A New Wrinkle for DeemedRetractibles

I will commence this appendix with a recapitulation of OSFI's advisory and draft advisory released February 4, 2011 and how this affects analysis. Some readers will be getting very tired of this repetition – these banking rules have already been discussed at length in the January, February and March edition of this newsletter – but after some consideration I am reprising the introduction for the benefit of latecomers. Those who are familiar with the material may blithely skip ahead to the section "CIBC's Machinations in Late May".

International Rule Changes

On January 13, 2011, the Basel Committee on Banking Supervision issued a press release[1] finalizing rules for inclusion of financial instruments in Tier 1 Capital, making the rules much more restrictive than they had been at the time of the original Sydney Press Release[2] in 1998. The reason for the new restrictions was stated as: *During the financial crisis a number of distressed banks were rescued by the public sector injecting funds in the form of common equity and other forms of Tier 1 capital. While this had the effect of supporting depositors it also meant that Tier 2 capital instruments (mainly subordinated debt), and in some cases Tier 1 instruments, did not absorb losses incurred by certain large internationally-active banks that would have failed had the public sector not provided support.*

These new rules provide that all non-common Tier 1 and Tier 2 instruments must have a provision that requires write-off or conversion into common stock upon the occurrence of the trigger event. The trigger event is the earlier of a decision "by the relevant authority" that without such a conversion the firm will become non-viable, or the decision to make a public sector injection of capital, without which the firm would have become non-viable, again "as determined by the relevant authority".

Under these rule changes, Canadian preferred shares are no longer eligible for inclusion in Tier 1 Capital, since there are no such provisions embodied in their constating documents and prospectuses.

Thus, subject to enactment of similar provisions by the Office of the Superintendent of Financial Institutions (OSFI), a phase-out of these instruments' contribution to bank Tier 1 Capital was scheduled[3] to commence 2013-1-1 over a ten year period.

OSFI's Implementation of the New Standards

On February 4, 2011, OSFI released two documents outlining the Canadian implementation of the international standards.

The first introduced a new acronym: NVCC, which has the same meaning as the title of the Draft Advisory: *Non-Viability Contingent Capital*.[4] This draft advisory, if adopted, will set the new requirements for Canadian recognition of Tier 1 Capital equal to those outlined in the new international standards described above.

The second, an Advisory titled *Treatment of non-qualifying capital instruments*,[5] described the gradual phase-out of non-qualifying instruments over a ten year period commencing 2013-1-1 as envisaged internationally. The critical detail was: *Capital instruments issued before January 1, 2013 that meet the Basel III criteria for regulatory capital, except that they do not meet the NVCC requirements, will be considered non-qualifying capital instruments and subject to the phase-out described in this Advisory.*

To the surprise of many there were no exceptions: currently extant preferred shares, currently included in Tier 1 capital, do not meet the NVCC requirement, will not be grandfathered and therefore are subject to the ten year phase-out.

Which Issuers are Affected by the Announcements?

The Advisory *Treatment of non-qualifying capital instruments* states explicitly that it is not meant to apply to insurers and insurance holding companies, but I believe that the extension of the principles therein is a foregone conclusion. To its credit, OSFI has sought to harmonize the regulation of these sectors with that of banks for some time (to the extent possible) and I will be very surprised if a major divergence in regulation occurs with respect to preferred shares.

Thus, I argued in the February edition of this newsletter that the range of applicability of the Advisory could be presented as:

- Banks: A certainty. This has already been made explicit
- Insurers: Implementation is expected, but not yet certain
- Insurance Holding Companies: These are holding companies who conduct all their insurance business through regulated subsidiaries, and which are also regulated themselves. Implementation is expected but not yet certain; and should be considered slightly less certain than for Insurers.

