



Department of Finance  
Canada

Ministère des Finances  
Canada



# Debt Management Report

## 2021-2022

Canada 



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# Foreword by the Deputy Prime Minister and Minister of Finance

Canadians and the Canadian economy have faced nearly three years of historic challenges. When COVID-19 first reached our shores, our government introduced unprecedented emergency measures to keep Canadians safe, protect their jobs, and keep the Canadian economy afloat. It was a muscular plan—and it worked.

Our economy is now 103 per cent the size it was before the pandemic, and so far this year, our economic growth has been the strongest in the G7. In November, our unemployment rate fell to just 5.1 per cent. We have recovered 117 per cent of the jobs lost to COVID, compared to just 105 per cent in the United States. That means 523,000 more Canadians are working today than before COVID first hit.

As we contend with the pandemic's economic aftershocks, this remarkable economic recovery has allowed us to reinforce Canada's social safety net and provide important relief to those who need it most—without pouring fuel on the fire of inflation. And critically, it means that Canada faces the global economic slowdown from a position of fundamental economic strength.

Every year, the federal government provides a report to Parliament and Canadians that details the government's domestic debt program. This report reflects the main activities of the government's borrowing program, as set out in the *2021-22 Debt Management Strategy*, and is guided by the key principles of transparency, regularity, prudence, and liquidity. As in the past, the government has consulted dealers and investors as part of the process for developing the debt management strategy.

This report demonstrates that Canada's debt management operations continue to support the effective execution of the debt management program, contributing to the objectives of raising stable and low-cost funding and maintaining a well-functioning market for Government of Canada securities. That market now includes green bonds after the successful issuance of an inaugural \$5 billion green bond in March 2022, which received strong demand from investors. This report also shows that there remains strong demand for Government of Canada debt securities, contributing to the stability of Canada's debt.

Our government remains committed to the fiscal anchor that we reiterated in the *Fall Economic Statement*: the unwinding of COVID-19-related deficits and reducing the federal debt-to-GDP ratio. The federal debt-to-GDP ratio is projected to continuously decline, and it is on a steeper downward track than projected in Budget 2022. Canada already has the lowest net debt and deficit-to-GDP ratio in the G7, and in early November, Moody's reaffirmed our AAA rating with a stable outlook.

Canada has a proud tradition of fiscal responsibility—a tradition that must and will be maintained.

The Honourable Chrystia Freeland, P.C., M.P.  
Deputy Prime Minister and Minister of Finance  
Ottawa, 2022

# 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 the fiscal year ending March 31, 2022.

As required under Part IV (Public Debt) of the *Financial Administration Act* (the "FAA"), this publication provides transparency and accountability regarding these activities. It reports on actual borrowing and uses of funds compared to those forecast in the *Debt Management Strategy for 2021-22*, published on April 19, 2021, in Budget 2021 (<https://www.budget.gc.ca/2021/home-accueil-en.html>). It also discusses the environment in which the debt was managed, the composition of the debt, changes in the debt during the year, strategic policy initiatives and performance outcomes.

## Other Information

The *Public Accounts of Canada* is tabled annually in Parliament and is available on the Public Services and Procurement Canada website ([www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2021/index-eng.html](http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2021/index-eng.html)).

The *Debt Management Strategy* and the *Report on the Management of Canada's Official International Reserves*, which are also tabled annually in Parliament, are available on the Department of Finance Canada website ([www.canada.ca/en/department-finance/services/publications.html](http://www.canada.ca/en/department-finance/services/publications.html)). Additionally, monthly updates on cash balances and foreign exchange assets are available through *The Fiscal Monitor*, which is also available on the Department of Finance Canada website. Under the *Borrowing Authority Act* (the "BAA"), the Minister of Finance (the "Minister") is required to table a report to Parliament generally every three years on amounts borrowed by the Minister on behalf of Her Majesty in right of Canada and by agent Crown corporations. The most recent report was tabled in Parliament on November 23, 2020 and is available on the Department of Finance Canada website ([www.canada.ca/en/department-finance/services/publications/borrowing-authority-act-report-parliament-2020.html](http://www.canada.ca/en/department-finance/services/publications/borrowing-authority-act-report-parliament-2020.html)).

The *Extraordinary Borrowing Report to Parliament* tabled in Parliament on October 22, 2020, provides a detailed account of amounts borrowed in extraordinary circumstances under section 47 of the FAA (as enacted by the *COVID-19 Emergency Response Act*)<sup>1</sup>. This report provides details on extraordinary borrowings that were undertaken between April 1, 2020 and September 30, 2020, and is available on the Department of Finance Canada website ([www.canada.ca/en/department-finance/services/publications/extraordinary-borrowing-report-parliament.html](http://www.canada.ca/en/department-finance/services/publications/extraordinary-borrowing-report-parliament.html)). Furthermore, the *2021-22 Extraordinary Borrowing Report to Parliament* was tabled in Parliament on May 25, 2021. This report provides details on extraordinary borrowings that were undertaken between March 23, 2021 to May 6, 2021, and is available on the Department of Finance Canada website ([www.canada.ca/en/department-finance/services/publications/extraordinary-borrowing-report-parliament/2021-22-extraordinary-borrowing-report-parliament.html](http://www.canada.ca/en/department-finance/services/publications/extraordinary-borrowing-report-parliament/2021-22-extraordinary-borrowing-report-parliament.html)).

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<sup>1</sup> The 2021-22 Extraordinary Borrowing Report discusses amounts borrowed under paragraph 46.1(c) of the *Financial Administration Act*.

# Executive Summary

## Introduction

This publication reports on two major activities: (i) the management of federal market debt (the portion of the debt that is borrowed in financial markets); and (ii) the investment of cash balances in liquid assets for operational purposes and contingency planning.

The government's market debt, including marketable bonds, treasury bills, retail debt and foreign currency debt, stood at \$1,232.7 billion at the end of fiscal year 2021-22 (see boxed area of Chart 1). In addition to market and other types of unmatured debt, other liabilities brought the total liabilities of the Government of Canada to \$1,838.7 billion at that time. When financial and non-financial assets<sup>2</sup> are subtracted from total liabilities, the federal debt or accumulated deficit of the Government of Canada was \$1,134.5 billion as at March 31, 2022 (see Chart 1).

In the *Debt Management Strategy for 2021-22* published in Budget 2021, the government outlined its plan to issue its first ever green bond to support the environment and climate change plan. The Government of Canada successfully issued its inaugural 7.5-year, \$5 billion green bond in March 2022, receiving strong demand from domestic and international investors in green bonds.

Domestic funding is conducted through the issuance of marketable securities, which consist of nominal bonds, Real Return Bonds, green bonds and treasury bills, including cash management bills. These securities are generally sold through competitive auctions (occasionally through a syndication process at the government's discretion, such as for the inaugural green bond) to government securities distributors, a group of banks and investment dealers in the Canadian market. These government securities distributors then resell these securities to their wholesale and retail clients in the secondary market.

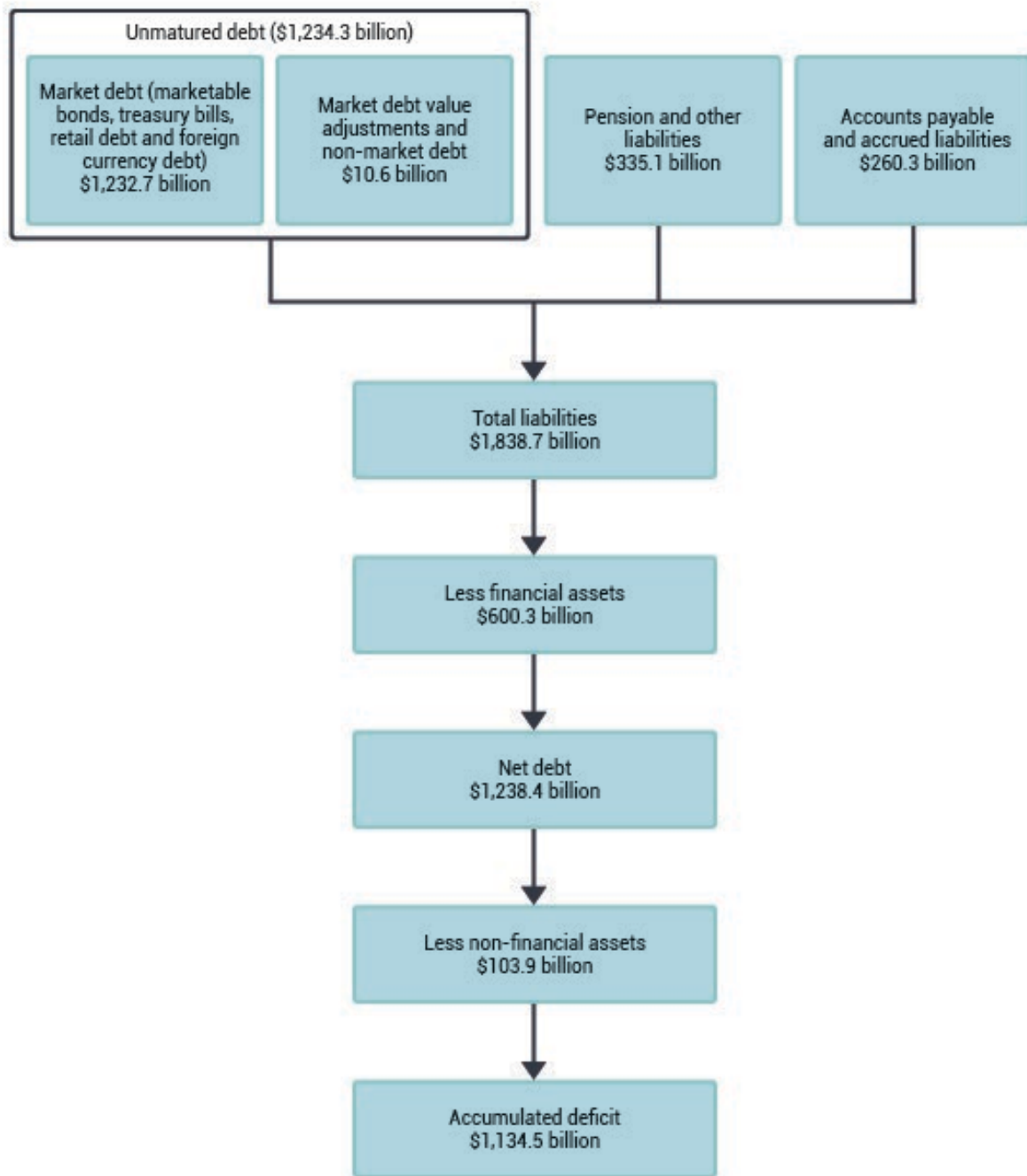
Government of Canada marketable securities are widely held and can be found in retail and institutional investment portfolios, insurance companies and pension funds, central banks (including the Bank of Canada), as well as a variety of other investment vehicles. Overall, about 71 per cent of Government of Canada market debt was held by Canadian investors, including the Bank of Canada, as well as insurance companies and pension funds, and financial institutions and provincial and municipal governments. The participation of international investors in Government of Canada securities markets is of benefit to Canadians, as they serve to increase competition, increase the diversity of the government's investor base, and ultimately reduce borrowing costs for Canadian taxpayers.

Cross-currency swaps of domestic obligations and issuance of foreign currency debt are used to fund foreign reserve assets held in the Exchange Fund Account (see the section entitled "Foreign Currency Debt").

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<sup>2</sup> Financial assets include securities, cash, receivables, advances etc. Non-financial assets include tangible capital assets, inventories and prepaid expenses.

Chart 1  
**Federal Balance Sheet, as at March 31, 2022**



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



## Highlights for 2021-22

The *Debt Management Report* consists of three parts covering the main aspects of the Government of Canada's debt program. "Part I – 2021-22 Debt Management Context" focuses on the state of the accumulated deficit (i.e., federal debt), the year's financial requirements and the sources of borrowings used to raise funds, the federal government's credit ratings, and the authorities required to borrow. "Part II – Report on Objectives, Strategic Direction and Principles" reports on debt management objectives to implement the government's strategic direction to maximize the financing of the COVID-19-related debt through long-term issuance, to raise stable and low-cost funding to meet the financial needs of the Government of Canada, and to maintain a well-functioning market for Government of Canada securities. "Part III – Report on the 2021-22 Debt Program" reports on the operational aspects of the market debt program.

This year's debt management operations continue to support the effective execution of the debt management program. The main highlights are as follows:

### COVID-19 and Debt Management

The *Debt Management Strategy* sets out the objectives, strategy, and borrowing plans for the government's domestic debt program. In 2021-22, the government continued to maximize the financing of COVID-19-related debt through long-term issuance. The shift towards long-term issuance began in 2020-21 as a result of the significant increase in borrowing in response to the COVID-19 crisis. The objective was to provide security and stability to the government balance sheet by lowering debt rollover and providing more predictability in the cost of servicing debt. During 2021-22, the government issued a combined \$107.0 billion in 10-year and 30-year bonds compared to \$105.5 billion in 2020-21 and \$19.0 billion in 2019-20 (pre-pandemic).

In response to the extraordinary circumstances caused by the COVID-19 crisis, on March 23, 2021, the Administrator of the Government of Canada in Council authorized the Minister to borrow money under paragraph 46.1(c) of the FAA. The authority was invoked to fund COVID-19 response programs that received prior approval from Parliament such as the Canada Emergency Wage Subsidy and the Canada Recovery Benefit. During the 2021-22 fiscal year, \$1.6 billion was borrowed under paragraph 46.1(c) of the FAA between April 1, 2021 and May 6, 2021. When added to extraordinary borrowings of \$6.6 billion from March 23, 2021 to March 31, 2021 of the prior fiscal year (2020-21), outstanding borrowings under that extraordinary borrowing authority increased to \$8.2 billion.

### Federal Green Bond Program

To support the growth of the sustainable finance market in Canada, in March 2022, the government published a green bond framework and issued its inaugural federal green bond, delivering on commitments made in Budget 2021.

