

Consolidated Statement of Comprehensive Income

For the Year Ended October 31 (Canadian \$ in millions)	2007	2006	2005
Net income	\$ 2,131	\$ 2,663	\$ 2,396
Other Comprehensive Income			
Net change in unrealized gains on available-for-sale securities	32	–	–
Net change in unrealized losses on cash flow hedges	(115)	–	–
Net loss on translation of net foreign operations	(613)	(177)	(115)
Total Comprehensive Income	\$ 1,435	\$ 2,486	\$ 2,281

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended October 31 (Canadian \$ in millions, except as noted)	2007	2006	2005
Preferred Shares (Note 21)			Restated (see Note 22)
Balance at beginning of year	\$ 596	\$ 596	\$ 596
Issued during the year	600	–	–
Balance at End of Year	1,196	596	596
	Number of Shares		
	2007	2006	2005
Common Shares (Note 21)			
Balance at beginning of year	500,726,079	500,219,068	500,896,857
Issued under the Shareholder Dividend			
Reinvestment and Share Purchase Plan (Note 21)	1,626,374	1,378,328	1,258,463
Issued under the Stock Option Plan (Note 22)	3,774,644	5,014,557	4,736,826
Issued on the exchange of shares of a subsidiary corporation (Note 21)	57,205	33,526	284,722
Repurchased for cancellation (Note 21)	(7,621,600)	(5,919,400)	(6,957,800)
Balance at End of Year	498,562,702	500,726,079	500,219,068
Contributed Surplus			
Balance at beginning of year	49	35	22
Stock option expense (Note 22)	9	14	13
Balance at End of Year	58	49	35
Retained Earnings			
Balance at beginning of year	10,974	9,801	8,738
Cumulative impact of adopting new accounting requirements for financial instruments (net of income taxes of \$39) (Note 1)	(71)	–	–
Cumulative impact of adopting new accounting requirements for Variable Interest Entities (net of income taxes) (Note 8)	–	–	(42)
Net income	2,131	2,663	2,396
Dividends – Preferred shares (Note 21)	(43)	(30)	(30)
– Common shares (Note 21)	(1,353)	(1,133)	(925)
Common shares repurchased for cancellation (Note 21)	(458)	(327)	(336)
Share issue expense	(14)	–	–
Balance at End of Year	11,166	10,974	9,801
Accumulated Other Comprehensive Income on Available-for-Sale Securities			
Balance at beginning of year	–	–	–
Impact of remeasuring available-for-sale securities to market value on November 1, 2006 (net of income taxes of \$1)	3	–	–
Unrealized gains on available-for-sale securities arising during the year (net of income taxes of \$6)	15	–	–
Reclassification to earnings of realized losses in the year (net of income taxes of \$12)	17	–	–
Balance at End of Year	35	–	–
Accumulated Other Comprehensive Loss on Cash Flow Hedges			
Balance at beginning of year	–	–	–
Impact of adopting new cash flow hedge accounting rules on November 1, 2006 (net of income taxes of \$28)	(51)	–	–
Losses on cash flow hedges arising during the year (net of income taxes of \$64)	(128)	–	–
Reclassification to earnings of losses on cash flow hedges (net of income taxes of \$6)	13	–	–
Balance at End of Year	(166)	–	–
Accumulated Other Comprehensive Loss on Translation of Net Foreign Operations			
Balance at beginning of year	(789)	(612)	(497)
Unrealized loss on translation of net foreign operations	(1,697)	(472)	(311)
Impact of hedging unrealized loss on translation of net foreign operations (net of income taxes of \$575, \$156 and \$101)	1,084	295	196
Balance at End of Year	(1,402)	(789)	(612)
Total Accumulated Other Comprehensive Loss	(1,533)	(789)	(612)
Total Shareholders' Equity	\$ 15,298	\$ 15,061	\$ 13,842

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.