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1 Bank for International Settlements, *Basel Committee issues final elements of the reforms to raise the quality of regulatory capital*, Press Release, 2011-1-13, available on-line at http://www.bis.org/press/p110113.pdf (accessed 2011-3-12)

2 Bank for International Settlements, *Instruments eligible for inclusion in Tier 1 Capital*, Press Release, 1998-10-27, available on-line at http://www.bis.org/press/p981027.htm (accessed 2011-3-12)

3 Basel Committee on Banking Supervision, *Basel III: A global regulatory framework for more resilient banks and banking systems*, ISBN web: 92-9197-859-0, available on-line at http://www.bis.org/publ/bcbs189.pdf (accessed 2011-3-12)

4 Office of the Superintendent of Financial Institutions, *Non-Viability Contingent Capital*, Draft Advisory, February 2011, available on-line at http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/guidelines/capital/advisories/nvcc_dft_e.pdf (accessed 2011-3-11)

5 Office of the Superintendent of Financial Intitutions, *Treatment of non-qualifying capital instruments*, Advisory, February 2011, available on-line at http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/guidelines/capital/advisories/nqcibIII_e.pdf (accessed 2011-3-12)

It is also possible that conglomerates that include an insurance company will also be brought under the regulatory regime as a result of pressure from the US Treasury[6]. Julie Dickson, Superintendent of Financial Institutions, has indicated the possibility in a speech[7]. The regulators have been concentrating on reforming the banks, but I suspect they will turn their attention to insurers now that banking re-regulation has been largely agreed.

However, after some hesitation, I did not include these conglomerates in the pool, as explained in the February edition. Examples of such issuers are PWF (which holds a majority stake in GWO) and POW (holder of a majority stake in PWF). Another example is FFH, which is organized in much the same way as the Power group, but has no public issues from a regulated company; however, FFH is not investment grade and therefore will rarely be analyzed, or even mentioned, in this newsletter.

Thus, the affected issuers (of investment grade) are considered to be:

- Banks: BMO, BNS, CM, HSB, NA, RY and TD.
- Insurers: IAG
- Insurance Holding Companies: ELF, GWO, SLF and MFC

For convenience the latter two groups are typically referred to as Insurers, but it should always be kept firmly in mind that this nomenclature is imprecise and could, conceivably, lead to grievous error if indulged in to too great an extent.

Which Issues are Affected?

All Perpetual issues of the affected issuers are considered to be affected by the Advisory. It will be noted that the term “Perpetual” includes the FixedReset class of preferred shares[8] – just because interest-rate risk is reduced doesn’t mean that credit risk can be ignored![9]

However, since the overwhelming majority of FixedResets were considered overwhelmingly likely to be called anyway due to economic considerations, there is very little practical effect on these issues. Additionally, since PerpetualPremium issues were similarly expected to be called, the effect is only small; it is, however, significant because, as we saw in 2008-09, a PerpetualPremium can become a PerpetualDiscount with disconcerting rapidity!

The greatest effect is on PerpetualDiscount issues, which were not expected to be called based on economic considerations.

How are the Issues Affected?

All affected issues are currently analyzed as if the call schedule specified in their prospectuses included a maturity date of 2022-1-31. This date was chosen since it marks the end of the transition period, after which no issues without a NVCC clause in their prospectuses will be includable in Tier 1 Capital.

The reason for this is based on the fact that issuers are willing to pay extra yield (e.g., the Seniority Spread) for instruments that are includable in Tier 1 Capital since, in comparison to common equity, it is a cheap source of such capital. However, once these issues can no longer be included, they are, from the perspective of the issuer’s capital structure, simply another form of senior debt (and therefore should not include any premium over long term senior bonds).

Thus, derecognition of these instruments changes their status, in the eyes of the issuer, from cheap equity to expensive debt and, being expensive, the company is likely to redeem the issues and call them at par.

CIBC’s Machinations in Late May

On May 26, the Canadian Imperial Bank of Commerce caused something of a stir with a press release that stated:[10] *it intends to seek to have its non-cumulative Class A preferred shares, Series 26, 27 and 29 (the Convertible Preferred Shares) treated as non-viability contingent capital (NVCC) for the purposes of determining regulatory capital under Basel III.*

The Office of the Superintendent of Financial Institutions (OSFI) has indicated that it is not aware of a factual basis that would question the compliance of the Convertible Preferred Shares with the principles specified in OSFI’s draft advisory on NVCC published in February 2011 (the NVCC Advisory), provided that:

(i) CIBC irrevocably renounces its rights to convert the Convertible Preferred Shares into CIBC common shares by way of a deed poll except in circumstances that would be a “Trigger Event” as described in the NVCC Advisory; and

(ii) CIBC provides an undertaking to OSFI that CIBC will immediatelyexercise its rights to convert each of the Convertible Preferred Shares into CIBC common shares upon the occurrence of a Trigger Event.