The inaugural issuance of \$5 billion, the largest Canadian-dollar green bond offering in Canadian history, received strong demand from green and socially minded investors, who represented 72 per cent of buyers. There was also strong demand from international investors, reflecting their confidence in the green bond program meeting global standards for sustainable finance.

### Stock of Domestic Market Debt

The stock of domestic market debt increased by \$122.9 billion in 2021-22, bringing the total debt stock to \$1,232.7 billion. The change in the stock was comprised of a \$155.6 billion increase in marketable bonds payable in Canadian dollars, a \$31.4 billion decrease in treasury and cash management bills, a decrease of \$0.3 billion in retail debt, and a \$1.0 billion decrease in marketable debt payable in foreign currencies. Notwithstanding the increase in debt stock, Canada's general government net debt-to-GDP (gross domestic product) ratio remains the lowest among the Group of Seven (G7) nations according to the International Monetary Fund (IMF).

In 2021-22 as interest rates rose from a very low level in the previous fiscal year, the weighted average rate of interest on market debt increased to 1.37 per cent compared to 1.35 per cent in 2020-21.

## Strong Demand for Government of Canada Debt Securities

In 2021-22, the relative strength of the Canadian economy and its capital markets continued to support demand for Government of Canada securities in primary and secondary markets. Accordingly, treasury bill and bond auctions remained well-covered and competitively bid, providing an efficient manner for the government to raise funding. The publication of the *Quarterly Bond Schedule* before each quarter and the Call for Tenders before each auction helped maintain transparency. This promoted well-functioning markets for the government's securities to the benefit of a wide array of domestic market participants, contributing to the objective of raising stable and low-cost funding.

## Part I

### 2021-22 Debt Management Context

#### Composition of Federal Debt

In 2021-22, total market debt increased by \$122.9 billion (or about 11 per cent) to \$1,232.7 billion (see Table 1). For additional information on the financial position of the government, see the *2021-22 Annual Financial Report of the Government of Canada* ([www.canada.ca/en/departement-finance/services/publications/annual-financial-report.html](http://www.canada.ca/en/departement-finance/services/publications/annual-financial-report.html)).

Table 1

#### Change in the Composition of Federal Debt, as at March 31

\$ billions

	2022	2021	Change
<b>Payable in Canadian currency</b>			
Marketable bonds	1,030.9	875.3	155.6
Treasury and cash management bills	187.4	218.8	-31.4
Retail debt	0.0	0.3	-0.3
<b>Total payable in Canadian currency</b>	<b>1,218.3</b>	<b>1,094.4</b>	<b>123.9</b>
<b>Payable in foreign currencies</b>	<b>14.5</b>	<b>15.4</b>	<b>-1.0</b>
<b>Total market debt</b>	<b>1,232.7</b>	<b>1,109.8</b>	<b>122.9</b>
Market debt value adjustment, capital lease obligations and other unmatured debt	10.6	15.4	-4.8
<b>Total unmatured debt</b>	<b>1,243.3</b>	<b>1,125.2</b>	<b>118.1</b>
Pension and other accounts	335.1	319.7	15.4
<b>Total interest-bearing debt</b>	<b>1,578.4</b>	<b>1,444.8</b>	<b>133.5</b>
Accounts payable, accruals and allowances	260.3	207.4	52.9
Total liabilities	1,838.7	1,652.2	186.4
Total financial assets	600.3	502.4	97.9
Total non-financial assets	103.9	101.1	2.8
<b>Accumulated deficit (i.e., federal debt)</b>	<b>1,134.5</b>	<b>1,048.7</b>	<b>85.7</b>

Note: Numbers may not add due to rounding.

Source: *Public Accounts of Canada*.

## Sources of Borrowings and Uses of Borrowings

The key reference point for debt management is the financial requirement or financial source, which represents the net cash outflow or inflow for the fiscal year. This measure differs from the budgetary balance (i.e., the deficit or surplus on an accrual basis) by the amount of non-budgetary transactions and the timing of payments on a cash basis, which can be significant. Non-budgetary transactions include changes in federal employee pension liabilities; changes in non-financial assets; investing activities through loans, investments and advances; and changes in other financial assets and liabilities, including foreign exchange activities. Anticipated borrowing and planned uses of borrowings are set out in the debt management strategy, while actual borrowing and uses of borrowings compared to those forecast are reported in this publication (see Table 2).

There was a financial requirement of \$81.4 billion in 2021-22, reflecting \$90.2 billion in cash outflows due to a budgetary deficit and a cash inflow of \$8.8 billion due to non-budgetary transactions. The financial requirement was \$109.6 billion lower than the projection in the *Debt Management Strategy for 2021-22*. Lower financial requirements were primarily a result of higher than expected budgetary revenue. For comparison, the financial requirement in 2020-21 was \$314.6 billion.

In 2021-22, loans to the Business Development Bank of Canada, Canada Mortgage and Housing Corporation and Farm Credit Canada under the Crown Borrowing Program increased by \$7.0 billion, where no increase was planned as reported in the *Debt Management Strategy for 2021-22*.

Table 2

**Sources of Borrowings and Uses of Borrowings, Fiscal Year 2021-22: Planned/Actual**

\$ billions

	Planned <sup>1</sup>	Actual	Difference
<b>Sources of borrowings</b>			
Payable in Canadian currency			
Treasury bills	226	187	-39
Bonds	286	257	-29
Retail debt	0	0	0
Total payable in Canadian currency	512	445	-67
Payable in foreign currencies	10	7	-3
<b>Total cash raised through borrowing activities</b>	<b>523</b>	<b>452</b>	<b>-71</b>
<b>Uses of borrowings<sup>2</sup></b>			
Refinancing needs			
Payable in Canadian currency			
Treasury bills	219	219	0
Bonds	105	105	0
Of which:			
Bonds that mature	105	105	0
Switch bond buybacks	0	0	0
Cash management bond buybacks	0	0	0
Retail debt	0	0	0
Total payable in Canadian currency	324	324	0
Payable in foreign currencies	8	8	0
Total refinancing needs	332	332	0
<b>Financial source/requirement</b>			
Budgetary balance	155	90	-65
Non-budgetary transactions			
Pension and other accounts	-11	-13	-2
Non-financial assets	3	3	0
Loans, investments and advances	11	23	12
Of which:			
Loans to enterprise Crown corporations <sup>3</sup>	0	7	7
Other	11	16	5
Other transactions <sup>4</sup>	33	-22	-55
Total non-budgetary transactions	36	-9	-45
<b>Total financial source/requirement</b>	<b>191</b>	<b>81</b>	<b>-110</b>
<b>Total uses of borrowings</b>	<b>523</b>	<b>414</b>	<b>-109</b>
Change in other unmatured debt transactions <sup>5</sup>	0	5	5
Net increase or decrease (-) in cash	0	37	37

Note: Numbers may not add due to rounding.

<sup>1</sup> Planned numbers are from the *Debt Management Strategy for 2021-22*.<sup>2</sup> A negative sign denotes a financial source.<sup>3</sup> Loans to enterprise Crown corporations represent corporations under the Crown Borrowing Program.<sup>4</sup> 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.<sup>5</sup> Includes cross-currency swap revaluation, unamortized discounts on debt issues, obligations related to capital leases and other unmatured debt, where this refers to in the table.

## Borrowing Authorities

In order to undertake market borrowing activities, the Minister needs authority from Parliament as well as the Governor in Council (the "GIC").

Under the Parliamentary borrowing authority framework enacted on November 23, 2017, Parliamentary authority is granted through the BAA and Part IV of the FAA, which together allow the Minister to borrow money up to a maximum overall amount as approved by Parliament. The FAA also authorizes the Minister to borrow in excess of the approved maximum amount under limited circumstances for the specific purposes of refinancing outstanding debt, extinguishing or reducing liabilities, and making payments in extraordinary circumstances, such as natural disasters.

Subject to the noted limited exceptions, the maximum stock of borrowings approved by Parliament in effect from April 1, 2020 to May 5, 2021 was \$1,168 billion, which also includes amounts borrowed by agent Crown corporations, and Canada Mortgage Bonds guaranteed by Canada Mortgage and Housing Corporation. On May 6, 2021, the maximum amount of borrowing was amended to \$1,831 billion when the *Economic Statement Implementation Act, 2020* received Royal Assent. As at March 31, 2022, the outstanding borrowings subject to the maximum amount was \$1,529 billion (\$1,133 billion as at March 31, 2021).

Part IV of the FAA also requires the Minister to receive annual approval from the GIC to carry out borrowing for the Government of Canada for each fiscal year, including issuing securities in financial markets and undertaking related activities subject to a maximum aggregate amount. On the recommendation of the Minister, the GIC approved \$635 billion to be the maximum aggregate principal amount of money that may be borrowed by the Minister in 2021-22.<sup>3</sup> The maximum aggregate principal amount is the sum of the following sub-components: (i) the maximum stock of treasury bills anticipated to be outstanding during the year; (ii) the total value of refinanced and anticipated new issuances of marketable bonds; and (iii) amounts to facilitate intra-year management of the debt and foreign exchange accounts.

During 2021-22, \$452 billion of the GIC-approved borrowing authority was used, \$183 billion below the authorized borrowing authority limit (see Table 2).

## Government of Canada Credit Rating Profile

Throughout 2021-22, the Government of Canada continued to receive high credit ratings from rating agencies, with a stable outlook, on Canadian-dollar and foreign-currency-denominated short- and long-term debt (see Table 3).

The rating agencies focusing on general government net debt-to-GDP have indicated that Canada's sound macroeconomic policy framework and financial system, as well as Canada's economic resilience and diversity and the strength of monetary and fiscal flexibility, are all reflected in Canada's strong current credit ratings: Moody's (Aaa), Fitch (AA+), S&P (AAA), DBRS (AAA) and JCRA (AAA).

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<sup>3</sup> Approved Orders in Council (OIC) are available on the Privy Council Office website (<https://www.canada.ca/en/privy-council/services/orders-in-council.html?lang=en>). The reference number for the 2021-22 OIC is 2021-0178.

Table 3

**Government of Canada Credit Ratings as at March 31, 2022**

<b>Rating agency</b>	<b>Term</b>	<b>Domestic currency</b>	<b>Foreign currency</b>	<b>Outlook</b>	<b>Previous rating action</b>
Moody's Investors Service	Long-term Short-term	Aaa -	Aaa -	Stable	Nov 2003
Standard & Poor's	Long-term Short-term	AAA A-1+	AAA A-1+	Stable	July 2002
Fitch Ratings	Long-term Short-term	AA+ F1+	AA+ F1+	Stable	June 2020
Dominion Bond Rating Service	Long-term Short-term	AAA R-1 (High)	AAA R-1 (High)	Stable	n/a
Japan Credit Rating Agency	Long-term	AAA	AAA	Stable	n/a

## Part II

# Report on Objectives, Strategic Direction and Principles

## Objectives, Strategic Direction and Principles

### Objectives

The debt management objectives in 2021-22 were to raise stable and low-cost funding to meet the financial needs of the Government of Canada and to maintain a well-functioning market for Government of Canada securities.

### Strategic Direction

In its *Debt Management Strategy for 2021-22*, the government continued to maximize its financing of COVID-19-related debt through long-term issuance. This prudent approach aimed to provide security by lowering debt rollover and providing more predictability in the cost of servicing debt. Maintaining the shift towards long-term debt issuance, which began in 2020-21, also involved the re-opening of the ultra-long 50-year bond.

### Principles

In support of the objectives and strategic direction, the design and implementation of the domestic debt program are guided by the key principles of transparency, regularity, prudence and liquidity. 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 structure of the market debt is managed conservatively in a cost-risk framework, preserving access to diversified sources of funding and supporting a broad investor base.

## Raising Stable and Low-Cost Funding, and Strategic Direction

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

## Market Debt Issuance in 2021-22

In 2021-22, total bond issuance was \$257.4 billion, down from \$369.9 billion in 2020-21 reflecting lower financial requirements. The total bond issuance included an inaugural 7.5-year, \$5.0 billion green bond.

Shorter-term debt instruments experienced a decrease in issuance from all-time highs, with 2-, 3- and 5-year maturities seeing the largest decrease on a percentage basis. In particular, 2-year issuance decreased to \$67.0 billion from \$129.0 billion, 3-year issuance decreased to \$29.0 billion from \$56.5 billion, and the 5-year issuance decreased to \$44.0 billion from \$77.5 billion in 2021-22 compared to 2020-21 (see Table 4.1). Overall, \$140.0 billion in short-term bonds were issued, down from \$263.0 billion in 2020-21 (see Table 4.2).

The allocation of long bond issuance (i.e., 10-year maturities and longer) was 44 per cent in 2021-22, 15 percentage points higher than the previous fiscal year, when it was 29 per cent (see Table 4.2) and 2 percentage points higher than the plan set out in the *Debt Management Strategy for 2021-22* (see Table 4.3). While issuance across all tenors was lower than expected as the financial requirement came in \$109.6 billion lower than projected, a higher allocation of long issuance was maintained in support of the strategic direction adopted by the government.

Table 4.1

### Gross Issuance of Bonds and Bills for 2021-22

\$ billions, end of fiscal year

	2020-21 Previous Year	2021-22 Planned	2021-22 Actual	Difference between Actual and Planned	2021-22 Actual vs 2020-21 % change
<b>Treasury bills</b>	<b>219</b>	<b>226</b>	<b>187</b>	<b>-39</b>	<b>-14%</b>
2-year	129	76	67	-9	-48%
3-year	57	36	29	-7	-49%
5-year	78	48	44	-4	-43%
10-year	74	84	79	-5	7%
30-year	32	32	28	-4	-13%
Real Return Bonds	1	1	1	0	0%
Ultra-long	0	4	4	0	
Green bonds	0	5	5	0	
<b>Total bonds</b>	<b>370</b>	<b>286</b>	<b>257</b>	<b>-29</b>	<b>-31%</b>
<b>Total gross issuance<sup>1</sup></b>	<b>589</b>	<b>512</b>	<b>445</b>	<b>-68</b>	<b>-24%</b>

<sup>1</sup> Issuance is estimated from Bank of Canada data, using issuance date to determine the amount issued in each sector and fiscal year, consistent with Bank of Canada methodology. The use of issuance date instead of auction date results in slight differences in some sectors.

