

TABLE 7 Non-Interest Expense and Expense-to-Revenue Ratios (\$ millions, except as noted)

For the year ended October 31	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Non-Interest Expense										
Employee compensation										
Salaries	2,962	2,857	2,800	2,532	2,370	2,284	1,972	1,758	1,567	1,455
Employee benefits	441	355	265	288	204	251	238	241	228	209
Total employee compensation	3,403	3,212	3,065	2,820	2,574	2,535	2,210	1,999	1,795	1,664
Premises and equipment										
Rental of real estate	179	134	130	145	147	149	139	136	125	123
Premises, furniture and fixtures	286	289	272	275	256	234	215	206	188	177
Property taxes	52	52	47	52	51	40	40	41	39	40
Computers and equipment	763	678	622	651	518	493	333	296	248	240
Total premises and equipment	1,280	1,153	1,071	1,123	972	916	727	679	600	580
Communications	173	194	259	268	266	246	219	208	180	165
Other expenses										
Business and capital taxes	77	103	110	129	134	128	116	110	95	92
Professional fees	291	288	335	343	320	250	173	141	112	64
Travel and business development	261	248	236	227	234	238	199	161	144	122
Other (a)	458	430	202	216	261	226	251	239	195	199
Total other expenses	1,087	1,069	883	915	949	842	739	651	546	477
Amortization of intangible assets	87	43	23	21	24	28	18	15	16	11
Special charge	—	—	—	—	—	—	—	—	71	—
Business process improvement initiative charge	—	—	—	—	—	—	—	60	—	—
Restructuring charge	—	—	(43)	141	—	—	—	—	—	—
Total non-interest expense	6,030	5,671	5,258	5,288	4,785	4,567	3,913	3,612	3,208	2,897
Year-over-year growth (%)	6.3	7.8	(0.6)	10.5	4.8	16.7	8.4	12.6	10.7	5.4
Non-recurring items	62	—	(43)	141	—	75	23	60	71	—
Total non-interest expense excluding non-recurring items	5,968	5,671	5,301	5,147	4,785	4,492	3,890	3,552	3,137	2,897
Year-over-year growth (%)	5.2	7.0	3.0	7.6	6.5	15.5	9.5	13.2	8.3	6.1
Government Levies and Taxes (b)										
Government levies other than income taxes										
Payroll levies	150	148	133	127	128	123	109	106	95	88
Property taxes	52	52	47	52	51	40	40	41	39	40
Provincial capital taxes	69	93	100	121	120	104	89	84	71	71
Business taxes	8	10	10	8	14	24	27	26	24	21
Goods and services tax and sales tax	142	126	125	118	125	114	101	88	70	64
Total government levies other than income taxes	421	429	415	426	438	405	366	345	299	284
Provision for (recovery of) income taxes reported in:										
Statement of income										
Provision	424	501	989	736	810	845	758	662	560	487
Amortization of goodwill	—	(6)	(5)	(6)	(6)	(5)	(1)	—	—	—
Statement of retained earnings (c)	77	(350)	(153)	158	(237)	(92)	10	9	(23)	(46)
Total income taxes (c)	501	145	831	888	567	748	767	671	537	441
Total government levies and taxes (c)	922	574	1,246	1,314	1,005	1,153	1,133	1,016	836	725
Total government levies and taxes as a % of net income before taxes and government levies	40.8	24.0	38.3	51.8	38.8	45.2	49.4	51.0	49.6	49.0
Effective tax rate (teb)	26.4	29.1	36.9	37.6	39.8	41.0	41.5	41.9	42.4	43.0
Productivity Analysis										
Non-interest expense-to-revenue ratio (%)	68.1	64.0	60.7	66.7	65.8	63.7	62.8	63.7	61.7	59.6
Excluding non-recurring items (%)	67.4	65.1	62.8	64.7	65.8	62.7	62.5	62.7	60.4	59.6

(a) Effective 2001, processing fees paid to Symcor are included in other expenses.

(b) Government levies are included in various non-interest expense categories.

(c) 2001 comparatives have been restated to correct the amount previously disclosed as the recovery of income taxes reported in the statement of retained earnings.