OSFI has indicated that certain features of the Convertible Preferred Shares will not be acceptable terms and conditions for future instruments to be considered NVCC.

6 see http://www.treasury.gov/press-center/press-releases/Documents/capital-statement_090309.pdf

7 see http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/speeches/JDickson_09_Life_e.pdf

8 see the taxonomy at http://www.prefletter.com/taxonomy.pdf

9 see the August, 2009, edition of this newsletter.

10 Canadian Imperial Bank of Commerce, *CIBC announces intention to seek non-viability contingent capital treatment for its Class A preferred shares, Series 26, 27 and 29*, May 26, 2011, available on-line at http://micro.newswire.ca/release.cgi?rkey=1905267134&view=16497-0&Start= (accessed 2011-6-11)

CIBC intends to seek formal confirmation from OSFI regarding the capital treatment of the Convertible Preferred Shares after OSFI finalizes the NVCC Advisory. These actions do not restrict CIBC's existing redemption rights under the terms of the Convertible Preferred Shares.

By renouncing CIBC's conversion rights except upon the occurrence of a Trigger Event, the Convertible Preferred Shares will continue to not be dilutive to earnings per share following the adoption of International Financial Reporting Standards (IFRS) commencing November 1, 2012 nor for the portion of the IFRS comparative year ending October 31, 2011 that is subsequent to the renunciation date.

This may represent a three-fold win for CIBC:

- The issues CM.PR.D, CM.PR.E and CM.PR.G will become ordinary Straight Perpetuals – more specifically, PerpetualPremiums. This gives them a little more flexibility in the event that long term yields increase suddenly, even though they are currently expected to be called on economic grounds.
- The common shares presumed to be issuable upon conversion of these three issues will no longer be dilutive to earnings under the new IFRS accounting rules, which improves their earnings reporting.
- This will reduce the amount of non-qualifying Tier 1 Capital that they will have on their books as of the 2013-1-1, the date from which the subsequent derecognition of these instruments is scaled.[11]

The third point requires a little explanation: the OSFI Advisory giving effect to these sequential caps makes reference to paragraph 94(g) of the final Basel III rules, which states:[12] *Capital instruments that no longer qualify as non-common equity Tier 1 capital or Tier 2 capital will be phased out beginning 1 January 2013. Fixing the base at the nominal amount of such instruments outstanding on 1 January 2013, their recognition will be capped at 90% from 1 January 2013, with the cap reducing by10 percentage points in each subsequent year. This cap will be applied to Additional Tier 1 and Tier 2 separately and refers to the total amount of instruments outstanding that no longer meet the relevant entry criteria. To the extent an instrument is redeemed, or its recognition in capital is amortised, after 1 January 2013, the nominal amount serving as the base is not reduced…*

To understand why this is important for CIBC, we must look at another press release, but first we must look again at the OSFI Advisory. Paragraph 6 states *OSFI expects DTIs to comply with the Basel III requirements concerning the phase-out of non-qualifying capital instruments, while maximizing the amount of available regulatory capital and, to the maximum extent practicable, giving effect to the legitimate expectations of the parties to such capital instruments (as evidenced by the terms of such instruments). Accordingly, a DTI should prioritize redeeming capital in a way that will give effect to the following priorities:*

(a) Maximize the amount of non-qualifying capital instruments outstanding during the Basel III transition period (based on the assumption that all capital will be redeemed at the earliest regular par redemption date); and

(b) Minimize the amount of capital that would be subject to a regulatory event.

Regulatory Events are unknown in the preferred share market, but are standard in the Innovative Tier 1 Capital Market – Innovative Tier 1 Capital are bonds that are essentially equivalent to preferred shares but pay interest out of pre-tax revenue; this allows the interest to be deducted for tax purposes, enabling the issuers to pay a higher coupon, which in turns makes them attractive to non-taxable entities such as pension plans.