Table 4.2

### Allocation of Gross Bond Issuance, 2020-21 vs. 2021-22

	2020-21 Previous Year		2021-22 Actual	
	Issuance (\$ billions)	Share of Bond Issuance	Issuance (\$ billions)	Share of Bond Issuance
Short (2, 3, 5-year sectors)	263	71%	140	54%
Long (10-year+)	107	29%	112	44%
Green bonds	-		5	2%
<b>Gross bond issuance</b>	<b>370</b>	<b>100%</b>	<b>257</b>	<b>100%</b>

Table 4.3

**Allocation of Gross Bond Issuance, 2021-22 Planned vs. Actual**

	2021-22 Planned		2021-22 Actual	
	Issuance (\$ billions)	Share of Bond Issuance	Issuance (\$ billions)	Share of Bond Issuance
Short (2, 3, 5-year sectors)	160	56%	140	54%
Long (10-year+)	121	42%	112	44%
Green bonds	5	2%	5	2%
<b>Gross bond issuance</b>	<b>286</b>	<b>100%</b>	<b>257</b>	<b>100%</b>

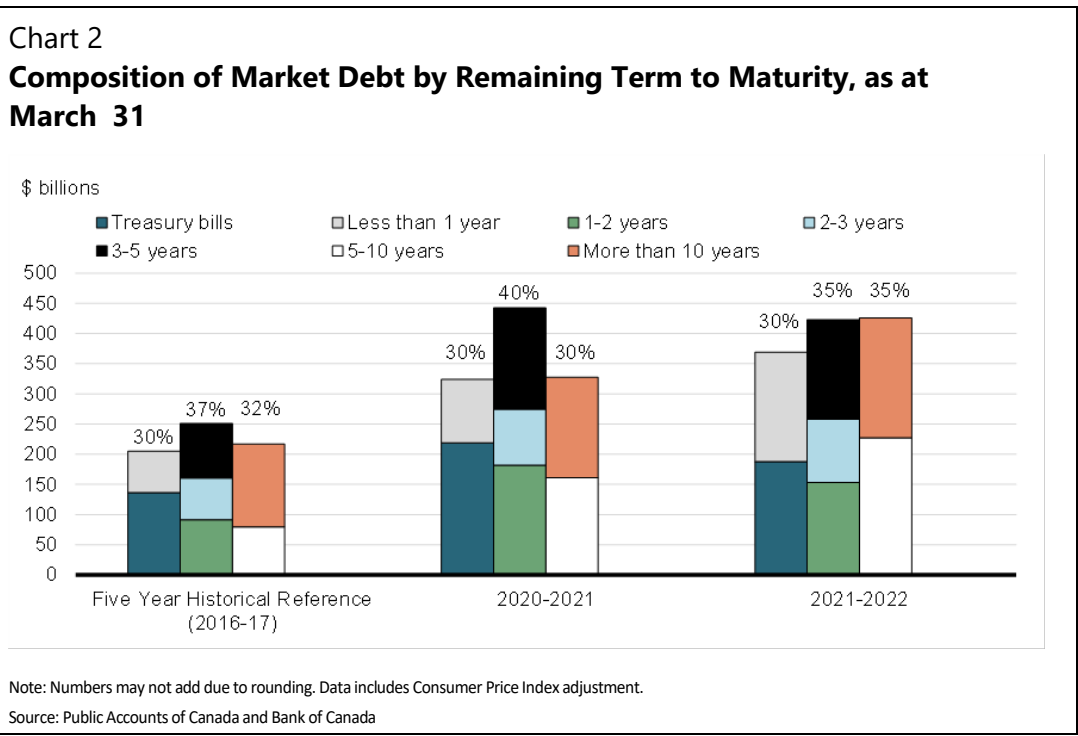
## Market Debt Composition

The composition of the stock of market debt is a reflection of past debt issuance choices (e.g., over the last 30 years for the 30-year sector). The effects of changes in issuance patterns of short-term debt instruments become visible relatively quickly, while the full effect of issuance changes in longer-term debt instruments takes the entire maturity period to be fully appreciated. A well-distributed maturity profile helps maintain a prudent risk exposure to changes in interest rates over time at an affordable cost, while promoting well-functioning markets by providing liquidity across different maturity sectors.

### Composition of Market Debt by Remaining Term to Maturity

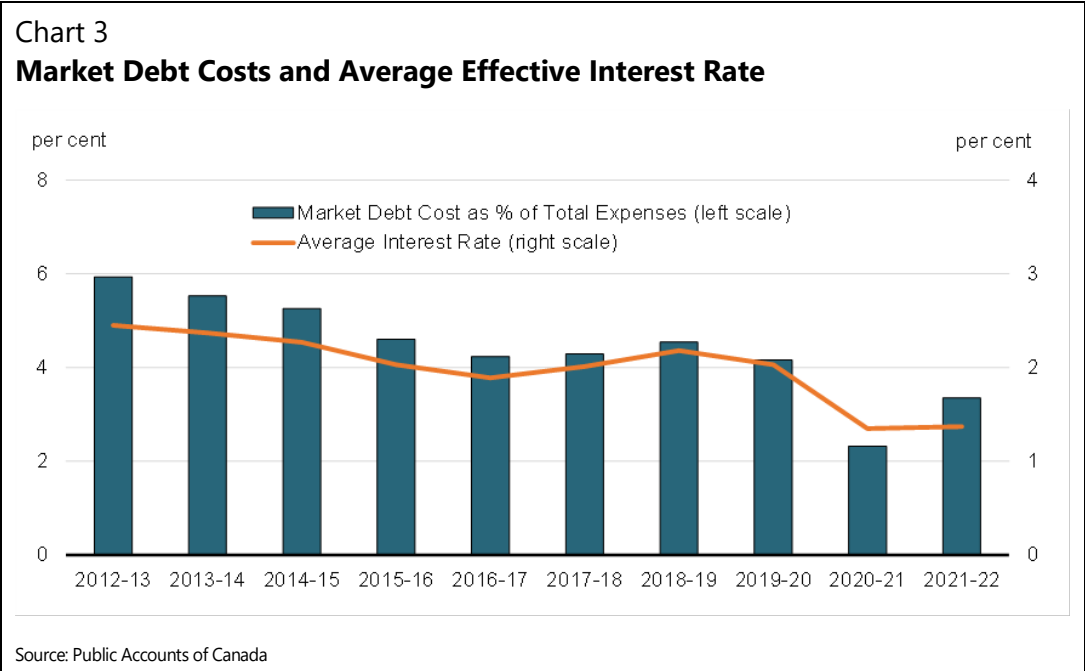
As a result of the significant increase in long-term bond issuance during 2020-21 and 2021-22, the composition of market debt made up by long-term debt stock grew in 2021-22. Correspondingly, the proportion of short-term bonds declined. The cumulative effect of the increased short-term issuance in 2020-21 and increased long-term issuance in 2020-21 and 2021-22 on the composition of the debt will become further pronounced in the coming years as the shorter-term bonds issued in 2020-21 mature (see Chart 2).





### Cost of Market Debt

Annual interest rate costs on market debt are the largest component of public debt charges (which also include interest expenses on non-market liabilities).<sup>4</sup> The weighted average rate of interest on the stock of market debt was 1.37 per cent in 2021-22, slightly up from 1.35 per cent in 2020-21. Interest on market debt as a share of total government expenses increased from 2.33 per cent in 2020-21 to 3.35 per cent in 2021-22 (see Chart 3). This was primarily due to the larger stock of market debt following a significant increase in debt in 2020-21.



<sup>4</sup> Non-market liabilities include pensions, other employee and veteran future benefits, and other liabilities.

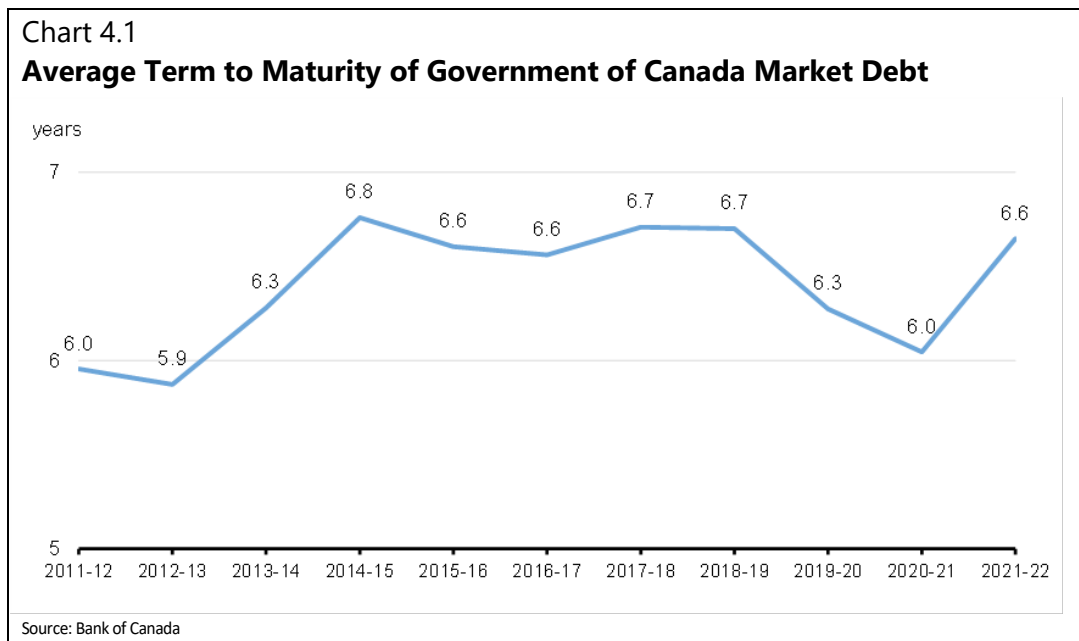
## Market Debt: Average Term to Maturity and Debt Rollover

Prudent management of debt refinancing needs, which promotes investor confidence, involves Government of Canada actions that strive to minimize the impact of market volatility or disruptions to the funding program. According to a number of common measures of market debt refinancing risks, including average term to maturity (ATM) and debt rollover, the Government of Canada's market debt remained prudent through 2021-22 when compared to historical averages.

### Average Term to Maturity

The ATM of market debt tends to rise and fall mostly with the stock of treasury bills. This is evident in the decline of the ATM from 6.7 years in 2018-19 to 6.3 years in 2019-20, which resulted from increased issuance of treasury bills to support a liquid and well-functioning market for Government of Canada treasury bills.

In 2021-22, the ATM increased to 6.6 years, up from 6.0 years in 2020-21, reflecting the decline in the stock of treasury bills during the year and the continuation of the Government of Canada's strategic direction to maximize long-term issuance (see Chart 4.1).



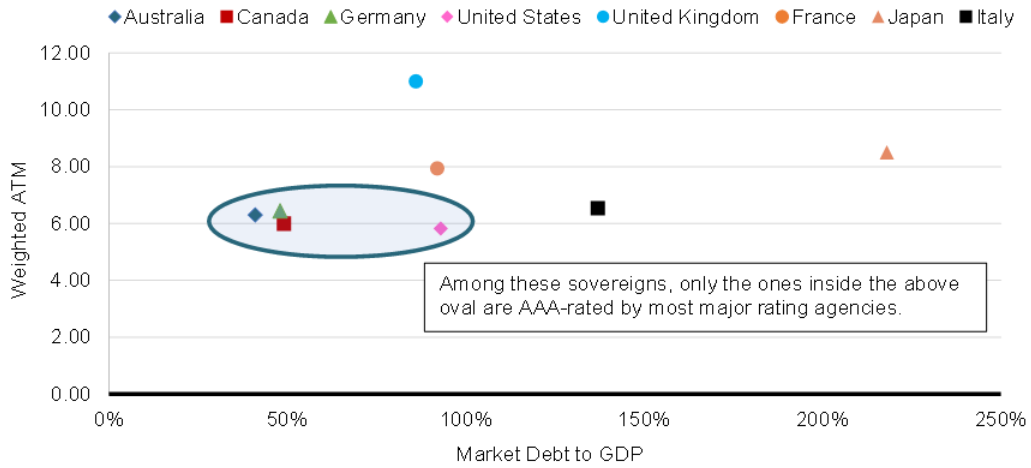
The weighted ATM is measured by weighting the remaining term to maturity of issued debt by its proportion to the overall debt stock.<sup>5</sup>

Canada has successfully built a prudent debt structure relative to GDP over the last 30 years. In general, low debt-to-GDP countries can choose a higher risk level (i.e., lower ATM) in exchange for lower interest rate costs. Overall, Canada is in line with other AAA-rated countries (see Chart 4.2).

<sup>5</sup> The remaining term to maturity of inflation-linked bonds are weighted similarly to a six-month remaining term to maturity because the interest rate paid by the government on these bonds resets every six months.

