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15 October Term PRA Auction

Bank of Canada/Central Bank of Canada/La Banque du Canada

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Appendix - 15 October Term PRA Auction

October 14, 2008

The details of the 15 October auction announced as part of the **3 October** schedule are as follows:

| Amount | Auction Date | Settlement Date | Maturity Date |
|--------------|-----------------|-----------------|------------------|
| \$10 billion | 15 October 2008 | 17 October 2008 | 13 November 2008 |

The list of eligible securities for these transactions, and associated margins and concentration ratios will be the same as announced on 6 October for the 91 Day Term PRA transaction.

These term PRAs will be transacted with Primary Dealers (PDs). Each PD will have a bidding limit of 25 per cent of the auctioned amount and will be subject to a maximum aggregate of all outstanding Term PRAs. For PDs rated A or higher, the maximum aggregate limit will be 25 per cent of the total outstanding; for PDs rated either BBB or lower or those without a rating, the limit will be 12.5 per cent. No substitution of collateral will be permitted in this transaction.

The auction will be held on 15 October at 9:00 (ET), and the results of these operations will be announced on the Bank's website at 10:00 (ET). The total amount of assets acquired through these term PRA operations will be announced on the Bank's website on the settlement day by 16:45 (ET).

Term PRA Facility for Private Sector Money Market Instruments

Eligible Bidders:

- Direct: Primary Dealers;
- Indirect: Other money market participants.

Eligible Securities:

- Bankers' acceptances and promissory notes, including those of foreign issuers, (maximum term, 364 days) with a minimum issuer credit rating of R1 (low) by the Dominion Bond Rating Service (DBRS), or A-1 (mid) by Standard and Poor's (S&P), or P1 by Moody's Investors Service (Moody's);
- Commercial paper, including that of foreign issuers, (maximum term, 364 days) with a minimum issuer credit rating of R1 (low) by DBRS, or A-1 (mid) by S&P,

or P1 by Moody's;

- Asset-backed commercial paper of eligible programs, with a minimum of two credit ratings, at least two ratings that are either R1 (high) by DBRS, A-1 (high) by S&P, P1 by Moody's, or F1+ by Fitch Ratings.

A minimum bid rate will apply. Further details will be announced on Friday, 17 October following consultations with market participants with respect to the term to maturity.

Acceptance of non-mortgage loan portfolio as eligible collateral

The margin (haircut) applied to the non-mortgage loan portfolio will be 40 per cent. Further details will be announced on Friday 17 October.