

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

Premises-related charges included lease cancellation payments for those locations where we 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 was included in the restructuring charge.

On October 31, 2007, we recorded an additional restructuring charge of \$40 million in our 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.

The restructuring charges were recorded in the Corporate Services operating group. The actions under the restructuring program were completed in 2007 and 2008.

During the year ended October 31, 2008, we changed our estimate for restructuring, resulting in an \$8 million reduction in the original accrual (\$16 million reduction in 2007). Severance-related charges were less than originally anticipated due to higher levels of attrition and redeployment within the Bank.

(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
Paid in the year	(45)	–	–	(45)
Reversal in the year	(8)	–	–	(8)
Balance as at October 31, 2008	\$ 43	\$ –	\$ –	\$ 43