The prospectus[13] for CIBC's Series B Innovative Tier 1 Notes defines: *Regulatory Event in respect of a series of CIBC Tier 1 Notes means the receipt by CIBC of a notice or advice from the Superintendent that the CIBC Tier 1 Notes of such series no longer qualify as eligible Tier 1 Capital or are no longer eligible to be included as risk-based Total Capital on a consolidated basis, in either case under the Capital Guidelines.*

In the absence of a Regulatory Event, the first par call on Series B is on the first "Series B Interest Reset Date", which is June 30, 2039. However, if a Regulatory Event has occurred, then the prospectus states *The Trust may, at its option, with the prior approval of the Superintendent, on giving not more than 60 nor less than 30 days' notice to the holders of the applicable series of CIBC Tier 1 Notes, redeem all (but not less than all) of such series of CIBC Tier 1 Notes upon the occurrence of a Regulatory Event.*

After OSFI's Advisory was published, all the major banks issued press releases stating the amount of Tier 1 Capital that they expected to be affected by the Regulatory Event that will occur when issues outstanding exceed the declining cap on their inclusion in capital. The CIBC notice read:[14] *Based on the rules as set out in OSFI's February 4th Advisory regarding the Treatment of Non-Qualifying Capital Instruments, CIBC currently expects to exercise a regulatory event redemption only in 2022 and only in respect of the Series B Innovative Tier 1 Notes issued by CIBC Capital Trust.*

Future circumstances within or outside CIBC's control, including generally applicable legal changes that have the effect of causing non-qualifying regulatory capital to become compliant, may cause CIBC to change its expectation regarding the exercise of regulatory event redemptions and require CIBC to disclose an updated regulatory event redemption schedule.

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[11] OSFI, *Treatment of non-qualifying capital instruments*, Advisory, February 2011, available on-line at http://www.osfi-bsif.gc.ca/app/DocRepository/1/eng/guidelines/capital/advisories/nqcibIII_e.pdf (accessed 2011-6-11)

[12] Basel Committee on Banking Supervision, *Basel III: A global regulatory framework for more resilient banks and banking systems*, December 2010 (rev June 2011), available on-line at http://www.bis.org/publ/bcbs189.pdf (accessed 2011-6-11)

[13] CIBC Capital Trust, *$1,300,000,000 9.976% CIBC Tier 1 Notes – Series A Due June 30, 2108 (CIBC Tier 1 Notes – Series A) and $300,000,000 10.25% CIBC Tier 1 Notes – Series B Due June 30, 2108 (CIBC Tier 1 Notes – Series B)*, Short Form Prospectus, March 5, 2009, available via http://www.sedar.com

[14] Canadian Imperial Bank of Commerce, *CIBC (CM: TSX; NYSE) Comments on OSFI Advisory Regarding Treatment of Non-Qualifying Capital Instruments*, Press Release, 2011-2-7, available on-line at http://micro.newswire.ca/release.cgi?rkey=1902078337&view=14730-0&Start=0&htm=0 (accessed 2011-6-11)

On October 31, 2010, CIBC reported[15] that $3,156-million of preferred shares and $1,600-million of Innovative Instruments were outstanding. If we assume that all of this would normally have remained outstanding on 2013-1-1, then the total, $4,756-million, would be eligible for inclusion at a declining rate until 2022, when the Regulatory Event would occur and the bank would be enabled to redeem the Series B Notes.

We may also note that minimal use of the Regulatory Event clause would require CIBC to redeem all of its preferred shares prior to 2019, leaving the $1,600-million in Innovative Tier 1 Notes outstanding on 2019-1-1, at which point the cap would be 30% of the original $4,756-million, or $1,426-million. This would enable use of the Regulatory Event Clause, but the Series A tranche is callable at par on 2019-6-30 anyway, so the clause isn't valuable – and, according to CIBC's February 7 press release, would not be used in respect of these notes anyway.

Reducing the amount outstanding on 2013-1-1, however, will reduce the caps in subsequent years and may enable the Regulatory Event clause to be triggered for the Series A notes, and/or advance the trigger date for the Series B notes. Table 1 shows a projection for the amount outstanding on 2013-1-1.