Chart 4.2

**Weighted ATM vs Market Debt-to-GDP**



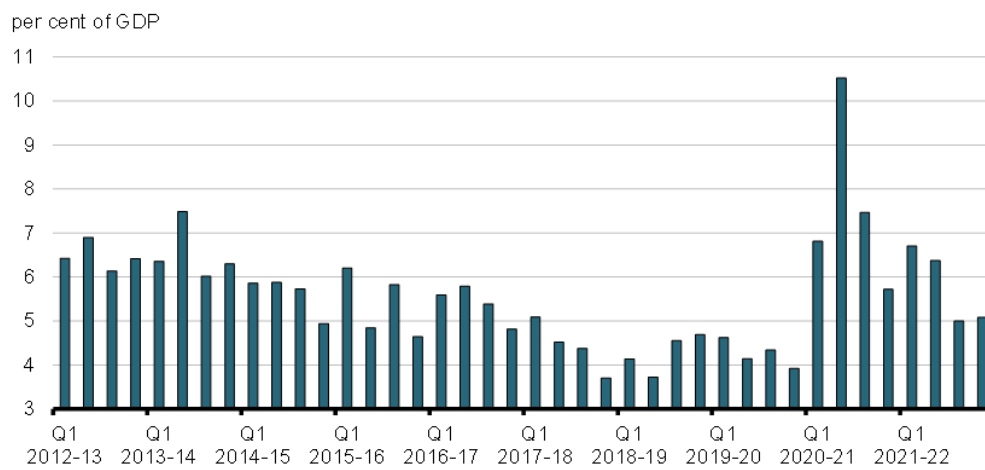
Source: Bloomberg as of March 31, 2022

**Debt Rollover: Quarterly Maturities to GDP**

Debt rollover, measured as the amount of debt maturing per quarter as a percentage of GDP, decreased to an average of 5.8 per cent in 2021-22 from an average of 7.6 per cent in 2020-21. This decrease reflects the large amount of treasury bills that matured in 2020-21 to fund government actions at the height of the COVID-19 pandemic, as well as the government’s approach of maximizing the financing of COVID-19-related debt through long-term issuance (see Chart 5). The average annual debt rollover in 2021-22 is in line with the average over the previous decade of 5.6 per cent.

Chart 5

**Quarterly Maturities of Domestic Market Debt to GDP**



Source: Bank of Canada

## Debt Rollover: Single-Day Maturities

The government maintained 10 maturity dates in 2021-22, which was the same as in 2020-21. Following the significant increase in debt which began in 2020-21, single-day maturities remain high relative to historical averages. The government monitors the level of single-day maturities and may implement programs to effectively manage Government of Canada cash flows ahead of large debt maturities.

The benchmark maturity date profile is as follows:

- 2-year bonds: February 1, May 1, August 1, November 1
- 3-year bonds: April 1, October 1
- 5-year bonds: March 1, September 1
- 10-year bonds: June 1, December 1
- 30-year bonds: December 1 – although Real Return Bonds and nominal 30-year bonds mature on December 1, they do not mature in the same year.

## Maintaining a Well-Functioning Government Securities Market

A well-functioning market in Government of Canada securities benefits the government as a borrower as it directly supports the fundamental objective of raising stable, low-cost funding, while also benefiting a wide range of market participants.

A well-functioning market helps the government to have more certain access to funding markets over time, contributes to lower and less volatile interest rate costs for the government, and provides flexibility to meet changing financial requirements. For market participants, a liquid and transparent secondary market in government debt instruments provides risk-free assets for investment portfolios, stability to other domestic fixed-income markets for which Government of Canada securities serve as benchmarks (e.g., provinces, municipalities and corporations), and a useful tool for hedging interest rate risk.

## Providing Regular and Transparent Issuance

During 2021-22, the Government of Canada continued announcing bond auction schedules prior to the start of each quarter, and provided details for each operation in a Call for Tender in the week leading up to an auction.<sup>6</sup> In 2021-22, there were regular auctions for 2-, 3-, 5-, 10- and 30-year bonds, as well as Real Return Bonds. Bond issuance schedules were communicated through the Bank of Canada website on a timely basis.

To bring additional transparency to the market for Government of Canada securities, effective September 2021, the Bank of Canada began publishing benchmark details ahead of each fiscal quarter within its *Quarterly Bond Schedule* publications.

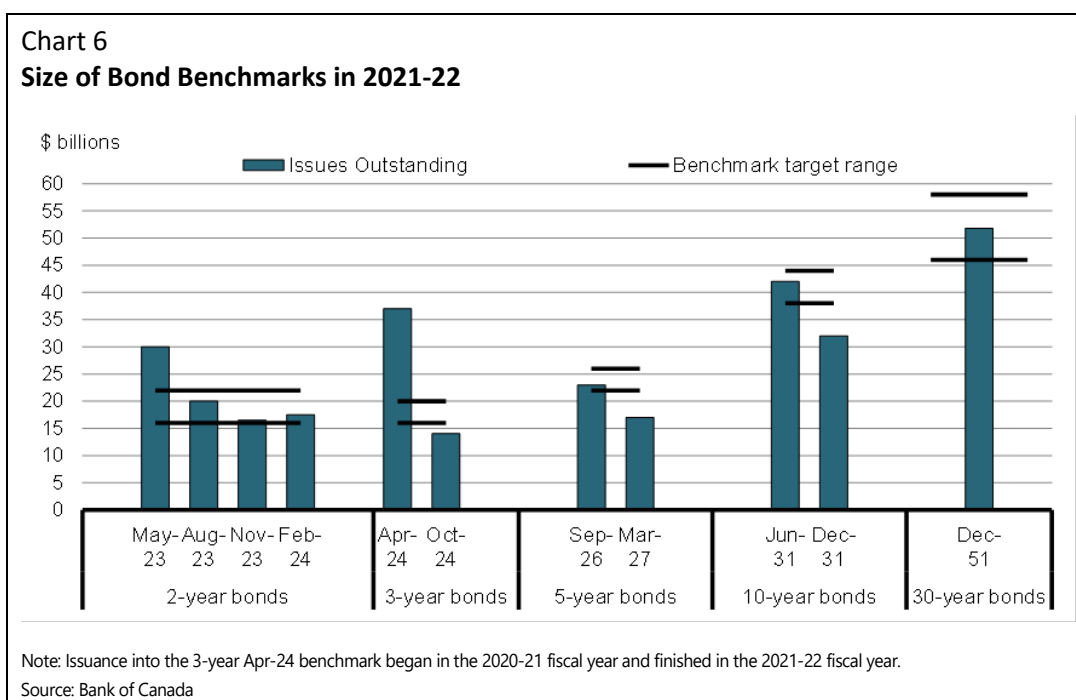
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<sup>6</sup> See the Bank of Canada website ([www.bankofcanada.ca/stats/cars/f/bd\\_auction\\_schedule.html](http://www.bankofcanada.ca/stats/cars/f/bd_auction_schedule.html)).

## Concentrating on Key Benchmarks

The bond benchmark ranges for 2021-22 were narrower compared to the previous fiscal year given less uncertainty following the peak of the COVID-19 pandemic (see Chart 6).<sup>7</sup> Compared to 2020-21, the upper limit was considerably lower for all maturities, while the lower bound was higher for all maturities except the 3-year and 5-year bonds. Although the ranges narrowed, benchmark sizes remained higher in 2021-22 compared to 2019-20 (pre-pandemic) for all maturities.

- 2-year bonds: \$16 billion to \$22 billion
- 3-year bonds: \$16 billion to \$20 billion
- 5-year bonds: \$22 billion to \$26 billion
- 10-year bonds: \$38 billion to \$44 billion
- 30-year nominal bonds: \$46 billion to \$58 billion



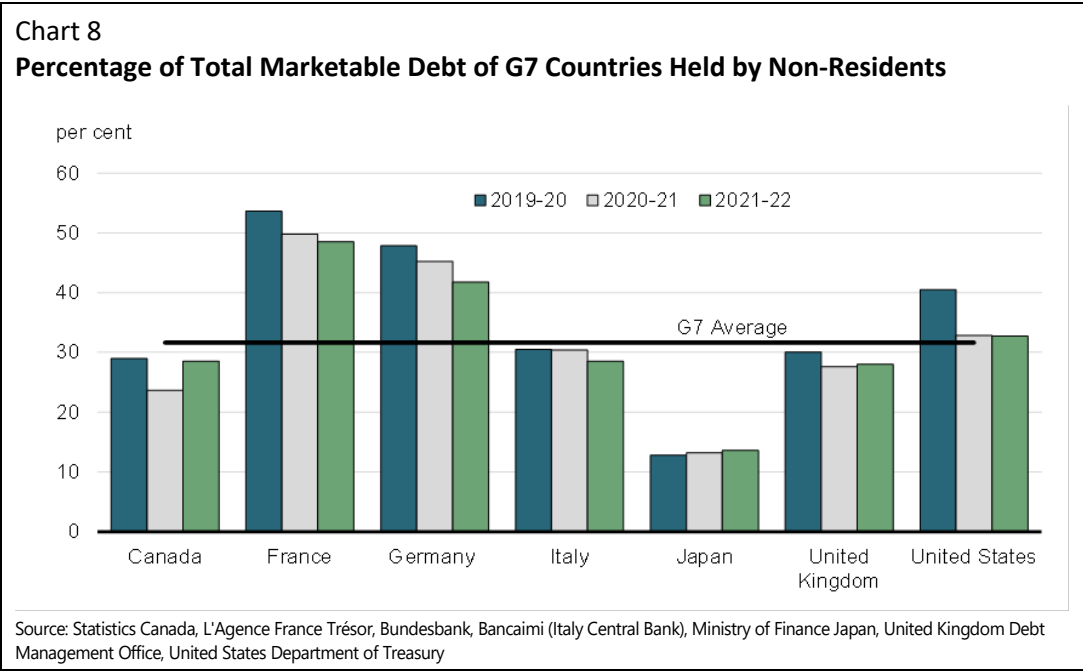
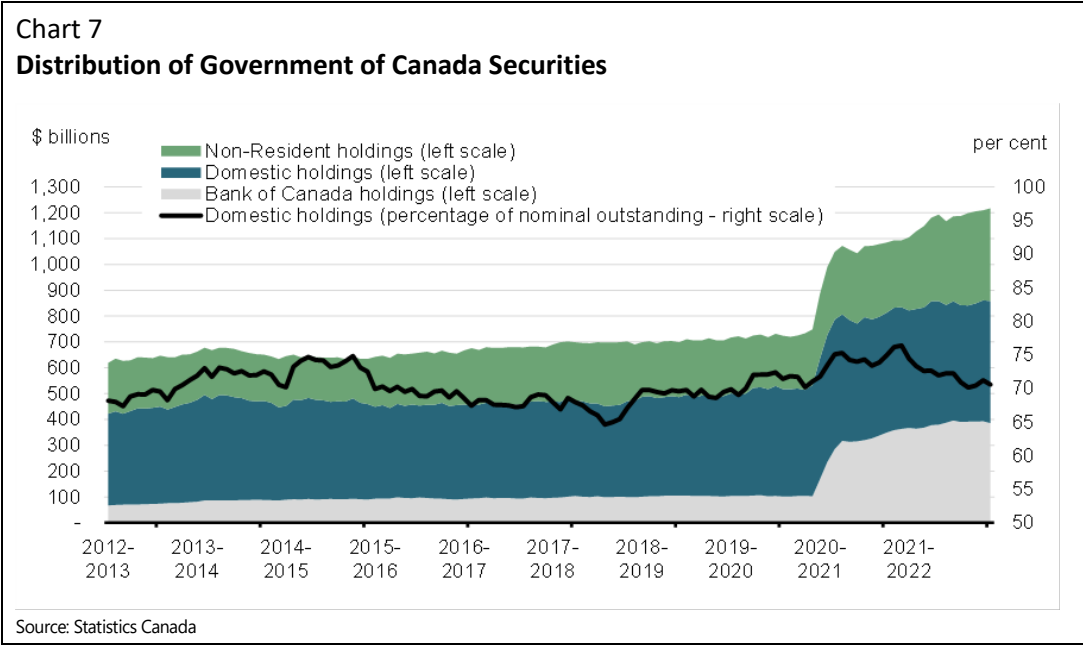
## Ensuring a Broad Investor Base in Government of Canada Securities

A diversified investor base supports an active secondary market for Government of Canada securities, thereby helping to keep funding costs low and stable. Diversification of the investor base is pursued by maintaining a domestic debt program that issues securities in a wide range of maturity sectors, which meet the needs of different types of investors types.

During 2021-22, domestic investors (including the Bank of Canada) held about 71 per cent of Government of Canada securities (see Chart 7). Among domestic investors, the Bank of Canada held the largest share of Government of Canada securities (32 per cent), followed by insurance companies and pension funds (15 per cent). Taken together, these top two categories accounted for just under half of outstanding Government of Canada securities.

<sup>7</sup> 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.

In 2021-22, non-resident investors held 29 per cent of Government of Canada securities,<sup>8</sup> up five percentage points from 2020-21. This share of non-resident holdings of government securities remains below the average G7 holdings by non-resident investors (see Chart 8).



<sup>8</sup> Data on foreign holdings of both Canadian-dollar-denominated and foreign currency instruments issued by the Government of Canada is collected by Statistics Canada from the Bank of Canada on new issues and through monthly and quarterly questionnaires of market participants on cross-border transactions.

## 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 borrowing program and on the liquidity and efficiency of the Government of Canada's securities markets. These consultations helped to inform the *Debt Strategy Management Strategy for 2021-22*.

During the consultations held in September and October of 2020, the Department of Finance and the Bank of Canada conducted over 30 bilateral virtual meetings with dealers, investors and other relevant market participants. These consultations sought the views of market participants on issues related to the design and operation of the Government of Canada's domestic debt program.

During the fall 2020 consultations, a broad consensus supported continued issuance in the 10- and 30-year sectors, a direction that continued into 2021-22. Market participants also expressed strong support for the issuance of a green bond, the first of which was issued in 2021-22. The *Fall 2020 Debt Management Strategy Consultations Summary* was published in conjunction with the *Fall Economic Statement 2020* on November 30, 2020 ([www.budget.gc.ca/fes-eea/2020/report-rapport/anx2-en.html](http://www.budget.gc.ca/fes-eea/2020/report-rapport/anx2-en.html)).<sup>9</sup>

## Securities Distribution System

As the government's fiscal agent, the Bank of Canada distributes Government of Canada marketable bills and bonds by auction to government securities distributors (GSDs) and customers. GSDs that maintain a certain threshold of activity in the primary and secondary markets for Government of Canada securities may become primary dealers, which form a select 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.<sup>10</sup>

Quick turnaround times enhance the efficiency of auctions, and reduce market risk for participants. In 2021-22, the turnaround time for treasury bill and bond auctions averaged 1 minute 58 seconds, while there were no buyback operations conducted. This compares to an average turnaround time in 2020-21 of 1 minute 57 seconds.<sup>11</sup>

## Monitoring Secondary Market Trading in Government of Canada Securities

Two important 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 indicate that participants can buy or sell in the marketplace without a substantial impact on the price of the securities and generally imply lower bid-offer spreads.

