Note 15: Subordinated Debt

Subordinated debt represents our direct unsecured obligations, in the form of notes and debentures, to our debt holders and forms part of our regulatory capital. Subordinated debt is recorded at amortized cost using the effective interest rate method. Where appropriate, we enter into fair value hedges to hedge the risks caused by changes in interest rates (see Note 8). The rights of the holders of our notes and debentures are subordinate to the claims of depositors and certain other creditors. We require approval from OSFI before we can redeem any part of our subordinated debt.

The term to maturity and repayments of our subordinated debt required over the next two years and thereafter are as follows:

(Canadian $ in millions, except as noted)	Face value	Maturity date	Interest rate (%)	Redeemable at our option beginning in	**2017 Total**	2016 Total
Debentures Series 16	100	February 2017	10.00	February 2012 (1)	**–**	100
Debentures Series 20	150	December 2025 to 2040	8.25	Not redeemable	**150**	150
Series F Medium-Term Notes First Tranche	900	March 2023	6.17	March 2018 (2)	**900**	900
Series H Medium-Term Notes First Tranche (7)	1,000	September 2024	3.12	September 2019 (3)	**1,000**	1,000
Series H Medium-Term Notes Second Tranche (7)	1,000	December 2025	3.34	December 2020 (4)	**1,000**	1,000
Series I Medium-Term Notes First Tranche (7)	1,250	June 2026	3.32	June 2021 (5)	**1,250**	1,250
Series I Medium-Term Notes Second Tranche (7)	850	June 2027	2.57	June 2022 (6)	**850**	–
Total (8)					**5,150**	4,400

(1) All $100 million Subordinated Debentures, Series 16 matured on February 20, 2017.
(2) Redeemable at the greater of par and the Canada Yield Price prior to March 28, 2018, and redeemable at par together with accrued and unpaid interest to, but excluding, their redemption date commencing March 28, 2018.
(3) Redeemable at par together with accrued and unpaid interest to, but excluding, their redemption date commencing September 19, 2019.
(4) Redeemable at the greater of par and the Canada Yield Price prior to December 8, 2020, and redeemable at par together with accrued and unpaid interest to, but excluding, their redemption date commencing December 8, 2020.
(5) Redeemable at the greater of par and the Canada Yield Price prior to June 1, 2021, and redeemable at par together with accrued and unpaid interest to, but excluding, their redemption date commencing June 1, 2021.
(6) Redeemable at the greater of par and the Canada Yield Price prior to June 1, 2022, and redeemable at par together with accrued and unpaid interest to, but excluding, their redemption date commencing June 1, 2022.
(7) These notes include a non-viability contingent capital provision, which is necessary for notes issued after a certain date to qualify as regulatory capital under Basel III. As such, the notes are convertible into a variable number of our common shares if OSFI announces that the bank is, or is about to become, non-viable or if a federal or provincial government in Canada publicly announces that the bank has accepted or agreed to accept a capital injection, or equivalent support, to avoid non-viability.
(8) Certain amounts of subordinated debt were issued at a premium or discount and include fair value hedge adjustments, which together decreased their carrying value as at October 31, 2017 by $121 million (increased by $39 million in 2016); see Note 8 for further details. Subordinated debt that we repurchase is excluded from the carrying value.

All $700 million Series D Medium-Term Notes, First Tranche were redeemed on April 21, 2016 for 100% of the principal amount plus accrued and unpaid interest to, but excluding, the redemption date.
All $1,500 million Series G Medium-Term Notes, First Tranche were redeemed on July 8, 2016 for 100% of the principal amount plus accrued and unpaid interest to, but excluding, the redemption date.

Please refer to the offering circular related to each of the above issues for further details on Canada Yield Price calculations and the definition of CDOR.