Table A-1: Possible Manner for CIBC to Reduce Tier 1 Capital	
Currently Outstanding	**$4,755**
Redemption of CM.PR.H	(400)
NVCC Status for CM.PR.D	(250)
NVCC Status for CM.PR.E	(300)
NVCC Status for CM.PR.G	(331)
Presumed Outstanding 2013-1-1	**$3,474**
Projection: Redemption CM.PR.P 2012-10-30	(300)
Possible Outstanding 2013-1-1	**$3,174**

The projection that CM.PR.P will be redeemed in late 2012 is entirely reasonable, since it has a coupon of 5.5% and the first possible call is at par, commencing 2012-10-29. Note that the amount outstanding on 2013-1-1 could be reduced even further if CIBC initiates a tender offer for its high-coupon FixedResets, similarly to the recent National Bank offer; but I have not included such a maneuver in the calculation.

The assumption that only $3,174-million in non-qualifying Additional Tier 1 Capital will be outstanding on 2013-1-1 implies that commencing 2017-1-1 the cap, having declined to 50% for inclusion of these instruments in Tier 1, will be $1,587. This is less than the amount of Innovative Tier 1 Capital outstanding, implying that the bank will be able to trigger a Regulatory Event in 2017: five years ahead of schedule, providing them with a windfall par call on these instruments with their very high coupons.[16]

Implications for Other DeemedRetractibles

The fact that OSFI is prepared (subject to a few conditions) to grant NVCC status to issues that are convertible into common at the option of the company has implications for the designation of other issues, which led to a frantic re-checking of source material.

This re-checking is summarized in Table 2. As may be seen, there are only three issues other than the three CM issues which are convertible: RY.PR.W, ELF.PR.F and ELF.PR.G

Analytical Effects

Given that the three CM issues are definitely seeking NVCC status, there is no longer a non-economic incentive for them to be redeemed on or prior to 2022-1-31; hence, the DeemedMaturity entry at par for that date has been removed from their analytical call schedules and these instruments reclassified as PerpetualPremium preferred shares.

Additionally, there seems no reason why the other three issues, RY.PR.W, ELF.PR.F and ELF.PR.G should not also seek NVCC status (the latter two only if and when the new rules are applied to Insurance Holding Companies, of course). Since they have the ability to be exempted from the cap, it is more prudent to assume that they will seek such status than to assume they won't; hence, the DeemedMaturity entries in their call schedules has also been deleted and these instruments reclassified as PerpetualDiscount preferred shares.

15 Canadian Imperial Bank of Commerce, *Annual Report, 2010*, available on-line at https://www.cibc.com/ca/pdf/about/ar10-en.pdf (accessed 2011-6-11)

