64	131	98	134	139	132
Total	5,446	5,255	5,063	4,930	4,749	9,367	80,736	100,570

Source: *Public Accounts of Canada*.