Turnover ratio, which is the ratio of securities traded relative to the amount of securities outstanding, measures market depth. High turnover implies that a large amount of securities change hands over a given period of time, which is an indication of a liquid market.

The average daily trading volume in the secondary market for Government of Canada's bonds during 2021-22 was \$39.4 billion, down \$2.7 billion from 2020-21 (see Chart 9). This brought trading volume closer to its pre-pandemic level.

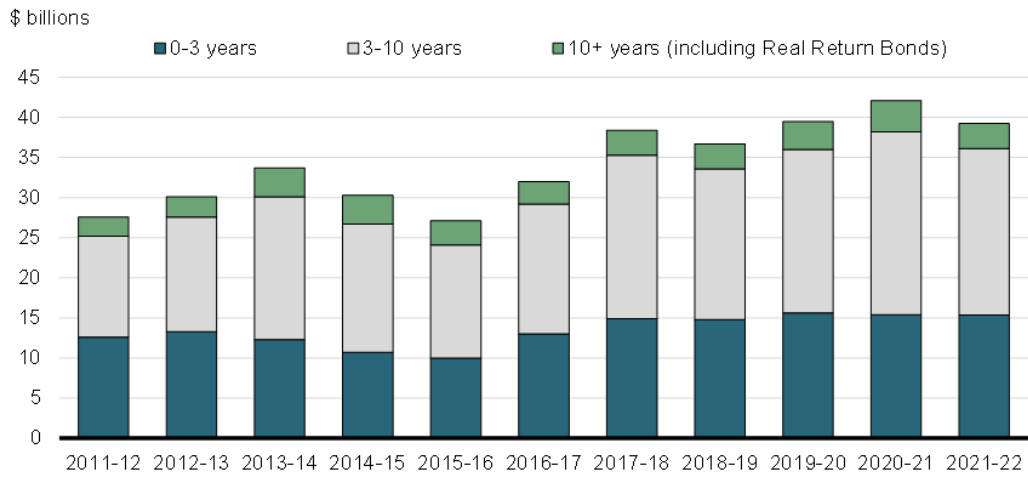
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<sup>9</sup> See the Bank of Canada website ([www.bankofcanada.ca/2020/11/summary-comments-fall-2020-debt-management-strategy-consultations/](http://www.bankofcanada.ca/2020/11/summary-comments-fall-2020-debt-management-strategy-consultations/)).

<sup>10</sup> See the Bank of Canada website ([www.bankofcanada.ca/markets/government-securities-auctions/](http://www.bankofcanada.ca/markets/government-securities-auctions/)).

<sup>11</sup> The turnaround time is the time taken between the submission of a bid and the return of the complete output to the auction participant. 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.

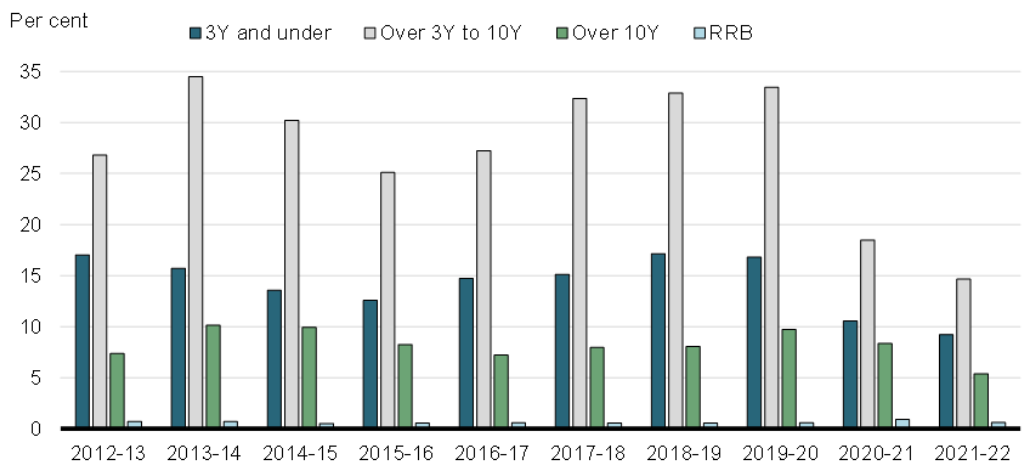
**Chart 9**  
**Government of Canada Bond Average Daily Trading Volumes**



Source: Bank of Canada

In 2021-22, the annual debt stock turnover ratio in the Government of Canada secondary bond market, calculated as trading volume divided by average debt stock, decreased to 10.9x from 14.0x in 2020-21 due to a higher debt stock. The sectors with the highest monthly turnover during the fiscal year were medium-term bonds with maturities between 3 and 10 years at 14.6x, while Real Return Bonds had the lowest turnover at 0.6x (see Chart 10).

**Chart 10**  
**Government of Canada Bond Turnover Ratio by Term to Maturity**  
**Annualized Monthly Trading Volume / Total Bond Stock**





## Supporting Secondary Market Liquidity

During 2020-21, the Bank of Canada introduced measures to support efficient financial markets and provide liquidity to the financial system. Some of these measures include the Government of Canada Bond Purchase Program (GBPP), as well as securities repo operations (SROs) which replaced the securities lending program.<sup>12</sup> As financial markets recovered, the GBPP, a program to purchase Government of Canada securities in the secondary market, was wound down with the last auction held on April 21, 2022. The Bank of Canada's purchases through the GBPP totaled \$92.8 billion between April 1, 2021 and March 31, 2022.

Securities repo operations, in which the Bank of Canada makes a portion of its holdings of Government of Canada securities available through daily repurchase operations, remain in place. This provides a temporary source of Government of Canada nominal bonds and treasury bills to primary dealers to support liquidity in the securities financing market. The Bank of Canada conducted 10,900 SROs in 2021-22, compared to 3,148 operations in 2020-21 when it was first introduced.

## Part III

### Report on the 2021-22 Debt Program

Treasury bill and bond auctions performed well and demand for Government of Canada securities remained strong throughout the fiscal year as a result of persistent demand for high-quality sovereign debt securities, Canada's strong fiscal and economic position, and support measures implemented by the Bank of Canada.

## Domestic Marketable Bonds

### Bond Program

In 2021-22, gross bond issuance was \$257.4 billion, \$112.5 billion lower than the \$369.9 billion issued in 2020-21. Gross issuance consisted of \$256.0 billion in nominal bonds, of which \$5 billion was the inaugural green bond issuance, and \$1.4 billion in Real Return Bonds (see Table 5).

Table 5

#### Annual Bond Program Operations

\$ billions

	2017-18	2018-19	2019-20	2020-21	2021-22
Nominal (auction)	134.2 <sup>1</sup>	96.7	122.4	368.5	256.0 <sup>2</sup>
Nominal (switch)	0.8	0.8	2.8	0.0	0.0
Real Return Bonds	2.2	2.2	1.8	1.4	1.4
Total gross issuance	137.2	99.7	127.0	369.9	257.4
Cash buyback	0.0	0.0	0.0	0.0	0.0
Switch buyback	-0.8	-0.8	-2.8	0.0	0.0
Total buyback	-0.8	-0.8	-2.8	0.0	0.0
Net issuance	136.4	98.9	124.2	369.9	257.4

Note: Numbers may not add due to rounding.

<sup>1</sup> This figure includes ultra-long bond auctions of \$1.3 billion. Excluding ultra-long issuance would result in nominal issuance of \$132.9 billion for the 2017-18 fiscal year.

<sup>2</sup> This figure includes ultra-long bond auctions of \$4.0 billion. Excluding ultra-long issuance would result in nominal issuance of \$252.0 billion for the 2021-22 fiscal year.

Source: Bank of Canada.

<sup>12</sup> See the Bank of Canada website ([www.bankofcanada.ca/2020/07/bank-canada-announces-new-securities-repo-operations/](http://www.bankofcanada.ca/2020/07/bank-canada-announces-new-securities-repo-operations/)).

## Auction Result Indicators for Domestic Bonds

A total of 66 nominal bond auctions were conducted in 2021-22, compared to 76 auctions in 2020-21. This decrease in nominal bond auctions was largely due to lower financial requirements compared to 2020-21.

Auction coverage is defined as the total amount of bids received, including bids from the Bank of Canada, divided by the amount auctioned. All else being equal, a higher auction coverage level typically reflects strong demand and therefore should result in a lower average auction yield. Bond auction coverage was lower than the 5-year average for all maturities except Real Return Bonds (see Table 6).

The auction tail represents the number of basis points between the highest yield accepted and the average yield of an auction. A small auction tail is preferable as it is generally indicative of better transparency in the pricing of securities. Average auction tails were higher than the 5-year average across all maturities.<sup>13</sup>

Table 6

### Performance at Domestic Bond Auctions

		Nominal Bonds					Real Return Bonds
		2-year	3-year	5-year	10-year	30-year	30-year
Tail (basis points)	2021-22	0.19	0.37	0.34	0.69	0.45	n/a
	5-year average	0.17	0.26	0.29	0.52	0.41	n/a
Coverage	2021-22	2.46	2.40	2.55	2.32	2.51	2.54
	5-year average	2.67	2.58	2.59	2.35	2.53	2.42

Notes: Tail represents the number of basis points between the highest yield accepted and the average yield of an auction. Coverage is defined as the total amount of bids received, including bids from the Bank of Canada, divided by the amount auctioned.

Source: Bank of Canada.

## Participation at Domestic Bond Auctions

In 2021-22, primary dealers' (PDs) allotments for nominal bonds decreased from 64 per cent in 2020-21 to 63 per cent, with customer allocations increasing from 36 per cent to 38 per cent (see Table 7),<sup>14</sup> excluding the Bank of Canada's allotment.<sup>15</sup> In aggregate, the 10 most active participants were in total allotted 75 per cent of nominal bonds auctioned in 2021-22. For Real Return Bonds, primary dealers' share of allotments decreased from 45 per cent in 2020-21 to 43 per cent in 2021-22, with customer allocations increasing from 55 per cent to 57 per cent.

<sup>13</sup> 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 5 of the *Standard Terms for Auctions of Government of Canada Securities* ([www.bankofcanada.ca/wp-content/uploads/2016/08/standard-terms-securities180816.pdf](http://www.bankofcanada.ca/wp-content/uploads/2016/08/standard-terms-securities180816.pdf)).

<sup>14</sup> Numbers do not add up due to rounding.

<sup>15</sup> The Bank of Canada purchased 13 per cent of the amount issued at each nominal bond auction in 2020-21. A customer is a bidder on whose behalf a government securities distributor (GSD) has been directed to submit a competitive or non-competitive bid for a specified amount of securities at a specific price.

Table 7

**Historical Share of Bonds Allotted by Participant Category<sup>1</sup>****Nominal Bonds**

Participant type	2017-18		2018-19		2019-20		2020-21		2021-22	
	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)
PDs	94	70	61	63	75	61	237	64	140	63
Customers	40	30	36	37	47	39	135	36	84	38
Top 5 participants	75	56	46	48	68	55	207	56	112	50
Top 10 participants	114	85	74	77	98	80	299	80	168	75
Total nominal bonds issued	134		97		122		373		223	

**Real Return Bonds**

Participant type	2017-18		2018-19		2019-20		2020-21		2021-22	
	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)
PDs	1	54	1	40	1	38	1	45	1	43
Customers	1	46	1	60	1	62	1	55	1	57
Top 5 participants	1	59	1	46	1	40	1	60	1	61
Top 10 participants	2	82	2	68	1	65	1	81	1	76
Total Real Return Bonds issued	2		2		2		1		1	

Note: Numbers may not add due to rounding.

<sup>1</sup> Not including Bank of Canada allotment.

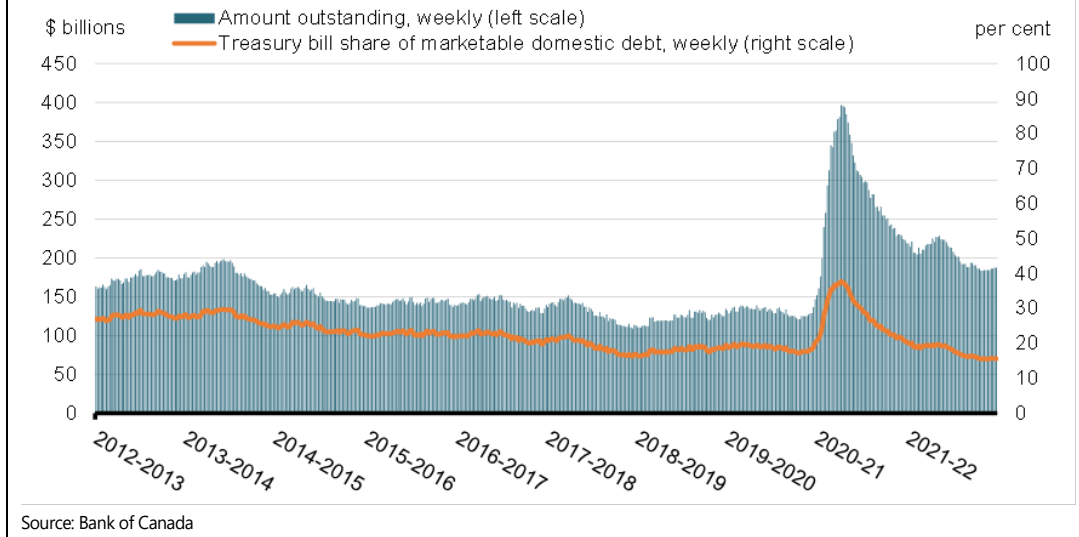
Source: Bank of Canada.

