

Note 17: Restructuring Charge

On January 31, 2007, we recorded a restructuring charge of \$135 million in our Consolidated Statement of Income. The objectives of the restructuring are to enhance customer service by directing spending and resources to front-line sales and service improvements, creating more efficient processes and systems and continuing to accelerate the pace of growth.

The charge relates to the elimination of approximately 1,000 positions in primarily non-customer-facing areas of the company across all support functions and business groups. Of the charge, \$117 million relates to severance-related costs, \$11 million is associated with premises-related charges and \$7 million relates to other costs.

The restructuring charge has been recorded in the Corporate Services operating group. The actions under the restructuring program are expected to be substantially complete by the end of the first quarter of 2008.

Premises-related charges include lease cancellation payments for those locations where we have legally extinguished our lease obligation as well as the carrying value of abandoned assets.

We engaged a professional services firm to provide us with strategic and organizational advice with respect to the restructuring initiatives. A charge of \$7 million for these services has been included in the restructuring charge.

Notes to Consolidated Financial Statements

During the year, we changed our estimate for restructuring, resulting in a \$16 million reduction in the original accrual. Severance-related charges were less than originally anticipated due to higher levels of attrition and redeployment within the Bank.

On October 31, 2007, we recorded an additional restructuring charge of \$40 million in the Consolidated Statement of Income. The additional charge relates to the elimination of approximately 400 positions across all support functions and business groups and is all severance-related.

(Canadian \$ in millions)	Severance- related charges	Premises- related charges	Other	Total
Opening balance	\$ 117	\$ 11	\$ 7	\$ 135
Paid in the year	(46)	(10)	(7)	(63)
Reversal in the year	(15)	(1)	—	(16)
Additional charge in the year	40	—	—	40
Balance as at October 31, 2007	\$ 96	\$ —	\$ —	\$ 96