

# Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended October 31 (Canadian \$ in millions, except as noted)

	2005	2004	2003
<b>Preferred Shares</b> (Note 20)			
Balance at beginning of year	\$ 596	\$ 596	\$ 1,517
Impact of adopting new accounting requirements for liabilities and equity (Note 20)	–	–	(850)
Balance at beginning of year (as restated)	596	596	667
Translation adjustment on shares issued in a foreign currency	–	–	(71)
Balance at End of Year	596	596	596
	Number of Shares		
	2005	2004	2003
<b>Common Shares</b> (Note 20)			
Balance at beginning of year	500,896,857	499,632,368	492,504,878
Issued under the Shareholder Dividend			
Reinvestment and Share Purchase Plan (Note 20)	1,258,463	1,120,931	1,101,305
Issued under the Stock Option Plan (Note 21)	4,736,826	6,239,301	5,325,916
Issued on the exchange of shares of a subsidiary corporation (Note 20)	284,722	124,757	348,518
Issued on the acquisition of a business (Note 20)	–	–	634,551
Repurchased for cancellation (Note 20)	(6,957,800)	(6,220,500)	(282,800)
Balance at End of Year	500,219,068	500,896,857	499,632,368
<b>Contributed Surplus</b>			
Balance at beginning of year	10	3	–
Stock option expense (Note 21)	10	7	3
Gain on treasury shares, net of applicable income taxes (Note 1)	–	15	–
Common shares repurchased for cancellation (Note 20)	–	(15)	–
Balance at End of Year	20	10	3
<b>Net Unrealized Foreign Exchange Gain (Loss)</b>			
Balance at beginning of year	(497)	(195)	419
Unrealized loss on translation of net investments in foreign operations	(311)	(758)	(1,674)
Hedging gain	297	710	1,661
Income taxes	(101)	(254)	(601)
Balance at End of Year	(612)	(497)	(195)
<b>Retained Earnings</b>			
Balance at beginning of year	8,773	7,566	6,499
Cumulative impact of adopting new accounting requirements for Variable Interest Entities, net of applicable income taxes (Note 8)	(42)	–	–
Net income	2,400	2,306	1,781
Dividends – Preferred shares (Note 20)	(30)	(31)	(38)
– Common shares (Note 20)	(925)	(797)	(666)
Common shares repurchased for cancellation (Note 20)	(336)	(271)	(10)
Balance at End of Year	9,840	8,773	7,566
<b>Total Shareholders' Equity</b>	\$ 13,866	\$ 12,739	\$ 11,632

The accompanying notes to consolidated financial statements are an integral part of these statements.