## Treasury Bills and Cash Management Bills

During 2021-22, \$439.0 billion in 3-, 6- and 12-month treasury bills were issued, a decrease of \$207 billion from the previous year. There were two cash management bill operations for a total issuance amount of \$8.0 billion in 2021-22 compared to five operations for a total of \$25.5 billion in 2020-21. Together, treasury bill and cash management bill issuance totaled \$447.0 billion. As at March 31, 2022, the combined treasury bill and cash management bill stock totaled \$187.4 billion, a decrease of \$31.4 billion from the end of 2020-21 (see Chart 11).

Chart 11

**Treasury Bills Outstanding and as a Share of Marketable Domestic Debt**



Source: Bank of Canada

In 2021-22, all treasury bill and cash management bill auctions were fully covered. Excluding 12-month treasury bills, auction tails were smaller than the 5-year average across treasury bill maturity sectors. Coverage ratios for treasury bill auctions in 2021-22 were lower than the 5-year average for all treasury bill maturity sectors (see Table 8).

Table 8

**Performance at Treasury Bill and Cash Management Bill Auctions**

		3-month	6-month	12-month	Cash management bills
Tail	2021-22	0.58	0.62	0.77	1.12
	5-year average	0.64	0.70	0.67	2.51
Coverage	2020-21	1.98	2.13	2.07	2.01
	5-year average	2.17	2.37	2.39	2.59

Notes: Tail represents the number of basis points between the highest yield accepted and the average yield of an auction. Coverage is defined as the total amount of bids received, including bids from the Bank of Canada, divided by the amount auctioned. Tail and coverage ratio were calculated as the weighted averages, where the weight assigned to each auction equals the percentage total allotment in the auction's issuance sector.

Source: Bank of Canada.

## Participation at Treasury Bill Auctions

In 2021-22, the share of treasury bills allotted to primary dealers declined by 10 percentage points to 74 per cent from 84 per cent in 2020-21, and the share allotted to customers increased to 26 per cent from 16 per cent (see Table 9). The 10 most active participants were in total allotted 86 per cent of these securities.

Table 9

### Historical Share of Amount Allotted to Participants by Type of Auction<sup>1</sup>

#### Treasury Bills

Participant type	2017-18		2018-19		2019-20		2020-21		2021-22	
	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)	(\$ billions)	(%)
PDs	230	91	239	88	246	84	543	84	324	74
Customers	23	9	33	12	45	16	103	16	115	26
Top 5 participants	174	69	190	70	190	65	431	67	260	59
Top 10 participants	235	93	242	89	246	85	577	89	379	86
Total treasury bills issued	253		272		291		646		439	

Note: Numbers may not add due to rounding.

<sup>1</sup> Net of Bank of Canada allotment.

Source: Bank of Canada.

## Foreign Currency Debt

Foreign currency debt is used to fund the Exchange Fund Account (EFA), which represents the largest component of the official international reserves. The primary objectives of the international reserves are to aid in the control and protection of the external value of the Canadian dollar and provide a source of liquidity to the Government of Canada.

The EFA is primarily made up of liquid foreign currency securities and special drawing rights (SDRs). Liquid foreign currency securities are composed primarily of debt securities of highly rated sovereigns, their agencies that borrow in public markets and are supported by a comprehensive government guarantee, and highly rated supranational organizations. SDRs are international reserve assets created by the IMF, the value of which is based on a basket of international currencies. The official international reserves also include Canada's reserve position at the IMF. This position, which represents Canada's investment in the activities of the IMF, fluctuates according to drawdowns and repayments from the IMF. The *Report on the Management of Canada's Official International Reserves* ([www.canada.ca/en/department-finance/services/publications/official-international-reserves.html](http://www.canada.ca/en/department-finance/services/publications/official-international-reserves.html)) provides information on the objectives, composition and performance of the reserves portfolio.

The market value of Canada's official international reserves as at March 31, 2022 increased to US\$103.8 billion from US\$83.4 billion as at March 31, 2021. EFA assets, which totaled US\$99.4 billion as at March 31, 2022, up from US\$78.9 billion as at March 31, 2021, were held at a level that is consistent with the government's commitment to maintain holdings of liquid foreign currency securities at or above 3 per cent of nominal GDP.

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 funded by domestic issuances. As at March 31, 2022, Government of Canada cross-currency swaps outstanding stood at US\$64.8 billion (par value).

In addition to cross-currency swaps funded by domestic issuances, the EFA is funded through a short-term US-dollar paper program (Canada bills), a global bond program, and a medium-term note (MTN) program (Canada notes and euro medium-term notes) which had a value of zero at year end. The funding method of choice depends on funding needs, costs, market conditions and funding diversification objectives (see Table 10).

Table 10

**Outstanding Foreign Currency Issues**

par value in millions of US dollars

	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>Change</b>
Swapped domestic issues	64,754	55,175	9,579
Global bonds	9,500	9,000	500
Canada bills	2,060	3,226	-1,166
Medium-term notes			
Euro medium-term notes	0	0	0
Canada notes	0	50	-50
<b>Total</b>	<b>76,314</b>	<b>67,451</b>	<b>8,863</b>

Note: Liabilities are stated at the exchange rates prevailing on March 31, 2021.

As at March 31, 2022, the Government of Canada had three global bonds outstanding (see Table 11). The government had no medium-term notes outstanding as of March 31, 2022.

Table 11

**Government of Canada Global Bonds Outstanding, as at March 31, 2022**

<b>Year of issuance</b>	<b>Market</b>	<b>Amount in original currency</b>	<b>Yield (%)</b>	<b>Term to maturity (years)</b>	<b>Coupon (%)</b>	<b>Benchmark interest rate—government bonds</b>	<b>Spread from benchmark at issuance (basis points)</b>	<b>Spread over swap curve in relevant currency on issuance date (basis points)</b>
<b>2017</b>	Global	US\$3 billion	2.066	5	2.000	US	9.0	LIBOR + 1.5
<b>2020</b>	Global	US\$3 billion	1.690	5	1.625	US	6.0	LIBOR - 6.5
<b>2021</b>	Global	US\$3.5 billion	0.854	5	0.750	US	6.0	LIBOR - 2

Note: LIBOR = London Interbank Offered Rate.

Source: Department of Finance Canada.

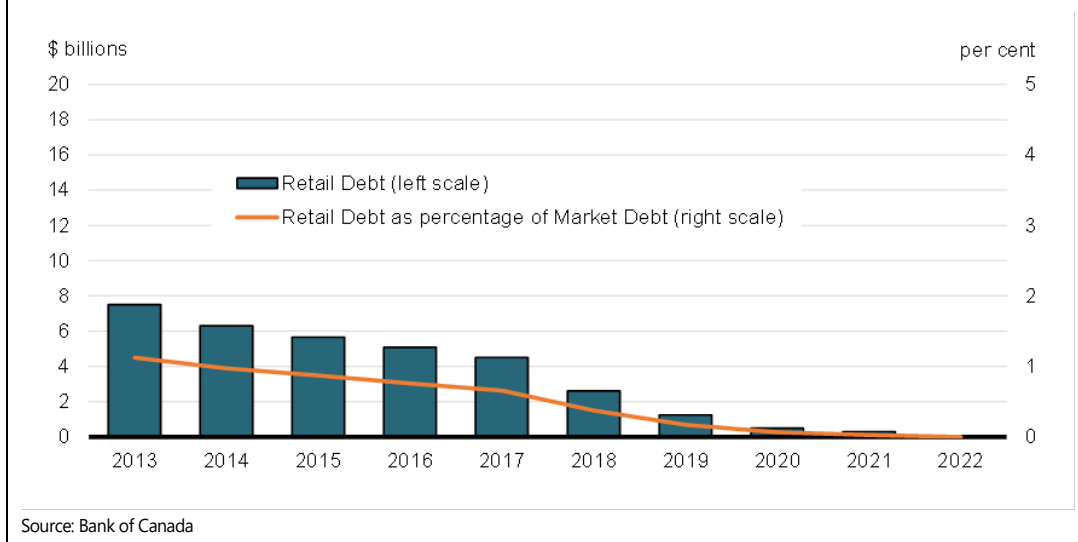
The MTN program provides the government with additional flexibility to raise foreign currency. The program allows for issuance in a number of currencies, including the US dollar, euro and British pound sterling, using either a US MTN or EMTN prospectus. During 2020-21, no medium-term notes were issued.

## Retail Debt

In Budget 2017, the Government of Canada announced the discontinuation of the Canada Savings Bonds and Canada Premium Bonds programs, given that retail debt is no longer a cost-effective source of funds or a preferred investment by Canadians. Following the announcement, Canadians were reassured that all remaining funds in the Payroll Savings Program, the Canada Retirement Savings Plan and the Canada Retirement Income Fund, along with any unredeemed certificated bonds, remain safe and guaranteed by the Government of Canada. The last maturity date was December 1, 2021 and therefore all outstanding bonds have now matured.

In 2021-22, the stock of Canada Savings Bonds and Canada Premium Bonds held by retail investors decreased from \$0.3 billion to zero (see Chart 12).

**Chart 12**  
**Evolution of Retail Debt Stock, as at March 31**



In 2021-22, the stock of retail debt declined by \$0.2 billion (see Table 12).

**Table 12**  
**Retail Debt Gross Sales and Redemptions, 2021-22**

\$ billions			
	Gross sales	Redemptions	Net change
Payroll	0.0	0.1	-0.1
Cash	0.0	0.1	-0.1
<b>Total</b>	<b>0.0</b>	<b>0.2</b>	<b>-0.2</b>

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

## Cash Management

The Bank of Canada, as the government's fiscal agent, 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.

Cash consists of money on deposit to the credit of the RG for Canada with the Bank of Canada. Cash with the Bank of Canada includes RG operating balances and a \$20 billion callable demand deposit held for the prudential liquidity plan (PLP).

During the COVID-19 crisis, the federal government built up its cash position in order to ensure that funds were available for contingency purposes. By the end of the 2021-22 fiscal year, the cash balance had grown further from its level in 2020-21. The year-end daily liquidity position increased by \$33.4 billion to \$91.0 billion by the end of 2021-22 (see Chart 13 and Table 13).

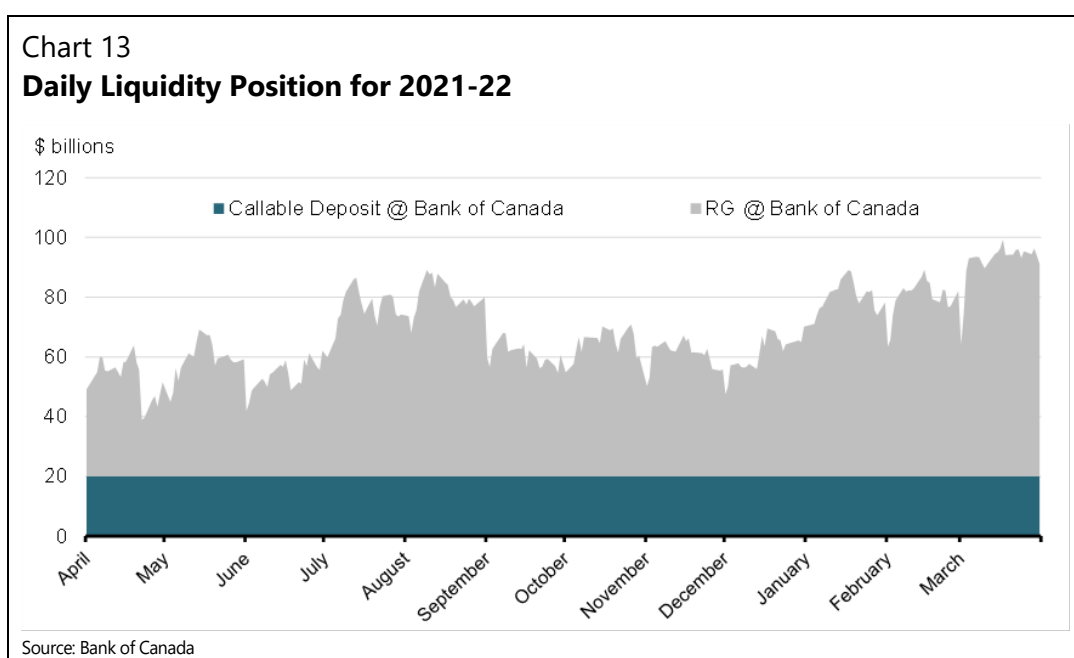


Table 13  
**Year-End Daily Liquidity Position**  
\$ billions

	March 31, 2021	March 31, 2022	Annual average	Net change
Callable deposits with the Bank of Canada	20.0	20.0	20.0	0.0
RG balances with the Bank of Canada	37.6	71.0	48.6	33.4
<b>Total</b>	<b>57.6</b>	<b>91.0</b>	<b>68.6</b>	<b>33.4</b>

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



## Prudential Liquidity Management

The government holds liquid financial assets in the form of domestic cash deposits and foreign exchange reserves<sup>16</sup> to promote investor confidence and safeguard its ability to meet payment obligations in situations where normal access to funding markets may be disrupted or delayed. The government's overall liquidity levels are managed to normally cover at least one month (i.e., 23 business days) of net projected cash flows, including coupon payments and debt refinancing needs. The 23-day PLP requirement is a forward-looking measure that changes daily due to daily actual cash balances and new projected cash requirements.

## Investment of Receiver General Cash Balances

There were no RG auctions of cash to financial institutions conducted in 2021-22. RG auctions ceased in the previous fiscal year since financial system liquidity was high and participants did not need additional funds. These auctions did not resume in 2021-22 as financial system liquidity remained high.

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<sup>16</sup> The legislative purposes of Canada's foreign exchange reserves are to aid in the control and protection of the external value of the Canadian dollar and to provide a source of liquidity for the government, if required.

# Annex 1

## Completed Treasury Evaluation Reports

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.