16 I had to laugh when I figured this out.

Table A-2: Summary of Conversion Features for DeemedRetractibles

Ticker	Dividend Rate	Convertible	Data Source	Link
BMO.PR.H	1.325	No	Prospectus	http://www2.bmo.com/bmo/files/financial%20information%20slides/3/1/Class%20B%20series%205.pdf
BMO.PR.J	1.125	No	Prospectus	http://www2.bmo.com/bmo/files/financial%20information%20slides/3/1/Prospectus%20Supplement%20-%20Eng.pdf
BMO.PR.K	1.3125	No	Prospectus	http://www2.bmo.com/bmo/files/event/3/1/Supplement-Series14Eng.pdf
BMO.PR.L	1.45	No	Prospectus	http://www2.bmo.com/bmo/files/financial%20information%20slides/3/1/Supplement-Series15Eng.PDF
BNS.PR.J	1.3125	No	Prospectus	http://www.scotiabank.com/images/en/filesaboutscotia/8372.pdf
BNS.PR.K	1.20	No	Prospectus	http://www.scotiabank.com/images/en/filesaboutscotia/10912.pdf
BNS.PR.L	1.125	No	Prospectus	http://www.scotiabank.com/images/en/filesaboutscotia/14897.pdf
BNS.PR.M	1.125	No	Prospectus	http://www.scotiabank.com/images/en/filesaboutscotia/15479.pdf
BNS.PR.N	1.3125	No	Prospectus	http://www.scotiabank.com/images/en/filesaboutscotia/16623.PDF
BNS.PR.O	1.40	No	Prospectus	http://www.scotiabank.com/images/en/filesaboutscotia/17366.PDF
CM.PR.D	1.4375	Yes	Prospectus	https://www.cibc.com/ca/pdf/investor/preferred-shares/series-26-prospectus-en.pdf
CM.PR.E	1.40	Yes	Prospectus	https://www.cibc.com/ca/pdf/investor/preferred-shares/series-27-prospectus-en.pdf
CM.PR.G	1.35	Yes	Prospectus	https://www.cibc.com/ca/pdf/investor/preferred-shares/series-28-29-prospectus-en.pdf
CM.PR.H	1.20	No	Prospectus	https://www.cibc.com/ca/pdf/investor/preferred-shares/series-30-prospectus-en.pdf
CM.PR.I	1.175	No	Prospectus	https://www.cibc.com/ca/pdf/investor/preferred-shares/series-31-prospectus-en.pdf
CM.PR.J	1.125	No	Prospectus	https://www.cibc.com/ca/pdf/investor/preferred-shares/series-32-prospectus-en.pdf
CM.PR.P	1.375	No	Prospectus	https://www.cibc.com/ca/pdf/investor/preferred-shares/series-18-prospectus-en.pdf
ELF.PR.F	1.325	Yes	Prospectus	SEDAR, 2004-9-20
ELF.PR.G	1.1875	Yes	Prospectus	SEDAR, 2006-10-10
GWO.PR.F	1.475	No	Circular	SEDAR, Canada Life Financial Corporation, Management Proxy/Information Circular, 2003-3-28
GWO.PR.G	1.30	No	Prospectus	SEDAR, 2004-9-1
GWO.PR.H	1.2125	No	Prospectus	SEDAR, 2005-7-8
GWO.PR.I	1.125	No	Prospectus	SEDAR, 2006-4-6
GWO.PR.L	1.4125	No	Prospectus	SEDAR, 2009-9-24
GWO.PR.M	1.45	No	Prospectus	SEDAR, 2010-2-24
HSB.PR.C	1.275	No	Prospectus	SEDAR, 2005-4-8
HSB.PR.D	1.25	No	Prospectus	SEDAR, 2005-11-2
IAG.PR.A	1.15	No	Prospectus	SEDAR, 2006-2-13
IAG.PR.E	1.50	No	Prospectus	SEDAR, 2009-10-7
IAG.PR.F	1.475	No	Prospectus	SEDAR, 2010-2-19
MFC.PR.B	1.1625	No	Prospectus	SEDAR, 2005-2-10
MFC.PR.C	1.125	No	Prospectus	SEDAR, 2015-12-12
NA.PR.K	1.4625	No	Prospectus	http://www.nbc.ca/bnc/files/bncpdf/en/2/E_RI_Prospectus_Serie15.pdf
NA.PR.L	1.2125	No	Prospectus	http://www.nbc.ca/bnc/files/bncpdf/en/2/e_ri_prospectus_serie16.pdf
NA.PR.M	1.50	No	Prospectus	http://www.nbc.ca/bnc/files/bncpdf/en/2/e_ri_prospectus_serie20.pdf
RY.PR.A	1.1125	No	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesAA.pdf
RY.PR.B	1.175	No	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesAB.pdf
RY.PR.C	1.15	No	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesAC.pdf
RY.PR.D	1.125	No	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesAD.pdf
RY.PR.E	1.125	No	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesAE.pdf
RY.PR.F	1.1125	No	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesAF.pdf
RY.PR.G	1.125	No	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesAG.pdf
RY.PR.H	1.4125	No	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesAH.pdf
RY.PR.W	1.225	Yes	Prospectus	http://www.rbc.com/investorrelations/pdf/SeriesW.pdf
SLF.PR.A	1.1875	No	Prospectus	SEDAR, 2005-2-17
SLF.PR.B	1.20	No	Prospectus	SEDAR, 2005-7-8
SLF.PR.C	1.1125	No	Prospectus	SEDAR, 2006-1-6
SLF.PR.D	1.1125	No	Prospectus	SEDAR, 2006-10-2
SLF.PR.E	1.125	No	Prospectus	SEDAR, 2007-1-25
TD.PR.O	1.2125	No	Prospectus	http://www.td.com/investor/pdf/O.pdf
TD.PR.P	1.3125	No	Prospectus	http://www.td.com/investor/pdf/P.pdf
TD.PR.Q	1.40	No	Prospectus	http://www.td.com/investor/pdf/Q.pdf
TD.PR.R	1.40	No	Prospectus	http://www.td.com/investor/pdf/R.pdf