

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended October 31 (Canadian \$ in millions, except as noted)	2004	2003	2002
Preferred Shares (Note 18)			
Balance at beginning of year	\$ 1,446	\$ 1,517	\$ 1,050
Issued during the year	–	–	478
Redeemed during the year	(400)	–	–
Translation adjustment on shares issued in a foreign currency	–	(71)	(11)
Balance at End of Year	1,046	1,446	1,517
	Number of Shares		
	2004	2003	2002
Common Shares (Note 18)			
Balance at beginning of year	499,632,368	492,504,878	489,084,527
Issued under the Shareholder Dividend			
Reinvestment and Share Purchase Plan (Note 18)	1,120,931	1,101,305	1,204,820
Issued under the Stock Option Plan (Note 19)	6,239,301	5,325,916	1,923,115
Issued on the exchange of shares of subsidiary corporations (Note 18)	124,757	348,518	292,416
Issued on the acquisition of a business (Note 11)	–	634,551	–
Repurchased for cancellation (Note 18)	(6,220,500)	(282,800)	–
Balance at End of Year	500,896,857	499,632,368	492,504,878
Contributed Surplus			
Balance at beginning of year	3	–	–
Stock option expense (Note 19)	7	3	–
Gain on treasury shares, net of applicable income taxes (Note 1)	15	–	–
Common shares repurchased for cancellation (Note 18)	(15)	–	–
Balance at End of Year	10	3	–
Net Unrealized Foreign Exchange Gain (Loss)			
Balance at beginning of year	(195)	419	500
Unrealized loss on translation of net investments in foreign operations	(758)	(1,674)	(200)
Hedging gain	710	1,661	200
Income taxes	(254)	(601)	(81)
Balance at End of Year	(497)	(195)	419
Retained Earnings			
Balance at beginning of year	7,566	6,499	5,757
Net income	2,351	1,825	1,417
Dividends – Preferred shares (Note 18)	(76)	(82)	(79)
– Common shares	(797)	(666)	(589)
Common shares repurchased for cancellation (Note 18)	(271)	(10)	–
Share issue expense, net of applicable income taxes	–	–	(7)
Balance at End of Year	8,773	7,566	6,499
Total Shareholders' Equity	\$ 13,189	\$ 12,482	\$ 11,894

The accompanying notes to consolidated financial statements are an integral part of these statements. Certain comparative figures have been reclassified to conform with the current year's presentation.