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. Copies are also sent to the Auditor General of Canada. The reports are posted on the Department of Finance Canada 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 <sup>1</sup>	2002
Bond Buybacks <sup>1</sup>	2003
Funds Management Governance Framework <sup>1</sup>	2004
Retail Debt Program <sup>1</sup>	2004
Borrowing Framework of Major Federal Government-Backed Entities <sup>1</sup>	2005
Receiver General Cash Management Program <sup>1</sup>	2006
Exchange Fund Account Evaluation <sup>1</sup>	2006
Risk Management Report <sup>1</sup>	2007
Evaluation of the Debt Auction Process <sup>1</sup>	2010
Evaluation of the Asset Allocation Framework of the Exchange Fund Account <sup>1</sup>	2012
Report of the Auditor General of Canada on Interest-Bearing Debt <sup>2</sup>	2012
Crown Borrowing Program Evaluation <sup>1</sup>	2013
Retail Debt Evaluation <sup>1</sup>	2015

<sup>1</sup> Available on the Department of Finance Canada website ([www.canada.ca/en/department-finance.html](http://www.canada.ca/en/department-finance.html)).

<sup>2</sup> This audit was conducted outside of the Treasury Evaluation Program.

## Annex 2

### Debt Management Policy Measures Taken Since 1997

The fundamental objectives of debt management are to raise stable and low-cost funding to meet the financial needs of the Government of Canada and to maintain a well-functioning market for Government of Canada securities. 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 table lists significant policy measures that have been taken to achieve stable, low-cost funding and ensure a well-functioning Government of Canada securities market.

<b>Measure</b>	<b>Year</b>
Discontinued 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
Increased the frequency of cash management bond buyback operations from bi-weekly to weekly	2010
Announced a new framework for the medium-term debt management strategy	2011
Announced plans to increase the level of prudential liquidity by \$35 billion over 3 years	2011
Added four new maturity dates—February 1, May 1, August 1 and November 1	2011
Increased benchmark target range sizes in the 2-, 3- and 5-year sectors	2011
Announced a temporary increase in longer-term debt issuance	2012
Announced changes to the Terms and Conditions Governing the Morning Auction of Receiver General Cash Balances	2013
Introduced ultra-long bond issuance	2014
Discontinued 3-year issuance	2015
Increased benchmark target range sizes in the 2- and 5-year sectors	2015
Increased benchmark target range sizes in the 2-, 5- and 10-year sectors	2016
Reintroduced the 3-year bond benchmark	2016
Introduced a pilot program to increase flexibility in the maximum repurchase amount at CMBB operations	2017
Discontinued the sales of new Canada Savings Bonds	2017
Pilot program to increase flexibility of CMBB operations made permanent	2018
Ceased all buyback operations and RG auctions	2020
Added a second 10-year benchmark bond per year—December 1	2020
Increased the frequency of treasury bills auctions from bi-weekly to weekly (i.e., first half of the fiscal year)	2020
Reduced the frequency of treasury bills auctions from weekly to bi-weekly (i.e., second half of the fiscal year)	2020
<b>Introduced federal green bond program</b>	<b>2022</b>

# 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 amount of time until the 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 and is therefore priced accurately.

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

**buyback on a cash basis:** The repurchase of bonds for cash. Buybacks on a cash basis are used to maintain the size of bond auctions and new issuances.

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

**Canada bill:** A 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:** A 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 debt obligation for another involving different currencies and the exchange of the principal amounts and interest payments.

**duration:** Measures the sensitivity of the price of a bond or portfolio to fluctuations in interest rates. It is a measure of volatility and is expressed in years. The higher the duration number, the greater the interest rate risk for bond or portfolio prices.

**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):** An account that aids in the control and protection of the external value of the Canadian dollar and which provides a source of liquidity for the Government of Canada. Assets held in the EFA are managed to provide liquidity to the government and to promote orderly conditions for the Canadian dollar in the foreign exchange markets, if required.

**financial source/requirement:** 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 market debt:** The proportion of market debt that does not mature or need to be repriced within one year (i.e. the inverse of the refixing share of market 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:** Debt consisting of unmatured debt, or debt issued on the credit markets, liabilities for pensions and other future benefits, and other liabilities.

**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, 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:** 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:** A member of the core group of government securities distributors that maintain 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:** A bond whose interest payments are based on real interest rates. Unlike standard fixed-coupon marketable bonds, the semi-annual interest payments on Government of Canada Real Return Bonds are determined by adjusting the principal by the change in the Consumer Price Index.

**refixing share of market debt:** The proportion of market debt that matures or needs to be repriced within one year (i.e., the inverse of the fixed-rate share of market debt).

**refixing share of market debt to gross domestic product (GDP):** The amount of market debt that matures or needs to be repriced within one year relative to nominal GDP for that year.

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

**sovereign market:** The market for debt issued by a government.

**treasury bill:** A 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.

**ultra-long bond:** A bond with a maturity of 40 years or longer.

**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 Total Liabilities, Outstanding Market Debt and Debt Charges, as at March 31
- II Government of Canada Outstanding Market Debt, as at March 31
- III Issuance of Government of Canada Domestic Bonds
- IV Outstanding Government of Canada Domestic Bonds, as at March 31, 2022
- V Government of Canada Cross-Currency Swaps Outstanding, as at March 31, 2022
- VI Crown Corporation Borrowings, as at March 31

## Reference Table I

**Total Liabilities, Outstanding Market Debt and Debt Charges, as at March 31**

\$ billions

Year	Liabilities				Total liabilities
	Market debt	Market debt value adjustments	Accounts payable and accrued liabilities	Pension and other liabilities	
1986	201.2	-0.4	39.4	79.1	319.4
1987	228.6	-0.4	42.1	84.7	355.0
1988	250.8	-0.9	47.2	90.9	388.0
1989	276.3	-2.2	50.2	97.1	421.4
1990	294.6	-2.9	53.2	104.5	449.3
1991	323.9	-3.2	54.9	112.1	487.7
1992	351.9	-2.2	56.1	118.5	524.2
1993	382.7	-3.0	58.4	125.1	563.2
1994	414.0	-1.8	63.7	131.4	607.3
1995	441.0	-3.4	71.3	139.8	648.7
1996	469.5	-1.7	74.9	148.5	691.3
1997	476.9	0.3	75.9	156.3	709.4
1998	466.8	1.4	81.7	160.9	710.8
1999	457.7	2.6	83.7	168.2	712.2
2000	454.2	-0.2	83.9	175.8	713.6
2001	444.9	1.3	88.5	179.0	713.6
2002	440.9	0.9	83.2	177.9	703.0
2003	438.6	-1.1	83.2	178.3	699.0
2004	436.5	-2.5	85.2	180.9	700.1
2005	431.8	-4.3	97.7	179.8	705.0
2006	427.3	-6.1	101.4	179.9	702.5
2007	418.8	-4.7	106.5	185.1	705.8
2008	394.1	-3.4	110.5	191.2	692.3
2009	510.9	3.1	114.0	200.4	828.4
2010	564.4	-5.3	120.5	208.7	888.3
2011	596.8	-5.7	119.1	217.2	927.5
2012	631.0	-4.7	125.0	226.1	977.5
2013	668.0	4.4	118.7	236.2	1,027.4
2014	648.7	10.3	111.4	245.2	1,015.8
2015	649.5	15.7	123.6	251.4	1,040.2
2016	669.7	18.5	127.9	262.0	1,078.0
2017	695.1	18.5	132.5	270.7	1,116.9
2018	704.3	16.9	154.8	281.4	1,157.4
2019	721.1	15.8	159.7	282.6	1,185.2
2020	765.2	18.6	163.8	301.0	1,248.6
2021	1,109.8	15.4	207.4	319.7	1,652.2
2022	1,232.7	10.6	260.3	335.1	1,838.7



Reference Table I

**Total Liabilities, Outstanding Market Debt and Debt Charges, as at March 31**

\$ billions

Year	Accumulated deficit and debt charges					Gross public debt charges
	Total liabilities	Financial assets	Net debt	Non-financial assets	Accumulated deficit	
1986	319.4	70.1	249.2	21.4	227.8	27.7
1987	355.0	73.2	281.8	24.2	257.7	28.7
1988	388.0	75.0	313.0	26.3	286.7	31.2
1989	421.4	77.9	343.6	29.0	314.6	35.5
1990	449.3	74.5	374.8	31.0	343.8	41.2
1991	487.7	76.6	411.1	33.4	377.7	45.0
1992	524.2	78.5	445.7	35.8	410.0	43.9
1993	563.2	76.0	487.2	38.2	449.0	41.3
1994	607.3	79.3	527.9	40.4	487.5	40.1
1995	648.7	81.2	567.5	43.3	524.2	44.2
1996	691.3	92.7	598.6	44.4	554.2	49.4
1997	709.4	100.4	609.0	46.1	562.9	47.3
1998	710.8	103.6	607.2	47.2	559.9	43.1
1999	712.2	109.3	602.9	48.7	554.1	43.3
2000	713.6	123.5	590.1	50.2	539.9	43.4
2001	713.6	141.9	571.7	51.7	520.0	43.9
2002	703.0	137.7	565.3	53.4	511.9	39.7
2003	699.0	139.5	559.6	54.2	505.3	37.3
2004	700.1	149.1	551.0	54.8	496.2	35.8
2005	705.0	155.4	549.6	54.9	494.7	34.1
2006	702.5	165.6	536.9	55.4	481.5	33.8
2007	705.8	181.9	523.9	56.6	467.3	33.9
2008	692.3	176.0	516.3	58.6	457.6	33.3
2009	828.4	298.9	529.4	61.5	467.9	28.3
2010	888.3	300.8	587.5	63.4	524.1	26.6
2011	927.5	304.0	623.5	66.6	556.9	28.6
2012	977.5	317.6	659.9	68.0	591.9	29.0
2013	1,027.4	337.8	689.5	68.9	620.6	25.5
2014	1,015.8	318.5	696.4	70.4	626.0	24.7
2015	1,040.2	336.7	703.5	74.6	628.9	24.2
2016	1,078.0	365.8	712.2	77.8	634.4	21.8
2017	1,116.9	382.8	734.1	82.6	651.5	21.2
2018	1,157.4	397.5	752.9	81.6	671.3	21.9
2019	1,185.2	413.0	772.1	86.7	685.5	23.3
2020	1,248.6	435.7	812.9	91.5	721.4	24.5
2021	1,652.2	502.4	1,149.8	101.1	1,048.8	20.4
2022	1,838.7	600.3	1,238.4	103.9	1,134.5	24.5

Reference Table II

**Government of Canada Outstanding Market Debt, as at March 31**

\$ billions

Year	Payable in Canadian dollars				Total
	Treasury bills	Marketable bonds <sup>1</sup>	Retail debt	Canada Pension Plan bonds	
1986	62.0	81.1	44.2	0.4	187.7
1987	77.0	94.4	44.3	1.8	217.5
1988	81.1	103.9	53.3	2.5	240.8
1989	102.7	115.7	47.8	3.0	269.2
1990	118.6	127.7	40.9	3.1	290.2
1991	139.2	143.6	34.4	3.5	320.7
1992	152.3	158.1	35.6	3.5	349.5
1993	162.1	178.5	34.4	3.5	378.4
1994	166.0	203.4	31.3	3.5	404.3
1995	164.5	225.7	31.4	3.5	425.1
1996	166.1	252.8	31.4	3.5	453.8
1997	135.4	282.6	33.5	3.5	454.9
1998	112.3	294.6	30.5	3.5	440.8
1999	97.0	295.8	28.2	4.1	425.0
2000	99.9	294.4	26.9	3.6	424.7
2001	88.7	295.5	26.4	3.5	414.1
2002	94.2	294.9	24.0	3.4	416.5
2003	104.6	289.2	22.6	3.4	419.8
2004	113.4	279.0	21.3	3.4	417.1
2005	127.2	266.7	19.1	3.4	416.3
2006	131.6	261.9	17.3	3.1	413.9
2007	134.1	257.9	15.2	1.7	408.9
2008	117.0	253.8	13.1	1.0	384.9
2009	192.5	295.3	12.5	0.5	500.8
2010	175.9	367.9	11.8	0.5	556.1
2011	163.0	416.1	10.1	0.0	589.2
2012	163.2	448.1	8.9	0.0	620.3
2013	180.7	469.0	7.5	0.0	657.2
2014	153.0	473.3	6.3	0.0	632.6
2015	135.7	487.9	5.7	0.0	629.2
2016	138.1	504.1	5.1	0.0	647.2
2017	136.7	536.3	4.5	0.0	677.5
2018	110.7	575.0	2.6	0.0	688.2
2019	134.3	569.5	1.2	0.0	705.1
2020	151.9	596.9	0.5	0.0	749.2
2021	218.8	875.3	0.3	0.0	1,109.8
2022	187.4	1,030.9	0.0	0.0	1,218.3

<sup>1</sup> Inflation adjusted.

## Reference Table II

**Government of Canada Outstanding Market Debt, as at March 31**

\$ billions

Year	Payable in foreign currencies						Total
	Canada bills	Marketable bonds	Canada notes <sup>1</sup>	Euro medium-term notes <sup>1</sup>	Standby drawings	Term loans	
1986	0.0	9.3	0.0	0.0	2.2	2.2	13.8
1987	1.0	8.9	0.0	0.0	0.0	2.0	12.0
1988	1.0	7.9	0.0	0.0	0.0	2.3	11.3
1989	1.1	6.3	0.0	0.0	0.0	0.9	8.3
1990	1.4	4.3	0.0	0.0	0.0	0.0	5.7
1991	1.0	3.6	0.0	0.0	0.0	0.0	4.5
1992	0.0	3.4	0.0	0.0	0.0	0.0	3.4
1993	2.6	2.8	0.0	0.0	0.0	0.0	5.4
1994	5.6	5.0	0.0	0.0	0.0	0.0	10.7
1995	9.0	7.9	0.0	0.0	0.0	0.0	16.9
1996	7.0	9.5	0.3	0.0	0.0	0.0	16.8
1997	8.4	12.5	2.1	0.0	0.0	0.0	23.0
1998	9.4	14.6	1.7	1.5	0.0	0.0	27.2
1999	10.2	19.7	1.3	4.9	0.0	0.0	36.0
2000	6.0	21.4	1.1	4.1	0.0	0.0	32.6
2001	7.2	21.2	1.6	3.7	0.0	0.0	33.7
2002	3.4	19.8	1.2	3.2	0.0	0.0	27.5
2003	2.6	14.5	1.2	3.3	0.0	0.0	21.6
2004	3.4	13.2	1.3	3.0	0.0	0.0	20.8
2005	3.9	9.9	1.1	1.7	0.0	0.0	16.5
2006	4.7	7.6	0.5	1.5	0.0	0.0	14.3
2007	1.8	6.7	0.5	1.6	0.0	0.0	10.6
2008	1.5	6.1	0.5	1.6	0.0	0.0	9.7
2009	8.7	0.3	0.0	1.7	0.0	0.0	10.6
2010	2.5	5.8	0.0	0.0	0.0	0.0	8.2
2011	2.0	5.6	0.0	0.0	0.0	0.0	7.7
2012	2.1	8.6	0.0	0.0	0.0	0.0	10.7
2013	2.1	8.7	0.0	0.0	0.0	0.0	10.8
2014	2.3	13.0	0.6	0.1	0.0	0.0	16.0
2015	3.8	14.8	1.2	0.5	0.0	0.0	20.3
2016	4.7	15.3	1.6	0.9	0.0	0.0	22.5
2017	3.5	11.5	1.7	0.9	0.0	0.0	17.6
2018	2.6	10.9	1.7	0.9	0.0	0.0	16.0
2019	2.7	11.0	1.7	0.6	0.0	0.0	16.0
2020	2.2	12.7	0.7	0.4	0.0	0.0	15.9
2021	4.1	11.3	0.1	0.0	0.0	0.0	15.4
2022	2.6	11.9	0.0	0.0	0.0	0.0	14.5

<sup>1</sup> Amounts for 2016 and 2017 have been restated following historical revisions.

## Reference Table II

**Government of Canada Outstanding Market Debt, as at March 31**

\$ billions

Year	Total market debt					Average interest rate (%)
	Total payable in Canadian dollars	Total payable in foreign currencies	Less: Government's holdings and consolidation adjustment <sup>1</sup>	Total market debt		
1987	217.5	12.0	-0.9	228.6	9.3	
1988	240.8	11.3	-1.2	250.8	9.6	
1989	269.2	8.3	-1.2	276.3	10.8	
1990	290.2	5.7	-1.3	294.6	11.2	
1991	320.7	4.5	-1.3	323.9	10.7	
1992	349.5	3.4	-1.0	351.8	8.9	
1993	378.4	5.4	-1.1	382.7	7.9	
1994	404.3	10.7	-1.0	414.0	6.8	
1995	425.1	16.9	-1.0	441.0	8.0	
1996	453.8	16.8	-1.0	469.5	7.3	
1997	454.9	23.0	-1.1	476.8	6.7	
1998	440.8	27.2	-1.2	466.8	6.6	
1999	425.0	36.0	-3.3	457.7	6.7	
2000	424.7	32.6	-3.1	454.2	6.2	
2001	414.1	33.7	-2.9	444.9	6.1	
2002	416.5	27.5	-3.1	440.9	5.6	
2003	419.8	21.6	-2.7	438.6	5.3	
2004	417.1	20.8	-1.5	436.4	4.9	
2005	416.3	16.5	-1.1	431.7	4.6	
2006	413.9	14.3	-1.0	427.2	4.7	
2007	408.9	10.6	-0.7	418.9	4.9	
2008	384.9	9.7	-0.5	394.1	4.6	
2009	500.8	10.6	-0.6	510.8	3.2	
2010	556.1	8.2	-0.1	564.2	2.7	
2011	589.2	7.7	-0.1	596.8	2.8	
2012	620.3	10.7	-0.1	631.0	2.7	
2013	657.2	10.8	-0.0	668.0	2.5	
2014	632.6	16.0	-0.3	648.7	2.4	
2015	629.2	20.3	-0.4	649.5	2.3	
2016	647.2	22.5	0.1	669.7	2.0	
2017	677.5	17.6	-0.4	695.1	1.9	
2018	688.3	16.0	0.9	704.3	2.0	
2019	705.1	16.0	-0.4	721.1	2.2	
2020	749.2	15.9	-0.3	765.2	2.0	
2021	1,094.4	15.4	-0.3	1,109.8	1.4	
2022	1,218.3	14.5	-0.2	1,232.7	1.4	

<sup>1</sup> 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 *Debt Management Report*. In the reference table, "Government's holdings and 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 6.2 and table 6.3 of the *Public Accounts of Canada 2022*.

Reference Table III

**Issuance of Government of Canada Domestic Bonds**

\$ billions

Fiscal year	Gross issuance													Net issuance
	Nominal <sup>1</sup>							Real Return Bonds		Buybacks				
	2-year	3-year	5-year	10-year	30-year	50-year	Green	Total	30-year	Total	Cash	Switch	Total	
1995-96	11.1	5.1	17.0	10.5	5.0			49.7	1.0	49.7			0.0	49.7
1996-97	12.0	11.1	13.3	11.8	5.8			54.0	1.7	55.5			0.0	55.7
1997-98	14.0		9.9	9.3	5.0			38.2	1.7	39.9			0.0	39.9
1998-99	14.0		9.8	9.2	3.3			36.3	1.6	37.9			0.0	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	23.5
2007-08	11.7		6.3	10.7	3.4			32.0	2.3	34.3	-4.3	-2.4	-6.7	27.6
2008-09	23.2		29.0	15.7	5.1			72.9	2.1	75.0	-3.2	-2.7	-6.0	69.0
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
2010-11	36.3	18.8	21.2	12.0	5.0			93.3	2.2	95.5	0.0	-4.4	-4.4	91.2
2011-12	44.0	18.0	21.0	10.0	4.7			97.7	2.2	99.9	-3.0	-3.0	-5.9	94.0
2012-13	35.9	13.9	20.4	16.5	6.7			93.4	2.2	95.6	-0.4	-1.1	-1.5	94.1
2013-14	29.7	16.2	20.4	14.0	5.0			85.3	2.2	87.5	0.0	-1.0	-1.0	86.5
2014-15	38.4	16.2	20.4	13.3	4.6	3.5		92.9	2.2	95.1	0.0	-0.5	-0.5	94.6
2015-16	50.2		26.8	10.0	3.2			90.2	2.2	92.4	0.0	-0.7	-0.7	91.7
2016-17	62.4	19.5	30.0	15.0	4.3			131.2	2.2	133.4	0.0	-0.8	-0.8	132.6
2017-18	59.1	24.7	30.6	15.0	4.3	1.3		135.0	2.2	137.2	0.0	-0.8	-0.8	136.4
2018-19	48.0	8.2	24.0	13.5	3.8			97.5	2.2	99.7	0.0	-0.8	-0.8	98.9
2019-20	53.0	19.7	33.5	13.5	5.5			125.2	1.8	127.0	0.0	-2.8	-2.8	124.2
2020-21	129.0	56.5	77.5	73.5	32.0			368.5	1.4	369.9	0.0	0.0	0.0	369.9
2021-22	67.0	29.0	44.0	79.0	28.0	4.0	5.0	256.0	1.4	257.4	0.0	0.0	0.0	257.4

<sup>1</sup> Including nominal issuance through switch buyback operations.

## Reference Table IV

**Outstanding Government of Canada Domestic Bonds, as at March 31, 2022**

## Fixed-coupon bonds

<b>Maturity date</b>	<b>Amount (\$ millions)</b>	<b>Coupon rate (%)</b>
1-May-2022	20,000	1.5
1-Jun-2022	206	9.25
1-Jun-2022	12,700	2.75
1-Aug-2022	30,000	0.25
1-Sep-2022	25,200	1
1-Nov-2022	37,000	0.25
1-Feb-2023	32,000	0.25
1-Mar-2023	24,600	1.75
1-May-2023	30,000	0.25
1-Jun-2023	14,200	1.5
1-Jun-2023	2,359	8
1-Aug-2023	20,000	0.25
1-Sep-2023	40,500	2
1-Nov-2023	16,500	0.5
1-Feb-2024	17,500	0.75
1-Mar-2024	11,908	2.25
1-Apr-2024	37,000	0.25
1-May-2024	7,000	1.5
1-Jun-2024	13,700	2.5
1-Sep-2024	16,065	1.5
1-Oct-2024	14,000	0.75
1-Mar-2025	17,300	1.25
1-Apr-2025	6,000	1.5
1-Jun-2025	13,100	2.25
1-Jun-2025	2,134	9
1-Sep-2025	47,500	0.5
1-Mar-2026	34,000	0.25
1-Jun-2026	13,472	1.5
1-Sep-2026	23,000	1
1-Mar-2027	17,000	1.25
1-Jun-2027	14,740	1
1-Jun-2027	3,621	8
1-Jun-2028	13,500	2
1-Jun-2029	12,300	2.25
1-Jun-2029	10,599	5.75
1-Dec-2029	5,000	2.25
1-Jun-2030	44,200	1.25
1-Dec-2030	40,000	0.5
1-Jun-2031	42,000	1.5
1-Dec-2031	32,000	1.5
1-Jun-2032	5,000	2
1-Jun-2033	11,989	5.75
1-Jun-2037	11,731	5
1-Jun-2041	13,838	4
1-Dec-2045	16,300	3.5
1-Dec-2048	14,900	2.75
1-Dec-2051	51,817	2
1-Dec-2053	19,000	1.75
1-Dec-2064	8,750	2.75
<b>Fixed-coupon bonds—Total</b>	<b>967,228</b>	

## Real Return Bonds

Maturity Date	Amount	Coupon rate	Inflation adjustment	Outstanding amount
	(\$ millions)	(%)	(\$ millions)	(\$ millions)
1-Dec-2026	5,250	4.25	3,433	8,683
1-Dec-2031	5,800	4.00	3,419	9,219
1-Dec-2036	5,850	3.00	2,401	8,251
1-Dec-2041	6,550	2.00	2,005	8,555
1-Dec-2044	7,700	1.50	1,976	9,676
1-Dec-2047	7,700	1.25	1,372	9,072
1-Dec-2050	7,600	0.50	894	8,494
1-Dec-2054	1,400	0.25	56	1,456
<b>Real Return Bonds—</b>				
<b>Total</b>	<b>47,850</b>		<b>15,556</b>	<b>63,406</b>

Note: Outstanding bond amounts reported in this table are 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 V

### Government of Canada Cross-Currency Swaps Outstanding, as at March 31, 2022

CAD\$ millions

Maturity date	Swaps of domestic obligations				Total
	USD	EUR	JPY	GBP	
2022	4,444	249	0	0	4,693
2023	7,060	484	1,890	140	9,573
2024	4,183	1,791	1,181	213	7,369
2025	3,188	263	1,396	3,931	8,778
2026	6,851	588	1,130	764	9,332
2027	2,657	1,798	0	2,315	6,770
2028	10,758	1,245	0	0	12,002
2029	4,376	2,243	0	0	6,619
2030	2,813	3,810	0	0	6,623
2031	8,345	622	0	246	9,213
2032	6,176	1,397	257	411	8,240
<b>Total</b>	<b>60,849</b>	<b>14,490</b>	<b>5,854</b>	<b>8,020</b>	<b>89,213</b>

Note: Foreign currency swaps converted to Canadian dollars using Bank of Canada closing exchange rates as of March 31, 2022. Table does not include \$4,665 million in foreign exchange forwards and \$408 million in foreign exchange swaps that were outstanding as at March 31, 2022. Numbers may not add due to rounding.

## Reference Table VI

**Crown Corporation Borrowings, as at March 31**

\$ millions

<b>Borrowings from the market</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Export Development Canada	24,141	26,613	36,393	41,985	46,687	49,226	55,470	55,217	63,249	47,532	44,319
Business Development Bank of Canada	658	648	507	305	253	163	139	137	142	128	0
Farm Credit Canada	913	691	615	669	762	815	833	818	833	852	673
Canada Mortgage and Housing Corporation	2,221	1,870	1,465	1,429	282	0	0	0	0	0	0
Canada Housing Trust <sup>1</sup>	213,251	212,639	205,113	207,544	217,392	225,306	233,981	237,516	244,643	265,191	258,831
Canada Post Corporation	1,051	1,051	1,051	1,051	997	997	997	997	997	997	998
Other	106	106	128	137	109	52	48	49	45	27	50
<b>Total</b>	<b>242,341</b>	<b>243,617</b>	<b>245,272</b>	<b>253,120</b>	<b>266,482</b>	<b>276,559</b>	<b>291,469</b>	<b>294,734</b>	<b>309,909</b>	<b>314,727</b>	<b>304,871</b>

<sup>1</sup> 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 to Enterprise Crown Corporations**

\$ millions

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Business Development Bank of Canada	12,561	13,214	14,320	15,676	16,942	18,811	20,470	22,235	23,405	18,226	20,072
Canada Mortgage and Housing Corporation <sup>1</sup>	66,595	63,123	21,173	10,708	10,531	9,811	8,687	8,095	14,377	15,284	17,307
Farm Credit Canada	19,326	21,174	22,029	22,691	23,438	25,684	28,009	29,862	32,654	34,342	37,456
Other	92	90	149	333	340	455	468	5,244 <sup>2</sup>	6,687 <sup>2</sup>	10,419 <sup>2</sup>	16,556 <sup>2</sup>
<b>Total</b>	<b>98,574</b>	<b>97,602</b>	<b>57,670</b>	<b>49,408</b>	<b>51,251</b>	<b>54,761</b>	<b>57,633</b>	<b>65,436</b>	<b>77,122</b>	<b>78,271</b>	<b>91,391</b>

<sup>1</sup> Includes outstanding lending related to the Insured Mortgage Purchase Program for 2009 to 2014.

<sup>2</sup> Includes lending to Canada Development Investment Corporation for the purchase of entities that own and operate the Trans Mountain pipeline.

Source: *Public Accounts of Canada*.